

**MISSION STATEMENT: TO CREATE A HEALTHY, SAFE, DIVERSE, AND PROSPEROUS CITY
BY ENGAGING COMMUNITY MEMBERS TO DEVELOP AN ENRICHED QUALITY OF LIFE.**



**AIRPORT COMMITTEE MEETING AGENDA
CITY OF ONTARIO OREGON
MONDAY, AUGUST 5, 2024, 6:00 PM, MT
[Zoom Link](#)**

Pursuant to the Public Meetings Laws and Rules within the Oregon Revised Statutes, the Airport Committee has the authority, ability, and standing to take action on any items on the Agenda, or add items to the Agenda, during a meeting, as long as all public meeting notice requirements have been met.

1) CALL TO ORDER

Roll Call: Bill Hager _____ John Freeburg _____ Gary Taylor _____ Shawn Coleman _____
Michael Franks _____ Vice-Chair Rick Todd _____ Chairman Dan Beaubien _____
Alternate: Jim Beaumont

Council Liaison _____ City Manager _____ Airport Manager _____ FBO _____

2) PLEDGE OF ALLEGIANCE

This Agenda was posted on July 26, 2024. Copies of the Agenda are available from the City Hall Customer Service Counter and on the city's website at www.ontariooregon.org.

3) MOTION TO ADOPT THE AGENDA

4) MOTION TO ADOPT MINUTES

A) Committee Minutes of July 1, 2024

5) Public Comment Citizens may address the Airport Committee; however, the Committee may not be able to provide an immediate answer or response. Out of respect to the Committee and others in attendance, please limit your comment to three (3) minutes. Please state your name and city of residence for the record.

6) OLD BUSINESS

A) Airport Ground Lease for Aeronautical Use Improvements (Non-Commercial)

7) HAND-OUTS/DISCUSSION ITEMS

A) JUB, BLM, FBO, Flight School, City

B) National STOL Event

8) CORRESPONDENCE, COMMENTS AND EX-OFFICIO REPORTS

9) ADJOURN



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"The Gateway to Adventure"

Ontario Municipal Airport
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Airport Committee Meeting Minutes

July 1, 2024

The committee meeting was called to order by Chairman Dan Beaubien at 6:08 pm.

- 1) **Roll Call:** Rick Todd-excused, Bill Hager-present, John Freeburg-present, Gary Taylor-late present, Shawn Coleman-present, Michael Franks-excused, Chairman Dan Beaubien-present, Alternate Jim Beaumont- present

Ex Officio members: John Kirby (City Council)-present, Dan Cummings (City Manager)-present.

Airport Manager: Andy Wood-present

FBO: Silverhawk: not present

2) PLEDGE OF ALLEGIANCE

- 3) **MOTION TO ADOPT THE AGENDA:** *Shawn Coleman moved to approve the agenda as presented. John Freeburg second. Roll call vote: Rick-out, Bill-yes, John-yes, Gary-out, Shawn-yes, Mike-out, Dan-yes and Jim-yes. Motion carried 5/0/2.*

- 4) **APPROVAL OF MINUTES:** *Joun Freeburg moved to approve the minutes from 6/3/2024 as amended. Shawn Coleman second. Roll call vote: Rick-out, Bill-yes, John-yes, Gary-out, Shawn-yes, Mike-out, Dan-yes and Jim-yes. Motion carried 5/0/2.*

- 5) **PUBLIC COMMENT** Pete Morgan shared that all the past problems at the airport were not with private hangar owners but rather those with a commercial lease or businesses operated at the airport. He also referred to the recent Argus newspaper article.

- 6) **NEW BUSINESS:** A) Airport alternative parking areas: Andy showed maps of possible parking areas that could be made available inside the security fence if the authority should decide to lease that land to hangar owners. More information will be brought back to the committee in the near future.

- 7) **HAND-OUTS/DISSUSSION ITEMS** A) Grass strip: Andy said that the sprinklers are too low in some places and need to be raise to water properly. He also stated that the pull behind the tractor mower currently being used is cutting the runway grass too long. It needs to be cut shorted with a different mower. Dan B said that the EAA group of



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volunteers worked to improve the runway last Saturday. It has been watered and rolled and is smoother now. It will need to be in good condition for the Nation STOL competition in September.

B) Airport district: Dan C said that he was asked by the City Council to look into an "Airport District" for the Ontario Municipal Airport. He is checking into it and will report back to the committee.

- 8) CORRESPONDENCE, COMMENTS AND EX-OFFICIO REPORTS** Shawn asked about the fire hydrant that was moved away from his hangar during the construction of the new taxiway near the new hangars. Gary also mentioned not having a hydrant close enough to his hangar to provide fire protection which in turn drives up insurance rates. Dan C said he will check into it.

Julie Lynch said that TVCC has about 60 active flight students with 24 new students enrolling each term. She then introduced Charlotte Hatch who has joined the aviation program staff. Gary asked about fueling issues. Charlotte knew of none but she has only been here for a short while.

John F asked about the motorcycles around the airport last week. Andy explained the antique motorcycle race that was part of Ron Dillon's scheduled events on the west side of the airfield.

Toby said that the jet apron expansion is on track and should begin this fall. Dan B commended the committee, City, staff members and those in attendance for their positive interactions during the meeting. He said that everyone wants what is best for the airport and that we are all trying to achieve that goal.

- 9) ADJOURN** Moved by Bill Hager, Second by Shawn Coleman.

Roll call vote: Rick-out, Bill-yes, John-yes, Gary-yes, Shawn-yes, Mike-out, Dan-yes, and Jim-yes. Motion carried 6/0/1.

The meeting was adjourned at 8:35 pm.

Next meeting: Monday August 5, 2024, at 6 pm at Ontario City Hall.

Dan Beaubien - Chairman

Mike Franks - Secretary



NON-COMMERCIAL AIRPORT GROUND LEASE FOR AERONAUTICAL USE IMPROVEMENTS
(address Hangar Lease)

This Non-Commercial Airport Ground Lease for Aeronautical Use Improvements (**Define Use i.e. Hangar/Ground**) (this "Lease") is dated effective for all purposes as of **DATE** (the "Effective Date") and is entered into between City of Ontario ("Landlord"), an Oregon municipal corporation, whose address is 444 SW 4th Street, Ontario, Oregon 97914, and **NAME** ("Tenant"), whose address is **BILLING ADDRESS**.

RECITALS:

A. Landlord is the owner, sponsor, and operator of the Ontario Municipal Airport, a public municipal airport located in Ontario, Oregon (the "Airport"). Landlord is the owner of certain real property at the Airport consisting of approximately **LEASE AREA** total square feet of land commonly known as 581 SW 33rd Street & **HANGAR ADDRESS**, Ontario, Oregon 97914 (the "Property"). As of the Effective Date, an approximately **HANGAR** square foot aircraft hangar (the "Improvement(s)") has been located on or about the Property. The Property is identified and depicted in the attached Exhibit A.

B. Tenant desires to lease the Property from Landlord for purposes of owning and operating the Improvements at the Airport. Subject to the terms and conditions contained in this Lease, Tenant will lease the Property from Landlord, and Landlord will lease the Property to Tenant, for the Permitted Use (as defined below).

AGREEMENT:

NOW, THEREFORE, in consideration of the parties' mutual obligations contained in this Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. LEASE; OCCUPANCY

1.1 Lease Term. Subject to the terms and conditions contained in this Lease, Landlord leases the Property to Tenant and Tenant leases the Property from Landlord. The term of this Lease, Tenant's right to possession of the Property, and Tenant's obligation to pay Rent (as defined below) commenced on the Effective Date and will continue, subject to the terms and conditions contained in this Lease, until **DATE (not to exceed 20 years)** (the "Initial Term"), unless sooner terminated as provided under this Lease. For purposes of this Lease, the term "Lease Term" means the Initial Term and Extended Term (as defined below), if applicable.

1.2 Extended Term. If Tenant is not then in default under this Lease, Tenant has the option (the "Extension Option") to extend the Initial Term for one consecutive additional term of **NUMBER (see term above)** years (the "Extended Term"). Tenant will exercise the Extension Option by providing Landlord written notice (the "Notice of Extension") no less than one hundred twenty (120) days prior to the last day of the Initial Term. Subject to the terms and conditions contained in this Lease, providing the Notice of Extension will be sufficient to make this Lease binding for the Extended Term. The Extended Term will commence on the day immediately following the expiration of the Initial Term. The terms and conditions for the Extended Term will be identical with the Initial Term except for (a) Base Rent (as defined below), (b) Additional Rent (as defined below), and (c) Tenant will no longer have the Extension Option that has been exercised once and will require a new lease negotiated to continue a lease. THE ONE TIME EXTENSION WILL BE DOCUMENTED BY AN ADDENDUM TO THE ORIGINAL LEASE SIGNED AND DATED BY BOTH PARTIES.

1.3 Airport Facilities. Subject to the terms and conditions contained in this Lease, during the Lease Term Landlord grants Tenant a limited, revocable, non-exclusive license to use the Airport's common hangar related facilities (if any) and that portion of the Airport's approach areas, runways, ramps, taxiways, and aprons reasonably necessary to facilitate the expeditious movements of aircraft to and from the runway and takeoff areas. Tenant's use of the Airport's common hangar related facilities (if any) and Airport approach areas, runways, ramps, taxiways, and aprons will be for the sole purpose of Tenant's use of the Property for the Permitted Use (as defined below). Tenant's use of the Airport facilities (and all flight and ground operations on and at the Airport or otherwise) will be made subject to and in accordance with the Laws (as defined below).

1.4 Tenant's Financial Capability; Authority; Improvement Ownership. Tenant represents and warrants the following to Landlord: (a) Tenant has sufficient assets and net worth to ensure Tenant's performance of this Lease and the payment of its obligations under this Lease as and when they become due; (b) Tenant has full power and authority to sign and deliver this Lease and to perform all Tenant's obligations under this Lease; (c) this Lease is the legal, valid, and binding obligation of Tenant, enforceable against Tenant in accordance with its terms; (d) Tenant is the sole, fee simple owner of the Improvements and no other person has any ownership, rights, and/or interests in and to the Improvements (except Landlord as provided under this Lease); and (e) the Improvements are free from all Encumbrances (as defined below) and Tenant will keep the Improvements and Property free from all Encumbrances. Tenant represents, warrants, and covenants that as of the Effective Date, (y) **NAME OF LEASE OWNER(S)** is Tenant's only member and no other person has any ownership rights and/or interests in and to Tenant, and (z) **NAME OF LEASE OWNER(S)** has full power and authority to sign and deliver this Lease on behalf of Tenant. For purposes of this Lease, the term "Encumbrance(s)" means any lien, mortgage, pledge, security interest, reservation, restriction, adverse claim, and/or other encumbrance.

1.5 No Representations or Warranties. Tenant is bound in accordance with the terms of this Lease from and after the Effective Date. Tenant has entered into this Lease on the basis of its own examination and personal knowledge of the Airport and Property. Tenant accepts the Airport and Property in their "as-is" and "with all faults and defects" condition as of the Effective Date. Tenant has not relied on any representations or warranties made by Landlord and/or Landlord's Agents (as defined below). Provided Tenant is not in default of this Lease, Landlord will defend Tenant's right to quiet enjoyment of the Property from the lawful claims of all persons during the Lease Term. Except for Landlord's covenant of quiet enjoyment contained in the immediately preceding sentence, Landlord makes no representations or warranties of any kind, whether express or implied, with respect to all or any part of the Airport and/or Property. Landlord has made no promise or agreement to repair, alter, construct, and/or improve all or any part of the Airport, Improvements, and/or Property.

1.6 Land Leases. Notwithstanding anything contained in this Lease to the contrary, Tenant acknowledges and agrees that Landlord's lease of the Property to Tenant is conditioned on Tenant's timely payment and performance of all its obligations arising out of this Agreement. A Tenant default under this Lease constitutes a default by Tenant of all conditions of the lease.

