

**RETURN TO:**

CARL R RYDER  
8167 CLARK ROAD  
MARBLEMOUNT, WA 98267



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Skagit County Auditor

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**DOCUMENT TITLE:** TOWN OF CONCRETE AIRPORT LEASE AGREEMENT

**REFERENCE NUMBERS OF DOCUMENTS  
ASSIGNED OR RELEASED:**

**LESSOR:** TOWN OF CONCRETE

**LESSEE:** RYDER, CARL RICHARD

**LEGAL DESCRIPTION:**

Lot # 1 of the binding site plan # C-1-88 recorded in the office of Skagit County Auditor under  
File #8810050086

**ASSESSOR'S PARCEL/TAX NUMBER:** L104546

TOWN OF CONCRETE  
AIRPORT  
LEASE AGREEMENT

This is a lease made and entered into this 1st day of April, 2005, by and between the Town of Concrete, a Washington municipal corporation, hereinafter referred to as "Lessor", and Carl R. Ryder, hereinafter referred to as "Lessee".

WITNESETH:

1. Description of Property: Lessor hereby leased to Lessee and Lessee hereby leases from Lessor, the following described property situated in Concrete, Skagit County, State of Washington:

Lot # 1 of the binding site plan # C-1-88 recorded in the office of Skagit County Auditor under File # 8810050086.

Subject to: Restriction, easements, encumbrances and reservations of record, if any, as of the date of signing of the lease.

Reserving a non-exclusive easement over and across the premises to provide ingress and egress to any and all such buildings and areas and other adjacent properties owned by Lessor, Lessor shall exercise said easement so as not to unreasonably interfere with Lessee's use of the property.

2. Condition of Premises: Lessee accepts in their present condition and is not relying upon any covenants, warranties or representations of Lessor as to its condition or usability, except Lessor's right to grant a lease of the premises.

3. Term: The term of this lease shall begin on April 1, 2005 and end on December 31, 2009 (4 years and 9 months).

4. Rental: Lessee agrees to pay Lessor the sum of \$604.70 per year for the leased premises plus leasehold tax, payable annually in payments which will commence on the 1st day of January; *provided*, the first and last payments shall be prorated for any fractional part of the year, to be paid at the inception of each fractional part of the year. In addition Lessee shall pay on date of execution of this lease the sum of \$604.70 said sum to be applied against rental due for the last years rent of the term of this lease or in the alternative forfeited to the Lessor in the event Lessee fails to comply with the terms of this lease. Lessee shall pay as additional rental a pro rata share of the Town of Concrete's Airport Liability Policy. Thereafter the annual additional rental for each succeeding calendar year of the lease shall be determined as set forth



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below. Total amount due upon signing **\$1245.37** which represents \$453.60 for April 1, 2005 through December 31, 2009, \$604.70 for the last years rent and \$45.36 for 2005 insurance and \$141.71 for leasehold excise tax.

5. In December of each year of this lease the amount of the most recent premium paid by the Town for a \$3,000,000.00 limit airport liability policy or such higher limits as the Town may have increased the limits to shall be divided by the number of hangar leases issued by the Town of Concrete on that date and the resulting figure shall be the amount of additional rental to be paid by Lessee for the succeeding year of the lease. The Lessee fully understands and agrees that the sum to be paid above is entirely additional rental and that the Lessee has no coverage and does not expect any coverage under the Town of Concrete's airport liability policy.

6. Option to Extend: Lessee is granted the right to extend this lease for seven (7) consecutive five (5) – year option periods by giving written notice of said intention to Lessor not less than ninety (90) days prior to the expiration of the initial term of any extended term, conditioned upon the fact that all terms, covenants and conditions of the initial or extended term have been fully met and fulfilled and for additional single five (5) year terms at the lessor's option. All terms and conditions of the initial term shall continue with the exception that the rental shall be re-negotiated as herein provided.

