

## **GROUND LEASE**

THIS GROUND LEASE (this "Lease") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between Truckee Tahoe Airport, a California airport district ("Landlord") and Town of Truckee, a California municipal corporation ("Tenant"), on the terms and conditions set forth herein.

### **RECITALS**

- A. Landlord is the owner of record of all of that certain real property situated in Nevada and Placer Counties, California, commonly known as Truckee Tahoe Airport ("KTRK").
- B. Landlord wishes to lease a portion of the Landlord's property as described on Exhibit "A" (the Property) to Tenant, together with all rights, privileges, and easements appurtenant to the Property, collectively referred to as the "Premises." Such property shall be used by Tenant solely for a seasonal watercraft inspection and decontamination station and for no other purpose.

### **AGREEMENT**

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

#### **Section 1. Lease of Premises**

Landlord hereby leases, transfers and demises to Tenant, and Tenant hereby leases and takes from Landlord, the Premises for the terms and upon the agreements, covenants and conditions set forth in this Lease.

#### **Section 2. Term**

The term of this Lease shall be for the 2016 boating season, comprising the period April \_\_\_\_\_, 2016 through October 31, 2016 (the "Term") unless sooner terminated as herein provided.

#### **Section 3. Rent**

Tenant shall pay to Landlord as rental for the use and occupancy of the Premises the sum of one dollar (\$1.00) to be paid on execution of this Lease.

#### **Section 4. Taxes and Assessment**

(a) Tenant covenants and agrees to pay and discharge, during the entire Term, before delinquency, all taxes, assessments, water charges, sewer charges, utility rates and fees, levies or other charges, general, special, ordinary, extraordinary and otherwise, of every kind and

character which are or may during the Term be levied, charged, assessed or imposed upon or against the Premises or any buildings or improvements which are now or hereafter located thereon, or against any of Tenant's personal property now or hereafter located thereon, or which may be levied, charged, assessed or imposed upon or against the leasehold estate created hereby. In addition, Tenant shall pay any tax assessed exclusively on rental income of Landlord to the extent such income is allocable to this Lease, if and only if such tax is assessed by State or local authorities in lieu of taxation based on the ownership of real property. At the commencement and at the end of the Term, such taxes, assessments and other charges to be paid by Tenant shall be prorated on the basis of the fiscal year of the taxing authority in question so that, at the commencement and at the end of the Term, as to any such taxes, assessments and other charges levied or assessed for a fiscal year preceding the commencement or extending beyond the end of the Term, Tenant will pay only such proportion of such taxes, assessments and other charges as the portion of such fiscal year following the commencement and preceding the end of the Term bears to the entire fiscal year.

(b) Notwithstanding anything herein to the contrary, Tenant shall not be required to pay any franchise, capital levy, or transfer tax of Landlord, or any net income tax measured by the income of Landlord from all sources, or any tax which may, at any time during the Term, be required to be paid on any gift, or demise, deed, mortgage, descent or other alienation of any part or all of the estate of Landlord in and to the Premises or any buildings or improvements which are now or hereafter located thereon, except as hereinafter provided. If Tenant shall be required by law to pay, and pursuant thereto does pay, any tax, assessment or charge specified in this subsection (b), Landlord shall, immediately upon request, reimburse Tenant for any such payments. If such immediate reimbursements are not forthcoming, Tenant shall receive a credit against the rental payment next due hereunder for the full amount of such delinquent reimbursements. Any documentary transfer tax assessed upon the creation of a leasehold interest in the Premises under this Lease shall be paid by Tenant.

### **Section 5. Quiet Enjoyment**

Landlord covenants that upon payment by Tenant of the rent herein reserved and upon performance and observance by Tenant of all of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed, Tenant shall peaceably hold and quietly enjoy the Premises during the entire Term without hindrance, molestation or interruption by Landlord or by anyone lawfully or equitably claiming by, through or under Landlord.

### **Section 6. Repairs, Governmental Regulations and Waste**

(a) Tenant shall, during the Term, at its own cost and expense and without any cost or expense to Landlord:

(i) Keep and maintain all buildings and improvements now or hereafter located on the Property (subject to Tenant's right to demolish and/or remove) and all appurtenances thereto in good and neat order and repair and shall allow no nuisances to exist or be maintained therein. Tenant shall likewise keep and maintain the grounds, sidewalks, roads and parking, and landscaped areas in good and neat order and repair. Landlord shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Premises or any buildings or improvements now or hereafter located thereon, and Tenant hereby expressly waives all right to make repairs at Landlord's expense under sections 1941 and 1942 of the California Civil Code, or any amendments thereof; and

(ii) Comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the Premises, all buildings and improvements now or hereafter located thereon, or any activity or condition on or in the Premises.

