RESOLUTION NO. 2532
Ravalli County Airport Lease of Airport Premises

WHEREAS, the Commissioners recognize the necessity of REVIEWING AND REVISING THE Lease of Airport Premises Lease form; and

WHEREAS, after receiving public comment from a public meeting held on February 18, 2010, and a public hearing on March 24, 2010, the Commissioners desire to make certain changes to the airport lease enumerated and discussed at the public meeting; and

THEREFORE BE IT RESOLVED THAT THE BOARD OF COUNTY COMMISSIONERS HEREBY ADOPTS THE RAVALLI COUNTY AIRPORT LEASE OF AIRPORT PREMISES AS ATTACHED.

PASSED AND APPROVED THIS 24TH DAY OF MARCH, 2010.
BOARD OF RAVALLI COUNTY COMMISSIONERS

Greg Chilcott, Chairman

Absent for Signature
Carlotta Grandstaff, Member

James E. Rokosch, Member

Kathleen Driscoll, Member

J.R. Iman, Member

Attest:
Clerk & Recorder

Return: Commissioners

SEAL OF RAVALLI COUNTY STATE OF MONTANA

RETURN TO:

RAVALLI COUNTY AIRPORT LEASE OF AIRPORT PREMISES

1. **PARTIES.** This Lease is entered into by and between Ravalli County Commissioners, hereafter referred to as the "County," and , hereafter referred to as "Lessee."

2. **DEFINITIONS.**

2.1 In addition to terms defined specifically throughout this Lease, the following definitions shall apply. Words not specifically defined herein shall have their usual and customary meaning in the context of commercial leasing and aviation.

2.2 Individual Definitions.

Additional Rent. Additional Rent shall be rent in addition to Base Rent including: charges for late payment of Base Rent; charges incurred by Lessee for Airport services that have not been paid prior to the due date for payment of Base Rent including without limitation, tie downs and other charges for parking aircraft or other motor vehicles; and fees or penalties for violation of any applicable law, rule or regulation (including the Ravalli County Airport Rules and Regulations) that have not been paid prior to the due date for payment of Base Rent.

Buildable Condition. Buildable Condition means a level, bare building site with no existing slabs or foundations, and with no woody vegetation or large rocks.

CPI. "CPI" means the U.S. Dept. of Labor, Bureau of Labor Statistics, Consumer Price Index "West Region," "All Items" category. CPI shall be taken from the latest 12 month period for which data is available or any 12-month period ending five months (or later) before the date the higher Base Rent takes effect.

Governing Law. Governing Law means all applicable local, state, and federal law as may be amended from time to time. For the purposes of this Lease, the term shall include without limitation the following: Ravalli County Airport Rules and Regulations ("Rules and Regulations"); Minimum Standards for Long-Term Activities at Ravalli County Airport ("Minimum Standards"); any other applicable local law, resolution, and ordinance; federal laws or rules including the Federal Aviation Administration's ("FAA") laws, regulations and recommendations under the category of "grant assurances"; and any applicable state law or regulation.

Hazardous Material. "Hazardous material" or "Hazardous Waste" shall mean (1) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and the regulations promulgated thereunder; (2) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and the regulations promulgated thereunder; (3) any oil, petroleum products, and their by-products, asbestos, and Polychlorinated Biphenyls (PCB's); and (4) any substance that is or becomes regulated by any federal, state or local governmental authority.

Improvements. Improvements means any structures, fixtures, additions, aprons, parking areas, taxiways/taxilanes, landscape and any other building or site improvement on the Premises.

3. **PURPOSE OF LEASE**

3.1 The Premises. For and in consideration of the covenants and payments hereinafter provided, the County hereby leases unto Lessee that certain parcel of the Ravalli County Airport (the "Airport") designated as _____ according to the Ravalli County Airport Layout Plan ("ALP," a copy of which is attached as Exhibit A, incorporated into this Lease by reference), consisting for the purposes of this Lease of approximately _____ square feet (the "Premises").

