

LEASE AGREEMENT

City of Renton to XXX, XXX

STANDARD GROUND LEASE FORM MONTH-TO-MONTH

THIS IS A MONTH TO MONTH LEASE AGREEMENT between THE CITY OF RENTON, a Washington municipal corporation ("Lessor"), and _____, a Washington limited liability corporation ("Lessee").

RECITALS:

WHEREAS, _____ as shown in Exhibit 1, and

WHEREAS, _____ with the lease to continue as a month-to-month lease, and

WHEREAS, _____ .

NOW, THEREFORE, IT IS HEREBY AGREED AND COVENANTED BY AND BETWEEN THE CITY OF RENTON AND _____ AS FOLLOWS:

1. **GRANT OF LEASE:**

1a. **Legal Description:** A plot of ground, the majority of which is paved with concrete and asphalt, on the west side of the Renton Municipal Airport and containing 26,035 square feet, more or less, being a portion of the real property described in Exhibit 2 (Legal Description and Map) attached hereto and made a part hereof as is fully set forth herein (the "Premises").

2. **CONDITIONS:**

2a. **Specific Conditions:** This grant of lease is subject to the following:

2a(1) Easements, restrictions and reservations of record and as further set forth herein;

2a(2) Such rules and regulations as now exist or may hereafter be promulgated by the Lessor from time to time, including the Airport's Regulations and Minimum Standards which are incorporated herein by this reference, and Lessor's standards concerning operation of public aviation service activities from the Airport; and

2a(3) All such non-discriminatory charges and fees for such use as may be established from time to time by Lessor; and

2a(4) TOGETHER WITH the privilege of Lessee to use the public portion of the Airport, including runway and other public facilities provided thereon, on a non-exclusive basis.

2b. No Conveyance of Airport: This Lease Agreement shall in no way be deemed to be a conveyance of the Airport, and shall not be construed as providing any special privilege for any public portion of the Airport except as described herein. The Lessor reserves the right to lease or permit the use of any portion of the Airport for any purpose deemed suitable for the Airport, except that portion that is leased hereby.

2c. Nature of Lessor's Interest: It is expressly understood and agreed that Lessor holds and operates the Airport, and the Premises under and subject to a grant and conveyance thereof to Lessor from the United States of America, acting through its Reconstruction Finance Corporation, and subject to all the reservations, restrictions, rights, conditions, and exceptions of the United States therein and thereunder, which grant and conveyance has been filed for record in the office of the Recorder of King County, Washington, and recorded in Volume 2668 of Deeds, Page 386; and further that Lessor holds and operates said airport and premises under and subject to the State Aeronautics Acts of the State of Washington (chapter 165, laws of 1947), and any subsequent amendments thereof or subsequent legislation of said state and all rules and regulations lawfully promulgated under any act or legislation adopted by the State of Washington or by the United States or the Federal Aviation Administration. It is expressly agreed that the Lessee also accepts and will hold and use this lease and the Premises subject thereto and to all contingencies, risks, and eventualities of or arising out of the foregoing, and if this lease or the period thereof or any terms or provisions thereof be or become in conflict with or impaired or defeated by any such legislation, rules, regulations, contingencies or risks, the latter shall control and, if necessary, modify or supersede any provision of this lease affected thereby, all without any liability on the part of or recourse against the Lessor in favor of Lessee, provided that Lessor does not exceed its authority under the foregoing legislation, rules and regulations.

2d. Future Development/Funding: Nothing contained in this lease shall operate or be construed to prevent or hinder the future development, improvements, or operation of Airport by Lessor, its agents, successors or assigns, or any department or agency of the State of Washington or of the United States, or the consummation of any loan or grant of federal or state funds in aid of the development, improvement, or operation of the Renton Airport.

3. TERM: The term of this lease shall be month-to-month, commencing on January 1, _____, and shall continue on a month-to-month basis until such time as one party gives the other written notice of termination, except that Lessor may terminate this lease upon not less than three days' notice in the case of nonpayment of rental. Either party may, upon written notice to the other delivered at least thirty (30) days before the end of the calendar month, terminate this lease without cause at such effective date.

