

LEASE

BETWEEN

The CITY of SEASIDE

And

IMMELMAN HANGAR DEVELOPMENTS, LLC

SEASIDE MUNICIPAL AIRPORT

2005

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## LEASE

THIS AGREEMENT, made and entered into between the City of Seaside, a municipal corporation of the State of Oregon, hereinafter called the 'City', and Immelman Hangar Development, a Limited Liability Corporation registered in the State of Oregon, hereinafter called the 'Lessee,'

## WITNESSETH

WHEREAS, Lessee desires to build general aviation hangars at Seaside Municipal Airport, and

WHEREAS, on \_\_\_\_\_, the City approved such construction, and

WHEREAS, Lessee has obtained financial commitments from potential buyers and lending institutions covering construction costs,

NOW, THEREFORE, the following lease shall for the convenience be referred to as a Lease for Phase I. The parties hereto agree as follows:

## ARTICLE I - Premises

Section 1.01 – Description: The City, as owner of the Seaside Municipal Airport, Clatsop County, Oregon, hereby leases to Lessee for noncommercial use, a hangar site as follows:

That hangar site (site #) at Seaside Municipal Airport, Clatsop County, Oregon as

shown on Exhibit "A" attached hereto. Hangar site contains approximately \_\_\_\_\_ square feet (herein the premises) on which to construct \_\_\_\_\_ (dim 1) by \_\_\_\_\_ (dim2) hangar building containing '5' individual hangars to be located as shown on Exhibit "B" attached hereto.

Lessee may use, in common with others, the public portions of the airport.

Section 1.02 – Premises: Lessee may use the premises only for constructing general aviation hangars for aircraft and thereafter the sale to the public of individual hangars in the building under the ' Condominium Laws' of the Sate of Oregon. Hangars shall be used only as defined in Section 8.01 of this document. Lessee agrees and covenants that it will use the premises for non-commercial activities only. Commercial activity is defined as a systematic continuous operation of a business for profit. Notwithstanding the above definition, the leasing or subleasing by the owner for the storage of aircraft is not a commercial activity within the definition.

## ARTICLE II - Term

Section 2.01 – Term: The term of this lease shall commence on \_\_\_\_\_ and shall continue through \_\_\_\_ (30 yrs) \_\_\_\_\_. However, if site preparation has not commenced by \_\_\_\_\_ ( 6 mo.'s ? ), this lease shall terminate with rental per Section 3.02.

Section 2.02 – Renewal Term: Provided the Lessee is not in default in the performance of any terms or conditions of this Lease, Lessee shall have the option to extend this Lease for two renewal terms of ten (10) years each, commencing with the termination of the primary term, upon the following conditions:

- A. The following option may be exercised at anytime within one hundred and eighty (180) days, but not less than ninety (90) days preceding the termination of each term by giving written notice to the City. If not exercised within such period and in such manner, the option to renew shall be void.
- B. Within sixty (60) days after receipt of Lessee's notice of exercise of the renewal term option, the City shall cause the improvements to be inspected by the City's Building Inspector. The inspection shall be for the purpose of determining whether the improvements are in satisfactory condition and repair and have, at that time, an additional life expectancy of not less than ten (10) years beyond the expiring term.
- C. Following the inspection, the City shall notify the Lessee of the determination. The additional renewal term, if granted shall become effective on the termination of the primary term subject to Lessee's satisfactory compliance with the provisions of Paragraph 'B.'

## ARTICLE III – RENTAL

Section 3.01 – Basic Rent: Lessee shall pay the City as ground rental charge, the sum of \_\_\_\_\_ per month (.07 Cents x sq. footage of the hangar building foundation footprint). Rent shall be payable on the tenth (10<sup>th</sup>) day of each month in advance. Annual or quarterly payments may be made to the City in advance. Reduced rent of .065 cents per sq. ft. of hangar area will be offered during the construction period (not to exceed six(6) months) and also for two years to buyers of individual hangars who purchase prior to the beginning of construction.

Section 3.02 – Termination: If site preparation has not been commenced by \_\_\_\_\_(6 months), there shall be no reduced rent; the lease shall terminate, and the rental rate .08 cents per sq. ft. per month of proposed hangar space for nine (9) months from the signing of this agreement shall be paid by the Lessee to the City.

