

**COMMERCIAL COLUMBUS AIRPORT
GROUND LEASE**

THIS LEASE AGREEMENT made and entered into this _____ day of _____, 199___, by and between the **TOWN OF COLUMBUS**, a municipal corporation, P. O. Box 549, Columbus, MT 59019, and **STILLWATER COUNTY**, a political subdivision, P. O. Box 970, Columbus, MT 59019, hereinafter referred to as "LESSORS"; and

_____ hereinafter referred to as "LESSEE";

W I T N E S S E T H:

That for and in consideration of the rents to be paid and the covenants and conditions to be kept and performed by the LESSEE, the LESSORS do hereby demise, lease and let unto the LESSEE that certain tract of land located on the Columbus Airport in Columbus, **Stillwater County, Montana**, described in Schedule A attached hereto and made a part hereof.

TO HAVE AND TO HOLD the leased premises for the period from the ___ day of _____, 199___, to the 30th day of June, _____, subject to the terms and conditions hereinafter set forth; provided, however, that so long as LESSEE is not in default under this Lease Agreement, LESSEE shall have the option to renew this Lease Agreement for one additional term of 20 years by providing LESSORS with written notice at least **ninety (90) days** prior to the expiration of the original term. The extended term shall be on the same terms and conditions of this Lease Agreement, except that the annual rental rate, annual rental adjustments, and any other fees and charges in effect during the extension term shall be applicable. If the LESSEE provides the LESSORS with written notice of the intention to exercise the option to renew, a written extension agreement shall be signed by the LESSORS and LESSEE..

LESSEE hereby covenants and agrees to pay as and for rental of the said premises an annual rental of _____ (\$.12 per/square foot/per annum) cash in advance.

- (a) The initial annual rental payment shall be prorated. The rental for the period from _____, 199___, through June 30, _____, in the amount of _____ shall be paid upon execution and signing of this lease.
- (b) All future annual rental payments shall be payable on or before July 1 of each subsequent year during the term of this lease.
- (c) All rental payments shall be non-refundable.

- (d) LESSORS reserve the right to increase the annual rental next due, effective July 1 of each year during the term of this lease, in an amount not to exceed 5% of the previous year's rental. Prepayment of any rental shall not hinder this rent increase provision.

As additional consideration for obtaining said lease, LESSEE herein agrees as follows:

1. LESSEE covenants and agrees to pay any taxes and assessments which may be lawfully levied against LESSEE's occupancy or use of the premises or any personal property and improvements placed upon the leased premises.

2. LESSEE covenants and agrees that LESSEE has seen and inspected the premises and herewith agrees to accept the same in its present condition as being adequate for LESSEE's purposes, and further agrees that no misrepresentations have been made to LESSEE by the LESSORS, their agents or attorneys.

3. LESSEE covenants and agrees that the premises hereby leased shall be used by LESSEE for the following commercial purpose(s): _____

and that the leased premises shall be used for no other purpose without the express written consent of the LESSORS being first had and obtained.

4. LESSEE may construct _____

on the leased premises, subject to the requirements of the Columbus Airport Rules adopted by the LESSORS pursuant to Joint Resolution No. 98-35, and any amendments thereto, as well as any other applicable state, federal and local laws, codes, ordinances, rules and regulations. The construction of the LESSEE's aircraft hangar shall be completed within six (6) months of the signing of this lease. Failure to complete the structure during said period shall constitute a default. A Performance Bond, or other suitable guarantee acceptable to LESSORS, shall be provided by the LESSEE to the LESSORS in an amount equal to the construction costs and labor to guarantee the completion of the construction and the payment of wages and services associated with the construction.

5. LESSEE covenants and agrees that LESSEE shall not allow any liens, attachments or other claims to be filed against the said premises.

6. All improvements of any kind that may be placed upon said premises, either of a temporary or permanent nature, shall be the total and complete responsibility of the LESSEE.

Any permanent improvements shall become and remain the property of the LESSORS at the expiration of this lease except as hereinafter specified.

7. LESSEE further covenants and agrees to comply during the term of this lease with the Columbus Airport Rules adopted by the LESSORS pursuant to Joint Resolution No. 98-35 and any amendments thereto adopted prior to or subsequent to the effective date of this Lease Agreement, and with all local, state and federal laws, codes, ordinances, rules and regulations applicable to the LESSEE's use of the leased premises and the Columbus Airport.

8. LESSORS shall stand indemnified by LESSEE as herein provided. It is expressly understood and agreed that in the use of the Columbus Airport, in the erection or construction of any improvements thereon, and in the exercise or enjoyment of the privileges herein granted, LESSEE shall indemnify and save harmless the LESSORS from any and all liabilities whatsoever, including suits, attachments, claims or damages, reasonable attorney's fees and costs that may result to the LESSORS because of any negligence, act or omission on the part of the LESSEE, and shall indemnify LESSORS against any and all mechanic's and materialmen's liens or any other types of liens imposed upon the premises.

LESSEE shall promptly, after the execution of this lease, provide public liability insurance in a minimum amount of \$1,000,000.00 per occurrence for property damage, personal injury and or death growing out of any one accident or other cause. LESSORS shall be named as co-insureds.

LESSEE shall maintain said insurance with insurance underwriters authorized to do business in the State of Montana satisfactory to LESSORS. All policies shall name LESSORS, its officers, servants and agents and employees as additional insureds as their interests shall appear. LESSEE shall furnish LESSORS with a certificate from the insurance carrier showing such insurance to be in full force and effect during the entire term of this lease, or shall deposit with LESSORS copies of said policies immediately upon execution of this Agreement.