4. RENTAL:

4a. Initial Rental: As rental for the above-described premises on a month-to-month basis, Lessee shall pay unto Lessor a monthly rental in the sum of Three Hundred Twenty Nine Dollars and Thirteen Cents (\$329.13), plus Leasehold Excise Tax as described in Paragraph 5. below, payable promptly in advance on the first day of each and every month. Lessee covenants that _____ shall make all monthly rental payments to the Lessor. All such payments shall be made to the Director of Finance, City of Renton, City Hall, 1055 South Grady Way, Renton, Washington 98055. The initial rental is computed as follows, and is based upon an estimated ground lease area (which the parties stipulate to be accurate) of 26,035 square feet.

Rental Payment Schedule

26,035 sq. ft. @ \$.1517/sq. ft. per year = \$3,949.51 annual rental
\$3,949.51 annual rental/12 months = \$329.13 monthly rental

4b. Rental Adjustment Lessor shall give written notification to Lessee of any change in the rental amount at least thirty (30) days prior to the effective date of the rental adjustment.

4f. Late Payment Charge: It is hereby further agreed that if such rental is not paid before the 10th of each month then there will be added a late payment charge of 5% per month for each month of delinquency until paid. It is agreed that this late payment charge is a reasonable estimate of the increased costs to the city of the staff effort to monitor and collect late payments, as well as related city expenses due to such late payment. If any check received by Lessor is returned unpaid for any reason, Lessor reserves the right to make an additional charge up to the maximum amount allowed by law.

4g. Attorneys Fees/Collection Charges: Should it be necessary to refer this lease to an attorney for collection or other court action involving breach of lease, occupancy after termination, or enforcement or determination of any other right and/or duty under this lease, then it is agreed that the prevailing party shall be entitled to recover its reasonable attorney's fees and costs of litigation as established by the court. If the matter is not litigated or resolved through a lawsuit, then any attorney's fees expenses for collection of past-due rent or enforcement of any right or duty hereunder shall entitle the city to recover, in addition to any late payment charge, any costs of collection or enforcement, including attorney's fees.

4h. Other Charges: Lessee further agrees to pay, in addition to the rentals hereinabove specified and other charges hereinabove defined, all fees and charges now in effect or hereafter levied or established by Lessor, or its successors, or by any other governmental agency or authority, being or becoming levied or charged against the premises, structures, business operations, or activities conducted by or use made by Lessee of, on, and from the leased premises which shall include, but not be limited to, all charges for light, heat, gas, power, garbage, water and other utilities or services rendered to said premises.

4i. Emergency Response: Lessee must provide reasonable access and response to the Airport Manager in times of emergency or urgency. The Lessee is wholly responsible to keep an up-to-date listing of aircraft types, identification, and owners on file and at the Airport Manager's office.

5. LEASEHOLD EXCISE TAX: Lessee hereby agrees and covenants to pay unto Lessor that certain leasehold excise tax as established by RCW Chapter 82.29A, as amended, or any replacement thereof, which tax shall be in addition to the stipulated monthly rental and shall be paid separately to the Director of Finance, City of Renton, at the same time the monthly rental is due. In the event that the State of Washington or any other governmental authority having jurisdiction thereover shall hereafter levy or impose any similar tax or charge on this lease or the leasehold estate, then Lessee agrees and covenants to pay said tax or charge, when due. Such tax or charge shall be in addition to the regular monthly rentals.

6. PAYMENT OF UTILITIES AND RELATED SERVICES. Lessee shall pay for all light, heat, gas, power, garbage, water, sewer and janitorial service used in the Premises. Lessor shall not be liable for any loss or damage caused by or resulting from any variation, interruption, or failure of said utility services due to any cause whatsoever. Lessor shall not be liable for temporary interruption or failure of such services incidental to the making of repairs, alterations or improvements, or due to accident, strike, act of God, or conditions or events not under Lessor's control. Temporary interruption or failure of utility services shall not be deemed a breach of the Lease or as an eviction of Lessee, or relieve Lessee from any of its obligations hereunder.