Section 3.03 – Re-establishment of Rent: Land rental shall be re-established after two years from the initial signing of this agreement and thereafter, every three (3) years. Such adjustments shall be based on the terms and conditions set forth in the City's Rates and Fees schedule for the Airport and be made during the last month of the expiring period.

Section 3.04 – Arbitration: In the event the parties cannot agree upon the land value, the land value for the ensuing period shall be determined by three (3) arbitrators. After notice by either party to the other party requesting arbitration, one (1) arbitrator shall be appointed by each party. Notice of the appointment shall be given by each party to the other when made. The arbitrators shall immediately choose a third (3<sup>rd</sup>) arbitrator to act with them. If they fail to select a third (3<sup>rd</sup>) arbitrator, on application by either party, the third (3<sup>rd</sup>) arbitrator shall be promptly appointed by the presiding Judge of the Circuit Court of the State of Oregon, County of Clatsop, acting in his individual capacity. Each party shall bear the expense of its own appointed arbitrator and shall bear all other expenses equally. The land value shall be the decision of not less than two (2) of the arbitrators. The land value determined by the arbitrators shall be effective and retroactive to the first (1<sup>st</sup>) day of the rental period under arbitration.

Section 3.05 – Place of Payment: Payment shall be to the City at its offices in Seaside, Oregon, or such other place as the City may designate. All amounts not paid by the Lessee when due shall bear interest at the rate of ten percent (10%) per annum.

## ARTICLE IV – LESSEE OBLIGATIONS

Section 4.01 – Construction of Improvements:

- A. Lessee shall construct its planned aviation hangars and install there all necessary fixtures, equipment and accessories. Lessee shall commence site construction not later than \_\_\_\_\_.

B. Prior to any construction, alteration or changes upon the leased premises, Lessee shall submit to the City final plans and specifications, site-use plan, and architectural rendering thereof and shall not commence any construction until it has received the City's written approval. Plans shall be approved in a timely manner by the City Building official.

C. Prior to any construction, evidence must be submitted to the City of sufficient funds for construction. Said evidence may either be funds in escrow or performance bond guaranteeing construction.

D. Construction will comply with all applicable laws, rules, regulations, ordinances, and resolutions of all government entities, including the City.

Section 4.02 – Conduct of Business: Lessee agrees once construction under Section 4.01 is completed, to continuously during the term conduct and carry on its hangar business and/or Condominium Association business on the leased premises and shall keep such premises open for business and cause such business to be conducted therein each and every business day generally observed by like businesses, except acts of God, labor disputes or other causes beyond the Lessee's reasonable control.

Section 4.02A – Sub-Lease or other transfer of Possession or Control of the Premises: The Lessee acknowledges that the operation and use of the Airport are matters of public interest. Lessee further acknowledges that the City has granted this Lease to the Lessee, in partial consideration of the Lessee's plan to transfer the Lease to a Condominium Association formed under the laws of Oregon and for that Condominium Association to be the sole agent in dealing with the City over matters pertaining to these premises. Therefore, and in any event, Lessee shall not assign this Lease, sub-lease, or apportion or all of the premises, encumber the Lease or any interest in the premises or improvements, or in any other manner transfer possession or control of the premises to any other person or entity without the prior written approval of the City.

Section 4.03 – Title to Improvements: Upon termination of this Lease or its renewal by the passage of time or otherwise, the City shall have the option to either require removal of all structures, installations or improvements within ninety (90) days after the expiration of the Lease at Lessee's expense or shall have the option to take title to such structures, installations and improvements.

Section 4.04 – Maintenance: Lessee shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed or made thereon by Lessee, in good and substantial repair and condition, including the exterior condition thereof, and shall make all necessary repairs and alterations thereto. Lessee shall keep the leased premises free and clear of rubbish, debris, and litter at all times. The City shall at all times during ordinary business hours have the right to enter upon and inspect such premises. Such inspections shall be made at a mutually agreeable time.

Section 4.05 – Utilities: Lessee shall promptly pay any charges for utilities and all other charges for utilities which may be furnished to the leases premises at Lessee’s order or consent. No utility connection shall be made without prior approval of the City.