3.2 No Residential Use. No residential housing is allowed on the Premises, or on the Airport under this Lease, which includes any residential use of an aircraft hangar or other Improvement, or residential use of any personal property located at the Airport. Occasional overnight use of hangars is permitted only when related to aviation-related activities provided that any applicable law or regulation related to the occupancy of buildings are adhered to, including without limitation, County Wastewater regulations.

3.3 Aviation Related Use Only. The Premises are to be used for aviation related uses only.

4. **TERM OF LEASE.** The term of this Lease shall be for _____ year(s), commencing on the _____ day of _____, 20_____, and ending on the _____ day of _____, 20_____, unless terminated under this Lease.

5. **USE OF AIRPORT PREMISES.** This Lease shall be for the aviation-related use marked below:

☐ Private use Hangar (Section 5) – Premises may be used only to hangar recreational and personal use aircraft owned or used by Lessee, along with uses incidental to hangaring of aircraft. Rent shall be according to Section 6.

☐ Business Use Hangar – Premises may be used only to hangar business-use aircraft owned or used by Lessee. Lessee shall comply with the Ravalli County Airport Commercial Standards. Rent shall be according to Section 6.

☐ Commercial Space for aviation-related commercial use (Section 6 and Exhibit B) – Lessee shall comply with the Ravalli County Airport Commercial Standards. Only businesses associated with or serving aviation or aviators may be established. Use of this Commercial Space shall be limited to: _____
_____
_____
_____
_____
_____

☐ Bare land – Lessee agrees to complete construction of a hangar (or other structure identified below) on the Premises according to the terms of the Rules and Regulations, or within _____ of execution of this Lease.

6. **RENTS**

6.1 Base Rent. Lessee shall pay the County rent in the amount of _____ dollars multiplied by the square footage for the Premises plus all normally assessed fees assessed by the Ravalli County Commissioners or other governmental entity for use of the Airport. ("Base Rent"). Base Rent for commercial entities shall include a commercial fee according to the Rules and Regulations and Minimum Standards. The County may increase the Base Rent in 2010 and every five years thereafter. The increased Base Rent shall be equal to the existing Base Rent multiplied by 1 plus the combined percentage of increase of the CPI for all the years from the last rent increase (or from the date of the Lease execution if there is no previous rent increase). Base Rent for a partial year shall be pro-rated to July 1 of each fiscal year for purposes of billing. In no event shall any change in CPI result in a reduction of rent payable to the County.

6.2 When Due. Lessee shall pay first-year Base Rent along with any Additional Rent due (or any prorated portion of first year Base Rent) upon execution of this Lease. For all subsequent years, Base Rent, along with any Additional Rent shall be paid annually in advance before August 1. Base Rent, along with any Additional Rent shall be paid by mailing or delivering during business hours to the County at the address listed herein (see section on notice), and shall be considered paid on the business date the County receives the rent.

6.3 Late Rent Payment. If any rental amounts due are not paid by August 15 each year of the Lease term, Additional Rent shall accrue as of August 15 as follows: $50 for the first day, and $10 per day for each day following.

6.4 Development Fee. A development fee will be assessed according to the Rules and Regulations, Minimum Standards before Lessee may construct a new building or add on to an existing building. For leases of unimproved land, the Lease may be terminated at Lessor's discretion if construction is not completed during the time allotted in this Lease, the Rules and Regulations, or Minimum Standards.

6.5 Business and Commercial Use Fee. As additional consideration for the privilege of using the Premises for business or commercial related activities, Lessee shall pay the County an annual business/commercial use fee in the according to the Ravalli County Airport Fee Schedule, as amended from time to time. Temporary commercial operations and/or special needs/circumstances will be addressed on an individual basis as necessary. Any commercial activity taking place on Ravalli County Airport property shall be approved in writing prior to commencing the commercial activity requested.