7. LESSEE'S ACCEPTANCE OF PREMISES.

7a. General Acceptance of Premises: By occupying the Premises, Lessee formally accepts the same in AS IS condition, and acknowledges that the Lessor has complied with all the requirements imposed upon it under the terms of this Lease with respect to the condition of the Premises at the commencement of this term. Lessee hereby accepts the premises subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the premises, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessee acknowledges that neither Lessor nor Lessor's agent has made any representation or warranty as to the suitability of the Premises for the conduct of Lessee's business or use. Except as otherwise provided herein, Lessor warrants Lessee's right to peaceably and quietly enjoy the premises without any disturbance from Lessor, or others claiming by or through Lessor.

8. PURPOSE:

8a. Use of Premises: The Premises are leased to the Lessee for the following described purposes:

8a(1) The tiedown of aircraft, in accordance with the Airport Regulations and Minimum Standards.

8a(2) The storage of aircraft floats, in accordance with the Airport Regulations and Minimum Standards.

8b. Continuous Use: Lessee covenants that the premises shall be continuously used for each of those purposes during the term of the lease, shall not be allowed to stand vacant or idle,

and shall not be used for any other purpose without Lessor's written consent first having been obtained. Consent of Lessor to other types of activities will not be unreasonably withheld.

8c. Non-Aviation Uses Prohibited: Lessee agrees that the Premises may not be used for uses or activities that are not related, directly or indirectly, to aviation.

8d. Signs:

8d(1) Advertising: No advertising matter or signs shall be at any time displayed on the leased premises without the written approval of Lessor, which will not be unreasonably withheld.

8e. Conformity with Rules: Lessee further covenants to keep and operate the Premises and all structures, improvements, and activities in conformity with all rules, regulations and laws now or hereafter adopted by Lessor, including the Airport's Regulations and Minimum Standards which are incorporated herein by this reference, the Federal Aviation Administration, the State Aeronautics Commission, or other duly constituted governmental authority, all at Lessee's cost and expense.

8f. Waste; Nuisance; Illegal Activities: Lessee covenants that he will not permit any waste, damage, or injury to the Premises or improvements thereon, nor allow the maintenance of any nuisance thereon, nor the use thereof for any illegal purposes or activities.

8g. Increased Insurance Risk: Lessee will not do or permit to be done in or about the premises anything which will be dangerous to life or limb, or which will increase any insurance rates upon the premises or other buildings and improvements.

8h. Hazardous Waste:

8h(1). Lessee's Representation and Warranty: In particular, Lessee represents and warrants to the Lessor that Lessee's use of the Premises will not involve the use of any hazardous substance (as defined by R.C.W. Chapter 70.105D, as amended), other than fuels, lubricants and other products which are customary and necessary for use in Lessee's ordinary course of business.

8(h)2. Standard of Care: Lessee agrees to use a high degree of care to be certain that no such hazardous substance is improperly used, released or disposed on the Premises during the term of this lease by Lessee, its agents or assigns, or is improperly used, released or disposed on the premises by the act of any third party.

8h(3). Indemnity:

8h(3)(a) The parties agree that Lessor shall have no responsibility to the Lessee, or any other third party, for remedial action under R.C.W. Chapter 70.105D, or other legislation, in the event of a release of or disposition of any such hazardous substance on, in, or at the Premises, and not caused by Lessor, during the term of this Lease. Lessee agrees to indemnify and hold harmless the Lessor from any obligation or expense, including fees incurred by the Lessor for

attorneys, consultants, engineers, damages, including environmental resource damages, etc., arising by reason of the release or disposition of any such hazardous substance upon the Premises not caused by Lessor, including remedial action under R.C.W. Chapter 70.105D, during the term of this Lease.

8h(3)(b) The parties agree that Lessee shall have no responsibility to the Lessor, or any other third party, for remedial action under R.C.W. Chapter 70.105D, or other legislation, in the event of a release of or disposition of any such hazardous substance on, in, or at the Premises, and not caused by Lessee, prior to the term of this Lease. Lessor agrees to indemnify and hold harmless the Lessee from any obligation or expense, including fees incurred by the Lessee for attorneys, consultants, engineers, damages, including environmental resource damages, etc., arising by reason of the release or disposition of any such hazardous substance upon the Premises not caused by Lessee, including remedial action under R.C.W. Chapter 70.105D, prior to the term of this Lease.

