

LEASE. The Port of Shelton (the "Owner") hereby leases to Tenant and Tenant leases from Owner, the hangar unit (the "Hangar") with the legal description of Unit # [REDACTED] at the Sanderson Field Airport located in Mason County, Washington, for the sole purposes of aircraft storage.

1. CONDITION OF PREMISES. Tenant has inspected the Hangar and accepts the Hangar, access, and security in its present condition without any liability or obligation on the part of Owner to make any alterations or repairs of any kind within or to Hangar. Owner makes no warranties, express or implies, as to the condition of the Hangar or any apparent or unknown condition.

2. RENTAL AND TERM. Tenant agrees to pay Owner deposits and rents as outlined in the list of proprietary charges, plus applicable local, state and federal taxes, which are included in the rent, all as the same may change from time to time. Should the effective date of Agreement be other than the first day of a month, then initial rental for the period shall be prorated through the first day of the following month, which will be reflected on the initial invoice. Payment of monthly rent is to be submitted to Owner in advance of each month of occupancy. The term of the rental shall be month to month. Either Owner or Tenant may terminate the rental by giving the other party thirty (30) days advance written notice of intent to terminate. Deposits will be made to Owner's general fund, and no interest will accrue on such deposits.

3. DEFAULT. If the Tenant does not pay the rent by the 10th of the month, then in addition to the overdue rent, Tenant shall pay interest on the rent payment then due at a rate equal to the lesser of twelve percent (12%) per annum. Such interest commences on the date the rent is due and continues until such rent is paid. The imposition of such interest does not prevent Owner from exercising any other rights and remedies under this Agreement for non-payment of rent or any other breach of this Agreement by Tenant. Owner shall also have the right to terminate this Agreement, and further, pursuant to RCW Chapter 14.08, to remove and/or impound the aircraft and subsequently sell it for non-payment of charges under the terms of this

Agreement, using such force as may be necessary without being guilty of trespass, breach of the peace, or forcible entry and detained, and Tenant expressly waives the service of any notice. All costs incurred in such proceedings shall be the responsibility of Tenant and shall remain a lien against said aircraft.

4. DEPOSITS. Tenant agrees to pay a damage/unpaid rent deposit equal to one month rental and applicable Lease Hold Tax to Owner. The amount of these deposits is set forth in the current list of proprietary charges. Deposits are due at time of executing this Agreement. Deposits will be refunded following termination of this Agreement, less any rent due and damage to the leased premises caused by Tenant's occupation and use, including interest on any past due amounts

5. WAIVER OF SUBROGATION. Owner and Tenant hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective insurance contracts, including any extended coverage endorsements thereto, provided, that this paragraph shall be inapplicable to the extent it would have the effect of invalidating any insurance coverage of Owner or Tenant. Each party agrees to cause their respective insurance carriers to include in its policies a waiver of subrogation clause or endorsement.

6. TAXES. Tenant shall be liable for, and shall pay, throughout the term of this lease, all license fees and taxes covering or relating to the premises and its use, including, without limitation, (a) all leasehold excise tax and (b) all personal property taxes upon Tenant's leasehold interest under this lease or upon any other personal property situated in or upon the Premises.

7. HANGAR MAINTENANCE. Tenant shall, at its own expense, maintain and keep the premises in a neat, clean, safe and sanitary condition reasonable wear and tear excepted and shall promptly repair any damage caused by Tenant, its agent and/or guest. Tenant shall keep the premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the premises by Tenant. At Owner's request, Tenant shall furnish Owner with written proof of payment of any item which would or might constitute the basis for such a lien on the premises if not paid.

8. ALTERATIONS AND IMPROVEMENTS. Tenant shall not make any alterations upon the premises or

install any fixtures, nor paint, deface, bend, drill or cut any part of Hangar without first obtaining written approval of Owner. Owner reserves the right to have Tenant remove, at Tenant's sole expense, all or any of such alterations, additions, improvements and fixtures at the end of the Lease term.

9. RESTORATION. If the Hangar or any part thereof shall be damaged or destroyed by fire or other casualty during the term of this Lease, Owner may, at its option, at its own cost and expense, repair or restore the same according to the original plans thereof or according to such modified plans it desires, or terminate this Agreement as of the date of such damage or destruction.

10. ASSIGNMENT OR SUBLEASE. Tenant shall not assign or transfer (including any assignment or transfer for security purposes) this Agreement or any interest therein nor sublet the whole or any part of the premises nor permit any other person or entity to occupy or use the Hangar nor shall this Agreement or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding or any court, or otherwise, without the advance written consent of Owner, which may be withheld in Owner's sole discretion. If Tenant is a corporation, Tenant further agrees that if at any time during the term of this Lease, more than one-half (1/2) of the outstanding shares of any class of stock of the Tenant corporation shall belong to any stockholders other than those who own the outstanding shares of that class of stock at the time of the execution of this Agreement, such change in the ownership of the stock of Tenant shall be deemed an assignment of this Agreement. If Tenant is a partnership, Tenant further agrees that if at any time during the term of this Agreement, more than one-half of the interests in the partnership shall belong to any partners other than those who own an interest in the partnership at the time of the execution of this Agreement, such change in the ownership of interests in Tenant shall be deemed an assignment of this Agreement. Tenant shall remain liable under the terms of this Agreement notwithstanding any assignment, and this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without Owner's consent pursuant to this paragraph.