7. **RENEWAL OPTION.** This Lease may not be extended beyond its term; however, this Lease may be renewed upon proper application, and upon agreement of terms by both parties.

8. **NOTICE.** Any notice to be given under this Lease must be in writing. Written notice shall be deemed given when hand delivered or when mailed by first class mail, postage prepaid, to the addresses specified in this section.

If to County, to: Ravalli County 215 S. Fourth St., Suite A Hamilton, MT 59840 Attn: Glenda Wiles	with a copy to (which shall not constitute notice to County): Ravalli County Airport Manager 215 South 4th Street, STE A Hamilton, Mt 59840
If to Lessee, to:	with a copy to (which shall not constitute notice to Lessee) [optional]:

9. CONDITIONS OF USE OF LEASED PREMISES

9.1 Condition of Premises. Lessee has inspected and accepts the Premises in its present condition.

9.2 Fuel Storage. No construction or installation of any above ground or underground fuel storage tank or dispensing system permanently located on the Airport will be allowed without prior written permission of the County.

9.3 County Approval for Construction of Improvements. Lessee bears the responsibility for abiding by the provisions for new construction in the Rules and Regulations and Minimum Standards. Lessee shall not erect any new Improvement or modify any existing Improvement on the Premises without obtaining express, prior, written permission of the County and the FAA.

9.4 Paving. Lessee shall pave the area from the hangar door to the taxiway. Lessee shall pave additional areas as required by the Minimum Standards. Hangar aprons are to be of a non-transferable material and may require a culvert to allow for contoured drainage. All paving must be conducted according to the Minimum Standards and the Rules and Regulations.

9.5 Maintenance of Premises. Lessee, at Lessee's expense, shall maintain the Premises and all Improvements in good and presentable condition. Lessee shall keep and maintain the Premises in a clean and orderly condition according to the standards in the Rules and Regulations and Minimum Standards. Without limiting the foregoing, Lessee shall maintain the Premises free of accumulation of rubbish, and debris, and shall keep grass and weeds in the area surrounding the hangar or commercial space, and the spaces between the Premises and other premises mowed. Lessee shall remove snow and ice between the hangar and taxiway. County property surrounding Premises may not be used for outside storage of any items without the express written permission of the County.

9.6 Removal of Improvements while Lease in Effect. While the Lease is in effect, Lessee may remove any Improvements on the Premises only with the County's prior, written, express consent.

9.7 Option to Purchase Improvements. The County shall have an option to purchase the Improvements on the Premises from Lessee at the termination of the Lease at fair market value determined by an independent appraisal.

9.8 Surrender and Restoration of Premises upon Lease Termination. If Lease expires or terminates without a new lessee of the Premises, and Improvements remain on the Premises, then Lessee, at Lessee's expense, shall remove the Improvements located on the Premises within 90 days of the expiration of the Lease and return the Premises to a Buildable Condition, except that Lessee shall remove any paving associated with an apron or taxiway only with prior, express, written approval of the County. If the removal of any Improvement would cause any damage that cannot be repaired, then County may (in County's sole discretion) require that the Improvement shall not be removed. If Lessee does not remove the Improvements within 90 days of Lease expiration, the County may require one of the following (without limiting other courses of actions): (1) The County may presume that Lessee has abandoned the Improvements and the Improvements shall become the County's property, without liability for payment; or (2) the County may remove the Improvements (or some portion of the Improvements) and restore the Premises to Buildable Condition and bill Lessee for all direct and indirect costs of the removal, including any administrative and legal costs (including attorneys' fees) incurred by the County related to the removal, restoration, and collection from Lessee. Lessee shall remove all personal property from the Premises within 30 days after termination of the Lease. If Lessee fails to remove personal property, County may dispose of personal property at the Lessee's expense, or may take possession of it without liability for payment, in the County's sole and absolute discretion.