8h(4). Dispute Resolution: In the event of any dispute between the parties concerning whether any release of or disposition of any such hazardous substance on, in or at the premises (a) occurred during the term of this lease, or (b) was caused by Lessor, the parties agree to submit the dispute for resolution by arbitration upon demand by either party. Each party shall select one (1) arbitrator. The two (2) selected arbitrators, if unable to agree upon an arbitration award within a period of thirty (30) days after such appointment, shall select a third arbitrator. The third arbitrator shall be an engineer with experience in the identification and remediation of hazardous substances. The arbitrators shall make their decision in writing within sixty (60) days after their appointment, unless the time is extended by the agreement of the parties. The decision of a majority of the arbitrators shall be final and binding upon the parties. Each party shall bear the cost of the arbitrator named by it. The expenses of the third arbitrator shall be borne by the parties equally.

8i. Aircraft Registration Compliance: The Lessee is hereby notified of the Washington State law concerning aircraft registration Aircraft Laws and Regulations, Title 47.68.250 RCW: Public Highways and Transportation.

8i(1). Lessee shall annually, during the month of January, submit a report of aircraft status to the Airport Manager. One copy of this report shall be used for each aircraft owned by the Lessee, and sufficient forms will be submitted to identify all aircraft owned by the Lessee and the current registration status of each aircraft using the Aircraft Status Report form. If an aircraft is unregistered, an Unregistered Aircraft Report, will also be completed and submitted to the Airport Manager.

8i(2). Lessee shall require from an aircraft owner proof of aircraft registration or proof of intent to register an aircraft as a condition of leasing or selling tiedown or hangar space for an aircraft. Lessee shall further require that annually, thereafter, each aircraft owner using the Lessee's premises submits a report of aircraft status, or an Unregistered Aircraft Report. The Lessee shall annually, during the month of January, collect the aircraft owners' reports and submit them to the Airport Manager.

8j. Aircraft airworthiness: Aircraft placed, parked or stored other than within hangar buildings must be airworthy. Whenever an aircraft is temporarily undergoing repairs exceeding 30 days, the Lessee will notify the Airport Manager of the repair status, and the date repairs will be completed. When requested by the Lessor, the Lessee must provide a schedule showing when repairs will be completed as to each such aircraft. If Lessee fails to adhere to an agreed-upon repair schedule, or fails to place and maintain the required red tag on the aircraft, the Lessee may be subject to Civil Penalties or termination of this lease upon proper notice from the City of Renton.

9. MAINTENANCE:

9a. Maintenance of Premises: The Premises and all of the improvements or structures thereon shall be used and maintained by Lessee in a neat, orderly, and sanitary manner. Lessor shall not be called upon to make any improvements, alteration, or repair of any kind upon the Premises. Lessee is responsible for the clean-up and proper disposal at reasonable and regular intervals of rubbish, trash, waste and leaves upon the Premises, including that blown against fences bordering the Premises, whether as a result of the operation of Lessee's aircraft tie-down storage activities or having been deposited upon the Premises from other areas.

9b. Removal of Snow/Floodwater/Mud: Lessee shall be responsible for removal of snow and/or floodwaters or mud deposited therefrom from the Premises, with the disposition thereof to be accomplished in such a manner so as to not interfere with or increase the maintenance activities of Lessor upon the public areas of the Airport.

9c. Repair of Personal Property: It is further agreed that all personal property on the Premises shall be used at the risk of Lessee only, and that Lessor or Lessor's agents shall not be liable for any damage either to persons or property sustained by Lessee or other persons due to the Premises or improvements thereon becoming out of repair.

9d. Maintenance, Repair and Marking of Pavement: Lessee shall be responsible for the maintenance, repair and marking (painting) of pavement surrounding the buildings within the leased area. Such maintenance and repair shall be to Federal Aviation Administration standards as though the pavement were non-leased, public-use taxiway and/or apron pavement. Such maintenance and repair shall include, as a minimum, crack filling, weed control, slurry seal and the replacement of unserviceable pavement, as necessary.

