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**EUGENE AIRPORT
NON-COMMERCIAL HANGAR SITE LEASE #2006-02752**

BETWEEN: The City of Eugene,
an Oregon municipal corporation **("Lessor")**

AND: Lane Ducks **("Lessee")**

**EFFECTIVE
DATE:** May 1, 2006

RECITALS

A. Eugene Airport is a municipal aviation park ("Airport") operated by and under the jurisdiction of the City of Eugene. In accordance with sound Airport management practices, the Eugene Airport Master Plan of Development, as updated and amended from time to time, and other relevant policies of the City, certain areas of the Airport are reserved for each of the several types of activities that occur.

B. Lessee desires to lease certain premises at the Airport in an area designated for non-commercial hangars and Lessor is willing to lease the ground to Lessee for the purpose of constructing and/or maintaining such a hangar on the terms and conditions set forth in this agreement.

AGREEMENT

1. Lease. For the purposes stated in this agreement and on the other terms and conditions stated herein, Lessor leases to Lessee the land described on attached Exhibit A, consisting of 9,609.6 square feet ("Leased Premises"). Lessee shall have exclusive possession of the Leased Premises subject to the conditions and limitations set forth herein. Lessee understands that it shall not have exclusive possession of the improvements and areas for which Lessee is responsible but which are outside of the Leased Premises.

2. Initial Term. The term of this lease shall be a period of ten (10) years, commencing May 1, 2006 and expiring April 30, 2016 subject to earlier termination in accordance with the terms of this agreement.

3. Extension Term. Provided Lessee is not in default in the performance of any term or condition of this lease, Lessee shall have the option to extend this lease for an additional term of ten (10) years, commencing with the expiration of the initial term, upon the following conditions:

3.1 Lessee must give written notice of its desire to extend within 180 days preceding expiration of the initial term. If notice is not provided within such period and in such manner, the option to extend shall be void.

3.2 Within 60 days after receipt of Lessee's notice of exercise of the extension option, Lessor shall cause the Leased Premises and their appurtenant areas to be inspected by the Airport Facilities Supervisor for the City of Eugene. The inspection shall be for the purpose of determining whether the improvements for which Lessee is responsible hereunder are in satisfactory condition and repair and have, at that time, an additional life expectancy of not less than ten (10) years beyond the initial term.

3.3 The Airport Facilities Supervisor may, at Lessee's expense, employ the services of outside consultants to prepare a building condition report and determine the life expectancy of the improvements. Reimbursement or arrangements satisfactory to Lessor for reimbursement of all expenses by Lessee shall be a condition precedent to the extension of this lease.

3.4 Following the inspection, Lessor shall notify Lessee of the determination. The additional term, if granted, shall become effective on the expiration of the initial term subject to Lessee's satisfactory compliance with the provisions of Subsection 3.5.

3.5 Notwithstanding a determination that the improvements are in good condition and repair, with a useful life of not less than ten (10) years beyond the initial term, Lessor may require, as a further condition to Lessee's right to continue the lease for the period of the extension term, that Lessee make such alterations, improvements, or repairs to the leasehold improvements as Lessor deems necessary or appropriate for the good of the Airport, as identified in the then current version of minimum standards. Items considered for improvement shall include, but not be limited to, structural integrity of the hangar, exterior finish, condition and operation of doors, condition of roof, and condition of apron. To effectuate any such additional conditions, Lessee's right to continue the lease during the extension term shall be subject to a supplemental writing between Lessor and Lessee, setting forth a reasonable time, determined by Lessor, in which such alterations and repairs shall be made and providing that upon Lessee's failure to make such alterations and repairs within that period, the extension term shall immediately terminate, in which event the provisions of Subsection 18.3 shall apply.

3.6 As used herein, the Airport Facilities Supervisor is the individual occupying that position or similar position at the time the inspection is made, or that person's designee or agent, or the individual occupying a similar position in a successor agency or governmental unit having responsibility for maintenance and upkeep of Airport facilities.