1.7 Parking Area. The Parking Area consists of two public parking areas, one on SW 33rd Street and one on Airport way. No vehicle or any other items (including trailers) may be parked outside of the hangar building other than in a designated area approved by the Airport Authority and included as part of the leased area. The owner of the hanger may park their vehicle inside the hanger while they are using their aircraft otherwise, they must be parked in the public parking area or approved designated area as noted above. All visitors or people flying with the owner must park their vehicle in the Public Parking area and be escorted onto the airport. **Under no circumstances may the hanger owner give the code to unauthorized persons.**

2. BASE RENT; ADDITIONAL RENT; TAXES; ASSESSMENTS

2.1 Base Rent. Subject to the terms and conditions contained in this Lease, Tenant will pay Landlord guaranteed minimum annual base rent, without offset, in the amount of \$_____ (\$**current rate** per square foot), per year) ("Base Rent"). Base Rent is payable annually in advance of each year on or before the 30th day of June an

invoice from Landlord will be sent, but all parties understand the rent is due and payable whether an invoice is sent or not. A tenant's first payment of Rent is due and payable on the Effective Date. Base Rent will be prorated with respect to any partial year in which the Lease Term commences and ends. Base Rent will be payable to the order of Landlord at the address first shown above or any other address designated by Landlord from time to time.

2.2 Base Rent Escalation. Notwithstanding anything contained in this Lease to the contrary, Landlord may adjust (increase or decrease) the Base Rent at any time and from time to time during the Lease Term through council resolution. Landlord will provide Tenant no less than 30 days' prior written notice of any Base Rent adjustment. Unless otherwise adjusted by council resolution, commencing on the first-year anniversary of the Effective Date, during each year of the Lease Term upon the anniversary of the Effective Date, Base Rent will escalate (increase) as per the current rate schedule over Base Rent for the immediately preceding twelve-month period. Tenant will pay the Base Rent established by Landlord from time to time.

2.3 Additional Rent.

2.3.1 Tenant will timely pay in full the following charges, costs, and expenses related to or concerning (whether directly or indirectly) the Property and/or Improvements (collectively, "Additional Rent") If any: (a) **LIST ANY Additions or state NONE.**

2.3.2 Without otherwise limiting Section 2.3.1, Tenant will pay when due all costs, expenses, and charges for services and utilities incurred in connection with the ownership (in the case of the Improvements), use, lease, occupancy, operation, repair, maintenance, and/or improvement of the Property and/or Improvements, including, without limitation, charges and expenses for fuel, connection fees, water, gas, electricity, sewage disposal, and power, so to not incur any liens against the landlord property.

2.3.3 Tenant will pay before delinquency all real and personal property taxes, general and special assessments, system development charges, and all other charges of every description levied on and/or assessed against the Property, any improvements located on the Property (including, without limitation, the Improvements), and/or personal property and/or fixtures located on the Property. Tenant will make all such payments directly to the applicable governing authority, so to not incur any liens against the landlord property.

3. USE OF PROPERTY

3.1 Permitted Use. Subject to the terms and conditions contained in this Lease, Tenant will use the Property for Tenant's operation (as defined below) and maintenance, repair, use, and/or operation of the Improvements (collectively, the "Permitted Use"). Tenant will not use the Property for any purpose other than the Permitted Use. For purposes of this Lease, the term "Permitted Use" means Tenant's Private Aircraft Hanger on the Property **add any additional allowed uses if any.**

3.2 Conditions, Limitations, and Restrictions. In addition to any other conditions, limitations, and/or restrictions contained in this Lease, Tenant represents, warrants, and covenants to perform and comply with the following conditions, limitations, and restrictions concerning the Property, Improvements, and/or Airport:

3.2.1 Tenant will conform and comply with the Laws. Without otherwise limiting the generality of the immediately preceding sentence, Tenant will conform and comply with the Laws in connection with Tenant's use of the Property for the Permitted Use. Tenant will correct, at Tenant's own expense, any failure of compliance created through Tenant's fault, the Permitted Use, and/or by reason of Tenant's use of the Property, Improvements, and/or Airport. Prior to the Effective Date, Tenant had the opportunity to review (and ask questions concerning) and understands all Laws. Tenant will obtain all necessary permits, licenses, reviews, studies, inspections, reports (including, without limitation, environmental reports), and approvals required under the Laws to lease the Property and occupy and use the Improvements for the Permitted Use, including, without limitation, all reviews, studies, and approvals required under Landlord's leasing policies and regulations. For purposes of this Lease, the term "Law(s)" means all policies, rules, leases, covenants, conditions, restrictions,

easements, declarations, laws, statutes, liens, ordinances, orders, codes, and regulations directly or indirectly affecting the Property, Improvements, Airport, and/or Permitted Use, including, without limitation, fire and/or building codes, Airport master plan, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder, if applicable), Environmental Laws (as defined below), any rules or regulations promulgated by the Federal Aviation Administration ("FAA") and/or any other federal airport authority (including, without limitation, Landlord's Grant Assurances and requirements under 14 CFR Part 77), Title 3, Chapter 9 of Landlord's municipal code, Landlord's policies governing agreements involving the lease, use, and/or disposition of Airport property for aeronautical activities, and the Rules and Regulations (as defined below), all as now in force and/or which may hereafter be amended, modified, enacted, and/or promulgated.

3.2.2 Tenant will store all aircraft, vehicles, machinery, equipment, tools, and/or supplies within the Private Hanger and in a safe, neat, clean, and orderly manner; Tenant will not permit any machinery, aircraft, vehicles, equipment, tools, and/or supplies to remain unattended on or about the Property outside of the hanger. Tenant will refrain from any activity which would make it impossible to insure the Property against casualty, or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau (or its successor) allowing Landlord to obtain reduced premium rates for long-term fire insurance policies, unless Tenant pays the additional costs of the insurance. Tenant will refrain from any use and/or activities which would be reasonably offensive to Landlord, other users of the Airport, and/or neighboring property, and/or which would tend to create or cause fire risk, a nuisance, and/or damage the reputation of the Property and/or Airport, all as determined by Landlord. Tenant will conduct and operate the Permitted Use and all activities at the Airport in a safe, prudent, professional, and lawful manner.

3.2.3 Tenant will not cause and/or permit any Hazardous Substances (as defined below) to be spilled, leaked, disposed of, and/or otherwise released on, under, and/or about the Property and/or Improvements. Without otherwise limiting the generality of the immediately preceding sentence, but subject to applicable laws, Tenant may use, store, and/or otherwise handle on or in the Property only those Hazardous Substances typically used, stored, sold, and/or handled in the prudent and safe operation of the Permitted Use; provided, however, Tenant will use, store, and/or otherwise handle on or in the Property the Hazardous Substances in a safe, neat, clean, and orderly manner consistent with applicable Laws. Upon the earlier termination or expiration of this Lease, Tenant will properly remove and dispose of all Hazardous Substances from the Property. For purposes of this Lease, the term "Environmental Law(s)" means any federal, state, and/or local statute, regulation, and/or ordinance, or any judicial or other governmental order, pertaining to the protection of health, safety, and/or environment; the term "Hazardous Substance(s)" means any hazardous, toxic, infectious, and/or radioactive substance, waste, and/or material as defined or listed by any Environmental Law, including, without limitation, pesticides, aviation fuel, paint, petroleum oil, and their fractions

3.2.4 Tenant will conform and comply with all rules and regulations concerning the Airport, Improvements, and/or Property, which now exist or may hereafter become effective, including, without limitation, all Airport security, and/or fire safety rules, regulations, and procedures (collectively, the "Rules and Regulations"). Tenant will not perform any acts or carry on any practice prohibited by the Rules and Regulations. Tenant acknowledges and agrees that Landlord is permitted to adopt new Rules and Regulations, or amend the Rules and Regulations, from time to time as Landlord determines necessary or appropriate. Any adoption or amendment to the Rules and Regulations will be effective 30 days after Landlord provides Tenant written notice of such adoption or amendments.

3.3 Aviation Easement; Aeronautical Uses. Tenant's use of the Property and Improvements is secondary and subordinate to the operation of the Airport and Laws. Landlord reserves for itself, and for the public, a right of flight for the passage of aircraft in the airspace above the Property and Improvements together with the right to cause noise, vibration, dust, fumes, smoke, vapor, and other effects inherent in the navigation or flight of aircraft and/or operation of the Airport. Notwithstanding anything contained in this Lease to the contrary, Tenant will protect the Airport and Airport property for aeronautical and related uses, will not interfere or impede, and will conduct all activities in a manner that will not adversely affect or interfere with, Landlord's operations and/or those of other tenants and authorized users of the Airport or general public. Any Tenant activities that

Landlord determines interfere or impede with the operation, use, and/or maintenance of the Airport, Airport property, and/or aeronautical activities is specifically prohibited and will constitute an Event of Default (as defined below) under this Lease.

3.4 Airport Operations; Security. Notwithstanding anything contained in this Lease to the contrary, Landlord reserves the right to control and regulate all Airport property, facilities, and/or operations, including, without limitation, taxiways, ramps, runways, improvements, aprons, fuel areas, and parking facilities. Landlord may impose certain taxi proceedings, requirements, and/or controls to promote efficient and orderly operation of other operators. Tenant acknowledges and agrees that Landlord does not provide continuous security for the Property, Improvements, and/or Airport (including, without limitation, the Parking Area). Tenant is responsible for securing and safeguarding the Property, Improvements, and all aircraft and other personal property located on or about the Property. Landlord will not be liable for any loss and/or damage to Tenant's property due to theft, vandalism, and/or any other causes, including forces of nature.

3.5 Construction Activities. Tenant's use of the Property and/or Improvements may be disrupted by certain expansion, improvement, construction, development, remodeling, and/or other activities on or at the Airport, including, without limitation, runway maintenance and repairs. Landlord will not be in default under this Lease (and Tenant will not be entitled to any abatement of Rent and/or other concessions) if Tenant is disrupted (temporarily or otherwise) in the use of the Property, Improvements, and/or Airport due to the aforementioned activities.

3.6 Non-Discrimination; Unfair Practices. Tenant covenants and agrees that they will (a) maintain and operate such facilities and services in compliance with all requirements imposed under 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as amended; (b) no person will, on the grounds of race, color, national origin, and/or other protected classification, be excluded from participation in, denied the benefits of, and/or otherwise subjected to discrimination in the use of any facilities located on or in the Property and/or Improvements; and (c) in the construction of any improvements on, over, and/or under the Property and/or Improvements and the furnishing of services thereon, no person will, on the grounds of race, color, national origin, and/or other protected classification, be excluded from participation in, denied the benefits of, and/or otherwise subjected to discrimination.

3.7 Notice of Action. Tenant will immediately notify Landlord in writing of the occurrence of any of the following events: (a) any enforcement, clean-up, removal, and/or other governmental or regulatory action is instituted, completed, and/or threatened concerning the Improvements and/or Property pursuant to any Environmental Laws; and/or (b) any claim is made or threatened by any person against or concerning Tenant, Tenant's activities, and/or the condition of the Property and/or Improvements. Tenant will provide Landlord copies of any written documentation related to the foregoing.

3.8 Subordination – United States. Notwithstanding anything contained in this Lease to the contrary, (a) this Lease is subordinate to the terms of any agreement between Landlord and the United States concerning Airport operations and/or maintenance (the terms of such agreement will supersede the terms of this Lease), and (b) during times of war or national emergency, Landlord may lease the Airport's landing area (or any part thereof) to the United States for military or naval use (and, in connection therewith, the provisions of this Lease will be suspended to the extent inconsistent with Landlord's lease with the United States).

4. ALTERATIONS

Except any ordinary and necessary Improvement maintenance and/or repairs performed (or caused to be performed) by Tenant, Tenant will make no additions, improvements, modifications, and/or alterations in or to the Property and/or Improvements of any kind or nature whatsoever, including, without limitation, the installation of any improvements, fixtures, and/or devices on or to the Property and/or Improvements (individually and collectively, "Alteration(s)"), without Landlord's prior written consent. Any Alterations approved by Landlord will be made in a good and workmanlike manner, in compliance with applicable Laws, at Tenant's cost and expense,

and consistent with the general appearance, quality, and décor of the Property and/or Improvements and surrounding property. Subject to Section 8.4 and 8.5, Alterations performed in or to the Property and/or Improvements by either Landlord or Tenant will be the property of Landlord. Construction of any exterior Alterations must be approved (i.e., must receive a “no objection” determination) by the FAA through the notice of proposed construction review process, submittal of FAA Form 7460-1, and will be subject to all applicable Laws. Tenant will timely file FAA Form 7460-2 Supplemental Notice concerning the Alterations.