9e. Lessor May Perform Maintenance: If Lessee fails to perform Lessee's obligations under this Paragraph, Lessor may at its option (but shall not be required to) enter the Premises, after thirty (30) days' prior written notice to Lessee, and put the same in good order, condition and repair, and the cost thereof together with interest thereon at the rate of twelve (12%) percent per annum shall become due and payable as additional rental to Lessor together with Lessee's next rental installment.

10. ALTERATIONS.

10a. Lessor's Consent Required: Lessee will not make any alterations, additions or improvements in or to the Premises without the written consent of Lessor first having been obtained.

10b. Protection from Liens: Before commencing any work relating to alterations, additions and improvements affecting the Premises, Lessee shall notify Lessor in writing of the expected date of commencement thereof. Lessor shall then have the right at any time and from time to time to post and maintain on the Premises such notices as Lessee reasonably deems necessary to protect the Premises and Lessor from mechanics' liens, materialmen's liens or any other liens. In any event, Lessee shall pay, when due, all claims for labor or materials furnished to or for Lessee at or for use in the Premises. Lessee shall not permit any mechanics' or materialmen's liens to be levied against the Premises for any labor or material furnished to Lessee or claimed to have been furnished to Lessee or to Lessee's agents or contractors in connection with work of any character performed or claimed to have been performed on the Premises by or at the direction of Lessee.

10c. Bond: At any time Lessee either desires to or is required to make any repairs, alterations, additions, improvements or utility installation thereon, or otherwise, Lessor may at its sole option require Lessee, at Lessee's sole cost and expense, to obtain and provide to Lessor a lien and completion bond in an amount equal to one and one-half (1-1/2) times the estimated cost of such improvements, to insure Lessor against liability for mechanics and materialmen's liens and to insure completion of the work.

10d. Lessor May Make Improvements: Lessee agrees that Lessor, at its option, may at its own expense make repairs, alterations or improvements which Lessor may deem necessary or advisable for the preservation, safety or improvement of the Premises or improvements located thereon, if any.

10e. Notification of Completion: Upon completion of capital improvements made on the Premises, it is the Lessee's responsibility to promptly notify Lessor of such completion.

11. LIMITATION UPON LESSOR'S LIABILITY. Lessor shall not be liable for any damage to property or persons caused by, or arising out of (a) any defect in or the maintenance or use of the Premises, or the improvements, fixtures and appurtenances of which the premises constitute a part; or (b) water coming from the roof, water pipes, flooding of the Cedar River or other body of water, or from any other source whatsoever, whether within or without the Premises; or (c) any act or omission of any Lessee or other occupants of the building, or their agents, servants, employees or invitees thereof.

12. HOLD HARMLESS: Lessee covenants to indemnify and save harmless Lessor against any and all claims arising from the conduct and management of or from any work or thing whatsoever done in or about the Premises or the improvements or equipment thereon during the lease term, or arising from any act or negligence of the Lessee or any of its agents, contractors, patrons, customers, or employees, or arising from any accident, injury, or damage whatsoever, however caused, to any person or persons, or to the property of any person, persons, corporation or other entity occurring during the lease term on, in, or about the Premises, and

from and against all costs, attorney's fees, expenses, and liabilities incurred in or from any such claims or any action or proceeding brought against the Lessor by reason of any such claim, except such claims arising directly or indirectly out of Lessor's sole act or omission. Lessee further covenants that _____ will satisfy all outstanding liens, or other debts. Lessee, on notice from Lessor, shall resist or defend such action or proceeding forthwith.

13. ASSIGNMENT:

13a. Assignment/Subletting: This lease or any part hereof shall not be assigned by Lessee, by operation of law or otherwise, nor shall the premises or any part thereof be sublet without the prior written consent of Lessor, which consent shall not be unreasonably withheld, subject to Lessor's receipt of commercially reasonable evidence that the proposed assignee or subtenant is in a financial condition to undertake the obligations of this lease, and, in the event of assignment, Lessor's receipt of an affidavit from the proposed assignee stating that it has examined this lease and agrees to assume and be bound by all of Lessee's obligations under this lease, to the same extent as if it were the original Lessee. If Lessee is a corporation, the transfer of a majority of Lessee's stock shall constitute an assignment for purposes of this paragraph.