4. **Basic Rent.** As rental, Lessee shall pay Lessor the sum of \$2,690.69 (at \$.28 per s.f.) per year. Rental for the first year has been paid upon the execution of this lease. Thereafter, rental shall be payable on the anniversary of the effective date of this lease, for the ensuing year.

5. **Adjustment to Basic Rent.** Basic rental shall be subject to adjustment, from time to time, during the initial term of this lease and during the extension term, if any. The adjustment shall be to the rental established for non-commercial hangar site leases at the

Airport in accordance with the procedure established by the City Council. The adjustment shall be effective on the immediately succeeding anniversary of the effective date of this lease, following notice of such adjustment. Subsequent adjustments shall be made no more frequently than once each three (3) years.

6. **Taxes.** Lessee shall pay when levied any taxes on the Leased Premises, as well as any taxes upon improvements and fixtures constructed and maintained upon the Leased Premises, it being the intent of the parties that Lessor shall not be required to pay any taxes or assessments on the Leased Premises or improvements thereon.

7. **Approval of Plans and Construction.** Lessee shall construct and/or maintain upon the Leased Premises an aircraft hangar and all related improvements including, but not limited to, sidewalks, parking, driveways, and exclusive landscape areas. In addition, Lessee shall construct and/or maintain an apron adjacent to the Leased Premises for access to the aircraft hangar. The hangar and all other improvements, including apron, shall in all respects comply with applicable laws, rules, regulations, ordinances, and resolutions of all governmental entities, including Lessor. The plans and specifications of the hangar, and any capital improvement to the hangar shall be subject to approval by Lessor. Lessee shall submit such plans and specifications to the Airport Manager. The Airport Manager may withhold approval of Lessee's plans and specifications when in his/her judgment of the proposed development is not consistent with the plans, policies, rules, regulations, standards of quality, and practices at the Airport. No site preparation, construction, or improvement shall be commenced without first obtaining the written approval from Lessor. Lessee shall commence construction within 90 days after the Airport Manager's approval of the plans and specifications.

8. **Construction of Improvements.** Lessee shall construct its planned facilities and install therein all necessary furniture, fixtures, equipment, and accessories, all of which shall be in accordance with the terms and conditions of this agreement. Lessee shall complete construction of new improvements or any remodel required as a condition to the issuance of this lease on or prior to six (6) months from the Effective Date of this agreement.

8.1 Where Lessor determines applicable, upon execution of this agreement, Lessee shall deposit with Lessor an amount equal to the total cost of construction and improvements, to guarantee Lessee's obligations under this section which shall remain in effect and shall be retained by Lessor until Lessor is satisfied that Lessee has fully met its obligations. Such deposit shall be in a form acceptable to Lessor and shall consist of either a performance surety bond, an assignment of a certificate of deposit, or cash. All cash deposits shall be non-interest bearing.

8.2 Where Lessor determines applicable, Lessee agrees to reimburse Lessor for the apportioned costs of roadway improvements including, but not limited to: excavation, paving, drainage and fencing required for extension of the access road. Lessee shall be responsible for payment at the time the improvements are completed. Lessee shall remit payment to Lessor within 30 days from the date of invoice.

8.3 Upon completion of new construction or a major remodel, Lessee shall provide an 8½"x11" site plan detailing a scaled drawing of the hangar footprint, office area, parking, landscaping and any other improvements within the Leased Premises.

9. Use of the Leased Premises.

9.1 Permitted Uses. The Lessee may use the Leased Premises for the following purposes and no others without the prior written approval of the Airport Manager:

- (a) Storage of Lessee's private aircraft;
- (b) Maintenance and repair of Lessee's aircraft by Lessee or by a person or firm authorized by Lessor to perform such services at the Airport; and
- (c) Storage for hire, within the hangar, of the aircraft of other persons, and maintenance and repair of such aircraft by a person or firm authorized by Lessor to perform such services at the Airport and for no other purpose.

