

**ASHLAND MUNICIPAL AIRPORT
HANGAR CONSTRUCTION REQUIREMENTS**

This document is to be used with the Ashland Municipal Airport Master Lease Agreement for those Lessees who are to construct a hangar in conjunction with their lease agreement.

1. Construction of Improvements. Lessee shall erect a hangar wholly within the boundary lines of the premises in accordance with approved plans and specifications as set forth in this paragraph.

- A. Submission of plans. Within 120 days after the date of execution of the lease abstract, Lessee shall submit one set of preliminary construction plans and specifications to the Airport Commission and one set to the Engineering Division of the City's Department of Public Works. The plans and specifications shall be prepared by an architect or engineer licensed in the State of Oregon and shall be sufficient to enable the Airport Commission and the Engineering Division to make an informed judgment about the design, quality of the construction, required site work and storm drainage.
- B. Approval of plans. Approval or disapproval by the Airport Commission and Engineering Division shall be communicated to Lessee within 60 days after their receipt of complete plans and specifications. Any disapproval shall be accompanied by a statement of the reasons for such disapproval. Following any disapproval, Lessee may elect either to revise the plans and specifications and resubmit them to the Airport Commission pursuant to this paragraph or terminate this Lease upon 30 days written notice to City. Following approval of Lessee's plans and specifications by the Airport Commission and Engineering Division, Lessee shall expeditiously apply for all necessary permits from the City's Building Official and make continued and substantial progress towards permit issuance. Lessee shall commence construction in accordance with plans and specifications approved by the Airport Commission, Engineering Division and Building Official, within 60 days following approval. If required permits are not issued by the Building Official within 90 days of approval of plans and specifications by the Airport Commission and Engineering Division, City may, upon 30 days written notice to Lessee, terminate this Lease and Lessee shall have no further liability to City under this lease. City may retain all deposits made by Lessee and shall have no further liability to Lessee. Applicant will be responsible for all System Development Charges, fees, permit fees and reimburse prior entities for prior preparation work performed to the site.
- C. Conditions prior to construction. Prior to commencement of the construction of the hangar and before any building materials have been delivered to the premises, Lessee shall deliver to City such proofs and copies as City shall reasonably request, including, without limitation, proof

that workers' compensation insurance has been procured to cover all persons employed in connection with the construction, proof of issuance of all building and other permits required for the construction and proof that all systems development charges of the City have been paid.

- D. Conditions of construction. Once construction has begun Lessee shall prosecute it to completion with diligence. All work shall be performed in a good and workmanlike manner and shall comply with all applicable governmental permits, laws, ordinances and regulations. Lessee shall pay or cause to be paid the total cost of the construction. Construction work shall conform in all significant respects with the approved plans and specifications approved by the Airport Commission and Engineering Division except as otherwise authorized by the commission and division.
- E. Construction liens prohibited. This paragraph shall not be construed to authorize Lessee to perform any act or make any contract so as to encumber in any manner the title of City to the property or to create any claim or lien on or against the interest of City in construction of the improvements. It is expressly agreed that all the expenses of the construction of the improvements shall be promptly paid by Lessee as required by the terms of any contract therefor.
- F. Other required construction. Lessee shall also construct to standards established by the Engineering Division adequate drainage on the premises, an asphalt taxiway and ramp to the hangar and adequate parking.
- G. Utilities. Lessee may, but is not required to, provide electricity to the premises and within the hangar and may install plumbing, provided that all systems development charges are paid to city. No septic or holding tanks shall be permitted on the premises.

2. Title to Improvements. (Applicable to Lease Type B) Upon completion of construction and issuance of a certificate of occupancy, the improvements described in paragraph 1 including any further improvements to the premises approved by the Airport Commission, shall become property of City, free and clear of all claims of Lessee, any one claiming under Lessee or caused, permitted or suffered to attach through Lessee. Lessee or any one claiming under Lessee, shall indemnify and defend City against all liability and loss arising from such claims.

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