

TWISP MUNICIPAL AIRPORT GROUND LEASE

THIS TWISP MUNICIPAL AIRPORT GROUND LEASE (hereinafter “Ground Lease”) is made and entered into this ____ day of _____, 20____, by and between the TOWN OF TWISP, a municipal corporation, herein “TOWN”, and _____ herein “LESSEE”.

WITNESSETH:

For and in consideration of the rentals herein agreed to be paid, and in further consideration of the promises, covenants and agreements of the parties made one to the other, as hereinafter set forth, the TOWN does by lease, let and demise unto the LESSEE the following property consisting of tract of land approximately 50 ft. x 50 ft. located adjacent to the main runway at the Twisp Municipal Airport, said tract being designated upon the map of the hangar area of the Twisp Municipal airport as hangar space number _____, said map being by this reference hereto incorporated herein and made a part hereof as if fully set forth, and which said hangar space s hereinafter referred to as the “premises”, upon the following terms and conditions:

1. **TERM:** The term of this Ground Lease shall be for a period of one (1) year, commencing on the 1st day of _____, 20____ and terminating on the ____ day of _____, 20____.

LESSEE shall have the first right of renew the Ground Lease for an additional term of one (1) year on the same terms and conditions as herein set forth, except for rentals, which shall be negotiated by the parties for any renewal term, and subject to the provisions of increase of rentals hereinafter set forth. LESSEE shall notify the TOWN not less than ninety (90) days prior to the expiration of the term herein granted of the intention of the LESSEE to renew this Ground Lease.

2. **RENTAL:** As rental for the said premises LESSEE agrees to pay to the TOWN an initial annual rental of two hundred twenty-seven dollars and sixty-three cents (\$227.63) payable in advance on the first day of _____ each year during the term herein granted. TOWN acknowledges receipt of the sum two hundred twenty-seven dollars and sixty-three cents (\$227.63) in payment of the annual rental due at the time of execution of the Ground Lease.

It is understood and agreed that the amount of the annual rental payable, shall be subject to annual review by the TWISP Town Council AND/OR the TWISP Municipal Airport Board, and the Airport Manager during the term of this lease and any necessary rental increases be subject to the Seattle Consumer Price Index (Seattle CPI-U) not to exceed 3%. It is also understood and agreed that any NEW LESSEE lease amounts MAY be based upon 5 year average of financial fiscal

needs of the Airport (not to exceed 50%), and agreed upon by a quorum of the members of the TWISP Town Council.

3. **USE OF PREMISES:** The premises shall be used by LESSEE solely for the erection of an aircraft hangar to house, garage, or store aircraft and necessary tools and equipment for repair of such aircraft. Other non-aviation business or personal uses are prohibited, including storage of non-aviation goods. LESSEE shall be allowed to store one (1) automobile on the premises provided that such automobile is used solely for the personal transportation of the LESSEE. LESSEE shall erect said hangar at LESSEE'S expense and not at the expense of TOWN and shall not permit any cost or expense of such hangar construction to remain unpaid, or become delinquent, or a lien upon the premises. LESSEE shall erect said hangar in a style and manner of construction compatible with existing hangars, shall comply with all applicable building and construction codes; and, shall obtain, at LESSEE'S expense, all permits required for such construction project, including an appropriate building permit. Hangars shall be a minimum of 40 ft. by 40 ft. and the exterior must be completely sheeted with an approved material, with doors that close. The color and type of material used for sheeting must be approved by the TOWN Airport Board in writing prior to construction. Each aircraft hangar may include one (1) bathroom, consisting of a stool and sink, if adequate water and sewer services are available, and a flight planning room only. Any living quarters, beds or furniture used for sleeping are prohibited.
4. **RIGHT OF INSPECTION:** TOWN shall be allowed to inspect the premises, including interior hangar spaces, annually to assure uses are in compliance with this Ground Lease. Notice of such inspection will be mailed to the LESSEE'S address listed herein. Interim inspections shall be allowed if TOWN receives any reports of violations of the Paragraph, also after written notice is mailed. It shall be the responsibility of the LESSEE to provide access to the premises, including interior hangar space, on the date specified by TOWN on the written notice, or at such time as agreed between the parties. Failure to provide access as provided in the Paragraph shall constitute a violation of the Ground Lease.
5. **INSURANCE:**
 - a. Liability Insurance. Lessee shall, at Lessee's expense, maintain public liability insurance against any and all claims for injury to or death of persons and loss of or damage to property occurring on, in or about the premises. Lessee agrees to maintain at all times during the term herein, and any renewal hereof, general public liability upon the premises with limits of not less than \$1,000,000.00 per occurrence and aggregate and shall provide proof of such coverage to the Town on or before the commencement date and on or before the commencement date of any renewals during the term herein. Such policies shall include the Town as an additional insured and may not be cancelled without 30 days written notice to the Town.
 - b. Lessee's Property Casualty Insurance. Lessee shall, at Lessee's expense, maintain property casualty insurance on any personal property located on the premises, and

Town shall have no obligation to insure or be liable for loss to such personal property. Lessee shall also maintain, at Lessee's expense, property casualty insurance with extended coverage on any airport hangar constructed or located on the premises in the amount of the replacement amount of such hangar. All proceeds shall be payable to the Town as the loss payee on such policy and shall be applied to the restoration of the hangar to the extent necessary, and at the Town's discretion, and such insurance remaining after such restoration shall belong to Lessee. Lessee shall provide proof of such coverage to the Town on or before the commencement date and on or before the commencement date of any renewals during the term herein.

