

ARLINGTON MUNICIPAL AIRPORT HANGAR LEASE

Date of Signing: _____, 20____
(Date of signing - Term of Lease does not commence until Hangar available for occupation)

Landlord: **CARRERA HANGARS LP**
20288 Mountain View Rd NE, Duvall, WA 98019
Telephone: (425) 788-7897 Email: halfmoon@joimail.com

Tenant: _____
(Insert full legal name of Tenant)*

Tenant's Address: _____
(Notices under this Lease will be sent to this address)
(Insert mailing address)*

Telephone:* _____ **Email:** _____

Tenant's Alternative Person and Address for Notices: _____
(Notices of any liens for unpaid rent or other amounts will be sent to both the Tenant and to the alternative person)
(Insert name and mailing address of alternative person, if any)

Leased Premises: **Lot 403A Building 1 Hangar No. _____***
Approximate Area: _____ sq. ft. (Standard T-Hangar is approx. 960 sq. ft.)

Term of Lease: One year commencing on date hangar available for occupation (not to be earlier than date occupancy permit issued for Premises), continuing month to month thereafter.

Monthly Rent: \$ _____*
Security Deposit: Equal to one Monthly Rent
Fire Extinguisher Deposit: \$50.00
Lock Deposit: \$50.00

Names of Lienholders or Secured Parties: _____
(Parties, if any, who have an interest in the Tenant's property that is or will be stored in the Premises)
(Insert names of lienholders or secured parties, if any)

The Tenant hereby agrees to lease the Leased Premises from the Landlord on the terms and conditions contained in this page and the following 9 pages of this Lease.

Landlord:
CARRERA HANGARS LP, by its General Partner **CARRERA PACIFIC CORPORATION**

By: X _____
Authorized Signatory

Tenant:
X _____
(signature of Tenant or authorized signatory)

X _____
(signature of Tenant or authorized signatory)

*Required information

Statements Required by Law:

RCW 19.150.120 requires this Lease to contain the following statements: the Tenant is required to disclose any lienholders or secured parties who have an interest in the property that is or will be stored in the Premises; the Tenant's property will be subject to a claim of lien and may even be sold to satisfy the lien if the rent or other charges due remain unpaid for fourteen (14) consecutive days; and such actions are authorized by Chapter 19.150 RCW.

Preamble:

- A. The Landlord is constructing or has constructed a building containing hangars suitable for the storage and maintenance of aircraft at the Arlington Municipal Airport on certain land leased by the Landlord from the City of Arlington under a ground lease; and
- B. The Tenant has agreed to lease a hangar in the building from the Landlord under the terms and conditions of this Lease.

THIS LEASE WITNESSES that the Landlord and the Tenant agree as follows:

Definitions:

- 1. In this Lease the following terms have the meanings set forth below:
 - (a) "Airport" means the Arlington Municipal Airport located in Snohomish County, Washington;
 - (b) "Alternative Address" means the name and address of the Tenant's alternative name and address for notices as identified on the first page of this Lease;
 - (c) "City" means the City of Arlington, a municipal corporation operating the Airport and the landlord under the Ground Lease;
 - (d) "Ground Lease" means the ground lease under which the Landlord leased the Lot identified on the first page of this Lease from the City on which the Landlord has constructed or will construct the hangar building in which the Premises is located;
 - (e) "Landlord" means Carrera Hangars LP, a limited partnership formed in the State of Washington, and the landlord under this Lease;
 - (f) "Lease" means this lease under which the Tenant has leased the Premises from the Landlord;
 - (g) "Premises" means the hangar leased by the Tenant from the Landlord and described on the first page of this Lease;
 - (h) "Monthly Rent" means the monthly rent payable by the Tenant to the Landlord during the Term as shown on the first page of this Lease and as subsequently adjusted under paragraph 4(b);
 - (i) "Tenant" means the individual, corporation or other entity who is the tenant under this Lease and who is identified as the Tenant on the first page of this Lease; and

- (j) "Term" means the period of months or years comprising the initial term of this Lease as shown on the first page of this Lease, and includes any extension of this Lease on a month-to-month basis as provided for herein.

Lease of Premises:

- 2. The Landlord hereby leases the Premises to the Tenant on the terms and conditions set forth in this Lease.