9.9 Fire or Other Casualty. In the event of fire or any other casualty to Improvements on the Premises owned by Lessee, Lessee shall either repair the Improvement or replace the Premises to Buildable Condition; such action must be accomplished within the time frame provided in the Rules and Regulations for construction of a new structure, counting from the date the damage occurred. Upon petition by Lessee, the County, in the County's sole and absolute discretion, may grant an extension of time.

9.10 Survive Lease Termination. The provisions of this Section 9 shall survive the termination or expiration of the Lease.

10. COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAWS

10.1 Governing Law. Lessee agrees, as a condition of the Lease, to comply with the Governing Law **AS THE GOVERNING LAW MAY BE AMENDED FROM TIME TO TIME. LESSEE AGREES THAT THE GOVERNING LAW REGULATING OR AFFECTING THE AIRPORT (INCLUDING WITHOUT LIMITATION FAA REGULATIONS AND THE AIRPORT RULES AND REGULATIONS) MAY CHANGE DURING THE LEASE TERM, AND THOSE CHANGES MAY AFFECT OR DIMINISH LESSEE'S RIGHTS UNDER THIS LEASE.** The County represents that the description of the Premises, the term of the Lease, and the Base Rent under this Lease shall remain in effect as stated herein until the Lease terminates. The County further represents that any commercial activity conducted by Lessee shall be governed by whatever version of the Minimum Standards is in effect on the date the County permits such commercial activity (by an activity agreement or otherwise). If an existing commercial activity discontinues, or if an existing commercial activity agreement expires or is modified, the entire new or modified activity agreement (the entire modified agreement, not only the modified portion) will be controlled by the Minimum Standards that are in effect on the date the County permits the new or modified commercial activity.

10.2 Conflicting terms. In the event of conflicting provisions in this Lease and in the Governing Law, the provision most restrictive of the Lessee's activities shall control. If it is not clear which provision is most restrictive, the more specific provision shall be followed in lieu of a more general provision.

10.3 Ingress and Egress. The County shall have the right, through its agents or agents of other appropriate governmental agencies, for reasonable ingress and egress, to inspect the premises to assure that Lessee is in compliance with any local state or federal law, or with the terms of this Lease. The County shall give reasonable notice of 24 hours of such ingress and egress, unless public health, welfare, or safety requires immediate access, in which case Ravalli County employees may use any reasonable means to access or inspect property located on Airport premises.

11. INSURANCE.

11.1 Liability Coverage.

11.1.1 A non-commercial Lessee shall carry public liability insurance for bodily injury, property damage, personal injury in an amount of no less that $1,000,000 combined single limit. The County will be named as additional loss payee, and Lessee will provide the County with evidence of such insurance. The liability insurance policy will provide for 30 days notice of cancellation or of material alteration of coverage or limits.

11.1.2 A commercial Lessee shall provide a policy of liability insurance issued by an insurance company acceptable to County, protecting against personal injury or property damage resulting from the actions, or failure to act, of Lessee or its agents with coverage in the following amounts: at least $2,000,000 combined single limit for FBOs; at least $1,000,000 combined single limits for all other commercial lessees. The County shall be named as an additional loss payee and Lessee will provide the County with evidence of such insurance. Failure to acquire and maintain such liability insurance shall be cause for immediate termination of this Lease, at the County's discretion.

11.2 Property Coverage. Lessee shall be responsible for acquiring whatever insurance Lessee deems necessary to safeguard Lessee's interest in Lessee's property on the airport and, in this regard, expressly covenants and agrees to assert no claim against County as a result of loss or damage to any business or property built or stored on subject airport belonging to Lessee

11.3 Other Coverage. Lessee hereby covenants and agrees to take whatever steps Lessee sees fit to take in protecting Lessee's person and property from loss or damage as the result of vandalism, malicious mischief, theft, or kindred losses, and, in this regard, agrees to assert no such claim against the County incident thereto. All loses suffered by Lessee resulting from the criminal activity of others shall be reported to the Ravalli County Sheriff's Department. The County assumes no responsibility for such losses.

