

Lemhi County Airport Lease Agreement

Ground Lease Agreement for Lot # _____

Lessee/ Tenant: _____

This Lease Agreement is made and signed this day of 20____ (the "Effective Date"), by and between the County of Lemhi, Idaho (Lessor, and shall be referred to herein as "Landlord")

and _____ (Lessee, and shall be referred to herein as, "Tenant").

1. Purpose of Lease. Landlord owns real estate comprising Lemhi County Airport, located in Salmon, Idaho incorporated herein (the "Airport").

Tenant desires to lease a portion of the Airport from Landlord for the location of an aircraft hangar and related improvements (collectively, the "Hangar") located at lot _____ consisting of approximately _____ square feet and incorporated herein (the "Leased Premise") for the purpose of housing aircraft and related aeronautical equipment for personal and professional use.

2. Grant of Leasehold. Landlord hereby grants a leasehold interest to Tenant, and Tenant hereby agrees to accept grant of the leasehold interest in the Leased Premises, and hereby agrees to pay rent and to perform the other obligations specified in this Lease.

3. Lease Term and Holdover. The term of this Lease shall be for the period from _____ through _____ (the "Lease Term"). Tenant shall have the right to extend the Lease Term for an additional twenty (20) years upon delivering written notice to Landlord of Tenant's intent to extend the Lease Term no less than ninety (90) days prior to the expiration of the current Lease Term and provided Tenant is not in default at any time between the date of such delivery and the commencement of the extended Lease Term.

Notwithstanding the foregoing, in event the airport ceases to operate and all of the land presently constituting Airport is no longer used for aviation purposes, this Lease shall automatically terminate and be of no further force or effect except with respect to Tenant's obligation to remove the Hangar upon the termination or expiration of this Lease

Any holding over after the term of this Lease beyond the then current Lease Term, with the consent of the Landlord, shall be considered to be a tenancy from month to month, at the same monthly rental as required to be paid by Tenant for the period immediately prior to the expiration of the term of this Lease and shall be otherwise on the terms and conditions specified in this Lease.

4. Rent. The rent to be paid to Landlord is: \$_____ US dollars annually per square foot of land comprising the "footprint" of the Hangar on the Leased Premises. The rent shall be paid annually and due on _____ of each year till the termination of Lease.

The rent shall be adjusted each year at the option of the Landlord upon Landlord delivering written notice to Tenant of such changes not less than thirty (30) days prior to due date. No rate adjustment shall exceed 10% of previous year rate.

5. Use. The Leased Premises shall be used only for those activities authorized in the "Rules and Regulations Handbook" for Lemhi County Airport, Salmon, Idaho and comply with any and all applicable Local, State, and Federal laws, rules, regulations, and ordinances.

6. Taxes. Tenant agrees to pay any and all assessments, real estate and personal taxes on the Leased

Premises.

7. Insurance. Tenant agrees to be responsible for any insurance policy on the building. Landlord shall not be obligated to provide any insurance coverage nor shall Landlord be liable for any of Tenant's personal property, contents, or fixtures within the building. Tenant is advised to seek its own insurance and be responsible throughout the term of the Lease for liability protection against claims for injuries, death or property damage occurring on Leased Premises.

8. Alterations. Tenant shall have no right to make structural improvements or alterations to the Leased Premises or to the Hangar or to construct any new buildings, structures, improvements, and additions without the consent of the Landlord. Landlord shall not unreasonably withhold its consent, so long as the additions and modifications are within conditions and criteria set forth by any and all applicable rules and laws.

9. Signs. Tenant shall not have the right to install signs on the Leased Premises or anywhere else on the Airport without the written consent of the Landlord.

10. Utilities. Tenant shall be responsible for paying all charges for services to the Hangar and on the Leased Premises including, but not limited to, water, sewer, electricity, natural gas, telephone and trash removal.

11. Indemnification. Tenant waives and releases any right it might otherwise have to make any claim against Landlord by reason of damage to any of the property of Tenant or by reason of injury or damage to any person or property of its customers or employees on the leased premises. Moreover, Tenant hereby waives any right it might otherwise have to recover from Landlord, by reason of damage to Tenant's property, or by reason of injury or damage to the persons or property of its customers or employees caused by any actions of any other tenant or the employees, customers, or independent agents of any other tenant, regardless of whether such actions are intentional, negligent or otherwise. If any customer, employee, or independent contractor of Tenant makes a claim against Landlord of the type referred to in this section, Tenant shall be required to hold Landlord harmless from any such claim and shall indemnify Landlord from any liability of which it incurs by reason of the claim.

However, nothing in this section shall relieve Landlord from any damage or liability caused by gross negligence or willful misconduct of Landlord or the conduct of persons acting under its direction.

12. Inconvenience During Construction. At times it will be necessary for the Landlord to initiate and carry forward programs of construction, reconstruction, expansion, relocation, maintenance, and repair to the Airport and its facilities.

Tenant agrees that no liability shall attach to the Landlord, its officers, agents employees, contractors or subcontractors, or any other representatives by reason of such inconvenience or interruption, and Tenant waives any right to claim damages for loss of revenue or any other consideration as a result of any interruption or inconvenience from such operations.

13. Damage to Leased Premise. If any structure on the Leased Premises is damaged or destroyed by fire or other casualty, this Lease shall remain in effect, and Tenant may repair or replace the said structures.

14. Bankruptcy. If Tenant is adjudicated bankrupt, then to the extent permitted by law, Landlord may declare this Lease terminated, but shall not be required to do so.

15. Landlord's Access. Landlord reserves and retains for its officers, employees, and authorized representatives the right to enter on the Leased Premises at any time and enter in the Hangar with reasonable prior notice and consent of Tenant, except in the case of emergency in which to protect Leased Premise and Hangar the Landlord shall have the right to access the Hangar without prior notice and consent.

16. Ownership and Sublease. The owner of the Hangar and improvements must also be the holder or tenant of the Lease Agreement. Ownership transfers of Hangar and improvements must be approved by the Landlord and also be accompanied by transfer of the Lease agreement to the new owner. No Tenant will be allowed to hold a Lease agreement after the sale of hangar or improvements of said Premise, except in cases permitted or deemed necessary by the Landlord and only with written permission. However, if sale of improvements is for removal of Hangar from said Premises, no transfer of Lease will be required. Any lease, sublease or rental failing to abide by the conditions and term of this Lease may be terminated by Landlord.

17. Defaults and Remedies. Tenant shall be in default of this Lease if at any time after the commencement of the Lease Term if:

- a. Tenant defaults in payment of any installment of rent or payment of utilities.
- b. Tenant defaults in the performance of any of its obligations or violates any of the agreements contained herein.

18. Attorney's Fees. In the event of a dispute between Landlord and Tenant, which results in Litigation, the prevailing party shall be awarded its costs and reasonable attorney's fees.

19. Surrender and Restoration of Leased Premises. Upon termination of Lease and with no Lease renewal or pending new Lease, Tenant shall surrender the Leased Premise and have (90) days to remove hangar and all improvements. Any restoration cost of the Premises shall be the responsibility of the Tenant. Any property left behind after (90) days shall become the property of the Landlord.

This Lease constitutes the agreement and understanding between the parties,

Lessor / Landlord Date: _____

Lessee / Tenant Date: _____