Term:

- 3. This Lease will commence on the first day of the Term (which will not be earlier than the date of issuance of an occupancy permit for the Premises) and end on the last day of the Term, unless earlier terminated as provided in this Lease. Notwithstanding anything contained in this Lease, the Term will not extend beyond the term of the Ground Lease.
- 4. If the Tenant remains in occupation of the Premises at the end of the initial Term, the Term of the Lease will be considered to be extended on a month-to-month basis and thereafter:
 - (a) the terms and conditions of this Lease will remain in full force and effect, except as provided in this paragraph;
 - (b) from time to time in its sole discretion the Landlord may adjust the Monthly Rent by providing advance notice to the Tenant of the adjusted Monthly Rent; and
 - (c) either the Landlord or the Tenant may terminate this Lease by providing a minimum of thirty (30) days' written notice of the intent to terminate this Lease to the other party.

Rent:

- 5. The Tenant will pay the Monthly Rent to the Landlord as rent payable in advance on the first (1st) day of each month for the use and occupancy of the Premises. If the Term commences on a day other than the first day of a month, then the rent for the first partial month is due on the first day of the Term of this Lease and will equal the Monthly Rent prorated based on the number of days in the month.

Means of Payment:

- 6. Prior to the commencement of the Term, the Tenant will make arrangements to pay the Monthly Rent by direct debit to the Tenant's bank account or, if the Landlord agrees in advance, by delivery to the Landlord of twelve (12) post-dated checks payable to the Landlord each in the amount of the Monthly Rent (with twelve (12) new post-dated checks being delivered for each subsequent year), or by such other arrangements as may be acceptable to the Landlord.

Insufficient Funds and Dishonored Checks:

- 7. If there are insufficient funds in a Tenant's bank account to pay the Monthly Rent when due by direct debit to the account, or if any check provided by the Tenant to the Landlord is not honored when presented for payment, on receiving notice of the insufficient funds or the dishonored check the Tenant will immediately pay the amount owing, together with a processing fee of \$50.00, by certified check, bank draft or such other form of payment the Landlord may accept.

Late Fee:

8. If the Tenant does not pay the Monthly Rent when due, in addition to any other remedies specified in this Lease, the Landlord may impose a late fee for each month that the Tenant does not pay the Monthly Rent when due equal to the greater of \$20.00 and 20% of the Monthly Rent, whichever is greater, as permitted by Section 19.150.150 RCW.

Security Deposit:

9. On or before the commencement of the Term, the Tenant will pay to the Landlord a security deposit equal to the amount of the Monthly Rent which the Landlord will hold as security for the Tenant's obligations under this Lease.

Locks:

10. The Landlord will supply the Tenant with a lock and two keys for use on each exterior door to the Premises. The lock and keys will remain the property of the Landlord.

Security Deposit for Locks:

11. On or before the commencement of the Term, the Tenant will pay to the Landlord a security deposit of \$50.00 for each set of lock and keys which the Landlord will hold as security for the Tenant's obligations under this Lease. If the Tenant loses or damages a lock or key, the Tenant will pay to the Landlord the greater of: (a) the actual cost to the Landlord of replacing the lock or key; and (b) \$25.00 for each replacement key and \$50.00 for each replacement lock.

Landlord Supplied Locks Mandatory:

12. The Tenant will not use any lock on an exterior door of the Premises other than the lock provided by the Landlord. If the Tenant places or attaches any lock on an exterior door of the Premises other than the lock supplied by the Landlord, the Landlord may use any means necessary to immediately remove the unauthorized lock (including cutting the lock hasp or shackle), without notice to the Tenant and without liability for any damage to the unauthorized lock in doing so.

Acceptance of Premises

13. The Tenant accepts the Premises in the condition in which the Premises exist at the time of occupancy, and the Tenant acknowledges that the Landlord makes no representations or warranties as to the condition of the Premises.

Permitted Use of Premises:

14. The Tenant may use the Premises solely for the purpose of:
 - (a) storage and maintenance of the Tenant's aircraft;
 - (b) storage of up to two bicycles or motorcycles on the premises for transportation on taxilanes to access restrooms or the street system on the Airport – bicycles are not permitted on the taxiways or runways;
 - (c) parking of the Tenant's vehicle when the Tenant is flying the Tenant's aircraft provided a drip pan (being a metal plate with a raised lip on the outer edge to prevent liquid from running off) is placed under the vehicle's engine;

- (d) storage of approved aircraft tugs with the prior written consent of the Landlord; and
- (e) storage of tools or parts to be used for aviation purposes only, including one or two small chairs.