12. TERMINATION OF LEASE

12.1 Either party may terminate this Lease by written notice if the other party defaults in performance of the terms and conditions of this Lease and fails to cure such default within thirty (30) days after written notice of such default.

12.2 The County may terminate this Lease if the County sells the Premises.

12.3 If Lease terminates due to the County's default or upon sale of the Premises, then Lessee shall not be liable to the County for any amount which would have been payable in the future had this Lease not been terminated under this section; Lessee shall be liable to the County only for the amount owed to the County up to the date Lessee vacates the Premises.

12.4 If Lease terminates due to Lessee's default or upon Lessee's insolvency, then Lessee shall be liable to County for rent for the full term of the Lease, or until County is able to lease the Premises for the same or higher rent to another party. In the event the County is only able to lease the Premises for a lower rent, then Lessee shall be liable to County for the difference between Lessee's rent and the lower rent to a subsequent lessee.

13. HOLDOVER TENANCY. In the event Lessee holds the Premises beyond the terms of this Lease, in the absence of a written agreement to the contrary, it shall be deemed a month-to-month tenancy subject to all terms and conditions of this Lease. Either the County or Lessee, by means of at least 30-day written notice delivered after the beginning of the holdover tenancy, may terminate this holdover tenancy at the last day of the month following the notice period.

14. VENUES AND INTERPRETATION. The laws of Montana govern this Lease. The parties agree that any litigation concerning this Lease must be brought in the 21st Judicial District, County of Ravalli, State of Montana.

15. SUBLEASE AND ASSIGNMENT

15.1 Sublease. Lessee shall not sublet the premises in whole or in part without County's prior, express, written consent. The making of any sublease shall not release Lessee from, or otherwise affect in any manner, any of Lessee's obligations under this Lease agreement. Any attempted sublease in violation of this section shall be void and of no effect and shall, at the option of County, terminate this Lease agreement.

15.2 Voluntary Assignment. Lessee shall not assign or transfer this Lease agreement, or any interest in this Lease agreement, without the prior, express, and written consent of County. Any attempted assignment in violation of this section shall be void and of no effect and shall, at the option of County, terminate this Lease agreement.

15.3 Assignment by Operation of Law. Neither this Lease nor the leasehold estate of Lessee nor any interest of Lessee under this Lease or any Improvements on the Premises shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatever. Any such attempted assignment by operation of law, involuntary assignment, transfer, or sale shall be void and of no effect and shall, at the option of County, terminate this Lease agreement. If any of the corporate shares of stock of Lessee are transferred or

new shares of stock issued by sale, assignment, bequest, inheritance, operation of law, or otherwise, so as to result in a change of the control, assets, value, ownership, or structure of the Lessee, such transfer shall be deemed an assignment for the purposes of this section and shall require the County's prior consent. If any partnership interests of Lessee are transferred or new partnership interests created, by sale, assignment, bequest, inheritance, operation of law, or otherwise, so as to result in a change of the control, assets, value, ownership, or structure of the Lessee, such transfer shall be deemed an assignment for the purposes of this paragraph 9 and shall require the County's prior consent. Lessee shall notify the County in advance of all proposed changes of ownership of corporate stock.

15.4 County Consent for One Sublease or Assignment not Consent to Subsequent Sublease or Assignment. County consent to a sublease or assignment shall not be deemed to be consent to any subsequent sublease or assignment.

15.5 Basis for County Consent. Consent to sublease or assignment shall be based on the County's determination of the public interest, which determination shall be in the County's discretion, subject to the general requirements for government actions. The County may withhold consent to assign the Lease upon exercising its option to purchase the Improvements under Section 9.7 ("Option to Purchase Improvements"). The County may withdold consent for any proposed assignment or sublease of unimproved Airport land.