7. Periodic Rental Adjustments: Rental shall be subject to re-negotiation, effective at the end of each five (5) year period of the lease term or any extended term. The rental shall be that sum agreed upon between the parties. Rental adjustments for the expansion area will be considered at the same time as rental adjustments for the initial leased premises area, regardless of the date in which the expansion area is added to the initial rental payment amount. Lessor will give notice in writing to Lessee of Lessor's intent to re-negotiate the rental amount. If the parties cannot agree as to the fair rental value, then the same shall be determined and established as provided in the succeeding paragraph.

8. Procedure to Determine Rental: If the parties cannot agree as to the fair rental value of the premises for any re-negotiation period, the fair rental value of the premises shall be determined as though the tract was a separate vacant identifiable tract and such determination shall be made by an MAI appraiser whose selection shall be determined by mutual agreement of the parties or alternately by the presiding judge of the Superior Court of Skagit County on petition by either party. The cost for such an appraisal shall be borne equally by both parties.

9. Hold Harmless Provisions, Liability and Indemnity: The Town of Concrete, its officers, employees and agents, shall not be liable for any injury (including death) or damage to any persons or to any property sustained or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the premises), or occurrence whatsoever related in any way to the premises or related in any way to the Lessee's use of the premises or Lessee's performance under this lease, except to the extent of such damage caused by the negligence of the Town. Lessee agrees to defend and hold and save the Town, its officer, employees and agents, harmless from any and all liability or expense (including expense of litigation) in connection with any such terms of actual or alleged injury or damage.



10. Business Purpose and Type of Activity: It is understood and agreed that the Lessee intends to erect structures and improvements upon the premises for the purpose of developing 1 hangar facilities. It is further understood that this is the only type of activity to be conducted upon the premises and failure to perform this type of activity or cessation of such activity or carrying on of other activities without first obtaining a lease modification with Lessor's written approval of such other activities shall constitute cause for default.

11. Construction of Improvements: The Lessee shall construct a building or structure on said leased premises within the first term of the lease or the Lessor, at its option, may refuse to extend the lease beyond the first term and declare any further extensions null and void. Lessee intends to construct buildings, structures and other improvements, at lessee's cost, upon the premises. Lessee will not commence construction of any improvements without prior written consent of Lessor. Lessee shall submit to Lessor all plans and specifications relating to such construction of improvements, in accordance with Lessor's binding site plan and zoning regulations. No building shall be constructed or remodeled with doors that extend or are capable of extending beyond the exterior walls of the building. Lessee shall comply with all regulations of Federal, County and State governments in the construction of all improvements. Lessee shall through the services of a qualified civil engineer locate and stake the property corners.

12. Disposition of Improvements as End of Lease: Lessee shall have the right to remove all of the buildings, equipment, personal property and trade fixtures which may have been placed upon the premises by Lessee during the period of this lease, provided that the same are removed upon conclusion of the lease and that the lease is in good standing. Provided, however, in the event the Lessee shall fail to remove any buildings, equipment, personal property and trade fixtures from the premises at the conclusion of the lease, the Lessor shall, at its option, have the right to retain said buildings, equipment, personal property and trade fixtures at its own property or in the alternative remove said buildings, equipment, personal property and trade fixtures, store the same at Lessee's expense and Lessor may recover any costs and expenses from the Lessee resulting from the removal.

13. Off Street Parking: Lessee agrees to provide space for the parking of vehicles in the number necessary to comply with business requirements on property included within this lease; and not to use any public streets, rights of way or other properties not included in this lease for the parking of said vehicles.

14. Lessee Will Obtain Permits: Lessee agrees to obtain and comply with all necessary permits for the operation and conduct of Lessee's activities and construction of any leasehold improvements. If Lessee fails to obtain and comply with such permits, then Lessee accepts full responsibility for any and all costs incurred by the Town of Concrete, including actual attorney's fees. Lessee agrees to hold the Lessor harmless from any liability and to fully reimburse expenses of the town for Lessee's failure to fully comply with any necessary permit process and requirements.

15. Maintenance of Facilities: Lessee shall be responsible for all maintenance and/or repair of the leased premises and all improvements thereon



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such condition so as not to create a hazard nor be unsightly, and shall at all times conform to existing laws.