Section 4.06 – Liens: Lessee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery or equipment which have been furnished or ordered with Lessee’s consent to be furnished to or for the Lessee in, upon or about the premises herein leased, which may be secured by any mechanics’, materialsmen’s or other lien against the premises herein leased or City’s interest herein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Lessee may in good faith contest any mechanics’ or other liens filed or established, and in such event may permit the items so contested to remain un-discharged and un-satisfied during the period of such contest.

Section 4.07 – Taxes: Lessee agrees to pay all lawful taxes and assessments which during the term hereof or any extension may become a lien or which may be levied by the state, county, city, or any other tax levying body upon the premises or upon any taxable interest by the Lessee acquired in this Lease or any taxable possessory right which the Lessee may have in or to the premises or facilities hereby leased or the improvements thereon by reason of its occupancy thereof as well as all taxes on all taxable property, real or personal, owned by Lessee in or about said premises. Upon making such payments, Lessee shall give the City a copy of the receipts and vouchers showing such payment. Upon termination of tenancy, all taxes then levied or then a lien on any of said property or taxable interest therein shall be paid in full without pro-ration by Lessee forthwith or as soon as a statement thereof has been issued by the tax collector.

## ARTICLE V – INDEMNITY and INSURANCE

Section 5.01 – Indemnity: The Lessee agrees fully to indemnify, save and hold harmless the City, its commissioners, officers, agents or employees from and against all claims and actions and all expenses incidental to the investigation and defense thereof, based upon or arising out of damages or injuries to third (3<sup>rd</sup>) persons or their property, caused by the fault or negligence in whole or in part of the Lessee, its agents, sub-tenants or employees in the use or occupancy of the premises hereby leased; provided that the City shall give to the Lessee prompt and reasonable notice of any such claims or actions, and the Lessee shall have the right to investigate, compromise and defend same, provided such claim is not the result of a negligent act of the City.

Section 5.02 – Insurance:

- A. Lessee shall keep the premises herein leased together with any and all improvements placed thereon continuously insured with an insurance underwriter satisfactory to the City and licensed to do business in the State of Oregon against loss or damage by fire, lightning, and casualty, with uniform standard extended coverage endorsement for at least ninety percent (90%) of replacement value

- B. Lessee shall maintain liability insurance for the protection of Lessee, its directors, officers, servants and employees, insuring Lessee against liability for damages because of personal injury, bodily injury, death or damage to property, including loss of use thereof, and occurring on or in any way related to the premises leased or occasioned by reason of the operation of the lessee insurance of not less than one million dollars (\$1,000,000) combined single limit. Such insurance shall contain contractual coverage broad to insure the provisions of Section 5.01 entitled “Indemnity.”
- C. Lessee shall furnish to the City policies or certificates evidencing the date, amount and type of insurance that has been procured pursuant to this lease. All policies of insurance shall provide for not less than sixty (60) days written notice to the City and Lessee before such policy may be revised or cancelled.

Section 5.03 – Damage or Destruction of Premises:

- A. If the leased premises or any improvements thereon are damaged or destroyed by fire or other casualty, Lessee (and/or Condominium Assoc.) (1) shall promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition consistent with the applicable building codes as existed at the time of loss causing such damage or destruction and (2) shall apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional money of Lessee necessary therefore.
- B. If such damage or destruction shall occur during the last year of the original term of this lease or during the last year of any extended term thereof, and further if the damage or destruction which occurs during said last year period is such that costs of repair, rebuilding or restoration of the property damaged or destroyed exceeds fifty percent (50%) of the fair market value of the improvements upon the leased premises immediately prior to such damage or destruction, Lessee shall have the option and shall within sixty (60) days from the damage or destruction, notify the City in writing whether or not Lessee elects to repair, rebuild, restore in accordance with “A” above or to terminate this lease.

## ARTICLE VI – DEFAULT

Section 6.01 – Events of Default:

- A. Default in Rent: Failure of Lessee to pay any rent or other charge within ten (10) days after due.
- B. Default in Other Covenants: Failure of lessee to comply with any term or condition or fulfill any obligation of the Lease ( other than the payment of rent or other charges) within thirty (30) days after written notice by the City specifying the nature of the

default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, this provision shall be complied with if Lessee begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

- C. Insolvency: Insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and failure of the lessee to secure discharge of the detachment or release of the levy of execution within ten (10) days.
- D. Abandonment: Failure of the Lessee for one hundred and twenty (120) days or more to occupy the property for one or more of the purposes permitted under this lease unless such failure is excused under other provisions of this Lease or the City has granted an exception. Aircraft being away for repair or extended travel is not considered abandonment.