Prohibited Uses and Activities:

15. The Tenant will not:

- (a) store, use or handle in the Premises Class I or Class II flammable liquids (except fuel in the tank of an aircraft or other motorized vehicle that is stored in the Premises) (*examples of Class I and Class II liquids are: gasoline, solvents, dope for fabric repairs, resin and catalyst used for fiberglass repair*);
- (b) store, use or handle in the Premises any product or material that is flammable, toxic, explosive or otherwise hazardous except as may be necessary and appropriate in using the Premises to store and maintain light aircraft, and only in accordance with applicable governmental laws and regulations, and further any flammable liquid in the Premises must be stored in a metal cabinet or metal garbage container with a snug fitting lid, in a volume not to exceed ten (10) gallons, and labeled with a durable material with red lettering on a white background that reads **DANGER – FLAMMABLE LIQUIDS** in letters that are at least three (3) inches high and one-half (½) inch in stroke;
- (c) dispense or remove any flammable or combustible liquids from the fuel system of an aircraft (or any motorized vehicle) in the Premises, and no flammable or combustible liquid will be dispensed into a container, tank, vehicle or aircraft except in a location approved in advance by the Fire Chief;
- (d) use any flammable liquids to clean or repair any aircraft engine or part of an aircraft in the Premises or within fifty (50) feet of another aircraft, building or hangar;
- (e) discharge or release flammable or combustible liquids and petroleum waste products on any sidewalk, roadway, apron, taxiway, taxi lane, drainage canal, ditch, storm drain, sewer or on the ground;
- (f) leave open and/or unlocked the door to the Premises unless the Tenant or the pilot of the Tenant's aircraft is in the immediate vicinity of the Premises;
- (g) start an aircraft engine in the Premises or in any other hangar unit;
- (h) leave an aircraft engine running unless the pilot is in the aircraft cockpit or is immediately present beside the aircraft;
- (i) place an aircraft in such a position that when the aircraft engine is started the propeller wash blows through any hangar unit;
- (j) use heaters, open flames, spark producing devices, welders or any other source of ignition on the Premises, except properly designed and installed heating units that comply with all applicable governmental laws and regulations may be used with the prior express written consent of the Landlord, and a UL approved Air Dryer is allowed inside an aircraft with the appropriate size extension cord (minimum sixteen (16) gauge);

- (k) spray paint or any other covering or finish (whether with compressed gas, aerosol cans or otherwise) in the Premises;
- (l) store propane tanks or other tanks containing compressed gas of any kind in the Premises;
- (m) use any electrical appliance or device that could overload the twenty (20) amp circuit breaker or use any appliance that violates any other term of this Lease;
- (n) affix electrical extension cords or flexible cords to structures, extend such cords through walls, ceilings, floors, under door or floor coverings, or subject such cords to environmental damage or physical impact;
- (o) use electrical extension cords except with portable devices, appliances or fixtures and while in immediate use;
- (p) use any carpet or other absorbent floor material in the Premises (except the use of cat litter and other absorbent products for absorbing liquid spills is permitted);
- (q) use or permit the use of the Premises to conduct any charter, rental, repair or instructional service, or any other commercial activity;
- (r) use bicycles on taxiways or runways (bicycles may only be used on taxilanes to access restrooms or the street system on the Airport); or
- (s) use or permit the use of the Premises for any unlawful, immoral or offensive purpose.

No Exterior Signs:

- 16. The Tenant will not place or erect signs of any kind on the exterior of the Premises, without the prior express written consent of the Landlord.

Parking:

- 17. The Tenant will park vehicles outside the Premises only in designated parking spaces.

No Alteration to Premises without Consent:

- 18. The Tenant will not make, erect or attach in or to the Premises any installation, alteration, addition or partition without submitting plans and specifications to the Landlord and obtaining the Landlord's prior written consent.

Maintenance of Premises:

- 19. The Tenant will maintain the Premises in a clean and orderly condition, uncluttered and free of dirt, rubbish and noxious debris, and the Tenant will not create a fire or other hazard. The Tenant will store aircraft on the Premises in such a manner that the aircraft can be moved freely by hand in and out of the Premises at any time.
- 20. The Tenant will place a drip pan (being a metal plate with a raised lip on the outer edge to prevent liquid from running off) under the engine of every aircraft and motorized vehicle stored in the Premises, and the Tenant will also place drip pans or other vessels under any other part of all stored objects such that no oils or other fluids of any kind are permitted to drip on the floor of the Premises.