16. Utilities: Lessee agrees to pay for all public utilities which shall be used in or charged against the premises, and to hold the Lessor harmless from such charges.

17. Advertising and Signs: No signs or other advertising matter, symbols, canopies or awnings shall be installed, attached to or painted on the premises without the prior written approval of the Town.

18. Liens and Insolvency: Lessee shall keep the leased premises free from any liens arising out of work performed, materials furnished, or obligations incurred by Lessee. In the event Lessee becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of the Lessee, then the Lessor may cancel this lease at Lessor's option.

19. Taxes: Lessee shall be liable for, and shall pay throughout the term of this lease, all license fees and excise taxes payable for, or on account of, the activities conducted on the premises and all taxes on the property of Lessee on the premises and any taxes on the premises and/or on the leasehold interest created by this lease and/or any taxes levied in lieu of a tax on said leasehold interest and/or any taxes levied on, or measured by, the rental payable hereunder, whether imposed on Lessee or on the Town. With respect to any such taxes payable by the Town which are on or measured by the rent payments hereunder, Lessee shall pay to the town with each rent payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which the Town is or will be entitled to reimbursement from Lessee shall be payable by Lessee to the Town at least fifteen (15) days prior to the due dates of the respective tax amounts involved; provided, that Lessee shall be entitled to a minimum of ten (10) days written notice of the amounts payable by it.

20. Laws and Regulations: The Lessee agrees to confirm to and abide by all lawful rules, codes, laws, and regulations of the United States, the State of Washington, the FAA and any municipality or agency of any said entities, including rules and regulations of Lessor, where applicable to the Lessee's use and operation of said premises, including the construction of any improvements thereon, and not to permit said premises to be used in violation of any said rules, codes, laws, or regulations.

21. Alterations: Lessee shall not make alterations to the leased premises without first obtaining the written consent of the Lessor.

22. Commit No Waste: Lessee agrees not to allow conditions of waste and refuse to exist on the above-described premises and to keep the premises in a neat, clean, and orderly condition and to be responsible for all damages caused to the leased premises by Lessee, its agents or any third party.



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23. Costs and Attorney's Fees: In the event it is necessary for either party herein to bring an action to enforce the terms, conditions or covenants of this lease, then the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements.

24. Equal Opportunity: Lessee agrees that in the conduct of activities on the leased premises it will be an equal opportunity employer in accordance with title 6 of the 1964 civil rights act.

25. Termination: Upon termination of this lease or any extension thereof, whether by expiration of the stated term or sooner termination thereon as herein provided, Lessee will surrender to Lessor said premises peaceably and quietly and in the condition required under paragraph 11 herein.

26. Default and Re-Entry: Time is the essence of this agreement. (i) If (a) any rent or other payments due from Lessee or they are due; (b) If Lessee files a voluntary petition in bankruptcy or makes a general assignment to the benefit of, or a general arrangements with, creditors; (c) There is an involuntary bankruptcy filed against Lessee that has not been dismissed within thirty (30) days of filing; (d) If Lessee becomes insolvent; or (e) If a receiver, trustee, or liquidating officer is appointed for Lessee's business; or (ii) If Lessee violates or breaches any of the other covenants, agreements, stipulations or conditions herein, and such violation or breach shall continue for a period of thirty (30) days after written notice of such violation or breach is sent to Lessee, then Lessor may at its option, declare this lease forfeited and the term hereof ended, or without terminating this lease elect to re-enter and attempt to relet, in which event Lessee authorized Lessor to relet the premises or any part thereof for such terms or lease (which may be for a term extending beyond the term of this lease) and at such rental or rentals and upon such other terms and conditions as Lessor in its sole discretion deems advisable. Upon each such reletting, all rentals received by Lessor from such reletting shall be applied, first, to the payment of any amounts other than rent due hereunder from Lessee or Lessor; second, to the payment of any costs and expenses of such reletting and renovation, including brokerage fees and attorneys' fees; third, to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by Lessor and applied to payment of future rent as the same may become due and payable hereunder. If rentals received from such re-letting during any month are less than that to be paid during that month by Lessee hereunder, Lessee shall pay any such deficiency to Lessor, and Lessee covenants and agrees to pay Lessor for all other expenses resulting from its default, including, but not limited to, brokerage commissions, attorney fees and the reasonable cost of converting the premises for the benefits of the next Lessee. Delinquent rental and other payments shall bear interest at the rate of twelve percent (12%) per annum from the date due until paid. In the event of any default hereunder and entry in, or taking possession of, the premises, Lessor shall have the right, but not the obligations, to remove from the premises all personal property located therein, and may store the same in any place selected by Lessor, including but not limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without notice Lessee, after it has been stored for a period of thirty (30) days or more, with the proceeds of such sale to be applied to the cost of such sale and to the payment of charges for storage, and to the payment any other sums of money which may then be due from Lessee to Lessor under any of the terms hereof.