9.2 Limitation on Use of Leased Premises by Third Parties. Lessee's right to rent one or more spaces within its hangar for storage of aircraft of other persons shall not constitute a right to sublease the entire Leased Premises to any person. Any use of space in or on the Leased Premises for storage of aircraft not owned by Lessee shall be limited specifically to that purpose and may not be made under arrangements that delegate control of, or responsibility for the Leased Premises to any other person. Any attempt of Lessee to transfer any of its obligations under this lease to any other person shall be null and void as against Lessor.

Lessee shall not permit any person renting space for the storage of aircraft to conduct any commercial or other activity on the Leased Premises or to use the Leased Premises in any manner or for any purpose not permitted by this lease.

Lessee must execute a written rental agreement with the owner or person responsible for each aircraft stored within Lessee's hangar ("Responsible Person"). Each rental agreement must contain the following provisions:

- (a) Responsible Person acknowledges and agrees to be bound, to the same extent as Lessee, by all relevant provision of this lease concerning the use and maintenance of the Leased Premises, and that Responsible Person shall comply with all rules and policies of the Airport, as the same may be from time to time created or amended;
- (b) Responsible Person agrees that Lessee shall have authority to enter the rented area and remove any items not permitted to be stored on the Leased Premises under this lease without liability for any damage or loss to the owner or any third person;

(c) Responsible Person represents and warrants, for the benefit of Lessor and Lessee that it shall not permit any property of any other person to be stored in or on the Leased Premises without the written consent of the Lessor; and

(d) Responsible Person agrees to vacate and surrender the Leased Premises in clean condition within 30 days of written request from Lessee, if Lessee is acting in response to notice of breach of this agreement by Lessor for conditions created or permitted by Responsible Person.

At any time upon request from Lessor, Lessee shall provide a list of persons or firms renting space on the Leased Premises.

10. Lessee's Additional Rights. Lessee shall have the use of Airport facilities and navigational aids for the purpose of landing, take-off, and taxiing of Lessee's aircraft and related rights of ingress and egress. Lessee's use of all Airport property is subject to the current laws, rules, regulations, ordinances, and resolutions of applicable governmental bodies, including Lessor.

11. Restrictions on Use. Lessee's rights under the lease are expressly limited to construction and operation of a non-commercial hangar, and for no other purpose. Lessee shall not offer or permit any charter service, commercial sale, repair service, or other service to be offered to or rendered in or from the Leased Premises, except as permitted by this lease. Non-commercial hangars and hangar sites are to be used only for the purposes permitted in Section 9, except as otherwise approved in writing by the Lessor.

12. Restriction on Assignment and Sublease. Lessee shall not assign this lease, or any interest herein, or sublease the Leased Premises, without the prior written consent of Lessor. Lessor may require Lessee to pay a fee to City to compensate Lessor for the expense, including administrative overhead and attorney fees, that Lessor expects to incur in reviewing a proposed assignment/sublease and documenting the transaction. As a condition of any consent to assignment, Lessor may require one or more of the following:

12.1 Qualification of Assignee. Lessor may require assignee to provide either a financial statement, credit report, or such other information as may be requested, demonstrating assignee's ability to satisfy its financial and other obligations under this lease. If assignee is an entity other than an individual, Lessor may also require evidence that assignee is registered to do business in the state of Oregon.

12.2 Updating Lease. Lessor may require Lessee and/or the assignee to execute Lessor's then current form of hangar site lease or a partial or complete amendment of this lease to incorporate the terms and provisions of Lessee's then current form of hangar site lease.

12.3 Form. An assignment shall be made utilizing the form provided by Lessor.

12.4 Environmental Assessment. Lessor may require an environmental assessment of the Leased Premises, at Lessee's expense.

12.5 Assumption. The assignee shall expressly assume Lessee's obligations under this lease, as may be modified in accordance with Subsection 12.2.

12.6 Continuing Obligation. Assignment of this lease shall not release the Assignor from its obligations as Lessee under this lease.