13b. Subletting: Lessee may sublet portions of the Premises for the purpose of aircraft tiedown and float storage, only, without the prior written approval by the Lessor of this permitted use, on a month-to-month or longer basis (but not longer than the term of this Lease), provided that Lessor is informed on at least an annual basis, in writing, of the name of the sublessee(s), the purpose of the sublease, the amount of the rental charged, and the type of aircraft stored (make, model and registration number). Such information shall be disclosed upon request by Lessor.

13c. Subsequent Consent Required: In the event written consent to assignment or subletting shall be given by Lessor, no other subsequent assignment, assignments, or subletting shall be made by such assignee or assignees, or sublessee, without the prior written consent of Lessor. It is expressly agreed that if consent is once given by the Lessor to the assignment of this lease or any interest therein or to the subletting of the whole or any part of the premises, then Lessor shall not be barred from afterwards refusing to consent to any further assignment of said lease or subletting of said leased premises.

13d. Release of Lessee's Liability: No subletting shall release Lessee of Lessee's obligation to pay the rent and to perform all other obligations to be performed by Lessee hereunder for the term of this Lease. No assignment shall so release Lessee unless Lessor's consent is obtained pursuant to Paragraph 13.c. In the event that Lessor's consent to assignment is so obtained, Lessee shall be relieved of all liability arising from this lease and arising out of any act, occurrence or omission occurring after Lessor's consent is obtained. The Lessee's assignee shall be deemed to have assumed and agreed to carry out all of the obligations of Lessee under this lease.

14. DEFAULT:

14a. Events of Default: It is expressly understood and agreed that in the event the Premises shall be deserted or vacated, or if default be made in the payment of the rent or any part thereof as herein specified, or if, without consent of the Lessor, the Lessee shall sell, assign, or mortgage this lease, or if default be made in the performance of any of the material covenants and agreements in this lease contained on the part of the Lessee to be kept and performed, or if Lessee shall fail to comply with any of the statutes, ordinances, rules, orders, regulations, and requirements of the federal, state, and city governments, or if Lessee shall file a petition for bankruptcy or be adjudicated a bankrupt, or make assignment for the benefit of creditors or take advantage of any insolvency act, the Lessor may, if it so elects, at any time thereafter, terminate this lease and the term hereof, on giving to the Lessee thirty (30) days notice, in writing, of the Lessor's intention to do so if the event causing the default is not corrected.

14b. Additional Security: In the event of default as provided above, which default remains uncured for more than ten (10) days after Lessor notice of default, Lessor may request and Lessee shall provide adequate assurance of future performance of all obligations under this lease. The adequacy of any assurance shall be determined according to commercially reasonable standards. Adequate assurance shall include, but not be limited to, a deposit in escrow, a guarantee by a third party acceptable to Lessor, a surety bond, or a letter of credit. Lessee's failure to provide adequate assurance within twenty (20) days of receipt of a request by lessor shall constitute a material breach and Lessor may in its discretion terminate this lease.

14c. Termination of Lease: Upon the expiration of either of the notice periods specified in Paragraphs 14.a or 14.b above, and if the event causing the default is not corrected, this lease and the term hereof, together with any and all other rights and options of Lessee herein specified, shall expire and come to an end on the day fixed in such notice, except that Lessee's obligation and liability for any unpaid rentals or other charges heretofore accrued shall remain unabated. Lessor may thereupon re-enter said premises with or without due process of law, using such force as may be necessary to remove all persons or property therefrom, and Lessor shall not be liable for damages by reason of such re-entry or forfeiture.

15. BINDING AGREEMENT: Subject to the restriction upon assignment or subletting as set forth herein, all of the terms, conditions, and provisions of this Lease shall be binding upon the parties, their successors and assigns, and in the case of a Lessee who is a natural person, his or her personal representative and heirs.

16. RIGHT OF INSPECTION. Lessee will allow Lessor, or Lessor's agent, free access at all reasonable times to the Premises for the purpose of inspection, or of making repairs, additions or alterations to the Premises, or any property owned by or under the control of Lessor.