11. HAZARDOUS SUBSTANCES. Tenant certifies, represents warrants, covenants and agrees that:

(a) Tenant agrees to comply with all applicable local, state and federal environmental laws, regulations, ordinances and administrative and judicial orders relating to the generation, recycling, treatment, use sale, storage, handling, transport and disposal of any Hazardous Substances (as defined below) by any person in or around the Hangar. Tenant will not, without Owner's prior written consent, keep in or around the Hangar, for use, disposal, treatment, generation, storage, or sale, any Hazardous Substances.

(b) Tenant has not and will not release or waive the liability of any party who may be potentially responsible for the presence or removal of Hazardous Substances on or from the Hangar.

(c) Tenant shall be fully and completely liable to Owner for, and shall indemnify and hold Owner harmless from and against any and all actual or alleged claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and costs and expenses (including attorney's fees and disbursements), which accrue to or are incurred by Tenant or Owner which arise or are alleged to arise directly or indirectly from or out of, or are in any way connected with any operations or activities (including, without limitation, use, disposal, transportation, storage, generation or sale of Hazardous Substances) in or around the Hangar during Tenant's possession or control of the Hangar which directly or indirectly result in the Hangar or any Other Property (as defined below) becoming contaminated with Hazardous Substances or otherwise violating any applicable law, rule or regulation pertaining to Hazardous Substances, and the cleanup of Hazardous Substances from the Hangar or any Other Property. Tenant acknowledges that it will be solely responsible for all costs and expenses relating to investigation (including preliminary investigation) and cleanup of Hazardous Substances from the Hangar or from any Other Property.

(d) As used in the Agreement, "Hazardous Substances" means any chemical, material, waste or similar matter defined, classified, listed or designated as harmful, hazardous, extremely hazardous, dangerous, toxic or radioactive, or as a contaminant or pollutant, or other similar term, by, and/or which are subject to regulation under, any federal, state or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, and as they may be amended from time to time, and shall include petroleum products and byproducts. As used in this Agreement, "Other Property" means any real or personal property (including, without limitation, surface or ground water) which becomes contaminated with Hazardous Substances as a result of operations or other activities on, or around the contamination of, the Hangar.

12. ATTORNEY'S FEES AND COST. Should a dispute arise between the parties hereto as to the effect of any provision hereof and said dispute is referred to an attorney, the losing party shall pay the prevailing party's actual and incurred attorney's fees; costs of court including such fees and costs of any appeal; other legal expenses; and collection costs, except that the amount of such fees, costs or expenses taken separately or in the aggregate, shall not be unreasonable. If such dispute arises and is later settled by the parties, such settlement shall include a specific allocation of disposition of attorney's fees on both sides.

13. JOINT AND SEVERAL LIABILITY. Each and every party who signs this Agreement, other than in a representative capacity, as Tenant, shall be jointly and severally liable hereunder.

14. NOTICES. Any notice provided herein shall be given in writing to the Port of Shelton or by causing same to be mailed to the Port of Shelton at the above-written address, attention to the Executive Director. Any notice directed to Tenant will be mailed to Tenant at Tenant's above written address or a copy thereof may be posted upon Tenant's aircraft.

15. WAIVER. The waiver by Owner of any covenant or condition of this Agreement shall not thereafter preclude Owner from demanding performance in accordance with the terms hereof.

16. INDEMNITY. Tenant shall defend, indemnify, and hold Owner harmless against all liabilities, damages, costs, and expenses, including attorney's fees, arising from any negligent or wrongful act or omission of Tenant, and Tenant's officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach of this Hangar Rental Agreement by Tenant.

17. COMPLY WITH LAWS. Tenant shall, at all times, comply, and cause those dealings with Tenant to comply, with all laws, rules, regulations, codes and ordinances, as amended, which may have any bearings on Tenant, the Hangar, this Hangar Rental Agreement, the Airport or Owners other properties. Tenant shall strictly comply with Owners Airport Rules and Regulations, Development Standards and Comprehensive and Airport Plans, all as amended. Tenant shall not unreasonably disturb any other of Owner's Tenant(s) and Tenant shall not commit nor permit any act of

public or private nuisance in, on, or adjoining the Hangar.