6. **TAXES/INSURANCE:** LESSEE agrees to pay, prior to delinquency, all personal property taxes, leasehold excise taxes or other taxes lawfully levied or assessed against the premises. LESSEE further understands and agrees that all property placed upon said premises shall be at the sole risk of LESSEE and not at the risk of the TOWN.
7. **CONSTRUCTION AND PAVING:** LESSEE shall make application and obtain a building permit for the construction of an aircraft hangar on the premises within eight (8) months of the date of the Ground Lease. Construction of the aircraft hangar must be completed within the timeframe of such building permit, or extensions. In the event that LESSEE fails to comply with the requirements of this paragraph, it shall constitute a default in the terms of this Ground Lease. Provided, that in the alternative to declaring a default of the Ground Lease, the TOWN may, at its sole and exclusive option, offer another hangar site to LESSEE. In the event LESSEE agrees to accept another hangar site offer by the TOWN, this Ground Lease shall be amended to reflect such change.

LESSEE shall be obligated to pave any taxiway or area in front of the premises (between the aircraft hangar and runway) in a like manner to match the existing width, composition and type of pavement of existing taxiways or areas existing on either or both sides of the premises. Such paving shall be completed within sixty (60) days of completion of the construction of any aircraft hangar on the premises. Such paving shall be at the sole expense of LESSEE. For purposes of the paragraph, "completion of construction" shall mean six (6) months from the issuance of a building permit, or after final inspection and approval of the aircraft hangar by the TOWN'S building official, whichever occurs first.
8. **REMOVAL OF IMPROVEMENTS:** At the expiration of the term of this Ground Lease, or any renewal thereof, LESSEE shall have the right to remove any improvements, excepting any concrete slabs or paving, from the premises place thereon by LESSEE during the term of the Ground Lease that can be removed without damage or injury to the realty. Any improvement not removed from the premises within ninety (90) days of the expiration of this Ground Lease shall revert to and become the property of the TOWN.

9. **CARE OF PREMISES:** LESSEE agrees to keep the premises, and all improvements placed thereon, in a neat, clean and sanitary condition, and in the use and operation of the premises that they will comply with all laws, rules, and regulations of governmental units or agencies having jurisdiction over the maintenance, use, and operation of the premises.
10. **DEFAULT:** If LESSEE shall fail to pay the rental herein provided, or shall fail to pay any tax lawfully assessed against the premises, prior to delinquency thereof, or if LESSEE shall fail to keep and/or perform any other promise, covenant or agreement herein contained, the TOWN, after written notice to LESSEE, given by certified mail, specifying the breach, default, or delinquency remains uncured thirty (30) days after date of such notice, re-enter and take possession of the premises, and the whole thereof, in the manner provided by law.
11. **ASSIGNMENT:** No assignment of the Ground Lease, or subletting of the premises, or any part thereof, without the prior written consent of TOWN shall be valid or binding upon the TOWN, and any such purported assignment or subletting without the written consent of TOWN first obtained shall constitute a default in the terms of this Ground Lease.
12. **INDEMNIFICATION AND HOLD HARMLESS:** LESSEE does hereby agree to indemnify and hold TOWN, their officers, agents, employees and elected officials, harmless from any claims, causes of action, suits, damages, injuries or judgments, including attorney's fees, that may be claimed or accrued by reason of the use, occupancy, or improvement of the premises by LESSEE, its officers, agents, employees, guests and invitees, or caused by the act or neglect of LESSEE, its officers, agents, employees, guests and invitees.
13. **LEGAL EXPENSE:** In the event any suit, action, or proceeding at law or equity shall be instituted by either party arising out of this Ground Lease, the prevailing party shall be entitled to recover all costs, expenses and attorney's fees incurred in such action.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, the day and year first hereinabove written.

TOWN OF TWISP, WASHINGTON

BY: _____
Mayor

ATTEST: _____
Town Clerk

LESSEE: _____
Signature

Printed name _____

Address _____

STATE OF WASHINGTON)

ss:

County of Okanogan)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

Signature

Title: _____

My appointment expires: _____

The Town of Twisp listens, responds and provides community services in an efficient manner. We will provide opportunities to enhance the spirit of our small rural community and strengthen its future