13. Specific Obligations of Lessee. In connection with Lessee's occupancy and use of the Leased Premises, the following specific conditions shall apply:

13.1 Security Access. Lessee shall be obligated to comply with all current federal (FAA/TSA), state and/or local regulations, policies and procedures regarding security access to the Leased Premises.

13.2 Utilities. Lessor shall not be obligated to furnish any utilities or utility services to the Leased Premises. If Lessor agrees to provide utility service to the Leased Premises, it shall do so only upon the condition that Lessee assumes and agrees to pay in advance or otherwise as required by Lessor, the costs incidental thereto, including but not limited to, charges for installation of such services, maintenance of necessary meters, transmission lines, connection fees, and charges for utility services provided. Further, Lessee is responsible for locating any and all utilities or utility services located on or to the Leased Premises. Lessee shall make every effort to protect such utility lines from damage. Lessee shall promptly repair any such utility lines damaged during construction or any other activity.

13.3 Maintenance. Lessee shall at its own cost keep and maintain the Leased Premises (including hangar building and all other improvements), the apron, and grounds not included in the Leased Premises, but adjacent to the hangar as described on Exhibit A, in good condition and state of repair. In determining whether or not the Leased Premises are in proper condition, the Airport Manager shall take into consideration the appearance and character of other similar improvements at the Airport which are in good condition and repair. It is specifically acknowledged that the condition of repair includes appearance of the Leased Premises and improvements and therefore the condition of paint or other exterior finish. Lessee shall not permit parts, equipment, or other materials to be stored outside the hangar structure. Lessee shall not permit any refuse or debris to be deposited or to accumulate on or adjacent to the Leased Premises. Lessee shall not permit any bird nesting or attractants on the Leased Premises.

13.4 Compliance with Laws. Lessee shall comply with all applicable laws, ordinances, rules, and regulations of any governmental bodies having jurisdiction over the Airport with respect to Lessee's activity in relation to the use and occupancy of the Leased Premises and of the Airport in general. Any act or failure to act by Lessee or by any subtenant, employee, invitee, or agent of Lessee in violation of any such laws, ordinances, rules, and regulations shall be deemed a violation of this lease.

13.5 Airport Rules and Regulations. Lessee's obligations under Subsection 13.4 shall include but not be limited to the rules and regulations of the Airport. Lessor reserves the right to adopt additional rules and regulations and amend existing and future rules and regulations which govern the Leased Premises and the facilities at the Airport used by Lessee in connection with the Leased Premises. Lessee agrees to observe, obey and abide by all such rules and regulations currently existing or hereafter adopted or amended. Any action or failure to act by Lessee or by any subtenant, employee, invitee or agent of Lessee which is in violation of such rules and regulations shall be deemed a violation of this lease.

13.6 Environmental Laws. Lessee's obligations under Subsection 13.4 shall also specifically include but not be limited to strict and timely compliance with all environmental laws. Lessee shall insure that all operations on the Leased Premises comply with all environmental laws and orders of any governmental authorities having jurisdiction under any environmental laws. Lessee shall exercise extreme care in handling hazardous materials and shall undertake any and all preventive, investigatory or remedial action (including emergency response, removal, containment and other remedial action) which is either required by any applicable environmental laws or orders of any governmental authority having jurisdiction under such laws, or necessary to prevent or minimize property damage, personal injury or damage to the environment or threat of any such damage or injury, by releases of or exposure to hazardous materials in connection with the Leased Premises or operations thereon. In the event Lessee fails to perform any of Lessee's obligations under this section, Lessor may, but shall not be required to, perform such obligations at Lessee's expense. In performing any such obligations of Lessee, Lessor shall at all times be deemed to be the agent of Lessee and shall not by reason of such performance be deemed to be assuming any responsibility of Lessee under any environmental law or to any other third party. At any time Lessor requests, and such requests shall be reasonably made, Lessee shall provide to Lessor further assurance of Lessee's compliance with this section. The assurances shall be in a form and substance satisfactory to Lessor, in Lessor's sole discretion, and may include, but not be limited to, Lessee providing Lessor an environmental audit or assessment from a source acceptable to Lessor at Lessee's expense.