(b) Tenant agrees that it will not commit or permit waste upon the Premises other than to the extent necessary for the removal of any buildings or improvements upon the Premises or for the purpose of constructing and erecting thereon other buildings and improvements in accordance with the rights set forth, below. Tenant shall remove all buildings or improvements installed by Tenant and restore the Premises to its original condition (reasonable wear and tear excepted) at the termination of this Lease.

(c) Tenant acknowledges that the Premises are subject to the Rules and Regulations of the Federal Aviation Administration (FAA), which may require additional conditions or may require that this Lease be terminated. In the event of a required termination by the FAA, this Lease shall promptly terminate and the rent paid shall be the property of Landlord, without rebate or adjustment. Tenant shall be responsible for compliance with any and all requirements of the FAA as it relates to Tenant's use or occupation of the Premises of which Landlord has provided notice to Tenant.

(d) Tenant also acknowledges that this portion of the Airport Property has not been inspected by a Certified Access Specialist.

(e) Tenant has inspected the Premises and accepts the Premises in its current condition.

## **Section 7. Improvements, Changes, Alterations, Demolition, Replacement and Signage**

(a) Tenant shall have the right at any time and from time to time during the Term to make such improvements to the Premises and such changes and alterations, structural or otherwise, to any

buildings, improvements, fixtures and equipment now or hereafter located on the Property, including demolition of any or all buildings and improvements now or hereafter located on the Property and replacement thereof, as Tenant shall deem necessary or desirable to carry out the purpose of this Lease.

(b) Tenant may erect signage directing the public to its location for inspections; and signage on any of Landlord's property shall first be approved by Landlord.

### **Section 8. Assignment and Subletting**

This Lease may not be assigned, sublet or encumbered without the express, prior written consent of Landlord, provided that Landlord specifically consents to Tenant allowing the Tahoe Resource Conservation District and its employees and agents to occupy the Premises for the purpose of conducting watercraft inspections and decontamination.

### **Section 9. Fire and Extended Coverage and Liability Insurance**

**A. Required Insurance.** Tenant shall obtain and maintain continuously in effect at all times during the term of this Lease, at Tenant's sole expense, the following insurance, provided that equivalent coverage may be provided by Tenant through Tenant's joint powers insurance pool:

1. **Comprehensive general liability insurance** protecting Landlord against any and all liability arising by reason of Tenant's or Tenant's invitee's or guest's conduct incident to the use of the Premises, or resulting from any accident occurring on or about the roads, driveways or other public places, used by Tenant at the Premises, caused by or arising out of any wrongful act or omission of Tenant, or their invitees or guests in the minimum amount of \$1,000,000 per occurrence;
2. Personal injury in the amount of \$1,000,000 for injury or death of one person and, subject to the limitation for the injury or death of one person, of not less than \$5,000,000 for injury to or death of two or more persons as a result of any one accident or incident;
3. Property damage in the amount of \$1,000,000.
4. Premises medical payments insurance in an amount of \$1,000 any one person \$5,000 aggregate.

The insurance specified above, shall name Landlord as an additional insured. Any policy of insurance required under this Article shall be written by insurance companies authorized to do business in California, subject to Tenant's right to provide coverage through Tenant's participation in a joint powers insurance pool.

If at any time Tenant fails to procure or maintain the insurance required by this Article, Landlord may obtain that insurance and pay the premiums on it for the benefit of Landlord. Any amounts paid by Landlord to procure or maintain insurance pursuant to this section shall be immediately due and repayable to Landlord by Tenant; failure to repay any amount expended by Landlord shall be considered a default by Tenant under this lease.

- B.** In the event any act, activity, use or thing occurring or existing on the Premises by Tenant results in any increase in Landlord's insurance premiums, Tenant shall be responsible and pay for that increase in Landlord's insurance premiums as additional rent upon submission by Landlord to Tenant of written documentation of the act, activity, use or thing done or brought onto the Premises by Tenant, together with notification from Landlord's insurer that such act, activity, use or thing has caused an increase in Landlord's premiums and the amount of the increase.