16. COVENANT TO RUN WITH THE LAND. All the covenants, agreements, conditions and undertakings in this Lease shall extend and inure to and be binding upon the heirs, executors, administrators, distributes, lessees, successors and assigns of each of the parties hereto, the same as if they were in every case named and expressed, and the same shall be construed as covenants running with the land. Wherever in this Lease reference is made to any of the parties hereto, it shall be held to include and apply to, wherever applicable, also the heirs, executors, administrators, distributes, lessees, successors and assigns of each such party, the same as if in each and every case so expressed.

17. HOLD HARMLESS AND INDEMNIFICATION CLAUSE

17.1 Indemnification. County shall not be liable for any loss, injury, death, or damage to persons or property that at any time may be suffered or sustained by Lessee or by any person who may at any time be using or occupying or visiting the Premises or be in, on, or about the Premises, whether the loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of Lessee or of any occupant, subtenant, visitor, or user of any portion of the Premises. Lessee shall indemnify County against any and all claims, liability, loss, or damage whatever on account of any such loss, injury, death, or damage. Lessee's duty of indemnity shall include the duty to defend any such claim and to pay the cost of such defense, but County shall be consulted with regard to the conduct of the defense insofar as the choice of attorneys and other related matters.

17.2 Waiver of Claims. Lessee waives all claims against the County for damages to the Improvements that are now on or later placed or built on the Premises and to the property of Lessee in, on, or about the Premises, and for injuries to persons or property in or about the Premises, from any cause arising at any time. The two preceding sentences shall not apply to loss, injury, death, or damage arising by reason of the misconduct or negligence of County, its agents, or employees.

17.3 Survive. The provisions of Section 17 shall survive the termination or expiration of the Lease.

18. ENVIRONMENTAL MATTERS

18.1 Solid Waste. Lessee agrees that all solid wastes will be properly disposed of off-site in accordance with Montana Law. Lessee shall be responsible of for disposing of such waste properly and timely.

18.2 Hazardous Materials. Lessee warrants that Lessee shall not cause or permit any Hazardous Material to be brought upon, kept, or used on or about the Airport by Lessee, its agents, employees, contractors, or invitees, except for such Hazardous Materials as are necessary for aviation related uses, or for Leases for commercial purposes, except for Hazardous Materials necessary for the Lessee's business.

18.3 Storage of Hazardous Materials. All Hazardous Materials located on the Premises or at the Airport must be appropriately labeled and used, kept, stored and disposed of in a manner that complies with all federal, state and local laws or regulations applicable to that particular hazardous material. Lessee shall not discharge, leak, or emit, or permit to be discharged, leaked or emitted, any material into the atmosphere, ground, sewer system, groundwater or any other body of water, if that material (as is reasonably determined by any governmental authority), does or may pollute or contaminate the same.

18.4 Hazardous Material Spill. In the event that a Hazardous Material spill occurs on Airport property, the Airport Manager must be notified immediately. It is the responsibility of Lessee to have the spill cleaned up promptly. In the event that drains or floor sumps are contaminated, it will be the responsibility of Lessee to clean up those systems.

18.5 Liens, Fines, or Charges. Lessee shall not permit any environmental lien, fine or charge to be imposed against the Premises and, in the event any such lien, fine or charge is imposed, Lessee shall immediately commence and diligently pursue cleanup, remediation, or other corrective procedures, shall pay any and all costs or expenses incurred in connection therewith, and shall post any and all bonds or other financial sureties necessary to remove and discharge the lien, fine or charge.

18.6 Copies of Notices; Compliance. Lessee shall deliver the County: (a) copies of any notices or documents received from the United States Environmental Protection Agency, Montana Department of Health and Environmental Sciences, Department of Environmental Quality and/or any state, county or municipal environmental or

health agency, concerning the Lessee's operation upon the premises; and (b) copies of any documents submitted by the Lessee to the United States Environmental Protection Agency and/or any state, county or municipal environmental or health agency concerning its operation on the premises.