13.6.1 As used in this agreement, the term "environmental laws" means all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment.

13.6.2 In this agreement, the term "hazardous materials" is used in its very broadest sense and refers to materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or to the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The term includes, without limitation, petroleum products or crude oil or any fraction thereof and all hazardous or toxic substances, materials or wastes as defined by or listed under the Resource Conservation and Recovery Act, the Toxic

Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act, and any other of the environmental laws.

13.7 Signs. In addition to compliance with any ordinance of the City of Eugene or Lane County pertaining to signs, Lessee shall not permit to be maintained any sign on the Leased Premises or at the Airport without the prior written approval of the Airport Manager.

14. Indemnification.

14.1 Lessee shall indemnify and hold Lessor and Lessor's agents, successors and assigns harmless against any and all claims, demands, losses, liabilities, costs and expenses (including, without limitation, attorney fees at trial and on any appeal or petition for review) arising out of or in any way related to or affecting the Leased Premises or Lessee's use thereof, or arising as a result of Lessee's failure to maintain the Leased Premises and other areas for which Lessee is responsible hereunder, including, but not limited to, any such claims, demands, losses, liabilities, cost and expenses arising out of or relating to any investigatory or remedial action required by environmental laws or by orders of any governmental authority having jurisdiction under any environmental laws involving the Leased Premises and the operations conducted on or from the Leased Premises. Without limiting the foregoing, Lessee agrees that its indemnification obligation shall extend to and include any loss, cost or expense suffered by Lessor as a result of any self-help action taken by Lessor hereunder to clean, clear or restore the Leased Premises.

14.2 In the event Lessee or any subtenant, employee, invitee or agent of Lessee either acts or fails to act in a manner that results in a penalty or fine imposed upon the Lessor or the Airport, Lessee agrees to promptly pay such fine or penalty and to promptly undertake any corrective action required by the authority imposing the fine or penalty and agrees to hold Lessor harmless from all costs, expenses and fees (including attorney fees) incurred in connection therewith.

15. Insurance. Lessee shall procure and maintain throughout the term of this lease, and any extension, at Lessee's cost, public liability and property damage insurance with the combined single limit of not less than \$1,000,000 for bodily injury, death, personal property or property damage in connection with Lessee's use or occupancy of the Leased Premises, or the exercise or enjoyment of rights or privileges granted by this lease. Lessor shall have the right to require Lessee to increase the limits of such coverage from time to time to an amount deemed by Lessor to be reasonable in view of conditions and circumstances existing at the time of such increase. Lessee shall cause Lessor to be named as an additional insured on its liability policy. Lessee shall provide Lessor with a certificate of insurance evidencing the required coverage with a 30 day notice of cancellation or material change in coverage and shall provide Lessor with such evidence as Lessor may require from time to time that the policy remains in force.

16. Sponsors Assurance Subordination. This lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States, 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.

17. Non-Discrimination. In the operating and using of the Leased Premises and Airport facilities Lessee shall not, on the grounds of race, creed, color, national origin, or sex, discriminate or permit discrimination against any person or group of persons in any manner prohibited by applicable law and shall abide by the provisions of Part 21 of the Rules and Regulations of the Office of the Secretary of Transportation, effectuating Title VI of the Civil Rights Act of 1964.

18. Termination.

18.1 Termination by Lessee. Lessee may request termination of this lease upon the occurrence of any one or more of the following events, upon payment of the fees established by Lessor to compensate Lessor for the early lease termination:

(a) In connection with the sale of Lessee's improvements located on the Leased Premises;

(b) In connection with Lessee's request for a new lease when ownership of the improvements located on the Leased Premises is retained by the Lessee; and

(c) In connection with the surrender of Lessee's improvements located on the Leased Premises to the Lessor.