5. MAINTENANCE AND REPAIRS

5.1 Landlord Maintenance and Repairs. Notwithstanding anything contained in this Lease to the contrary, Landlord has no obligation to make or perform any repairs, maintenance, replacements, alterations, and/or improvements in or to the Property (and/or the Improvements), including, without limitation, snow removal. All repairs, maintenance, replacements, alterations, and/or improvements in or to the Property and/or Improvements will be made by Tenant at Tenant’s cost and expense.

5.2 Tenant Maintenance and Repairs. Tenant will maintain, at Tenant’s cost and expense, the Property and Improvements (interior and exterior) in good condition, repair, working order, and appearance, and will preserve the Property and Improvements, normal wear and tear excepted, and will not commit or permit waste. Without otherwise limiting the generality of the immediately preceding sentence, Tenant will perform, at Tenant’s cost and expense, the following maintenance and repairs:

5.2.1 Repair and maintain the roof and exterior walls of the structure in a new condition with the exception of fading of the paint.

5.2.2 Repair and maintain the plumbing system (environmental issues), electrical system (fire hazard), fire hose connections, fire sprinkler and standpipe and hose, and all other aspects of the fire extinguishing system, including, without limitation, the fire alarm and/or smoke detection systems and equipment.

5.2.3 Repair and maintain the sidewalks, driveways, and landscaping, including, without limitation, all necessary or appropriate snow removal associated to the lease of the building site.

5.2.4 All trash collection and removal, and washing required to keep the Property and Improvements clean and orderly.

5.2.5 All repairs or maintenance necessitated by the acts or omissions of Tenant and/or Tenant’s Agents.

5.2.6 All repairs, maintenance, and/or improvements required under Tenant’s obligation to comply with the Laws.

If Tenant fails or refuses to perform or complete the repairs, maintenance, and/or improvements required under this Section 5.2 within 10 days after Landlord’s written notice, Landlord may make the repair or improvement or perform the maintenance and charge the actual costs and expenses of repair, improvement, and/or maintenance to Tenant; provided, however, if Tenant’s failure or refusal to perform or complete the repairs, maintenance, and/or improvements causes or threatens loss of life, injury, significant damage, and/or destruction to person or property, human suffering, and/or significant financial loss, Landlord may make the repair or improvement or perform the maintenance (and charge the actual costs and expenses of repair, improvement, and/or maintenance to Tenant) without first having provided Tenant written notice. Tenant will reimburse Landlord for the costs and expenses of repairs, improvements, and/or maintenance on demand, together with interest at the rate of twelve percent (12%) per annum from the date of expenditure until paid in full.

5.3 Signage; Encumbrances.

5.3.1 Tenant will not be permitted to erect or maintain any signage on or about the Property without Landlord's prior written consent. Any signage authorized by Landlord will be erected and maintained at Tenant's cost and expense. Signage installed by Tenant will be removed by Tenant, at Tenant's cost and expense, upon the expiration or earlier termination of this Lease and the sign location restored to its former state unless Landlord elects to retain all or any portion of the signage.

5.3.2 Tenant will keep the Property and Improvements free from all Encumbrances. Tenant will pay as and when due all claims for work done on and for services rendered or material furnished to the Property. If Tenant fails to pay any such claims to discharge any Encumbrance, Landlord may do so and collect the costs as Rent. Any amount so added will bear interest at the rate of twelve percent (12%) per annum from the date expended by Landlord and will be payable on Landlord's demand. Landlord's payment of Tenant's claims or discharge of any Tenant Encumbrance will not constitute a waiver of any other right or remedy which Landlord may have on account of Tenant's default. If an Encumbrance is filed due to nonpayment, Tenant will, within 10 days after knowledge of the filing, secure the discharge of the Encumbrance or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to Landlord in an amount sufficient to discharge the Encumbrance plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the Encumbrance. Tenant will indemnify, defend, and hold Landlord harmless for, from, and against all claims, losses, and/or liabilities arising out of Tenant's failure to comply with this Section 5.3.2.

6. ASSIGNMENT; INSURANCE; INDEMNIFICATION

6.1 Transfer.

6.1.1 Tenant will not sell, assign, mortgage, sublet, lien, convey, encumber, and/or otherwise transfer (whether directly, indirectly, voluntarily, involuntarily, and/or by operation of law) all or any part of Tenant's rights and/or interests in or to this Lease, the Property, and/or Improvements (including, without limitation, any Alterations) (collectively, "Transfer") without Landlord's prior written consent, which consent Landlord will not unreasonably withhold, condition, and/or delay. For purposes of this Lease, a "Transfer" includes the sale, assignment, encumbrance, and/or transfer - or series of related sales, assignments, encumbrances, and/or transfers - of 51% or more of the shares, membership, and/or other ownership interests of Tenant, regardless of whether the sale, assignment, encumbrance, and/or transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence.

6.1.2 Tenant will provide Landlord no less than 30 days' prior written notice of a proposed Transfer (the "Transfer Notice"), which Transfer Notice will include the name and address of the proposed transferee and a true and complete copy of the proposed Transfer documentation and/or instruments. Landlord's consent to any proposed Transfer is conditioned on the following: (a) Tenant demonstrating (to Landlord's reasonable satisfaction) that the proposed transferee's condition (financial and otherwise), style of operation, business reputation, and use of the Property and Improvements is consistent with the terms of this Lease and that Landlord's interests in the Property, Airport, and Improvements will not be adversely affected in any material respect; (b) At the discretion of the Landlord, the Tenant reimbursing Landlord for the costs and expenses incurred by Landlord in connection with its review of all Transfer documentation and/or instruments (and otherwise related to Landlord's determination as to whether to consent to the proposed Transfer); (c) the transferee agreeing in writing to comply with and be bound by all the terms, covenants, conditions, provisions, and agreements of this Lease; and (d) any other conditions that Landlord may reasonable impose under the particular circumstances surrounding the proposed Transfer. Tenant acknowledges and agrees that Landlord's conditioning of its consent to any proposed Transfer on Tenant's satisfaction of the conditions contained in this Section 6.1 is reasonable under this Lease.

6.1.3 If Landlord consents to a Transfer, the following will apply: (a) the terms and conditions of this Lease will in no way be deemed waived or modified; (b) consent will not be deemed consent to any further Transfer by Tenant or any transferee; (c) the acceptance of Rent by Landlord from any other person will not be deemed a waiver by Landlord of any provision of this Lease; and (d) no Transfer relating to this Lease and/or the

Improvements, whether with or without Landlord's consent, will modify, relieve, and/or eliminate any liabilities and/or obligations Tenant and/or any guarantor of this Lease may have under this Lease. Landlord may consent to subsequent assignments, subletting, and/or amendments or modifications to this Lease with assignees of Tenant without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and such action will not relieve Tenant of any liability under this Lease.

6.2 Tenant Insurance. Tenant will keep the Improvements insured against fire and other risks covered under a standard fire insurance policy. Tenant will maintain, at Tenant's cost and expense, a policy of fire, extended coverage, vandalism, and malicious mischief insurance insuring the personal property (aircraft related), of the Tenant located in or on the Improvements. The amount of the insurance will be sufficient to prevent Tenant from becoming a coinsurer under the provisions of the policies. Landlord will not be responsible for any loss or damage to Tenant's personal property, whether or not insured.

6.3 Liability Insurance. Tenant will procure, and thereafter will continue to carry, (a) general liability insurance (occurrence version) with a responsible licensed Oregon insurance company against personal injury claims arising directly or indirectly out of Tenant's activities on, or any condition of, the Property and/or Improvements, whether or not related to an occurrence caused, or contributed to, by Landlord's negligence, and will insure the performance by Tenant of Tenant's indemnification obligations under this Lease, and (b) aircraft liability insurance. Tenant's general liability insurance required to be carried under this Section 6.3 will have a general aggregate limit of no less than \$2,000,000.00, a per occurrence limit of no less than \$2,000,000.00; the aircraft liability insurance will have a general aggregate and per occurrence limit of no less than \$1,000,000.00. Each liability insurance policy required under this Lease will be in form and content satisfactory to Landlord and will contain a severability of interest clause. By separate endorsement, each liability insurance policy will name Landlord and Landlord's officers, employees, agents, and volunteers as additional insureds. The insurance Tenant is required to obtain under this Lease may not be cancelled without 10 days' prior written notice to Landlord. Tenant's insurance will be primary and any insurance carried by Landlord will be excess and noncontributing. Tenant will furnish Landlord with policy copies (including applicable endorsements) evidencing the insurance coverage, endorsements, and provisions Tenant is required to obtain under this Lease upon Tenant's execution of this Lease and at any other time requested by Landlord. If Tenant fails to maintain insurance as required under this Lease, Landlord will have the option, but not the obligation, to obtain such coverage with costs to be reimbursed by Tenant immediately upon Landlord's demand. Notwithstanding anything contained in this Lease to the contrary, Landlord may increase the minimum levels of insurance Tenant is required to carry under this Lease by providing Tenant 90 days' prior written notice. All policies of insurance which Tenant is required by this Lease to carry will provide that the insurer waives the right of subrogation against Landlord.

6.4 Tenant Release and Indemnification. Tenant releases and will defend, indemnify, and hold Landlord and Landlord's present and future officers, employees, contractors, representatives, and agents (collectively, "Landlord's Agents") harmless for, from, and against all claims, demands, charges, proceedings, costs, expenses, losses, damages, and/or liabilities, including, without limitation, attorney fees and costs, resulting from or arising out of, whether directly or indirectly, the following: (a) any damage, loss, and/or injury to person or property in, on, and/or about the Property and/or Improvements provided such damage, loss, and/or injury to person or property is not caused by Landlord's gross negligence or willful misconduct; (b) Tenant's and/or Tenant's directors, officers, shareholders, members, managers, employees, agents, representatives, invitees, and/or contractors (collectively, "Tenant's Agents") acts and/or omissions, including, without limitation, Tenant's and/or Tenant's Agents operations at the Airport, Improvements, and/or Property; (c) Tenant's use of the Property, Improvements, and/or Airport; (d) Tenant's construction, maintenance, repair, and/or occupancy of the Property and/or Improvements and/or any condition of the Property and/or Improvements; (e) the use, storage, treatment, transportation, presence, release, and/or disposal of Hazardous Substances in, on, under, and/or about the Property and/or Improvements; and/or (f) Tenant's breach and/or failure to perform any Tenant representation, warranty, covenant, and/or obligation under this Lease. Tenant's indemnification obligations under this Section 6.4 will survive the expiration or earlier termination of this Lease.

6.5 Reconstruction After Damage. If the Improvements are damaged or destroyed by fire or any other cause at any time during the Lease Term, whether or not covered by insurance, Tenant will promptly repair the damage and restore the Improvements. The completed repair, restoration, and/or replacement Improvements will be equal in value, quality, and use and will be restored to the condition of the Improvements immediately before the damage or destruction. Tenant will pay all costs and expenses of repairing and restoring the Improvements, which repairs and restoration will be completed no later than three hundred sixty-five (365) days after the date of the fire or other cause of damage. Tenant will not be entitled to any abatement of Rent on account of any damage to or destruction of the Improvements, nor will any other obligations of Tenant under this Lease be altered or terminated except as specifically provided in this Lease.