18.7 Hazardous Waste. All Hazardous Wastes (including without limitation ignitable, corrosive, reactive or toxic materials) are to be properly disposed of off site in accordance with Federal and Montana laws and regulations. It is the responsibility of Lessee to have the waste disposed of off site in the time frame required by the Resource, Conservation and Recovery Act. In the event that Lessee leaves wastes on the property, the County will have the wastes properly disposed of at the expense of Lessee. In the event legal action is taken to enforce Lessee's obligations hereunder County shall be entitled to recover its expenses, including attorney fees and costs.

18.8 Responsibility for Costs; Indemnification of County. The Lessee hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of Hazardous Materials kept on the Airport by the Lessee, and the Lessee shall give immediate notice to the County of any violation or potential violation of the provisions of this Section 18. The Lessee shall defend, indemnify and hold harmless the County, and its agents, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, losses (including, without limitation, a decrease in the value of the premises, damages caused by loss or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the space), costs, or expenses (including, without limitation, attorney and consultant fees, court costs, and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to (1) the presence, disposal, release, or threatened release of any Hazardous Material owned or under the control of Lessee that is on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals or otherwise (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to the Hazardous Material owned or under the control of Lessee; (3) any lawsuit brought or threatened, settlement reached, or governmental order related to Hazardous Material owned or under the control of Lessee; or (4) any violation of any laws applicable thereto. Without limitation of the foregoing, if Lessee caused or permits the presence of any hazardous substance on the premises and that results in contamination, the Lessee shall promptly, at its sole expense, take any and all necessary action to return the premises to the condition existing prior to the presence of any hazardous substance on the premises; provided, however, that the Lessee shall first obtain the County's approval for any such remedial action, which approval shall not be unreasonably withheld.

18.9 Penalties Known. Lessee shall be aware and knowledgeable of these significant penalties for improperly disposing of the wastes or submitting false information, including the possibility of fine and imprisonment for violations.

18.10 Survival of Obligations; Injunctive Relief. The parties hereby expressly agree that the Lessee's obligations and liabilities under this Section 18, shall continue so long as the County remains responsible or liable for any spills or discharges of hazardous substances at the premises that occurred during the term of this Lease. The provisions of the section shall be in addition to any other obligations and liabilities the Lessee may have to County at law or in equity and the same shall survive the transactions contemplated herein and shall survive the termination or expiration of this Lease. The Lessee hereby acknowledges that its failure to carry out or abide by the obligations under this Section 18 will result in immediate and irreparable damage to the County, which cannot be fully and adequately compensated in money damages and which will warrant preliminary and other injunctive relief. Whenever the Lessee or any of its agents, employees, contractors, or invitees, violate or are about to or threaten to violate the provision of this Section 18, the County shall be entitled to a decree against the Lessee requiring the specific performance of and/or enjoining the violation of the provisions of this Section 18.

19. LEASE APPROVAL. This entire Lease, in addition to any change, alteration, or renewal thereof, addendum, amendment, or letter of understanding, is subject to prior approval by Ravalli County Board of County Commissioners.

20. ENTIRE AGREEMENT AND RESCISSION OF PRIOR AGREEMENTS. Upon execution, this Lease rescinds and replaces any pre-existing Lease or other agreement, including any oral agreements, between the parties and/or their predecessors in interest pertaining to the property which is the subject of this Lease. This Lease, including attachments and references constitutes the entire agreement between the parties.

21. SEVERABILITY AND MODIFICATION. If any provision of this Lease is held to be illegal or void, the validity of the remaining items shall not be affected. Any alteration or modification to this Lease requires a written amendment signed by both parties.