17. CONDEMNATION: If the whole or any substantial part of the Premises shall be condemned or taken by Lessor or any county, state, or federal authority for any purpose, then the term of this lease shall cease as to the part so taken from the day the possession of that part shall be required for any purpose, and the rent shall be paid up to that date. From that day the Lessee or Lessor shall have the right to either cancel this lease and declare the same null and void, or to continue in the possession of the remainder of the same under the terms herein provided, except that the rent shall be reduced in proportion to the amount of the premises taken for such public

purposes. All damages awarded for such taking for any public purpose shall belong to and be the property of the Lessor, whether such damage shall be awarded as compensation for the diminution in value to the leasehold, or to the fee of the premises herein leased. Damages awarded for the taking of Lessee's improvements located on the premises shall belong to and be awarded to Lessee.

18. SURRENDER OF PREMISES: Lessee shall quit and surrender the premises at the end of the term in as good a condition as the reasonable use thereof would permit, normal wear and tear excepted. Alterations, additions or improvements which may be made by either of the parties hereto on the Premises, except movable office furniture or trade fixtures put in at the expense of Lessee, shall be and remain the property of the Lessor and shall remain on and be surrendered with the Premises as a part thereof at the termination of this lease without hindrance, molestation, or injury. Lessee shall repair at its sole expense any damage to the Premises occasioned by its use thereof, or by the removal of Lessee's trade fixtures, furnishings and equipment which repair shall include the patching and filling of holes and repair of structural damage.

19. INSURANCE:

19a. Personal Property: It is agreed that Lessor shall not be held liable in any manner for, or on account of, any loss or damage to personal property of the Lessee, Lessee's invitees or other persons, which may be sustained by fire or water or other insured peril, or for the loss of any articles by burglary, theft or any other cause from or upon the Premises. It is acknowledged that Lessor does not cover any of the personal property of Lessee, Lessee's invitees or other persons upon the Premises through its insurance. Lessee, its invitees and other persons upon the Premises are solely responsible to obtain suitable personal property insurance.

19b. Liability Insurance. The Lessee agrees to maintain in force during the term of this Lease a policy of comprehensive public liability and property damage insurance written by a company authorized to do business in the State of Washington against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. The limits of liability shall be in an amount of not less than \$1,000,000.00 for injury to or death of one person in any one accident or occurrence and in an amount of not less than \$1,000,000.00 for injury to or death of more than one person in any one accident or occurrence, and of not less than \$1,000,000.00 for property damage. The limits of said insurance shall not, however, limit the liability of Lessee hereunder. The insurance policy shall have a Landlord's Protective Liability endorsement attached thereto, and the City of Renton will be named as Additional Insured(s) on Lessee's policy, with that coverage being primary and non-contributory with any other policy(ies) available to the City.

19c. Insurance Policies: Insurance required hereunder shall be written in companies acceptable to Lessor and rated A-10 or better in "Best's Insurance Guides". Lessor reserves the right to establish and, from time-to-time, to increase minimum insurance coverage amounts. Notice of increased insurance requirements shall be sent to the Lessee at least forty (45) days prior to the annual renewal date of the Lessee's insurance. Coverages shall be submitted on forms prescribed by Lessor. Prior to possession, the Lessee shall deliver to Lessor copies of

policies of such insurance acquired by Lessee, or certificates evidencing the existence and amounts of such insurance, with loss payable clauses satisfactory to Lessor. Lessor shall be named as an additional insured with that coverage being primary and non-contributory to any other insurance coverage available to the City. No such policy shall be cancelable or subject to reduction of coverage or other modification except after forty five (45) days' prior written notice to Lessor. Lessee shall, not less than forty five (45) days prior to the expiration of such policies, furnish Lessor with renewals or "binders" therefor. Lessee shall not do or permit to be done anything which shall invalidate the insurance policies referred to above. Lessee shall forthwith, upon Lessor's demand, reimburse Lessor for any additional premiums attributable to any act or omission or operation of Lessee causing such increase in the cost of insurance. If the Lessee shall fail to procure and maintain said insurance the Lessor may, but shall not be required to, procure and maintain the same, but at the expense of Lessee.