Section 6.02 – Remedies on Default: In the event of a default, the City at its option may terminate the Lease by notice in writing by certified mail to Lessee. The notice may be given before or within thirty (30) days after the running of the grace period for default and may be included in a notice of failure of compliance. If the property is abandon by Lessee in connection with a default, termination shall be automatic and without notice. A unit owner in the condominium association shall not be evicted for nonpayment so long as the pro rata share of the unit has been paid.

- A. Damages: In the event of termination on default, the City shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following damages:
  - 1. Any excess of (a) the value of all of the Lessee's obligations under this Lease, including the obligation to pay rent, from the date of default until the end of the term, over (b) the reasonable rental value of the property for the same period figured as of the date of default.
  - 2. The reasonable costs of re-entry and re-letting including without limitation the cost of any cleanup, refurbishing, removal of Lessee's. property and fixtures, or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, any remodeling costs, attorney fees, court costs, broker commissions and advertising cost.
  - 3. The loss of reasonable rental value from the date of default until a new tenant has been, or with exercise of reasonable efforts could have been, secured .

- B. Re-entry After Termination: If the Lease is terminated for any reason, Lessee's liability to the City for damages shall survive such termination, and the rights and obligations of the parties shall be as follows:
1. Lessee shall vacate the property immediately, remove any property of Lessee including any fixture which Lessee is required to remove at the end of the Lease term, perform any cleanup, alteration or other work required to leave the property in the condition required at the end of the term.
  2. The City may re-enter, take possession of the premises and remove any persons or property by legal action or by self help with the use of reasonable force and without liability for damages.
- C. Re-letting: Following re-entry or abandonment, the City may re-let the premises and in that connection may:
1. Make any suitable alterations or refurbish the premises, or both, or change the character or use of the premises, but the City shall not be required to re-let for any use or purpose ( other than that specified in the Lease) which the City may reasonably consider injurious to the premises, or to any tenant which the City may reasonably consider objectionable.
  2. Re-let all or part of the premises, alone or in conjunction with other properties, for a longer or shorter than the term of this lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other concession.

## ARTICLE VII – EXPIRATION

Section 7.01 – Upon expiration of the Lease term or earlier termination on account of default, Lessee shall deliver all keys to the City and surrender the leased premises in good condition. Alterations constructed by the lessee with permission from the City shall not be removed or restored to the original condition unless the terms of permission for the alteration so require. Depreciation and wear from ordinary use for the purpose for which the premises were let need not be restored, but all repair for which the Lessee is responsible shall be completed to the latest practical date prior to surrender. The Lessee's obligations under this paragraph shall be subordinate to the provisions of Article V, Section 5.03, related to destruction.

## ARTICLE VIII – USE of the PREMISES

Section 8.01 – Use: The Lessee shall use the leased premises for the following purposes and not others without the prior written approval of the City’s Airport Manager. For the purposes of this section, the term “aircraft” shall be understood to mean aircraft that are in airworthy condition and have a valid FAA airworthiness certificate, as well as aircraft, restoration and construction projects on which positive progress is being made towards airworthiness.

- A. Storage of Lessee’s private aircraft.
- B. Storage of boats, cars, motorcycles, and other non-hazardous items which do not interfere with and are incidental to the aircraft storage.
- C. Maintenance and repair of Lessee’s aircraft by Lessee or by a person or firm authorized to perform such services.
- D. Storage of aircraft of other persons, and maintenance and repair of such aircraft with the permission of the City. Authorization to store aircraft shall not include relinquishment of Lessee’s obligations to control or be responsible for the leased premises. Lessee shall not permit any person storing an aircraft on the leased premises to conduct any commercial or other activity on the premises or to use the premises in any manner or for any other purpose not permitted by this lease without the City’s prior written consent.