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27. Assignment: Lessee will not, by operation of law or otherwise, assign any portion of the lease premises without Lessor's prior written consent. The consent of Lessor to any assignment shall not in any manner be construed to relieve Lessee from obtaining Lessor's express written consent to any other of further assignment.

Lessor may deny consent to an assignment or may condition consent to assignment upon, but not limited, to the following factors:

- A. Financial responsibility to assignee.
- B. Whether the intended use of the premises by assignee is consistent with applicable zoning and the development and land use plan of the Town of Concrete.

Any assignee of any portion of the lease premises shall expressly assume, and by reason of such assignment shall be considered as having assumed, and become bound to all of Lessee's obligations hereunder.

The assignment of Lessee's interests in this lease shall not in any manner release Lessee from payment of rent or the performance of the covenants herein contained, or from any of the terms of this lease.

Lessee and assignee shall execute a consent to assignment in a form satisfactory to Lessor. Such consent is subject to approval by the Council of the Town of Concrete.

28. Lessor's Right to Enter Premises: Lessor and/or its authorized representatives shall have the right to enter the premises at all reasonable times for any of the following purposes.

- A. To do necessary maintenance and to make any restoration to the premises that the Lessor has the right or obligation to perform, only in event of default;
- B. To post "For Rent" or "For Lease" signs during any period that the Lessee is in default;
- C. To repair, maintain or improve the premises, only in event of default; and
- D. To do any other act or thing necessary for the safety or preservation of the premises.

Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's entry onto the premises as provided in this paragraph. Lessor shall conduct its activities on the premises as provided herein in a manner that will cause the least inconvenience, annoyance or disturbance to the Lessee.

29. Right of Quiet Enjoyment: Lessor acknowledges that it has ownership of the premises heretofore described and that it has the legal authority to lease said premises unto



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Lessee. Lessor covenants that Lessee's right of occupancy shall not be disturbed during the term of this lease so long as the terms are complied with by Lessee and subject to the provisions of paragraph 28 herein.

30. Time is of the Essence: It is mutually agreed and understood that time is of the essence of this lease and that a waiver of any default of Lessee shall not be construed as a waiver of any subsequent default, and that any notice required to be given under this lease may be given by United States Mail addressed to the party identified in paragraph 34 of the lease.

31. Waiver of Subrogation: Lessor hereby releases Lessee from any and all right, claim and demand that Lessor may hereafter have against Lessee, or Lessee's successors or assigns, arising out of or in connection with any loss or losses occasioned by fire and such items as are included under the normal extended coverage clauses of fire insurance policies, and does hereby waive all rights of subrogation in favor of insurance carriers against Lessee arising out of any Losses occasioned by fire and such items as are included under the normal extended coverage clauses of fire insurance policies and sustained by Lessor in or around the premises. Lessee hereby releases Lessor from any and all right, claim and demand that Lessee may hereafter have against Lessor or Lessor's successors or assigns, arising out of or in connection with any loss or losses occasioned by fire and such items as are included under the normal extended coverage clauses of fire insurance policies. The waivers provided for in this paragraph shall be applicable and effective only in the event such waivers are obtained from the insurance carriers concerned. The Lessee shall provide the Lessor with proof of fire insurance.