18. MISCELLANEOUS. This Agreement shall be construed according to Washington Law, and not for or against either party. Time is of the essence for all payment obligations herein. Any claim or controversy arising out of or relating to this Agreement or the breach hereof, other than an action by the Owner against Tenant for nonpayment of rent and pursuit of the impound and sale procedures of this Agreement, or for ejection, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Venue for any claim or controversy shall be Mason County, Washington.

SANDERSON FIELD HANGARS ARE PROVIDED FOR THE STORAGE, MINOR REPAIR AND PREVENTATIVE MAINTENANCE OF AIRCRAFT, UTILIZING RELATED EQUIPMENT AND SUPPLIES ONLY.

GENERAL CONDITIONS OF OCCUPANCY

The attached General Conditions of Occupancy are incorporated herein by this reference, and may be modified from time to time in the sole discretion of the Owner, which modification shall be effective when adopted by the Owner.

REPAIRS AND MAINTENANCE. Minor repairs may be made by the owner of the aircraft or the owner's employee or persons authorized to do business on Sanderson Field Airport, and such repair work is restricted to these persons only. **Major repair work/overhaul may not be performed in the hangar. No paint, dope or other flammable or painting or doping operations,** except touch-up painting, shall be conducted in the hangar or adjacent taxiways.

Related equipment is defined as:

1. Tow bars (manual or powered)
2. Cleaning and waxing equipment (i.e.: pails, ladders, vacuum cleaners, metal trash bins, etc.)

Supplies are limited to:

1. Up to one set of spare tires
2. Cleaning and waxing supplies

No other items are to be stored in this area.

The aircraft owner or his/her employee(s) may perform "Preventative Maintenance" as defined in F.A.R. Part 43 Appendix A, Paragraph (c) with the exception of item 9 "Painting" in this hangar space.

Tenant shall:

1. Not make alternations to this hangar or its electrical system without written approval from the Airport Manager.
2. Not weld in the hangar.
3. Hangar tenants may park inside the security fence for periods up to eight hours provided that fire lanes, taxi ways and building accesses are not obstructed. Vehicles parked for periods in excess of eight hours shall be parked outside the secured area fence or inside the hangar during the time the aircraft is out of the hangar.
4. Close the T-Hangar doors promptly after putting the Aircraft in or taking it out of the T-Hangar.
5. Not use any high voltage electrical equipment or machinery in or about the T-Hangar or modify existing wiring, or install additional outlets, fixtures or the like therein.
6. Not conduct any charter, rental, repair, or instructional service or any other commercial activity in or from the T-Hangar, without the written permission of the Owner.
7. Report to the Owner or its representative any defects in the T-Hangar which the Tenant feels requires maintenance.
8. Keep the T-Hangar clean and free of debris and not place any debris on Sanderson Field. Any debris in hangar must be placed in a covered metal trash bin.
9. Not store gasoline, explosives, combustibles or inflammables within the hangar.
10. Not store anything but the aircraft at an outside tie-down location.
11. Not attach any hoisting or holding mechanism to any part of the T-Hangar or pass any such mechanism over the struts or braces therein. For purposes of this Agreement, a hoisting mechanism shall be deemed to include, but shall not be limited to a chainfall, block, and tackle or other hoisting device.
12. Not paint, remove, deface, modify, blend, drill, cut, or otherwise alter or modify any part of the T-Hangar without the prior written permission of the Airport Manager.
13. Obey all rules, regulations, laws, ordinances, and directives of any legally constituted authority now in force or hereafter promulgated with respect to the use of Sanderson Field or the T-Hangar.
14. Indemnify the Owner, its officers, employees, and agents against and hold said parties harmless from and all claims, demands, or liability which may arise as a consequence of Tenant's presence upon

Sanderson Field or of the acts or omissions of Tenant.

15. Not park or leave aircraft on the taxiways or on the pavement adjacent to the T-Hangar door in a manner which interferes with or obstructs access to adjacent T-Hangars.
16. Not service Aircraft with fuel in Hangar.

Owner shall:

- a) Provide access to the T-Hangars, and public taxiways, ramps, and runways. Based upon priorities established in our maintenance standards with consideration given to the challenges presented by extreme weather conditions.
- b) Keep the T-Hangar in good repair.
- c) Retain the right to enter the Hangar at any time for inspection, maintenance, or in case of emergency. The right of inspection reserved to Owner shall impose no obligation on Owner to make inspections to ascertain the condition of the premises, and shall impose no liability upon Owner for failure to make such inspections.
- d) Not be liable for failure to perform this Agreement or for any loss, injury, or damage of any nature whatsoever resulting from or caused by any act of God, wind, storm, fire, flood, accident, or any other cause beyond Owner's control.
- e) Reserve the right to tow or otherwise move aircraft for purposes of facility, maintenance, security, emergency, impoundment or any other reasonable purposes.

17. **EMERGENCY NUMBER 911**
Fire – Shelton Fire Department
Police – Mason County Sheriff
Shelton Police Department