6.6 Waiver of Subrogation. Neither party will be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire, or any of the risks covered by the property insurance policies required under this Lease, and in the event of insured loss, neither party's insurance company will have a subrogated claim against the other. This waiver will be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Each party agrees to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

7. DEFAULT; REMEDIES

7.1 Default. The occurrence of any one or more of the following events constitutes a default by Tenant under this Lease (each an "Event of Default"): (a) Tenant's failure to pay Rent and/or any other charge, cost, and/or expense under this Lease when due; (b) Tenant's breach and/or failure to perform any representation, warranty, obligation, and/or covenant contained in this Lease (other than the payment of Rent or other charge, cost, and/or expense under Section 7.1(a)) within 10 days after written notice from Landlord specifying the nature of the breach and/or failure to perform with reasonable particularity; provided, however, if Tenant's breach and/or failure to perform causes or threatens loss of life, injury, significant damage, and/or destruction to person or property, human suffering, and/or significant financial loss, Tenant must cure or remedy such breach and/or failure to perform immediately upon receipt of written notice from Landlord; (c) attachment, execution, levy, and/or other seizure by legal process of any right or interest of Tenant under this Lease if not released within 30 days; (d) Tenant dies, dissolves, becomes insolvent within the meaning of the United States Bankruptcy Code, as amended from time to time; a general assignment by Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy; an adjudication that Tenant is bankrupt or the appointment of a receiver of the properties of Tenant; the filing of any involuntary petition of bankruptcy and failure of Tenant to secure a dismissal of the petition within 30 days after filing; attachment of or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment or release of the levy of execution within 30 days; and/or (e) Tenant's failure for 30 days or more to occupy the Property and Improvements for the Permitted Use.

7.2 Landlord's Remedies. Upon an Event of Default, Landlord may elect any one or more of the following remedies:

7.2.1 Landlord may terminate this Lease by notice to Tenant. If this Lease is not terminated by Landlord, Landlord will be entitled to recover damages from Tenant for the default. If this Lease is terminated by Landlord, Tenant's liability to Landlord for damages will survive such termination, and Landlord may reenter, take possession of the Property and Improvements, and remove any persons or property (including the Improvements) by legal action or by self-help with the use of reasonable force and without liability for damages.

7.2.2 Following reentry or abandonment, Landlord may relet the Property, and in that connection may make any suitable alterations or refurbish the Property or Improvements (or both), or change the character or use of the Property and/or Improvements, but Landlord will not be required to relet the Property and/or Improvements for any use or purpose other than compatible uses or which Landlord may reasonably consider injurious to the Property, or to any tenant which Landlord may reasonably consider objectionable. Landlord may relet all or part of the Property or Improvements, alone or in conjunction with other properties, for a

term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

7.2.3 Upon the happening of an Event of Default, Landlord will be entitled to recover immediately, without waiting until the due date of any future Rent or until the date fixed for expiration of this Lease, and in addition to any other damages recoverable by Landlord, the following amounts as damages: (a) the loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured; (b) the reasonable costs of reentry and reletting including, without limitation, the cost of any demolition, construction, clean-up, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's failure to quit the Property and Improvements (if applicable) upon termination and leave the Property and Improvements (if applicable) in the required condition, including, without limitation, any remodeling costs, attorney fees, court costs, broker commissions, and advertising costs; and/or (c) any excess of the value of the Rent, and all of Tenant's other obligations under this Lease, over the reasonable expected return from the Property and/or Improvements for the period commencing on the earlier of the date of trial or the date the Property and/or Improvements are relet and continuing through the end of the Lease Term.

7.3 Cumulative Remedies; Right to Cure. Termination of this Lease will not constitute a waiver or termination of any rights, claims, and/or causes of action Landlord may have against Tenant; Tenant's obligations under this Lease, including, without limitation, Tenant's indemnification obligations under Section 6.4, will survive the termination. Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Lease Term, and no action for damages will bar a later action for damages subsequently accruing. The foregoing remedies will be in addition to and will not exclude any other remedy available to Landlord under applicable law. Unless a shorter time is otherwise provided in this Lease, if Tenant fails to perform any obligation under this Lease Landlord will have the option to do so after ten (10) days' written notice to Tenant specifying the nature of the default. Landlord's performance of any Tenant obligation under this Lease will not waive any other remedy available to Landlord. All of Landlord's expenditures to correct the default will be reimbursed by Tenant on demand with interest at the rate of twelve percent (12%) per annum from the date of expenditure by Landlord until paid in full.

7.4 Termination Rights. Notwithstanding anything contained in this Lease to the contrary, this Lease may be terminated (a) at any time by the mutual written agreement of Landlord and Tenant; (b) by Landlord immediately upon notice to Tenant if Landlord reasonably determines that Tenant's acts or omissions cause or threaten loss of life, injury, significant damage, and/or destruction to person or property, human suffering, and/or significant financial loss. Termination of this Lease will not constitute a waiver or termination of any rights, claims, and/or causes of action Landlord may have against Tenant; Tenant's obligations under this Lease, including, without limitation, Tenant's indemnification obligations under Section 6.4, will survive the termination. Tenant will not be entitled to damages and/or any other recovery if Landlord exercises its termination right under this Section 7.4.

8. SURRENDER; HOLDOVER

8.1 Improvements and Alterations. In addition to all other Tenant obligations required under this Lease, upon the earlier termination or expiration of this Lease, Tenant will, at Tenant's cost and expense, pay and perform the following: (a) perform all Property and Improvements maintenance and repairs for which Tenant is responsible under this Lease; and (b) surrender the Property and Improvements (subject to Section 8.4) to Landlord in good condition, repair, working order, and appearance, free of waste and debris. If Tenant fails to timely surrender the Property and Improvements in accordance with this Section 8.1, the following will apply: (x) by written notice given to Tenant within 10 days after Tenant's surrender obligations were required to be performed, Landlord may elect to hold Tenant to its surrender obligations under this Section 8.1; (y) Landlord may cause Tenant's surrender obligations to be performed in accordance with this Section 8.1, at Tenant's cost and expense; and/or (z) Landlord may treat Tenant as a holdover tenant under Section 8.3. Tenant is liable to Landlord for all costs and expenses Landlord incurs to cause the Property and Improvements to be surrendered in

accordance with this Section 8.1 with interest at 12% per annum from the date of expenditure by Landlord until paid in full.

8.2 Tenant Personal Property Removal Obligations. Prior to the earlier termination or expiration of this Lease, Tenant will remove from the Property and Improvements all aircraft, vehicles, furnishings, furniture, equipment, tools, trade fixtures, and personal property which remain its property, including all resulting waste and/or debris. If Tenant fails to timely (specified by landlord in writing) remove the aircraft, vehicles, furnishings, furniture, equipment, tools, trade fixtures, personal property, and all resulting waste and/or debris, the following will apply: (a) at Landlord's election, Tenant will be deemed to have abandoned the property, and Landlord may retain the property and all rights of Tenant with respect to the property will cease; (b) by written notice given to Tenant within 10 days after removal was required, Landlord may elect to hold Tenant to its removal obligations (provided, however, if Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in storage for Tenant's account); (c) Landlord may cause the property to be removed in accordance with this Section 8.2, at Tenant's cost and expense; and/or (d) Landlord may treat Tenant as a holdover tenant under Section 8.3. Tenant is liable to Landlord for all costs and expenses Landlord incurs to cause the property's removal and/or storage with interest at 12% per annum on all such expenses from the date of expenditure by Landlord until paid in full.

8.3 Holdover. If Tenant does not vacate and surrender the Property and Improvements in accordance with Sections 8.1 and 8.2 at the time required, Landlord will have the option to treat Tenant as a tenant from month-to-month, subject to the provisions of this Lease (except the provisions for term and extension), except that Base Rent will be equal to 150% of the then applicable Base Rent. Failure of Tenant to timely surrender the Property and Improvements and remove its aircraft, vehicles, trade fixtures, furniture, furnishings, equipment, tools, and/or any other personal property in accordance with this Lease will constitute a failure to vacate to which this Section 8.3 will apply. If a month-to-month tenancy results from a holdover by Tenant under this Section 8.3, the tenancy will be terminable at the end of any monthly rental period on written notice from Landlord given not less than 30 days prior to the termination date which will be specified in the notice.

8.4 Removal and Ownership. Notwithstanding anything contained in this Lease to the contrary, upon the earlier termination or expiration of this Lease, Landlord may (a) require Tenant to remove the Improvements and/or Alterations from the Property (and surrender the Property to Landlord in good condition, repair, working order, and appearance, free of waste and debris), at Tenant's cost and expense, prior to the earlier termination or expiration of this Lease, or (b) purchase the Improvements in accordance with Section 8.5. If Tenant fails to timely remove the Improvements and/or Alterations from the Property under this Section 8.4 to Landlord's reasonable satisfaction (including all resulting waste or debris), Landlord may, in addition to any other Landlord rights and remedies, (y) cause the Improvements and/or Alterations to be removed at Tenant's cost and expense, and/or (z) treat Tenant as a holdover tenant under Section 8.3. Tenant is liable to Landlord for all costs and expenses Landlord incurs to cause the removal of the Improvements and/or Alterations and Property's restoration with interest at 12% per annum on all such expenses from the date of expenditure by Landlord until paid in full.

8.5 Landlord Purchase. If Landlord purchases the Improvements in accordance with Section 8.4, Landlord will purchase the Improvements for the fair market value of the Improvements as of the expiration or earlier termination of this Lease. The purchase will be made effective as of the date of the expiration or earlier termination of the Lease. Landlord will obtain ownership of the Improvements free and clear of all Encumbrances, including, without limitation, any Tenant rights or interests in and to the Improvements. Tenant will sign and deliver all documents and instruments Landlord determines necessary or appropriate to effectuate the transfer and conveyance of the Improvements.

8.6 Fair Market Value. If Landlord elects to purchase the Improvements, then the fair market value of the Improvements will be determined by the parties through good faith negotiation, which the parties will commence at least 90 days before the expiration or earlier termination of the Lease (unless not known) and

pursue with diligence. If the parties cannot reach agreement within 30 days, then the fair market value will be determined by the following process:

8.6.1 no later than 90 days before the expiration or earlier termination of this Lease, each party will submit in confidence its written evaluation of the fair market value of the Improvements. At the same time, the parties will attempt in good faith to appoint a mutually acceptable, independent, qualified appraiser. No later than 30 days after the appraiser is appointed, the appraiser will choose one of the two proposals as the fair market value of the Improvement, which determination will be final and binding.

8.6.2 If the parties cannot agree on an appraiser, then each party will appoint a qualified, independent appraiser no later than 75 days before the expiration or earlier termination of this Lease. The appraisers appointed by each party will select a qualified, independent appraiser, who will choose one of the two proposals as the fair market value of the Improvements, which determination will be final and binding. If a party fails to timely appoint a qualified appraiser, then the one appraiser timely appointed will determine the fair market value by choosing one of the two proposals as the fair market value of the Improvements, which determination will be final and binding. If a party fails to timely submit its evaluation of the fair market value, then the timely submitted evaluation will be the final and binding fair market value of the Improvements.

8.6.3 Each party will bear one-half of the expense of the mutually appointed appraiser and the entire expense of any appraiser appointed by the party individually. Landlord will pay Tenant the agreed or determined fair market value, as the case may be, no later than 30 days after it is determined; provided, however, if Landlord determines necessary or appropriate, Landlord may pay the agreed or determined fair market value over an installment period not exceeding 48 months. Tenant will defend, indemnify, and hold Landlord harmless for, from, and against all liability and loss arising from Tenant's failure to deliver the Improvements free and clear of all Encumbrances.

9. MISCELLANEOUS

9.1 Non-waiver; Attorney Fees. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. Waiver by either party of strict performance of any provision of this Lease will 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. If an Event of Default occurs, Tenant will pay Landlord, within 10 days after Landlord's demand, all attorney fees and costs Landlord incurs to enforce the terms of this Lease whether or not Landlord instituted arbitration or litigation proceedings. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Lease, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees, expert fees, and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

9.2 Addresses for Notices; Binding Effect. All notices or other communications required or permitted by this Lease must be in writing, must be delivered to the parties at the addresses set forth above, or at any other address that a party may designate by notice to the other parties. Any notice will be considered delivered upon actual receipt if delivered personally, via email or facsimile (with electronic confirmation of delivery), or an overnight delivery service, or at the end of the third business day after the date deposited in the United States mail, postage pre-paid, certified, return receipt requested. Subject to the limitations under Section 6.1 concerning the Transfer of this Lease by Tenant, this Lease will be binding upon and inure to the benefit of the parties, their respective successors and assigns. This Lease (or any memorandum of this Lease) will not be recorded. Tenant will cause Tenant's Agents to conform and comply with this Lease.