22. WAIVER. The failure to insist upon strict performance of any of the provisions contained herein shall not be deemed a waiver of any rights or remedies hereunder, and shall not be deemed a waiver of any subsequent breach or default in the performance of any of this Lease. Without limiting the foregoing, the receipt of rent by the County, with knowledge of any breach of this Lease by Lessee or any default on the part of Lessee in observance or performance of any of the conditions, agreements or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease.

23. DEFAULT.

23.1 Default by Lessee. Lessee shall be deemed in default of this Lease if any of the following occurs: (a) Lessee fails to perform any duty, material term, covenant, warranty or representation under this Lease. The following list (without limitiation shall constitute material breach under this Lease: failure to pay any rent within 15 days after due date, failure to timely construct a building according to the Rules and Regulations, failure to obtain or maintain required insurance, failure to pay any fee or assessment required under the Rules and Regulations) after written notice to cease

such violation and failure to correct such violation within 30 days; (b) Lessee files a petition under the Federal Bankruptcy Act, as amended, including a petition for reorganization or an arrangement; (c) Lessee becomes insolvent or generally does not or cannot pay its debts as they mature, or applies for, consents to, or acquiesces in the appointment of a custodian, trustee or receiver, or if a custodian, trustee or receiver is appointed for the Lessee or for a substantial part of the Lessee's property.

23.2 Cancellation. Default by Lessee shall authorize the County, at it option and without legal proceedings, to declare this Lease void, cancel the same, and re-enter and take possession of the Premises.

23.3 Default by County. The County shall be deemed in default of this Lease if the County fails to perform any material term of this Lease.

23.4 Effect of Lessee's Default. In the event Lessee breaches this Agreement the County may terminate the Lease. On termination, the County may recover from Lessee:

(a) Any and all unpaid rent that had been accrued and due at the date of the termination of this Lease;
(b) Any and all amounts of rent that would have been due from the date of termination of this Lease until the time of Lessee's payment;
(c) Any and all amounts of rent that would have been due from the date of termination of this Lease until the balance of the term of the Lease; and,
(d) All amounts due on termination shall include interest at a rate of eleven percent (11%) and include reasonable costs and attorney's fees.

24. MISCELLANEOUS

24.1 Legal Counsel Available. Each party represents that he/she/it has had full opportunity to obtain legal counsel before agreeing to the terms of this Lease, and that this Lease has been freely negotiated by the parties.

24.2 Lessee Duly Authorized. If Lessee is other than a natural person, Lessee warrants and represents that Lessee is duly organized according to Montana law. The person signing this Lease on behalf of the entity warrants that he or she is duly authorized by the entity to sign this Lease.

24.3 Acknowledgment of Receipt. Lessee acknowledges receipt of a copy of the Ravalli County Airport Rules and Regulation in effect on the execution date of this Lease. Lessee acknowledges that the Rules and Regulations are a part of this Lease, and Lessee will be responsible for adhering to the terms of the Rules and Regulations AS THOSE RULES AND REGULATIONS ARE AMENDED IN THE FUTURE, and that such amendments to the Rules and Regulations may affect Lessee's rights and obligations under this Lease.

Lessee acknowledges receipt of a copy of the Minimum Standards for Long-Term Activities at Ravalli County Airport. Lessee acknowledges that the Minimum Standards are made a part of this Lease.

IN WITNESS WHEREOF, the parties have signed this agreement this _____ day of _____, 20_____.

_____
Lessee

STATE OF MONTANA)
)ss
COUNTY OF RAVALLI)
On _____personally appeared before me _____ and _____, known to me to be the persons whose names are subscribed to the foregoing document, and acknowledged to me that they executed the same as _____ who acknowledged to me that he/she executed the document as Lessee.

IN WITNESS WHEREOF, I have affixed my signature and official seal the day and year first above written.

_____
Notary Public for State of Montana
Residing at _____, Montana
My Commission expires_____

RAVALLI COUNTY COMMISSIONERS

County

By _____ Attest: _____
Chairperson date Ravalli County Clerk and Recorder date