32. Federal Aviation Administration Requirements:

Lessee Agrees:

- A. To prevent any operation of the leased premises which would produce electromagnetic radiations of a nature which would cause interference with any existing or future navigational aid or communication aid serving Concrete Airport, which would create any interfering or confusing light or in any way restrict visibility at the airport.
- B. To prevent any use of the leased premises which would interfere with landing or taking off of airport at Concrete Airport, or otherwise constitute an aircraft hazard.
- C. To provide lessor with proof of aircraft registration or proof of intent to register an aircraft.

33. Retention Of Airspace Rights By Lessor: Lessor retains the public and private right of flight for passage of aircraft in the airspace above the surface of the premises herein before described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or as herein after used, for navigation of or flight in said airspace and for use of said airspace for taking off from, landing on or operating at Concrete Airport.



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34. Notices: All notices or payments hereunder may be delivered or mailed. If mailed, they should be sent to the following respective addresses:

Lessor: Town of Concrete  
P. O. Box 39  
Concrete, WA 98237  
  
Phone (360) 853-8401

Lessee: Carl R. Ryder  
8167 Clark Road  
Marblemount, WA 98267  
  
Phone (360) 873-4333

*Lease Agreement*  
SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

APR 21 2005

Amount Paid \$6  
Skagit Co. Treasurer  
By *MAAM* Deputy

35. Lessee's Fire Insurance Coverage: Lessee shall at Lessee's expense maintain on all of Lessee's leasehold improvements and alterations on the premises, a policy of standard fire insurance, with extended coverage in the amount of their replacement value.

36. Validation: In witness whereof, Lessor has caused this instrument to be signed by its Mayor and Clerk by the authority of the Town of Concrete, and this instrument was signed and executed by Lessor the day and year first above written.

Lessor:

Town of Concrete,  
a Municipal Corporation

*Jack R. Billman Jr.*  
\_\_\_\_\_  
Mayor, Town of Concrete

*Nancy K. Allen*  
\_\_\_\_\_  
Clerk-Treasurer, Town of Concrete

Lessee:

*Carl R. Ryder*  
\_\_\_\_\_  
Carl R. Ryder

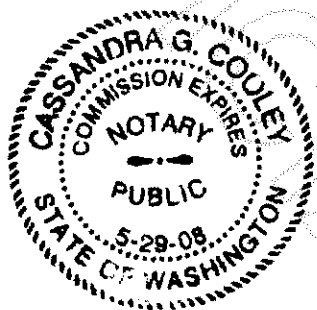


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State of Washington )  
 ) ss.  
County of Skagit )

On this day before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jack R. Billman, Jr. and Nancy K. Allen, to me known to be the Mayor and Clerk, respectively, of the Town of Concrete, a municipal corporation, the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned and on oath stated that they were authorized to execute said instrument.

Given under my hand and official seal this 31<sup>st</sup> day of March, 2005

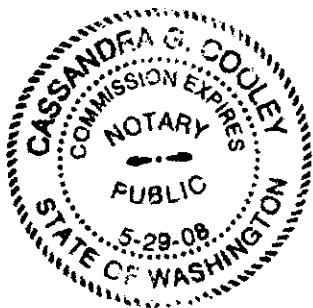


Cassandra G. Cooley  
Notary Public for the State of Washington  
Residing at Concrete Town Hall  
My Commission Expires: 5-29-08  
Print Name: Cassandra G. Cooley

State of Washington )  
 ) ss.  
County of Skagit )

On this day personally appeared before me Carl R. Ryder known to be the individual(s) described in and who executed the within and foregoing instrument and that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 31<sup>st</sup> day of March, 2005



Cassandra G. Cooley  
Notary Public for the State of Washington  
Residing at Concrete Town Hall  
My Commission Expires: 5-29-08  
Print Name: Cassandra G. Cooley



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