9.3 Entry for Inspection; Late Fees; Interest. Landlord may enter the Property and Improvements for the purpose of investigating compliance with the terms of this Lease, general safety inspections, and/or for any other reasonable purposes (as determined by Landlord by visual violation). Except in the case of an emergency, Landlord will endeavor to provide Tenant no less than 24 hours' prior written before entering the Property. In addition, Landlord will have the right, at any time during the last 90 days of the Lease Term, to place and maintain upon the Property/Improvements notices for leasing the Property/Improvements. If Rent (or other payment due from Tenant) is not received by Landlord within 10 days after it is due, Tenant will pay a late fee equal to 10% of the payment or \$100.00, whichever is greater (a "Late Fee"). Landlord may levy and collect a Late Fee in addition to all other remedies available for Tenant's failure to pay Rent (or other payment due from Tenant). Any Rent or other payment required to be paid by Tenant under this Lease (and/or any payment made or advanced by Landlord in connection with Landlord's performance of any Tenant obligation under this Lease) will bear interest at the rate of 12% per annum from the due date (or, if applicable, the date of Landlord's payment) until paid by Tenant in full.

9.4 Severability; Further Assurance; Governing Law; Venue; Joint and Several. If a provision of this Lease is determined to be unenforceable in any respect, the enforceability of the provision in any other respect, and of the remaining provisions of this Lease, will not be impaired. The parties will sign such other documents and take such other actions as are reasonably necessary to further effect and evidence this Lease. This Lease is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing the Lease. If any dispute arises regarding this Lease, the parties agree that the sole and exclusive venue for resolution of such dispute will be in Malheur County, Oregon. All parties submit to the jurisdiction of courts located in Malheur County, Oregon for any such disputes.

9.5 Entire Agreement; Signatures; Time. This Lease contains the entire understanding of the parties regarding the subject matter of this Lease and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Lease. This Lease may be signed in counterparts. A fax or email transmission of a signature page will be considered an original signature page. At the request of a party, a party will confirm a fax or email-transmitted signature page by delivering an original signature page to the requesting party. Time is of the essence with respect to Tenant's performance of its obligations under this Lease. If the date for performance of an obligation or delivery of any notice hereunder falls on a day other than a business day, the date for such performance or delivery of such notice will be postponed until the next ensuing business day. For purposes of this Lease, a "business day" means a normal working day (i.e., Monday through Friday of each calendar week, exclusive of Federal and state holidays and one day following each of Thanksgiving, Christmas, and New Year's).

9.6 Discretion; Landlord Default. When a party is exercising any consent, approval, determination, and/or similar discretionary action under this Lease, the standard will be the party's commercially reasonable discretion, which discretion will not be unreasonably withheld, conditioned, and/or delayed. No act or omission of Landlord will be considered a default under this Lease until Landlord has received 30 days' prior written notice from Tenant specifying the nature of the default with reasonable particularity. Commencing from Landlord's receipt of such default notice, Landlord will have 30 days to cure or remedy the default before Landlord will be deemed in default of this Lease; provided, however, that if the default is of such a nature that it cannot be completely remedied or cured within the thirty-day cure period, there will not be a default by Landlord under this Lease if Landlord begins correction of the default within the thirty-day cure period and thereafter proceeds with reasonable diligence to effect the remedy as soon as practical.

9.7 Additional Provisions; Attachments; Interpretation. The provisions of all exhibits, schedules, instruments, and other documents referenced in this Lease are part of this Lease. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust,

unincorporated organization, government or governmental agency or political subdivision, or any other entity. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Lease.

[end of lease – signature page immediately follows]

IN WITNESS WHEREOF, the undersigned have caused this Lease to be executed and effective for all purposes as of the Effective Date.

LANDLORD:
City of Ontario,
an Oregon municipal corporation

TENANT:
TENANT NAME
an **STATE if applicable** Limited Liability Company

By: **CURRENT NAME**, Mayor

By: **NAME OF OWNER**

Exhibit A
Property Description and Depiction

[attached]



AIRPORT GROUND LEASE FOR AERONAUTICAL USE IMPROVEMENTS

(address Hanger Lease)

Private or
NonCommercial

This Airport Ground Lease for Aeronautical Use Improvements (Hanger Leaser Lease) (this "Lease") is dated effective for all purposes as of **DATE** (the "Effective Date") and is entered into between City of Ontario ("Landlord"), an Oregon municipal corporation, whose address is 444 SW 4th Street, Ontario, Oregon 97914, and **NAME** ("Tenant"), whose address is **BILLING ADDRESS**.

RECITALS:

A. Landlord is the owner, sponsor, and operator of the Ontario Municipal Airport, a public municipal airport located in Ontario, Oregon (the "Airport"). Landlord is the owner of certain real property at the Airport consisting of approximately **AREA** total square feet of land commonly known as 581 SW 33rd Street & **HANGER ADDRESS**, Ontario, Oregon 97914 (the "Property"). As of the Effective Date, an approximately **HANGER** square foot aircraft hanger (the "Improvement(s)") has been located on or about the Property. The Property is identified and depicted in the attached Exhibit A.

B. Tenant desires to lease the Property from Landlord for purposes of owning and operating the Improvements at the Airport. Subject to the terms and conditions contained in this Lease, Tenant will lease the Property from Landlord, and Landlord will lease the Property to Tenant, for the Permitted Use (as defined below).

AGREEMENT:

NOW, THEREFORE, in consideration of the parties' mutual obligations contained in this Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. LEASE; OCCUPANCY

1.1 Lease Term. Subject to the terms and conditions contained in this Lease, Landlord leases the Property to Tenant and Tenant leases the Property from Landlord. The term of this Lease, Tenant's right to possession of the Property, and Tenant's obligation to pay Rent (as defined below) commenced on the Effective Date and will continue, subject to the terms and conditions contained in this Lease, until **DATE** (the "Initial Term"), unless sooner terminated as provided under this Lease. For purposes of this Lease, the term "Lease Term" means the Initial Term and Extended Term (as defined below), if applicable.

1.2 Extended Term. If Tenant is not then in default under this Lease, Tenant has the option (the "Extension Option") to extend the Initial Term for one consecutive additional term of **NUMBER** years (the "Extended Term"). Tenant will exercise the Extension Option by providing Landlord written notice (the "Notice of Extension") no less than one hundred twenty (120) days prior to the last day of the Initial Term. Subject to the terms and conditions contained in this Lease, providing the Notice of Extension will be sufficient to make this Lease binding for the Extended Term. The Extended Term will commence on the day immediately following the expiration of the Initial Term. The terms and conditions for the Extended Term will be identical with the Initial Term except for (a) Base Rent (as defined below), (b) Additional Rent (as defined below), and (c) Tenant will no longer have the Extension Option that has been exercised.

1.3 Airport Facilities. Subject to the terms and conditions contained in this Lease, during the Lease Term Landlord grants Tenant a limited, revocable, non-exclusive license to use the Airport's common hangar related facilities (if any) and that portion of the Airport's approach areas, runways, ramps, taxiways, and aprons reasonably necessary to facilitate the expeditious movements of aircraft to and from the runway and takeoff areas. Tenant's use of the Airport's common hangar related facilities (if any) and Airport approach areas, runways, ramps, taxiways, and aprons will be for the sole purpose of Tenant's use of the Property for the Permitted Use (as defined below). Tenant's use of the Airport facilities (and all flight and ground operations on and at the Airport or otherwise) will be made subject to and in accordance with the Laws (as defined below).

1.4 Tenant's Financial Capability; Authority; Improvement Ownership. Tenant represents and warrants the following to Landlord: (a) Tenant has sufficient assets and net worth to ensure Tenant's performance of this Lease and the payment of its obligations under this Lease as and when they become due; (b) Tenant has full power and authority to sign and deliver this Lease and to perform all Tenant's obligations under this Lease; (c) this Lease is the legal, valid, and binding obligation of Tenant, enforceable against Tenant in accordance with its terms; (d) Tenant is the sole, fee simple owner of the Improvements and no other person has any ownership, rights, and/or interests in and to the Improvements (except Landlord as provided under this Lease); and (e) the Improvements are free from all Encumbrances (as defined below) and Tenant will keep the Improvements and Property free from all Encumbrances. Tenant represents, warrants, and covenants that as of the Effective Date, (y) **NAME OF HNAGER OWNER** is Tenant's only member and no other person has any ownership rights and/or interests in and to Tenant, and (z) **NAME OF HNAGER OWNER** has full power and authority to sign and deliver this Lease on behalf of Tenant. For purposes of this Lease, the term "Encumbrance(s)" means any lien, mortgage, pledge, security interest, reservation, restriction, adverse claim, and/or other encumbrance.

1.5 No Representations or Warranties. Tenant is bound in accordance with the terms of this Lease from and after the Effective Date. Tenant has entered into this Lease on the basis of its own examination and personal knowledge of the Airport and Property. Tenant accepts the Airport and Property in their "as-is" and "with all faults and defects" condition as of the Effective Date. Tenant has not relied on any representations or warranties made by Landlord and/or Landlord's Agents (as defined below). Provided Tenant is not in default of this Lease, Landlord will defend Tenant's right to quiet enjoyment of the Property from the lawful claims of all persons during the Lease Term. Except for Landlord's covenant of quiet enjoyment contained in the immediately preceding sentence, Landlord makes no representations or warranties of any kind, whether express or implied, with respect to all or any part of the Airport and/or Property. Landlord has made no promise or agreement to repair, alter, construct, and/or improve all or any part of the Airport, Improvements, and/or Property.

1.6 Land Leases. Notwithstanding anything contained in this Lease to the contrary, Tenant acknowledges and agrees that Landlord's lease of the Property to Tenant is conditioned on Tenant's timely payment and performance of all its obligations arising out of this Agreement. A Tenant default under this Lease constitutes a default by Tenant of all conditions of the lease.

1.7 Parking Area. The Parking Area consists of two public parking areas, one on SW 33rd Street and one on Airport way. No vehicle or any other items (including trailers) may be parked outside of the hanger building. The owner of the hanger may park their vehicle inside the hanger while they are using their aircraft otherwise, they must be parked in the public parking area. All visitors or people flying with the owner must park their vehicle in the Public Parking area and be escorted onto the airport. Under no condition may the hanger owner give the code to unauthorized persons.

2. BASE RENT; ADDITIONAL RENT; TAXES; ASSESSMENTS

2.1 Base Rent. Subject to the terms and conditions contained in this Lease, Tenant will pay Landlord guaranteed minimum annual base rent, without offset, in the amount of \$_____ (\$**current rate** per square foot), per year) ("Base Rent"). Base Rent is payable annually in advance of each year on or before the 30th day of June without invoice from Landlord. A Tenant's first payment of Rent is due and payable on the Effective Date. Base Rent will be prorated with respect to any partial year in which the Lease Term commences and ends. Base Rent

will be payable to the order of Landlord at the address first shown above or any other address designated by Landlord from time to time.

Will tenant
be notified
of council
meeting?

Finish
Reading

2.2 Base Rent Escalation. Notwithstanding anything contained in this Lease to the contrary, Landlord may adjust (increase or decrease) the Base Rent at any time and from time to time during the Lease Term through council resolution. Landlord will provide Tenant no less than 30 days' prior written notice of any Base Rent adjustment. Unless otherwise adjusted by council resolution, commencing on the first-year anniversary of the Effective Date, during each year of the Lease Term upon the anniversary of the Effective Date, Base Rent will escalate (increase) as per the current rate schedule over Base Rent for the immediately preceding twelve-month period. Tenant will pay the Base Rent established by Landlord from time to time.

2.3 Additional Rent.

2.3.1 Tenant will timely pay in full the following charges, costs, and expenses related to or concerning (whether directly or indirectly) the Property and/or Improvements (collectively, "Additional Rent"): (a) all taxes (real property and personal property, if any), general and special assessments, insurance costs, telephone charges, licenses, utility charges, fuel and all costs, expenses, and/or charges identified under Sections 2.3.2 and 2.3.3, below; (b) all costs and expenses incurred in connection with Tenant's ownership (in the case of the Improvements), use, occupancy, maintenance, improvement, and/or repair of the Property and/or Improvements; (c) all applicable Airport charges, fees, and/or assessments that may be imposed or assessed from time to time; and (d) all other sums Tenant is required to pay Landlord or any third party under this Lease or otherwise. Additional Rent is due and payable to the applicable payee commencing on the Effective Date. All Rent payable under this Lease will be net to Landlord and all costs, expenses, and obligations imposed on Tenant under this Lease and/or arising out of Tenant's ownership (in the case of the Improvements), use, occupancy, maintenance, and/or repair of the Property and/or Improvements will be paid by Tenant. Tenant will furnish Landlord with receipts or other proof of payment of Additional Rent within ten (10) days after Landlord's written request. For purposes of this Lease, the term "Rent" means both Base Rent and Additional Rent.

occupancy
expenses
Selling only?

