

City Of Newport Municipal Airport
169 SW Coast Highway
Newport, OR 97365
541-867-7422

LEASE AGREEMENT

This agreement is between the City of Newport (Lessor) and Pat Clark (Lessee) and provides the terms and conditions regarding the rental by Lessor of hangar space to Lessee:

1. **Term.** This Agreement shall commence on June 17, 2010 (the "Commencement Date") and shall remain in effect for a period of 30 days. Thereafter this Agreement shall continue in effect from month to month unless 30 days notice is given by either party that the Agreement shall not be renewed.
2. **Premises.** The premises leased shall be the "tee" hangar located on the City of Newport Airport, designated as Hangar No. 4, to reasonable necessary rights of access across Lessor's adjoining areas.
3. **Rent.** Lessee shall pay \$ 180⁰⁰ per month rent for the hangar, payable in advance of the first day of each month. The first month's rent is payable when this Agreement is signed by Lessor and shall be prorated if for less than a full month. The rent shall be considered gross rent, and all taxes, structural insurance, and airport dues/ground lease attributable to the Hangar shall be included in the rent and payable by the Lessor. Rent may be changed following the expiration of the Term described in the Paragraph 1 hereof, upon 30 days written notice to the Lessee. If any rent payment is not received by Lessor within five days after being due, Lessee shall pay Lessor a late fee equal to 10 percent of the overdue amount.
4. **Security Deposit.** Lessee shall provide Lessor a security deposit equal to one month's rent as a security for payment by Lessee and performance of all of terms of this Lease. Lessor may, at its option and without prejudice to any other remedy, apply some or all of the deposit to rent, other amount owing, or damages for breach. If the security deposit is reduced, Lessee shall promptly restore the security deposit to its original amount upon request by Lessor. The security deposit shall be returned in full to the Lessee at the end of the term if Lessee has complied with all terms of this Lease, including the rent terms. Lessor may transfer the deposit to any person to whom the lease is assigned. In the event of a transfer to an assignee, Lessor shall be discharged from any further liability with respect to the deposit. This provision shall apply to any successors of Lessor. Lessor may commingle such deposits with its other funds, and shall have no liability for interest on such deposit. The security deposit described

herein shall not relieve Lessee of the obligation to pay rent at any time during the Term of this Lease.

5. **Maintenance of Premises.** Lessor will maintain the structural components of the Hangar, including doors and door mechanisms. Lessee shall be responsible and liable for any damage to the Hangar caused by Lessee's use including but not limited to, bent or broken interior walls, damage to unsealed floors due to fuel spillage and doors damaged due to Lessee's improper or negligent operation. In addition, Lessee acknowledges and agrees that the Lessor's employees will NOT be made available for moving Lessee's aircraft in and out of the hangar.
6. **Liabilities.** Lessor expressly disclaims any and all liability for damage to the aircraft and equipment stored in the Hangar, except to the extent that such damage is the result of Lessor's gross negligence. Lessee shall be liable for any damage to Lessor's property and/or other stored aircraft arising from Lessee's negligence including, but not limited to, the carrying on of unauthorized activities in the Hangar, or the storage of flammable substances in the Hangar and/or aircraft other than fuel and oil in the aircraft tanks. Lessee will not fuel aircraft within the confines of the Hangar.
7. **Use of Premises.** The Hangar shall be used primarily for the storage of aircraft in airworthy and operational condition. Aircraft currency inspections and insurance will be current at all times. Other property which is owned or leased by the Lessee may be stored upon approval of the Airport Manager. Use of electric space heaters is expressly prohibited in the Hangar. The Lessee may use aircraft or marine dehumidifiers specifically designed to be placed within aircraft. Lessee further agrees that no commercial activities will be conducted on Lessor's premises without the express written approval of Lessor. This includes, but is not limited to aircraft rental, charter, and leasing or flight instruction. Lessee agrees to conduct him/her self and guests as "good neighbors" and to not block other hangars with their aircraft or vehicles.
8. **Sublease/Assignment.** Lessee hereby will not sublease the Hangar nor assign this Lease without the express written approval of Lessor, which approval shall not be unreasonably withheld. Storage of aircraft not belonging to or leased by Lessee shall be construed as a sublease and, unless approved by Lessor, shall be grounds for termination of this lease, provided however, that temporary storage of other aircraft is allowed pending Lessor approval if no airport personnel are available to grant approval.
9. **Termination.** At the conclusion of the Term described in Paragraph 1, this Agreement may be terminated by either party upon 30 days

written notice of non-renewal as provided in Paragraph 1 above. In addition, Lessor may terminate this Agreement during the course of the Term hereof, or any renewal Term, on the occurrence of any of the following, which shall constitute a breach of this Lease Agreement by Lessee:

- A. Rent not paid by the 15th day of any month.
- B. Lessee has failed to comply with any condition of this Lease and has not reasonably corrected the deficiency upon notice by Lessor.
- C. A violation of any Airport Rules and Regulations; or a violation of any City, County, State, or Federal rules and regulations conducted while on Airport premises.

In the event of a breach, Lessor shall notify Lessee of termination in writing. Lessee shall have 10 days to remove aircraft and property from the Hangar, after which Lessor is hereby specifically authorized to remove the aircraft and property, without further obligation to Lessee or liability for the aircraft or property removed.

10. **Security.** Lessee agrees to abide by and cooperate with Lessor in the enforcement and implementation of applicable airport security regulations and measures. Security of the Hangar itself shall be the responsibility of Lessee. Lessee agrees to provide Lessor with a key to any lock or locking device used to secure the Hangar. Lessor agrees that the key will be used by the Lessor only in case of emergency or with Lessee's prior approval. Lessor shall not be liable for theft, vandalism, or pilferage to any items stored in the Hangar except Lessee's aircraft and equipment and then if and only if it can be shown that the Hangar had a functional lock or locking device and was left unsecured by Lessor after having been opened and unlocked using the key provided Lessor in accordance with this Paragraph.
11. **Indemnification.** Lessee agrees that he/she will not hold or attempt to hold Lessor liable for any loss, damage or injury to person, property or business, caused by any act or neglect of other tenants or occupants of the premises, or his agents, employees or invitees, or of other persons in or about the premises. Lessee agrees to indemnify and hold Lessor harmless from any liability for damages or claims against Lessor on account of injuries caused by the negligence or misconduct of Lessee, his agents, servants or employees, or of other person entering upon the premises at the request or invitation of Lessee. The Lessee shall present the Lessor a Certificate of Insurance that protects the Lessee for damages to the City and property in neighboring Hangars up to \$1,000,000. The Lessee will also list on their insurance policy, the City of Newport as the "additional insured".

LESSOR:

LESSEE:

CITY OF NEWPORT

By: Jim Veetberg
Jim Veetberg

By: x Pce Clu

Address: P.O. BOX 1575
NPT OR 97365

Phone: (541) 270-3999