18.2 Termination by Lessor. Lessor may terminate this lease upon the occurrence of any one or more of the following events:

(a) Following an event of default described in Section 20; and

(b) At any time and for any reason determined by Lessor to be in the best interests of the public, upon giving 90 days prior written notice to Lessee. In the event of such termination, Lessee's sole remedy shall be in accordance with FAA rules and regulations, but not less than fair market value of the hangar at the time of termination, as determined by an appraisal conducted by an independent appraiser selected by the Lessor.

18.3 Removal of Improvements. Within 30 days following termination of this lease for any reason, including expiration and termination upon default, Lessee shall cause the Leased Premises to be restored to a clean and orderly condition, free of all debris. In addition, unless arrangements suitable to Lessor for the continued use of the hangar and other improvements are made prior to the date of termination, Lessee shall, within 60 days of the date of termination, remove the hangar and all other improvements constructed or maintained by Lessee, including, without limitation, the apron.

If Lessee fails to remove the improvements and restore the Leased Premises as required, Lessee shall be deemed to have abandoned the improvements to Lessor and, at Lessor's option, title to all such improvements shall vest in Lessor and Lessor shall have

the option within six (6) months to remove the improvements and restore the Leased Premises to the condition required by this agreement, in which event Lessee shall pay the reasonable expenses thereof.

If a termination occurs as a result of an abandonment pursuant to Section 19, at Lessor's option, title to any improvements shall vest in Lessor immediately upon termination and Lessor shall have the option within six (6) months to remove the improvements and restore the Leased Premises to the required physical condition, in which event Lessee shall pay the reasonable expenses thereof.

19. Abandonment of Leased Premises. If Lessee abandons the Leased Premises, Lessor may treat such abandonment as a default under this lease and Lessor may exercise any rights it may have as in the case of a default for which Lessee is not entitled to notice. Lessee shall be deemed to have abandoned the Leased Premises if it fails to occupy the same for a period of six (6) months; however, Lessor may consider Lessee to have abandoned the Leased Premises by other acts, words, or conduct. Any personal property remaining on the Leased Premises or appurtenant areas 60 days after expiration or other termination of this lease for any reason shall be deemed abandoned by Lessee and Lessor may make any disposition of such personal property as it deems appropriate. Lessor may charge Lessee for the reasonable costs incurred in disposing of such personal property.

20. Default. Lessee shall be in default under this lease upon the occurrence of any one or more of the following events, time of payment, and performance being of the essence:

20.1 Failure of Lessee to pay any rent or other charges within ten (10) days after the same becomes due.

20.2 Except as otherwise provided in this Section 20, the failure of Lessee to comply with any term or condition, to fulfill any obligation, or to cure any violation of this lease within 30 days after written notice by Lessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within 30 days, this provision shall be deemed complied with if Lessee begins correction of the default within the 30 day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. Lessor may require, as a part of the cure of any violation by Lessee, reimbursement by Lessee to Lessor of any and all costs and expenses incurred by Lessor by reason of Lessee's violation of this lease.

20.3 If Lessee cures a deficiency in the manner described in Subsection 20.2, Lessee's subsequent failure to comply with the same term or condition within 12 months of the original notice of default shall constitute a default without requirement of notice or opportunity to cure.

20.4 Lessee shall also be in default in the event of Lessee's insolvency; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; adjudication that Lessee is a bankrupt; the filing of an involuntary

petition in bankruptcy and the failure of Lessee to seek a dismissal of the petition within 30 days after the filing; and the attachment of or the levy of execution on the leasehold interest and failure of the Lessee to secure a discharge of the attachment or release of the levy of execution within ten (10) days after such attachment or execution.