REVISED

2.3.2 Without otherwise limiting Section 2.3.1, Tenant will pay when due all costs, expenses, and charges for services and utilities incurred in connection with the ownership (in the case of the Improvements), use, lease, occupancy, operation, repair, maintenance, and/or improvement of the Property and/or Improvements, including, without limitation, charges and expenses for fuel, connection fees, water, gas, electricity, sewage disposal, power, refrigeration, air conditioning, telephone, internet, and janitorial services (including, without limitation, all connection fees, costs, and expenses related thereto).

REVISED

2.3.3 Tenant will pay before delinquency all real and personal property taxes, general and special assessments, system development charges, and all other charges of every description levied on and/or assessed against the Property, any improvements located on the Property (including, without limitation, the Improvements), and/or personal property and/or fixtures located on the Property. Tenant will make all such payments directly to the applicable governing authority. If any such tax assessment or charges may be paid in installments, Tenant may elect to do so provided each installment together with interest is paid before it becomes delinquent.

Please
explain
how the
City got
street paying
lights & of
utility bills.

REVISED

3. USE OF PROPERTY

3.1 Permitted Use. Subject to the terms and conditions contained in this Lease, Tenant will use the Property for Tenant's operation of the Business (as defined below) and maintenance, repair, use, and/or operation of the Improvements (collectively, the "Permitted Use"). Tenant will not use the Property for any purpose other than the Permitted Use. For purposes of this Lease, the term "Permitted Use" means Tenant's Private Aircraft Hanger on the Property.

ah

3.2 Conditions, Limitations, and Restrictions. In addition to any other conditions, limitations, and/or restrictions contained in this Lease, Tenant represents, warrants, and covenants to perform and comply with the following conditions, limitations, and restrictions concerning the Property, Improvements, and/or Airport:

3.2.1 Tenant will conform and comply with the Laws. Without otherwise limiting the generality of the immediately preceding sentence, Tenant will conform and comply with the Laws in connection with Tenant's use of the Property for the Permitted Use. Tenant will correct, at Tenant's own expense, any failure of compliance created through Tenant's fault, the Permitted Use, and/or by reason of Tenant's use of the Property, Improvements, and/or Airport. Prior to the Effective Date, Tenant had the opportunity to review (and ask questions concerning) and understands all Laws. Tenant will obtain all necessary permits, licenses, reviews, studies, inspections, reports (including, without limitation, environmental reports), and approvals required under the Laws to lease the Property and occupy and use the Improvements for the Permitted Use, including, without limitation, all reviews, studies, and approvals required under Landlord's leasing policies and regulations. For purposes of this Lease, the term "Law(s)" means all policies, rules, leases, covenants, conditions, restrictions, easements, declarations, laws, statutes, liens, ordinances, orders, codes, and regulations directly or indirectly affecting the Property, Improvements, Airport, and/or Permitted Use, including, without limitation, fire and/or building codes, Airport master plan, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder), Environmental Laws (as defined below), any rules or regulations promulgated by the Federal Aviation Administration ("FAA") and/or any other federal airport authority (including, without limitation, Landlord's Grant Assurances and requirements under 14 CFR Part 77), Title 3, Chapter 9 of Landlord's municipal code, Landlord's policies governing agreements involving the lease, use, and/or disposition of Airport property for aeronautical activities, and the Rules and Regulations (as defined below), all as now in force and/or which may hereafter be amended, modified, enacted, and/or promulgated.

3.2.2 Tenant will store all aircraft, vehicles, machinery, equipment, tools, and/or supplies within the Private Hanger and in a safe, neat, clean, and orderly manner; Tenant will not permit any machinery, aircraft, vehicles, equipment, tools, and/or supplies to remain unattended on or about the Property. Tenant will refrain from any activity which would make it impossible to insure the Property against casualty, or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau (or its successor) allowing Landlord to obtain reduced premium rates for long-term fire insurance policies, unless Tenant pays the additional costs of the insurance. Tenant will refrain from any use and/or activities which would be reasonably offensive to Landlord, other users of the Airport, and/or neighboring property, and/or which would tend to create or cause fire risk, a nuisance, and/or damage the reputation of the Property and/or Airport, all as determined by Landlord. Tenant will conduct and operate the Permitted Use and all activities at the Airport in a safe, prudent, professional, and lawful manner.

3.2.3 Tenant will not cause and/or permit any Hazardous Substances (as defined below) to be spilled, leaked, disposed of, and/or otherwise released on, under, and/or about the Property and/or Improvements. Without otherwise limiting the generality of the immediately preceding sentence, but subject to applicable laws, Tenant may use, store, and/or otherwise handle on or in the Property only those Hazardous Substances typically used, stored, sold, and/or handled in the prudent and safe operation of the Permitted Use; provided, however, Tenant will use, store, and/or otherwise handle on or in the Property the Hazardous Substances in a safe, neat, clean, and orderly manner consistent with applicable Laws. Upon the earlier termination or expiration of this Lease, Tenant will properly remove and dispose of all Hazardous Substances from the Property. For purposes of this Lease, the term "Environmental Law(s)" means any federal, state, and/or local statute, regulation, and/or ordinance, or any judicial or other governmental order, pertaining to the protection of health, safety, and/or environment; the term "Hazardous Substance(s)" means any hazardous, toxic, infectious, and/or radioactive substance, waste, and/or material as defined or listed by any Environmental Law, including, without limitation, pesticides, aviation fuel, paint, petroleum oil, and their fractions

3.2.4 Tenant will conform and comply with all rules and regulations concerning the Airport, Improvements, and/or Property, which now exist or may hereafter become effective, including, without limitation, all Airport security, screening, and/or fire safety rules, regulations, and procedures (collectively, the "Rules and

Regulations"). Tenant will not perform any acts or carry on any practice prohibited by the Rules and Regulations. Tenant acknowledges and agrees that Landlord is permitted to adopt new Rules and Regulations, or amend the Rules and Regulations, from time to time as Landlord determines necessary or appropriate. Any adoption or amendment to the Rules and Regulations will be effective 30 days after Landlord provides Tenant notice of such adoption or amendments.

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3.3 Aviation Easement; Aeronautical Uses. Tenant's use of the Property and Improvements is secondary and subordinate to the operation of the Airport and Laws. Landlord reserves for itself, and for the public, a right of flight for the passage of aircraft in the airspace above the Property and Improvements together with the right to cause noise, vibration, dust, fumes, smoke, vapor, and other effects inherent in the navigation or flight of aircraft and/or operation of the Airport. Notwithstanding anything contained in this Lease to the contrary, Tenant will protect the Airport and Airport property for aeronautical and related uses, will not interfere or impede, and will conduct all activities in a manner that will not adversely affect or interfere with, Landlord's operations and/or those of other tenants and authorized users of the Airport or general public. Any Tenant activities that Landlord determines interfere or impede with the operation, use, and/or maintenance of the Airport, Airport property, and/or aeronautical activities is specifically prohibited and will constitute an Event of Default (as defined below) under this Lease.

ok ✓
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3.4 Airport Operations; Security. Notwithstanding anything contained in this Lease to the contrary, Landlord reserves the right to control and regulate all Airport property, facilities, and/or operations, including, without limitation, taxiways, ramps, runways, improvements, aprons, fuel areas, and parking facilities. Landlord may impose certain taxi proceedings, requirements, and/or controls to promote efficient and orderly operation of other operators. Tenant acknowledges and agrees that Landlord does not provide continuous security for the Property, Improvements, and/or Airport (including, without limitation, the Parking Area). Tenant is responsible for securing and safeguarding the Property, Improvements, and all aircraft and other personal property located on or about the Property. Landlord will not be liable for any loss and/or damage to Tenant's property due to theft, vandalism, and/or any other causes, including forces of nature.

ok ✓

3.5 Construction Activities. Tenant's use of the Property and/or Improvements may be disrupted by certain expansion, improvement, construction, development, remodeling, and/or other activities on or at the Airport, including, without limitation, runway maintenance and repairs. Landlord will not be in default under this Lease (and Tenant will not be entitled to any abatement of Rent and/or other concessions) if Tenant is disrupted (temporarily or otherwise) in the use of the Property, Improvements, and/or Airport due to the aforementioned activities.

ok ✓

3.6 Non-Discrimination; Unfair Practices. Tenant covenants and agrees as follows: (a) if any facilities and/or improvements (including, without limitation, Alterations (as defined below) are constructed, maintained, and/or otherwise operated on the Property and/or Improvements for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant will maintain and operate such facilities and services in compliance with all requirements imposed under 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as amended; (b) no person will, on the grounds of race, color, national origin, and/or other protected classification, be excluded from participation in, denied the benefits of, and/or otherwise subjected to discrimination in the use of any facilities located on or in the Property and/or Improvements; and (c) in the construction of any improvements on, over, and/or under the Property and/or Improvements and the furnishing of services thereon, no person will, on the grounds of race, color, national origin, and/or other protected classification, be excluded from participation in, denied the benefits of, and/or otherwise subjected to discrimination.

Strike from private hangar lease.

REVISD

3.7 Notice of Action. Tenant will immediately notify Landlord in writing of the occurrence of any of the following events: (a) any enforcement, clean-up, removal, and/or other governmental or regulatory action is instituted, completed, and/or threatened concerning the Improvements and/or Property pursuant to any Environmental Laws; and/or (b) any claim is made or threatened by any person against or concerning Tenant,

Punisher + Ling?
x10 Chicago

Tenant's activities, and/or the condition of the Property and/or Improvements. Tenant will provide Landlord copies of any written documentation related to the foregoing.

3.8 Subordination – United States. Notwithstanding anything contained in this Lease to the contrary, (a) this Lease is subordinate to the terms of any agreement between Landlord and the United States concerning Airport operations and/or maintenance (the terms of such agreement will supersede the terms of this Lease), and (b) during times of war or national emergency, Landlord may lease the Airport's landing area (or any part thereof) to the United States for military or naval use (and, in connection therewith, the provisions of this Lease will be suspended to the extent inconsistent with Landlord's lease with the United States). ✓

4. ALTERATIONS

Except any ordinary and necessary Improvement maintenance and/or repairs performed (or caused to be performed) by Tenant, Tenant will make no additions, improvements, modifications, and/or alterations in or to the Property and/or Improvements of any kind or nature whatsoever, including, without limitation, the installation of any improvements, fixtures, and/or devices on or to the Property and/or Improvements (individually and collectively, "Alteration(s)"), without Landlord's prior written consent. Any Alterations approved by Landlord will be made in a good and workmanlike manner, in compliance with applicable Laws, at Tenant's cost and expense, and consistent with the general appearance, quality, and décor of the Property and/or Improvements and surrounding property. Subject to Section 8.4, Alterations performed in or to the Property and/or Improvements by either Landlord or Tenant will be the property of Landlord. Construction of any exterior Alterations must be approved (i.e., must receive a "no objection" determination) by the FAA through the notice of proposed construction review process, submittal of FAA Form 7460-1, and will be subject to all applicable Laws. Tenant will timely file FAA Form 7460-2 Supplemental Notice concerning the Alterations.