Section 8.02 – Prohibited Activities: Lessee is expressly prohibited from conducting the following activities on the premises:

- A. Any activity that violates FAA aircraft repair standards.
- B. Any activity that violates City, County, State, or Federal Law.
- C. Pressure painting after construction is completed (20 oz. or less spray cans exempted).
- D. Storage of flammables over 5 gallons total in other than fire department approved containers or in aircraft tanks.
- E. Welding and other ‘high-heat’ generating activities.
- F. Storage of excessive amounts of flammables such as firewood.
- G. Fixtures and appliances not approved by the City.

Section 8.03 – Hazardous Material: Lessee shall not store or allow any hazardous substance or petroleum products to be released on the premises or airport property other than the storage of a minimal amount of gas and oil. In addition, Lessee shall recycle petroleum products and dispose

of hazardous substances in accordance with the Oregon Department of Environmental Quality's rules and regulations which are available to Lessee by contacting the Oregon Department of Environmental Quality. All costs associated with the use of hazardous substances or petroleum products, including, but not limited to costs of cleanup, removal, remediation, and compliance with Federal, State, and Local environmental requirements, shall be the sole responsibility of Lessee and Lessee shall indemnify and hold the City harmless from any cost, fees, penalties or other expense incurred by the City in connection with hazardous substances on the premises. All hazardous substances and petroleum products shall be used, handled, cleaned up, removed and re-mediated in accordance with Federal, State and Local requirements. The term 'hazardous materials' used herein shall mean any hazardous or toxic substance regulated in quantity, concentration or physical, chemical or infectious characteristics under the Resource Conservation and Recovery Act, the Comprehensive Environment Response Compensation and Liability Act, or any other Federal, State or Local laws relating the protection of human health and/or the environment.

Section 8.04 – Signs: Lessee shall not permit to be maintained any sign on the premises or at the Airport without the prior approval of the City. 'For Sale' or 'For Lease' signs on individual hangars, not to exceed a 2 ft by 3 ft dimension, shall be permitted by the City with prior approval.

## ARTICLE IX – GENERAL PROVISIONS

Section 9.01 – Assignment of Interest or Rights: Lessee may assign this lease to the Seaside Airport Hangars Association upon ninety percent (90%) completion of construction. However, neither Lessee nor above assignee or other successor of Lessee shall in any manner, directly or indirectly, by operation of law or otherwise, sub-lease, assign, transfer, nor license or permit the use of the rights herein granted in whole or in part without the prior written consent of the City. Lessee shall not assign all or any part of its rights and interest under this lease to any successor to its business through merger, consolidation, or voluntary sale or transfer of substantially all of its assets, without prior written approval of the City. Lessee may assign leasehold interest or any portion of leasehold interest to individual condominium unit owners.

Section 9.02 - Condemnation: If the leased premises or any interest therein is taken as a result of the exercise of the right of eminent domain, this Lease shall terminate as to such portion as may be taken. If the portion taken does not feasibly permit the continuation of the operation of the facility by the Lessee, the Lessee shall have the right to cancel. Such cancellation shall be effective as of the date of taking.

Section 9.03 – Non-waiver: Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provisions in the future or of any other provision.

Section 9.04 – Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

Section 9.05 – Statutory Provisions: This lease is subject to the provisions of Oregon Revised Statutes 279.312 through 279.320 (?), inclusive, which by this reference are incorporated herein as fully as though set forth verbatim.

Section 9.06 – Time of Essence: It is mutually agreed that time is of the essence in the performance of all covenants to be kept and performed under terms of this Lease.

Section 9.07 – Warranties/Guarantees: The city makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the leased premises, and it is agreed the City will not be responsible for any loss, damage or costs which may be incurred by Lessee by reason of any such physical condition.

Section 9.08 – Headings: The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.

Section 9.09 – Consent of the City: Whenever consent, approval or direction by the City is required under the terms contained herein, all such consent, approval or direction shall be received in writing from the City.

Section 9.10 – Notices: All notices required under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent to the City at \_\_\_\_\_, and to the Lessee, John W. Anderson, Immelman Hangar Developments, LLC, 3212 SW Battaglia Pl. Gresham , OR 97080. Date of service of such notice is date such notice is deposited in a post office of the United States Post Office Department, postage prepaid.