21. Remedies on Default. In the event of a default, the lease may be terminated at the option of the Lessor by notice in writing to Lessee. The notice of termination may be included in a notice of failure of compliance given under Section 20. If the Leased Premises are abandoned by Lessee in connection with a default, termination shall be automatic and without notice. Without waiving Lessor's right to establish abandonment under other circumstances, the Leased Premises shall be conclusively deemed abandoned if Lessee is in default of its rental payment obligations and the hangar is unoccupied by aircraft for a period of six (6) consecutive months unless Lessor has been provided with a written notice from Lessee that explains why the Leased Premises have not been abandoned.

21.1 Termination. If the lease is terminated for any reason, Lessee's liability to Lessor for damages for breach shall survive such termination, and the rights and obligations of the parties shall be as follows:

21.1.1 Lessee shall vacate the Leased Premises immediately, remove any property of Lessee including any fixtures which Lessee is required to remove at the end of the lease term, perform any cleanup, alterations or other work required to leave the Leased Premises in the condition required at the end of the term, and deliver all keys to Lessor.

21.1.2 Lessor may re-enter, take possession of the Leased 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.

21.1.3 Following re-entry or abandonment, title to all improvements at the Leased Premises shall vest in Lessor, Lessor may relet the Leased Premises to another party, and Lessee shall have no right, title or interest therein.

21.1.4 The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.

21.2 Restoration of Premises Without Termination. In the event of default related to failure to maintain and keep the Leased Premises in a condition as required herein, Lessor may, without termination, re-enter, take any action required to return the Leased Premises to the condition required herein and/or remove any persons or property by legal action or by self-help with the use of reasonable force and without liability to Lessor for damages, and at Lessee's expense and liability.

21.3 Unclaimed Property. In the event that Lessor removes any personal property from the Leased Premises, Lessor shall provide Lessee with a dated written description of

the general nature of the property so removed. Lessor shall cause to be transported and stored any unclaimed property for 60 days following the date of the aforesaid notice, and shall thereafter be free to dispose of any unclaimed property, in any manner, without liability to Lessee or any of Lessee's renters. Lessee shall be responsible for all of Lessor's costs and expenses in transporting, storing, and disposing of such property.

22. Attorney Fees and Costs. In the event any action or claim relating to the enforcement or interpretation of any of the terms of this lease is made, regardless of the fact that the action or claim does not result in litigation, the successful party shall be entitled to recover all costs, fees and expenses reasonably incurred, whether or not taxable as costs, including, without limitation, attorney fees, City administration, inspection and investigation costs, copying charges and all other expenses.

In the event any litigation is commenced relating to this lease, including but not limited to any action or participation by Lessee or Lessor in or connection with a case or proceeding under the Bankruptcy Code or any successor statute, the prevailing party shall be entitled to recover all costs, fees and expenses reasonably incurred, before and after trial and on appeal and review, whether or not taxable as costs, including, without limitation, attorney fees (including estimated fees to collect a judgment entered in favor of the prevailing party), witness fees (expert or otherwise), deposition, City administration, inspection and investigation costs, copying charges and all other expenses.

23. 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 provision in the future or of any other provision. No act or omission shall constitute a waiver of this non-waiver clause.

24. Notices. Any notice required or permitted under this lease shall be given when actually delivered or when deposited with postage prepaid in the United States mail as registered or certified mail, addressed as follows:

To Lessor: Eugene Airport
Airport Manager
28855 Lockheed Drive
Eugene, Oregon 97402
541-682-5430 Telephone

To Lessee: Lane Ducks
David Sullivan
4832 Briars Street
Eugene, Oregon 97404
541-689-0444 Telephone

or to such other address as may be specified from time to time by either of the parties in writing.

25. **Interpretation and Liability.** In interpreting this agreement, the singular shall include the plural. If Lessee consists of more than one individual or entity, each such individual and entity shall be jointly and severally liable for Lessee's obligations under this lease.

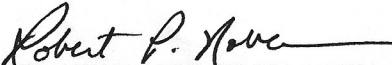
26. **Succession.** Subject to the limitations set forth elsewhere in this lease on the transfer of Lessee's interest, this lease shall be binding upon and inure to the benefit of the parties, their respective heirs, legal representatives, successors, and assigns.