9. LESSEE shall pay all fees, costs, and expenses related to the extension and installation of Town of Columbus sewer and/or water service, as well as any other utility services, to the leased premises. LESSEE shall assume and pay for all costs or charges for utility services furnished to the leased premises.

10. LESSEE shall not permit the existence of any nuisance on said premises; LESSEE, at LESSEE's sole cost and expense, shall keep the leased premises in a neat and clean condition and shall arrange for the removal and disposal of all garbage, refuse, debris and other waste matter from the leased premises; and further, LESSEE, at LESSEE's sole cost

and expense, shall mow or otherwise control all grass and weeds on the leased premises in such manner that at no time shall the weeds and grass on the leased premises exceed **twelve inches (12")** in height.

11. LESSEE further covenants and agrees that LESSEE will not assign, sublet or sublease any part of the leased premises or this Lease Agreement during the primary term of said lease without first having obtained the written consent of the LESSORS thereto and LESSORS agree that they will not unreasonably withhold their consent.

12. All notices hereunder to be given by LESSORS to LESSEE shall be sufficient if personally served upon LESSEE or served by certified mail, postage prepaid, addressed to LESSEE at LESSEE's address stated above.

All notices hereunder to be given by LESSEE to LESSORS shall be sufficient if personally served upon the Stillwater County Clerk and Recorder and the Town Clerk or served by certified mail, postage prepaid, addressed to:

Stillwater County Clerk and Recorder
P. O. Box 147
Columbus, MT 59019

AND Town Clerk
P. O. Box 549
Columbus, MT 59019.

A notice served by mail shall be deemed served when deposited in any United States Post Office. Any change of address shall not be effective unless served upon the parties in the same manner as the notice referred to herein. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice.

13. It is agreed that any structure or improvements or equipment belonging to the LESSEE herein shall be removed promptly by LESSEE upon the termination of this lease, and LESSEE shall have an additional **thirty (30) days** after termination of the lease within which to effect this removal, including the removal of any cement foundations or other footings used to support buildings and equipment and thereafter to return the leased land to a smooth and level condition; and in case of the failure of the LESSEE to do so within the period set forth herein, then any structures remaining shall become the property of the LESSORS, or in the alternative, LESSORS may dismantle and remove the same and restore the premises to its former state at the expense of the LESSEE without incurring any liability therefor.

14. Any sum which under the provisions of this lease LESSEE has agreed to pay shall constitute, when due and unpaid, a lien enforceable at law by LESSORS upon any building, improvements or other property of LESSEE located on said premises.

15. This lease shall be subordinate to the provisions of any existing or future agreements between LESSORS and the United States or the State of Montana relative to the administration, operation, or maintenance of the Columbus Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development of the Columbus Airport.

16. LESSEE, for LESSEE, LESSEE's personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree:

(a) that no person, on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicap, shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the Columbus Airport facilities, or the exercise of its rights and privileges under this Agreement;

(b) that, in the construction of any improvements on behalf of LESSEE and the furnishing of services, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicap;

(c) that LESSEE shall use the Columbus Airport facilities in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

17. LESSORS shall have reasonable access to the leased premises for the purposes of examining or inspecting the same. LESSORS shall give LESSEE at least **twenty-four (24) hours** notice of the intent to enter and may enter only at reasonable times.

18. All of the covenants and promises made by LESSEE herein are material considerations for the granting of this lease. If LESSEE fails to pay the rent or any other sum owed under the terms and conditions of this lease and such default continues for a period of **twenty (20) days** after LESSORS serve written notice of said default on LESSEE, LESSORS may declare this lease terminated and take immediate possession of the premises. If LESSEE defaults in the performance of any of the other terms and conditions of this lease, and such default continues for a period of **thirty (30) days** after LESSORS serve written notice of said default on LESSEE, LESSORS may declare this lease terminated and take immediate possession of the premises.

It is agreed that failure of LESSORS to declare this lease terminated or to re-enter and take possession upon the default of LESSEE for any of the reasons set out shall not

operate to bar or destroy the right of LESSORS to terminate this lease by reason of any subsequent violation of the terms of this lease by LESSEE.

19. LESSEE shall, upon the termination of this lease, give and surrender peaceably possession of said premises to LESSORS without notice from LESSORS.

20. Unless terminated earlier as provided herein, this lease shall terminate at the end of the specified term without any notice by either party. A holding over by the LESSEE, LESSEE's assigns or sublessees beyond the expiration of the term shall not be permitted without the written consent of the LESSORS and then only on a month to month basis.

21. All of the clauses of this Lease Agreement are distinct and severable, and if any clause shall be deemed illegal, void, or unenforceable, it shall not affect the validity, legality, or enforceability of any other clause or portion of this Lease Agreement.

22. All of the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals to three copies of this Agreement interchangeably, either of which may for all intents and purposes be used as an original, the day and year hereinabove set forth.

LESSORS:

TOWN OF COLUMBUS

By: _____
Webb C. Mandeville, Mayor

ATTEST:

Ronald D. Barndt, Town Clerk

**STILLWATER COUNTY
BOARD OF COMMISSIONERS**

Chairman

Member

Member

LESSEE:

APPROVED AS TO FORM:

By _____
Stillwater County Staff Attorney

By _____
Town Attorney

**COMMERCIAL COLUMBUS
AIRPORT GROUND LEASE**

Dated: January ____, 1999

Lessee: _____

SCHEDULE A

DESCRIPTION OF LEASED PREMISES