21. The Tenant acknowledges that the Landlord is not responsible for any snow removal from any exterior area adjacent to the Premises or around the building containing the Premises.

Fire Extinguisher:

22. The Landlord will install a five (5) lb. 2-A:10-B:C type fire extinguisher (or larger) in the Premises properly mounted with appropriate signage. The fire extinguisher will remain the property of the Landlord. If the Tenant moves the fire extinguisher in the Premises, the Tenant will comply with all fire code requirements in mounting the fire extinguisher not more than sixty (60) inches nor less than four (4) inches from the floor, in a position in which it is not obstructed or obscured from view (and where visual obstruction cannot be completely avoided, visible signs shall be installed to indicate the location).
23. The Landlord will ensure that the fire extinguisher is periodically serviced and tagged by a person qualified to do so. In the event that the fire extinguisher is discharged, as soon as possible the Tenant will notify the Landlord, and the Landlord will have the fire extinguisher recharged at the Tenant's cost.

Security Deposit for Fire Extinguisher:

24. On or before the commencement of the Term, the Tenant will pay to the Landlord a security deposit of \$50.00 for the fire extinguisher which the Landlord will hold as security for the Tenant's obligations under this Lease. The Tenant is solely responsible to ensure that the fire extinguisher remains on the Premises at all times, unless removed for servicing or for use to extinguish a fire. If the fire extinguisher is discharged, damaged or removed from the Premises, the Tenant will pay to the Landlord the greater of: (a) the actual cost to the Landlord of replacing or recharging the fire extinguisher, as necessary; and (b) \$50.00.

Utilities:

25. Unless otherwise agreed with the Tenant, the Landlord will be responsible for electricity charges relating to the Premises. The Tenant is responsible for all other utility charges, if any, relating to the Premises.

Compliance with Law and Airport Rules:

26. The Tenant is and will remain in compliance with all applicable federal, state and local laws and regulations with respect to the use and occupation of the Premises.
27. The Tenant will comply with the rules, regulations, ordinances and minimum standards of the Airport as are presently in effect and may in the future be adopted.

Non-Discrimination Clauses:

28. The following non-discrimination clauses are included in this Lease to ensure compliance with the terms of the Ground Lease. Nothing contained in the following non-discrimination clauses permit the Tenant to use the Premises, carry on any activity in the Premises, alter or install any improvement in the Premises, sublease the Premises or assign any rights under this Lease in contravention of any other provision of this Lease.
 - (a) The Tenant, for itself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the Premises and the land subjacent thereto that in the event facilities are constructed, maintained, or otherwise operated in

the Premises for the purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant will maintain and operate such facilities and services in compliance with all other requirements imposed 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.

- (b) The Tenant, for itself, his heirs, personal representatives, successors in interest, and assigns, as apart of the consideration hereof, does hereby covenant and agree as a covenant running with the Premises and the land subjacent thereto that:
 - (i) no person on the grounds of race, color, or natural origin shall be excluded from participation in the use of said facilities;
 - (ii) in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the ground of race, color, or natural origin will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
 - (iii) the Tenant will use the premises 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.
- (c) In the event of the breach of any of the above nondiscrimination covenants, the City or the Landlord will have the right to terminate this Lease and to reenter and repossess the Premises, and hold the same as if said lease had never been made or issued.

Right to Enter Premises:

- 29. The City, the Landlord and the local fire department, and their respective employees, agents, representatives and contractors, may at all reasonable times enter the Premises for the purposes of inspection, public safety, law enforcement or protection of property, provided any such action does not unreasonably interfere with the Tenant's use and occupation of the Premises. This may include an annual fire safety inspection, and such follow-up inspections as may be necessary to verify any hazards or deficiencies have been corrected. Except when necessary for reasons of public safety, law enforcement or protection of property, the City, the Landlord or the local fire department, as the case may be, will provide twenty-four (24) hours notice of its intent to enter the Premises and the purpose of the entry.
- 30. During the last three (3) months of the Term, the Landlord and its employees, agents, representatives and contractors, may at all reasonable times enter the Premises for the purpose of showing the Premises to prospective tenants.