5. MAINTENANCE AND REPAIRS

5.1 Landlord Maintenance and Repairs. Notwithstanding anything contained in this Lease to the contrary, Landlord has no obligation to make or perform any repairs, maintenance, replacements, alterations, and/or improvements in or to the Property (and/or the Improvements), including, without limitation, snow removal. All repairs, maintenance, replacements, alterations, and/or improvements in or to the Property and/or Improvements will be made by Tenant at Tenant's cost and expense. ✓

5.2 Tenant Maintenance and Repairs. Tenant will maintain, at Tenant's cost and expense, the Property and Improvements (interior and exterior) in good condition, repair, working order, and appearance, and will preserve the Property and Improvements, normal wear and tear excepted, and will not commit or permit waste. Without otherwise limiting the generality of the immediately preceding sentence, Tenant will perform, at Tenant's cost and expense, the following maintenance and repairs: ✓

5.2.1 Repair and maintain the roof, gutters, bearing walls, structural members, foundation, walls (exterior and interior), ceilings, doors, windows, and related hardware, light fixtures, switches, wiring, plumbing, water, sewage, gas, and electrical services concerning or related to the Improvements. Still for specific

5.2.2 Repair and maintain the plumbing system, electrical system, and HVAC system concerning or related to the Improvements. Repair and maintain Improvement-related boilers, lighting facilities, fired or unfired pressure vessels, fire hose connections, fire sprinkler and standpipe and hose, and all other aspects of the fire extinguishing system, including, without limitation, the fire alarm and/or smoke detection systems and equipment. Revised

5.2.3 Repair and maintain the sidewalks, driveways, and landscaping, including, without limitation, all necessary or appropriate snow removal. Add word for

5.2.4 ~~All sweeping, mopping,~~ trash collection and removal, and washing required to keep the Property and Improvements clean and orderly.

5.2.5 All repairs or maintenance necessitated by the acts or omissions of Tenant and/or Tenant's Agents.

5.2.6 All repairs, maintenance, and/or improvements required under Tenant's obligation to comply with the Laws.

If Tenant fails or refuses to perform or complete the repairs, maintenance, and/or improvements required under this Section 5.2 within 10 days after Landlord's written notice, Landlord may make the repair or improvement or perform the maintenance and charge the actual costs and expenses of repair, improvement, and/or maintenance to Tenant; provided, however, if Tenant's failure or refusal to perform or complete the repairs, maintenance, and/or improvements causes or threatens loss of life, injury, significant damage, and/or destruction to person or property, human suffering, and/or significant financial loss, Landlord may make the repair or improvement or perform the maintenance (and charge the actual costs and expenses of repair, improvement, and/or maintenance to Tenant) without first having provided Tenant written notice. Tenant will reimburse Landlord for the costs and expenses of repairs, improvements, and/or maintenance on demand, together with interest at the rate of twelve percent (12%) per annum from the date of expenditure until paid in full.

5.3 Signage; Encumbrances.

5.3.1 Tenant will not be permitted to erect or maintain any signage on or about the Property without Landlord's prior written consent. Any signage authorized by Landlord will be erected and maintained at Tenant's cost and expense. Signage installed by Tenant will be removed by Tenant, at Tenant's cost and expense, upon the expiration or earlier termination of this Lease and the sign location restored to its former state unless Landlord elects to retain all or any portion of the signage.

5.3.2 Tenant will keep the Property and Improvements free from all Encumbrances. Tenant will pay as and when due all claims for work done on and for services rendered or material furnished to the Property. If Tenant fails to pay any such claims to discharge any Encumbrance, Landlord may do so and collect the costs as Rent. Any amount so added will bear interest at the rate of twelve percent (12%) per annum from the date expended by Landlord and will be payable on Landlord's demand. Landlord's payment of Tenant's claims or discharge of any Tenant Encumbrance will not constitute a waiver of any other right or remedy which Landlord may have on account of Tenant's default. If an Encumbrance is filed due to nonpayment, Tenant will, within 10 days after knowledge of the filing, secure the discharge of the Encumbrance or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to Landlord in an amount sufficient to discharge the Encumbrance plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the Encumbrance. Tenant will indemnify, defend, and hold Landlord harmless for, from, and against all claims, losses, and/or liabilities arising out of Tenant's failure to comply with this Section 5.3.2.

6. ASSIGNMENT; INSURANCE; INDEMNIFICATION

6.1 Transfer.

6.1.1 Tenant will not sell, assign, mortgage, sublet, lien, convey, encumber, and/or otherwise transfer (whether directly, indirectly, voluntarily, involuntarily, and/or by operation of law) all or any part of Tenant's rights and/or interests in or to this Lease, the Property, and/or Improvements (including, without limitation, any Alterations) (collectively, "Transfer") without Landlord's prior written consent, which consent Landlord will not unreasonably withhold, condition, and/or delay. For purposes of this Lease, a "Transfer" includes the sale, assignment, encumbrance, and/or transfer - or series of related sales, assignments, encumbrances, and/or transfers - of 51% or more of the shares, membership, and/or other ownership interests of Tenant,

This is a Requirement in all existing leases - Just different wording in some cases Section 16 in Rick Todd lease

regardless of whether the sale, assignment, encumbrance, and/or transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence.

6.1.2 Tenant will provide Landlord no less than 30 days' prior written notice of a proposed Transfer (the "Transfer Notice"), which Transfer Notice will include the name and address of the proposed transferee and a true and complete copy of the proposed Transfer documentation and/or instruments. Landlord's consent to any proposed Transfer is conditioned on the following: (a) Tenant demonstrating (to Landlord's reasonable satisfaction) that the proposed transferee's condition (financial and otherwise), style of operation, business reputation, and use of the Property and Improvements is consistent with the terms of this Lease and that Landlord's interests in the Property, Airport, and Improvements will not be adversely affected in any material respect; (b) Tenant reimbursing Landlord for the costs and expenses incurred by Landlord in connection with its review of all Transfer documentation and/or instruments (and otherwise related to Landlord's determination as to whether to consent to the proposed Transfer); (c) the transferee agreeing in writing to comply with and be bound by all the terms, covenants, conditions, provisions, and agreements of this Lease; and (d) any other conditions that Landlord may reasonable impose under the particular circumstances surrounding the proposed Transfer. Tenant acknowledges and agrees that Landlord's conditioning of its consent to any proposed Transfer on Tenant's satisfaction of the conditions contained in this Section 6.1 is reasonable under this Lease.

6.1.3 If Landlord consents to a Transfer, the following will apply: (a) the terms and conditions of this Lease will in no way be deemed waived or modified; (b) consent will not be deemed consent to any further Transfer by Tenant or any transferee; (c) the acceptance of Rent by Landlord from any other person will not be deemed a waiver by Landlord of any provision of this Lease; and (d) no Transfer relating to this Lease and/or the Improvements, whether with or without Landlord's consent, will modify, relieve, and/or eliminate any liabilities and/or obligations Tenant and/or any guarantor of this Lease may have under this Lease. Landlord may consent to subsequent assignments, subletting, and/or amendments or modifications to this Lease with assignees of Tenant without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and such action will not relieve Tenant of any liability under this Lease.

6.2 Tenant Insurance. Tenant will keep the Improvements insured against fire and other risks covered under a standard fire insurance policy, with an endorsement for extended coverage. Tenant will maintain, at Tenant's cost and expense, a policy of fire, extended coverage, vandalism, and malicious mischief insurance insuring the personal property, furniture, furnishings, and fixtures belonging to Tenant located in or on the Improvements. The amount of the insurance will be no less than 100% of the replacement cost of the Improvements and will also be sufficient to prevent Tenant from becoming a coinsurer under the provisions of the policies. Landlord will not be responsible for any loss or damage to Tenant's personal property, whether or not insured.

6.3 Liability Insurance. Tenant will procure, and thereafter will continue to carry, (a) general liability insurance (occurrence version) with a responsible licensed Oregon insurance company against personal injury claims arising directly or indirectly out of Tenant's activities on, or any condition of, the Property and/or Improvements, whether or not related to an occurrence caused, or contributed to, by Landlord's negligence, and will insure the performance by Tenant of Tenant's indemnification obligations under this Lease, and (b) aircraft liability insurance. Tenant's general liability insurance required to be carried under this Section 6.3 will have a general aggregate limit of no less than \$4,000,000.00; a per occurrence limit of no less than \$2,000,000.00; the aircraft liability insurance will have a general aggregate and per occurrence limit of no less than \$1,000,000.00. Each liability insurance policy required under this Lease will be in form and content satisfactory to Landlord and will contain a severability of interest clause. By separate endorsement, each liability insurance policy will name Landlord and Landlord's officers, employees, agents, and volunteers as additional insureds. The insurance Tenant is required to obtain under this Lease may not be cancelled without 10 days' prior written notice to Landlord. Tenant's insurance will be primary and any insurance carried by Landlord will be excess and noncontributing. Tenant will furnish Landlord with policy copies (including applicable endorsements) evidencing the insurance coverage, endorsements, and provisions Tenant is required to obtain under this Lease upon Tenant's execution of this Lease and at any other time requested by Landlord. If Tenant fails to maintain insurance as required under

this Lease, Landlord will have the option, but not the obligation, to obtain such coverage with costs to be reimbursed by Tenant immediately upon Landlord's demand. Notwithstanding anything contained in this Lease to the contrary, Landlord may increase the minimum levels of insurance Tenant is required to carry under this Lease by providing Tenant 90 days' prior written notice. All policies of insurance which Tenant is required by this Lease to carry will provide that the insurer waives the right of subrogation against Landlord.

6.4 Tenant Release and Indemnification. Tenant releases and will defend, indemnify, and hold Landlord and Landlord's present and future officers, employees, contractors, representatives, and agents (collectively, "Landlord's Agents") harmless for, from, and against all claims, demands, charges, proceedings, costs, expenses, losses, damages, and/or liabilities, including, without limitation, attorney fees and costs, resulting from or arising out of, whether directly or indirectly, the following: (a) any damage, loss, and/or injury to person or property in, on, and/or about the Property and/or Improvements provided such damage, loss, and/or injury to person or property is not caused by Landlord's gross negligence or willful misconduct; (b) Tenant's and/or Tenant's directors, officers, shareholders, members, managers, employees, agents, representatives, invitees, and/or contractors (collectively, "Tenant's Agents") acts and/or omissions, including, without limitation, Tenant's and/or Tenant's Agents operations at the Airport, Improvements, and/or Property; (c) Tenant's use of the Property, Improvements, and/or Airport; (d) Tenant's construction, maintenance, repair, and/or occupancy of the Property and/or Improvements and/or any condition of the Property and/or Improvements; (e) the use, storage, treatment, transportation, presence, release, and/or disposal of Hazardous Substances in, on, under, and/or about the Property and/or Improvements; and/or (f) Tenant's breach and/or failure to perform any Tenant representation, warranty, covenant, and/or obligation under this Lease. Tenant's indemnification obligations under this Section 6.4 will survive the expiration or earlier termination of this Lease.

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regulation

6.5 Reconstruction After Damage. If the Improvements are damaged or destroyed by fire or any other cause at any time during the Lease Term, whether or not covered by insurance, Tenant will promptly repair the damage and restore the Improvements. The completed repair, restoration, and/or replacement Improvements will be equal in value, quality, and use and will be restored to the condition of the Improvements immediately before the damage or destruction. Tenant will pay all costs and expenses of repairing and restoring the Improvements, which repairs and restoration will be completed no later than three hundred sixty-five (365) days after the date of the fire or other cause of damage. Tenant will not be entitled to any abatement of Rent on account of any damage to or destruction of the Improvements, nor will any other obligations of Tenant under this Lease be altered or terminated except as specifically provided in this Lease.

6.6 Waiver of Subrogation. Neither party will be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire, or any of the risks covered by the property insurance policies required under this Lease, and in the event of insured loss, neither party's insurance company will have a subrogated claim against the other. This waiver will be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Each party agrees to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

7. DEFAULT; REMEDIES

7.1 Default. The occurrence of any one or more of the following events constitutes a default by Tenant under this Lease (each an "Event of Default"): (a) Tenant's failure to pay Rent and/or any other charge, cost, and/or expense under this Lease when due; (b) Tenant's breach and/or failure to perform any representation, warranty, obligation, and/or covenant contained in this Lease (other than the payment of Rent or other charge, cost, and/or expense under Section 7.1(a)) within 10 days after written notice from Landlord specifying the nature of the breach and/or failure to perform with reasonable particularity; provided, however, if Tenant's breach and/or failure to perform causes or threatens loss of life, injury, significant damage, and/or destruction to person or property, human suffering, and/or significant financial loss, Tenant must cure or remedy such breach and/or failure to perform immediately upon receipt of written notice from Landlord; (c) attachment, execution, levy, and/or other seizure by legal process of any right or interest of Tenant under this Lease if not released within 30

1. Is it that - immediately? **In Contract.**

days; (d) Tenant dies, dissolves, becomes insolvent within the meaning of the United States Bankruptcy Code, as amended from time to time; a general assignment by Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy; an adjudication that Tenant is bankrupt or the appointment of a receiver of the properties of Tenant; the filing of any involuntary petition of bankruptcy and failure of Tenant to secure a dismissal of the petition within 30 days after filing; attachment of or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment or release of the levy of execution within 30 days; (e) Tenant's breach and/or failure to perform Tenant's obligations, representations, warranties, and/or covenants under the FBO Agreement, FBO Lease, and/or Ancillary Lease; and/or (f) Tenant's failure for 30 days or more to occupy the Property and Improvements for the Permitted Use.