19d. Waiver of Subrogation: Lessee and Lessor each waives any and all rights of recovery against the other, or against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. Lessee shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

20. TAXES: Lessee shall be responsible for the payment of any and all taxes and assessments upon any property or use acquired under this agreement.

21. HOLDING OVER: If, without execution of any extension or renewal of this lease Lessee should remain in possession of the premises after expiration or termination of the term of this lease, then Lessee shall be deemed to be occupying the Premises as a tenant from month-to-month. All the conditions, terms, and provisions of this lease, insofar as applicable to a month-to-month tenancy, shall likewise be applicable during such period.

22. NO WAIVER: It is further covenanted and agreed between the parties hereto that no waiver by Lessor of a breach by Lessee of any covenant, agreement, stipulation, or condition of this lease shall be construed to be a waiver of any succeeding breach of the same covenant, agreement, stipulation, or condition, or a breach of any other covenant agreement, stipulation, or condition. The acceptance by the Lessor of rent after any breach by the Lessee of any covenant or condition by Lessee to be performed or observed shall be construed to be payment for the use and occupation of the premises and shall not waive any such breach or any right of forfeiture arising therefrom.

23. NOTICES: All notices under this lease shall be in writing and delivered in person, with receipt therefor, or sent by certified mail, in the case of any notice unto Lessor, at the following address:

Airport Manager
616 West Perimeter Road
Renton, Washington 98055

and in case of any notice unto Lessee, to the address of the Premises, or such address as may hereafter be designated by either party in writing.

24. DISCRIMINATION PROHIBITED:

24a. Discrimination Prohibited: Lessee covenants and agrees not to discriminate against any person or class of persons by reason of race, color, creed, sex or national origin in the use of any of its facilities provided for the public in the Airport. Lessee further agrees to furnish services on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge on a fair, reasonable and not unjustly discriminatory basis for each unit of service; provided that Lessee may make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

24b. Minority Business Enterprise Policy: It is the policy of the Department of Transportation that minority business enterprises as defined in 49 C.F.R. Part 23 shall have the maximum opportunity to participate in the performance of leases as defined in 49 C.F.R. 23.5. Consequently, this lease is subject to 49 C.F.R. Part 23, as applicable. No person shall be excluded from participation in, denied the benefits of or otherwise discriminated against in connection with the award and performance of any contract, including leases covered by 49 C.F.R. Part 23, on the grounds of race, color, national origin or sex.

24c. Application to Sub-leases: Subject to the provisions of Paragraph 13 of this Lease, Lessee agrees that it will include the above clause in all assignments of this lease or sub-leases, and cause its assignee(s) and sub-lessee(s) to similarly include the above clause in further assignments or sub-leases of this Lease.

25. FORCE MAJEURE: In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrections, war, or other reason of like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be extended for a period equivalent to the period of such delay. The provisions of this paragraph shall not, however, operate to excuse Lessee from the prompt payment of rent, or any other payment required by the terms of this Lease, to be made by Lessee.

26. CAPTIONS: Article and paragraph captions are not a part hereof.

27. ENTIRE AGREEMENT: This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.

28. CUMULATIVE REMEDIES: No remedy or election hereunder shall be deemed exclusive, but shall wherever possible, be cumulative with all other remedies at law or in equity.

29. CORPORATE AUTHORITY: If Lessee is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation and in accordance with the Bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms.

30. TRANSFER OF PREMISES BY LESSOR: In the event of any sale, conveyance, transfer or assignment by Lessor of its interest in the Premises, Lessor shall be relieved of all liability arising from this Lease and arising out of any act, occurrence or omission occurring after the consummation of such sale, conveyance, transfer or assignment. The Lessor's transferee shall be deemed to have assumed and agreed to carry out all of the obligations of the Lessor under this Lease, including any obligation with respect to the return of any security deposit.

LESSEE:

a Washington corporation

by _____

its: _____

Date: _____

LESSOR:

THE CITY OF RENTON
a Washington municipal
corporation

by _____

Airport Manager

Date: _____