#### **Section 10. Indemnity**

To the fullest extent allowed by law, Tenant covenants and agrees that Landlord shall not at any time or to any extent whatsoever be liable, responsible or in anywise accountable for any loss, injury, death, or damage to persons or property which, at any time may be suffered or sustained by Tenant or by any person who may at any time be using, occupying, or visiting the Premises or be in, on or about the Premises, from any cause whatsoever, except when whether such loss, injury, death, or damage shall be caused by or in anywise result from or arise out of the negligent or intentional acts or omissions of Landlord. Furthermore, Tenant shall forever indemnify, defend, hold, and save Landlord free and harmless of, from and against any and all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death or damage occasioned by any cause other than Landlord's intentional or negligent acts or omissions. Tenant hereby waives all claims against Landlord for damages to the buildings and improvements now or hereafter located on the Property and to the property of Tenant in, upon or about the Premises, and for injuries to persons or property in, on or about the Premises, from any cause arising at any time, except for any such claims arising from negligent or intentional acts or omissions committed by Landlord. Tenant's indemnity obligation set forth in this Section shall survive the termination or expiration of this Lease with respect to any claims or liabilities arising out of injury or damage to person or property which occurs during the Term.

#### **Section 11. Eminent Domain**

If the whole or any portion of the Premises should be taken by any public or quasi-public authority under the power or threat of eminent domain during the Term, this Lease shall

terminate, all rent remains that of Landlord and any and all awards or damages shall be the sole property of Landlord.

### **Section 12. Landlord's Right of Inspection**

Landlord may, at any reasonable time and from time to time during the Term, enter upon the Property for the purpose of inspecting the Premises, buildings or improvements now or hereafter located thereon and for such other purposes as may be necessary or proper for the reasonable protection of its interests.

### **Section 13. Defaults and Remedies**

In the event of a claimed default by either party, the other shall have all rights and remedies available to it under California law.

### **Section 14. Nonwaiver**

No waiver of any default under this Lease shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or enforcing any right, privilege, or option under this Lease shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege, or option hereunder.

### **Section 15. No Partnership**

It is expressly understood and agreed that Landlord does not, in any way or for any purpose by executing this Lease, become a partner of Tenant in the conduct of Tenant's business, or otherwise, or a joint venturer or a member of a joint enterprise with Tenant.

### **Section 16. Notices**

Except as otherwise provided hereunder; any notice or communication to Landlord, Tenant or Lender shall be in writing and personally delivered:

To Landlord at: 10356 Truckee Airport Rd., Truckee, California, ATTN: General Manager

To Tenant at: 10183 Truckee Airport Rd., Truckee, California, ATTN: Dan Olsen

### **Section 17. Holding Over**

This Lease shall terminate without further notice upon the expiration of the Term, and any holding over by Tenant after the expiration of the Term shall not constitute a renewal hereof or give Tenant any rights hereunder or in or to the Premises, it being understood and agreed that

this Lease cannot be renewed, extended or in any manner modified except in writing signed by Landlord and Tenant.

### **Section 18. Severability**

In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Lease, but this Lease shall be construed as if such invalid, illegal, or unenforceable provisions had not been contained herein.

### **Section 19. Time of the Essence**

Time is of the essence of each and all of the agreements, covenants, and conditions of this Lease.

### **Section 20. Consents**

Whenever in this Lease the consent or approval of either Landlord or Tenant is required or permitted, the party requested to give such consent or approval will act promptly and will not unreasonably withhold its consent or approval.

### **Section 21. Attorney Fees**

In the event of any action or proceeding at law or in equity between Landlord and Tenant to enforce any provision of this Lease or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to such litigation shall pay to the prevailing party all costs and expenses, including reasonable attorney's fees, incurred therein by such prevailing party, and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney's fees shall be included in and as a part of such judgment.

### **Section 22. Integration**

This instrument constitutes the entire agreement between Landlord and Tenant with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral or written.

### **Section 23. Amendments**

This Lease may be modified or amended only in writing and only if signed by the parties at the time of the modification.

### **Section 24. Governing Law**

This Lease shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above.

LANDLORD:

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By: Lisa Wallace,

Title: President, Board of Directors

TENANT:

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By:

Name:

Its:



**EXHIBIT "A"**