Insurance:

- 31. The Tenant will be responsible to obtain and maintain at its sole cost insurance covering the aircraft and all other property of the Tenant contained in the Premises.

Disclosure of Lienholders and Secured Parties:

32. The Tenant will disclose to the Landlord the names and interests of all lienholders and secured parties who have an interest in the property that is or will be stored in the Premises.

Release and Indemnity:

33. The Tenant will not assert any claim against the City or the Landlord, and expressly releases the City and the Landlord from any claim, in respect of the death of or injury to any person or the damage to or destruction of any property resulting from the actions of any third party (including as a result of vandalism, malicious mischief, theft or kindred losses), and the Tenant acknowledges and agrees that the City and the Landlord have no responsibility for any such claims.
34. The Tenant will defend, indemnify and hold harmless the City and the Landlord from any liability, claim, loss, damage or expense, including legal fees and costs, arising by reason of the death or injury of any person or by reason of damage to or destruction of any property while that person or property is in or on the Premises or in any way connected with the Tenant's use or occupation of the Premises.

No Assignment or Sublease of Premises:

35. The Tenant will not sublease the Premises nor assign any rights under this Lease.

Ground Lease:

36. Nothing in this Lease will have the effect of modifying any term or condition of the Ground Lease, and this Lease is bound to the conditions of the Ground Lease.
37. In the event of a termination of the Ground Lease, the Tenant's rights in this lease also terminate, unless, at the option of the City, the City gives written notice to the Tenant that all rights and interests of the Landlord in and to this Lease are deemed to be assigned to the City and the Lease will remain in effect without any action of the Landlord or the Tenant.

Remedies on Default – Denial of Access:

38. If the Monthly Rent or any other amount due from the Tenant to the Landlord under this Lease remains unpaid for six (6) consecutive days, then the Landlord may change the locks and deny the Tenant access to the Premises in accordance with RCW 19.150.030.

Remedies on Default – Termination of Lease:

39. If the Tenant defaults in performance of any of the terms and conditions of this Lease, the Landlord may terminate this Lease by giving written notice of the default to the Tenant and if, after receiving written notice of the default, the Tenant fails to cure such default within fourteen (14) days.

Remedies on Default – Claim of Lien:

40. If the Monthly Rent or any other amount due under this Lease remains unpaid for fourteen (14) consecutive days;

- (a) the Landlord may terminate this Lease by sending a preliminary lien notice to the Tenant and to the Alternative Address (if one has been provided by the Tenant) containing the information specified by RCW 19.150.040;
- (b) if the total sum due remains unpaid as of the date specified in the preliminary lien notice (which will be at least fourteen (14) days after the date of mailing), the Landlord's lien attaches as of that date and the Landlord will send to the Tenant and to the Alternative Address (if one has been provided by the Tenant) a notice of final lien sale in the manner provided by, and containing the information specified by, RCW 19.150.050; and
- (c) if the total sum due remains unpaid as of the date specified in the notice of final lien sale (which will be not less than fourteen (14) days from the date of mailing of the notice of final lien sale or a minimum of forty-two (42) days after the date when the Monthly Rent or other amount due under this Lease was due and unpaid), the Landlord may sell any property found in the Premises and apply the proceeds of sale to the lien amount in accordance with Chapter 19.150 RCW.

Remedies on Default are Cumulative

- 41. If the Tenant defaults in performance of any of the terms and conditions of this Lease, the Landlord may enforce any one or more of the remedies available to the Landlord without precluding its entitlement to enforce any other remedy available to the Landlord.

Notice:

- 42. Any notice required or permitted to be given under this Lease must be in writing. Except as otherwise specified by law (including Chapter 19.150 RCW), written notice will be deemed given when hand delivered, or when mailed by first class mail, postage prepaid, to the addresses specified on the first page of this Lease. The Landlord may change its address for notices, and the Tenant may change its address for notices and the Alternative Address, by providing written notice of the new address to the other party.

Governing Law:

- 43. This Lease is governed by and interpreted in accordance with the laws of the State of Washington, and federal laws applicable therein. The parties agree that any litigation concerning this Lease must be brought in the courts of the State of Washington and each party will pay its own costs and legal fees.

Entire Agreement:

- 44. This Lease comprises the entire agreement between the parties, and any alteration or modification to this Lease requires a written amendment signed by both parties.
- 45. If any provision of this Lease is held to be illegal or void, the validity of the remaining provisions of this Lease will not be affected.