27. **Clearing Matters of Record.** Neither this lease nor a memorandum of this lease shall be recorded. In the event this lease or Lessee's interest in this lease or in the Leased Premises becomes a matter of record by any means, directly or indirectly, then at anytime after termination of this lease or termination of Lessee's interest in this lease, upon request by City, Lessee shall execute such documents, in recordable form, as City may reasonably require evidencing the termination of Lessee's interest. This obligation shall survive termination of this lease and termination of Lessee's interest in this lease. If City initiates a quiet title action or other proceeding to eliminate Lessee's interest from the record the attorney fee provision in Section 22 shall apply to such action or proceeding.

28. **Survival.** Except as expressly limited herein, any obligation of a party which arises during the term of this lease, with respect to maintenance of the Leased Premises, or responsibility therefore, indemnity, payment of fees, charges, taxes or utilities, or that which by its nature is intended to survive the termination of this lease shall survive the expiration or termination hereof until satisfied by payment or performance.

29. **Entire Agreement.** This lease contains the entire agreement between the parties concerning the Leased Premises and supersedes all prior agreements, oral and written. This agreement may be modified only in writing, signed by the parties.

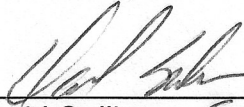
Lessor
City of Eugene



Robert P. Noble
Airport Manager

Date 7/31/06

Lessee
Lane Ducks



by David Sullivan *Sullivan*

Date 7/29/2006

Standard Non-Commercial Hangar Site Lease
Revised July, 2002

This is the standard Non-Commercial Hangar Site Lease that has been approved for use at the Eugene Airport by the City Attorney. Any additional administrative and/or legal work shall be billed to Lessee.

25. Interpretation. This lease shall be binding upon and inure to the benefit of the parties, their respective heirs, legal representatives, successors, and assigns.

26. Succession. Subject to the limitations set forth above, the lease shall be binding upon and inure to the benefit of the parties, their respective heirs, legal representatives, successors, and assigns.

27. Clearing Matters of Record. Neither this lease nor a memorandum of this lease shall be recorded. In the event this lease or Lessee's interest in this lease or in the Leased Premises becomes a matter of record by any means, directly or indirectly, then at anytime after termination of this lease or termination of Lessee's interest in this lease, upon request by City, Lessee shall execute such documents, in recordable form, as City may reasonably require evidencing the termination of Lessee's interest. This obligation shall survive termination of this lease and termination of Lessee's interest in this lease. If City initiates a quiet title action or other proceeding to eliminate Lessee's interest from the record the attorney fee provision in Section 22 shall apply to such action or proceeding.

28. Survival. Except as expressly limited herein, any obligation of a party which arises during the term of this lease, with respect to maintenance of the Leased Premises, or responsibility therefor, indemnity, payment of fees, charges, taxes or utilities, or that which by its nature is intended to survive the termination of this lease shall survive the expiration or termination hereof until satisfied by payment or performance.

29. Entire Agreement. This lease contains the entire agreement between the parties concerning the Leased Premises and supersedes all prior agreements, oral and written. This agreement may be modified only in writing, signed by the parties.

David Sullivan
Lessee
Lane Ducks

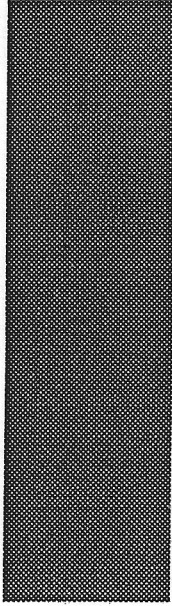
Date 7/31/02

Robert P. Noble
Airport Manager
Lessor
City of Eugene

Date 7/31/02

Exhibit A

LANE DUCKS HANGAR SITE LEASE
2006-02752



9,609.6 square feet

drawing not to scale