Section 9.11 – Sponsor’s Assurance Subordination: This Lease shall be subordinate to the provisions of any existing or future agreement between the City and the United States relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

Section 9.12 – Storm Water Conveyance and Treatment: Lessee is authorized to discharge storm water into City owned storm water discharge conveyance or storage system if Lessee enters into the then-current Storm Water Use Agreement(?). In order to comply with storm water discharge requirements, Lessee may be required to treat Lessee’s Storm Water prior to discharge. If treatment is required, the City shall have the right to approve or disapprove the method, design and installation of any such treatment system in order to ensure compliance with applicable laws and regulations and protection of City property.

Section 9.13 – City Access to Premises: The City shall have the right to enter upon the premises for the purpose of; (a) confirming the performance by Lessee of all of Lessee’s obligations under this Lease, (b) doing any other act which the City may be obligated or have the right to perform under this Lease, (c) inspecting and copying books and records of Lessee related to Lessee’s performance of its obligations under this Lease, (d) for any other lawful purpose, including, but not limited to, showing the premises to prospective City tenants. Such entry shall be made with reasonable advance notice and during normal business hours, and shall be calculated to minimize inconvenience and disruption to Lessee and its operations, where practical, exception cases of emergency or a suspected violation of this Lease or the Law. Lessee waives any claim against the City for damages for injury or interference with Lessee’s business, any loss of occupancy or quiet enjoyment of the premises or any other loss occasioned by such entry, except to the extent caused by negligence or willful misconduct of the City. The City shall have the right to use any and all means that the City may deem reasonable to open doors or windows in an emergency in order to obtain entry into any structure located on the premises.

Section 9.14 – Landscaping: Should Lessee choose to landscape the premises, such landscaping shall be limited to low growing shrubs and plants, and shall be compatible with the airport and its environs. Lessee agrees to keep any grass mowed between Lessee’s hangars and any adjacent City area, but in any case, this distance shall not exceed 10 feet.

Section 9.15 – Fire Protection: Lessee shall exercise due and reasonable care and caution to prevent and control fires on the premises. Lessee further agrees to comply with pertinent rules set forth by the State, County, and Local Fire Marshal. The Fire Marshal has the right to enter the premises to determine compliance with the fire prevention code.

Section 9.16 – Maintenance of Airport: The City shall maintain the runways, public taxiways, and aircraft parking area. The City retains sole authority to determine the methods and schedules by which any maintenance or necessary construction is to be performed. The City shall close the airport whenever it deems it necessary for reasons of public safety or convenience. No advance notice shall be necessary when closure of the airport is by reason of weather, acts of God, or other unforeseen circumstances. However, the City will make a concerted effort to notify owners of permanently based aircraft when a known closer of the airport is forthcoming.

Section 9.17 – Future Agreements: Any future agreement between the parties relative to this agreement shall be ineffective to modify or discharge this agreement, in whole or in part, unless such agreement is in writing and executed with the same formalities as this instrument.

Section 9.18 - The City’s Right to Develop the Airport: The City reserves its right to further develop or improve the airport facility in accordance with its duty to develop aviation within the state as dictated by the demands of air traffic and aviation safety.

Section 9.19 – No Exclusive Right: It is understood and agreed by the parties hereto that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right forbidden by Section 308 of the Federal Aviation Act of 1958.

Section 9.20 – Non-Discrimination: The Lessee in the operation and use of the leased premises and the facilities of the Airport shall not, on the grounds of race, color, national origin, sex and or disability, discriminate or permit discrimination against any person or group of persons in any manner prohibited by applicable law and, if applicable, shall abide by the provisions of Part 21 of the Rules and Regulations of the Office of the Secretary of Transportation, effectuating Title V1 of the Civil Rights Act of 1964.

Section 9.21 – Rules and Regulations: The City may from time to time adopt and enforce reasonable rules and regulations with respect to the use of the Seaside Municipal Airport and contiguous property owned by the City, which Lessee agrees to observe and obey.

Section 9.22 – Right of Flight: There is hereby reserved to the City, its successors and assigns, for the use and benefit of the City and the public, a right of flight for the passage of aircraft in the air space above the surface of the premises herein leased, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said air space or landing at, taking off from or operation on the Seaside Municipal Airport.

Section 9-23 – Option to Move Site: Understanding that future development might require use of the existing hangar site, the City shall have the right to move the hangars (at their expense) to another suitable site on Airport property.

IN WITNESS WHEREOF, the parties hereto have subscribed their name.  
' signatories'