✓
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remove
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language from
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lease.

REMOVED

7.2 Landlord's Remedies. Upon an Event of Default, Landlord may elect any one or more of the following remedies:

7.2.1 Landlord may terminate this Lease by notice to Tenant. If this Lease is not terminated by Landlord, Landlord will be entitled to recover damages from Tenant for the default. If this Lease is terminated by Landlord, Tenant's liability to Landlord for damages will survive such termination, and Landlord may reenter, take possession of the Property and Improvements, and remove any persons or property (including the Improvements) by legal action or by self-help with the use of reasonable force and without liability for damages.

7.2.2 Following reentry or abandonment, Landlord may relet the Property, and in that connection may make any suitable alterations or refurbish the Property or Improvements (or both), or change the character or use of the Property and/or Improvements, but Landlord will not be required to relet the Property and/or Improvements for any use or purpose other than compatible uses or which Landlord may reasonably consider injurious to the Property, or to any tenant which Landlord may reasonably consider objectionable. Landlord may relet all or part of the Property or Improvements, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

✓
- Fair Market
value

7.2.3 Upon the happening of an Event of Default, Landlord will be entitled to recover immediately, without waiting until the due date of any future Rent or until the date fixed for expiration of this Lease, and in addition to any other damages recoverable by Landlord, the following amounts as damages: (a) the loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured; (b) the reasonable costs of reentry and reletting including, without limitation, the cost of any demolition, construction, clean-up, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's failure to quit the Property and Improvements (if applicable) upon termination and leave the Property and Improvements (if applicable) in the required condition, including, without limitation, any remodeling costs, attorney fees, court costs, broker commissions, and advertising costs; and/or (c) any excess of the value of the Rent, and all of Tenant's other obligations under this Lease, over the reasonable expected return from the Property and/or Improvements for the period commencing on the earlier of the date of trial or the date the Property and/or Improvements are relet and continuing through the end of the Lease Term.

✓
- City
protection

7.3 Cumulative Remedies; Right to Cure. Termination of this Lease will not constitute a waiver or termination of any rights, claims, and/or causes of action Landlord may have against Tenant; Tenant's obligations under this Lease, including, without limitation, Tenant's indemnification obligations under Section 6.4, will survive the termination. Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Lease Term, and no action for damages will bar a later action for damages subsequently accruing. The foregoing remedies will be in addition to and will not exclude any other remedy available to Landlord under applicable law. Unless a shorter time is otherwise provided in this Lease, if Tenant fails to perform any obligation under this Lease Landlord will have the option to do so after ten (10) days' written notice to Tenant specifying the nature of the default. Landlord's performance of any Tenant obligation under this Lease will not waive any other remedy available to Landlord. All of Landlord's expenditures to correct the default will be reimbursed by Tenant

✓
- City
protection

on demand with interest at the rate of twelve percent (12%) per annum from the date of expenditure by Landlord until paid in full.

7.4 Termination Rights. Notwithstanding anything contained in this Lease to the contrary, this Lease may be terminated (a) at any time by the mutual written agreement of Landlord and Tenant; (b) by Landlord immediately upon notice to Tenant if Landlord reasonably determines that Tenant's acts or omissions cause or threaten loss of life, injury, significant damage, and/or destruction to person or property, human suffering, and/or significant financial loss. Termination of this Lease will not constitute a waiver or termination of any rights, claims, and/or causes of action Landlord may have against Tenant; Tenant's obligations under this Lease, including, without limitation, Tenant's indemnification obligations under Section 6.4, will survive the termination. Tenant will not be entitled to damages and/or any other recovery if Landlord exercises its termination right under this Section 7.4. *Tough one to prove.*

8. SURRENDER; HOLDOVER

8.1 Improvements and Alterations. In addition to all other Tenant obligations required under this Lease, upon the earlier termination or expiration of this Lease, Tenant will, at Tenant's cost and expense, pay and perform the following: (a) perform all Property and Improvements maintenance and repairs for which Tenant is responsible under this Lease; and (b) surrender the Property and Improvements (subject to Section 8.4) to Landlord in good condition, repair, working order, and appearance, free of waste and debris. If Tenant fails to timely surrender the Property and Improvements in accordance with this Section 8.1, the following will apply: (x) by written notice given to Tenant within 10 days after Tenant's surrender obligations were required to be performed, Landlord may elect to hold Tenant to its surrender obligations under this Section 8.1; (y) Landlord may cause Tenant's surrender obligations to be performed in accordance with this Section 8.1, at Tenant's cost and expense; and/or (z) Landlord may treat Tenant as a holdover tenant under Section 8.3. Tenant is liable to Landlord for all costs and expenses Landlord incurs to cause the Property and Improvements to be surrendered in accordance with this Section 8.1 with interest at 12% per annum from the date of expenditure by Landlord until paid in full. *ok*

8.2 Tenant Personal Property Removal Obligations. Prior to the earlier termination or expiration of this Lease, Tenant will remove from the Property and Improvements all aircraft, vehicles, furnishings, furniture, equipment, tools, trade fixtures, and personal property which remain its property, including all resulting waste and/or debris. If Tenant fails to timely remove the aircraft, vehicles, furnishings, furniture, equipment, tools, trade fixtures, personal property, and all resulting waste and/or debris, the following will apply: (a) at Landlord's election, Tenant will be deemed to have abandoned the property, and Landlord may retain the property and all rights of Tenant with respect to the property will cease; (b) by written notice given to Tenant within 10 days after removal was required, Landlord may elect to hold Tenant to its removal obligations (provided, however, if Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in storage for Tenant's account); (c) Landlord may cause the property to be removed in accordance with this Section 8.2, at Tenant's cost and expense; and/or (d) Landlord may treat Tenant as a holdover tenant under Section 8.3. Tenant is liable to Landlord for all costs and expenses Landlord incurs to cause the property's removal and/or storage with interest at 12% per annum on all such expenses from the date of expenditure by Landlord until paid in full. *30 days, etc. Added wording*

8.3 Holdover. If Tenant does not vacate and surrender the Property and Improvements in accordance with Sections 8.1 and 8.2 at the time required, Landlord will have the option to treat Tenant as a tenant from month-to-month, subject to the provisions of this Lease (except the provisions for term and extension), except that Base Rent will be equal to 150% of the then applicable Base Rent. Failure of Tenant to timely surrender the Property and Improvements and remove its aircraft, vehicles, trade fixtures, furniture, furnishings, equipment, tools, and/or any other personal property in accordance with this Lease will constitute a failure to vacate to which this Section 8.3 will apply. If a month-to-month tenancy results from a holdover by Tenant under this Section 8.3, the tenancy will be terminable at the end of any monthly rental period on written notice from Landlord given not less than 30 days prior to the termination date which will be specified in the notice. *ok*

8.4 Removal and Ownership. Notwithstanding anything contained in this Lease to the contrary, upon the earlier termination or expiration of this Lease, Landlord may (a) require Tenant to remove the Improvements and/or Alterations from the Property (and surrender the Property to Landlord in good condition, repair, working order, and appearance, free of waste and debris), at Tenant's cost and expense, prior to the earlier termination or expiration of this Lease, or (b) purchase the Improvements in accordance with Section 8.5. If Tenant fails to timely remove the Improvements and/or Alterations from the Property under this Section 8.4 to Landlord's reasonable satisfaction (including all resulting waste or debris), Landlord may, in addition to any other Landlord rights and remedies, (y) cause the Improvements and/or Alterations to be removed at Tenant's cost and expense, and/or (z) treat Tenant as a holdover tenant under Section 8.3. Tenant is liable to Landlord for all costs and expenses Landlord incurs to cause the removal of the Improvements and/or Alterations and Property's restoration with interest at 12% per annum on all such expenses from the date of expenditure by Landlord until paid in full. *protect the City, ok*

8.5 Landlord Purchase. If Landlord purchases the Improvements in accordance with Section 8.4, Landlord will purchase the Improvements for the fair market value of the Improvements as of the expiration or earlier termination of this Lease. The purchase will be made effective as of the date of the expiration or earlier termination of the Lease. Landlord will obtain ownership of the Improvements free and clear of all Encumbrances, including, without limitation, any Tenant rights or interests in and to the Improvements. Tenant will sign and deliver all documents and instruments Landlord determines necessary or appropriate to effectuate the transfer and conveyance of the Improvements. *ok*

8.6 Fair Market Value. If Landlord elects to purchase the Improvements, then the fair market value of the Improvements will be determined by the parties through good faith negotiation, which the parties will commence at least 90 days before the expiration or earlier termination of the Lease (unless not known) and pursue with diligence. If the parties cannot reach agreement within 30 days, then the fair market value will be determined by the following process: *ok*

8.6.1 no later than 90 days before the expiration or earlier termination of this Lease, each party will submit in confidence its written evaluation of the fair market value of the Improvements. At the same time, the parties will attempt in good faith to appoint a mutually acceptable, independent, qualified appraiser. No later than 30 days after the appraiser is appointed, the appraiser will choose one of the two proposals as the fair market value of the Improvement, which determination will be final and binding. *ok*

8.6.2 If the parties cannot agree on an appraiser, then each party will appoint a qualified, independent appraiser no later than 75 days before the expiration or earlier termination of this Lease. The appraisers appointed by each party will select a qualified, independent appraiser, who will choose one of the two proposals as the fair market value of the Improvements, which determination will be final and binding. If a party fails to timely appoint a qualified appraiser, then the one appraiser timely appointed will determine the fair market value by choosing one of the two proposals as the fair market value of the Improvements, which determination will be final and binding. If a party fails to timely submit its evaluation of the fair market value, then the timely submitted evaluation will be the final and binding fair market value of the Improvements. *ok*

8.6.3 Each party will bear one-half of the expense of the mutually appointed appraiser and the entire expense of any appraiser appointed by the party individually. Landlord will pay Tenant the agreed or determined fair market value, as the case may be, no later than 30 days after it is determined; provided, however, if Landlord determines necessary or appropriate, Landlord may pay the agreed or determined fair market value over an installment period not exceeding 48 months. Tenant will defend, indemnify, and hold Landlord harmless for, from, and against all liability and loss arising from Tenant's failure to deliver the Improvements free and clear of all Encumbrances. *ok*

9. MISCELLANEOUS

9.1 Non-waiver; Attorney Fees. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. Waiver by either party of strict performance of any provision of this Lease will 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. If an Event of Default occurs, Tenant will pay Landlord, within 10 days after Landlord's demand, all attorney fees and costs Landlord incurs to enforce the terms of this Lease whether or not Landlord instituted arbitration or litigation proceedings. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Lease, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees, expert fees, and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

9.2 Addresses for Notices; Binding Effect. All notices or other communications required or permitted by this Lease must be in writing, must be delivered to the parties at the addresses set forth above, or at any other address that a party may designate by notice to the other parties. Any notice will be considered delivered upon actual receipt if delivered personally, via email or facsimile (with electronic confirmation of delivery), or an overnight delivery service, or at the end of the third business day after the date deposited in the United States mail, postage pre-paid, certified, return receipt requested. Subject to the limitations under Section 6.1 concerning the Transfer of this Lease by Tenant, this Lease will be binding upon and inure to the benefit of the parties, their respective successors and assigns. This Lease (or any memorandum of this Lease) will not be recorded. Tenant will cause Tenant's Agents to conform and comply with this Lease.

9.3 Entry for Inspection; Late Fees; Interest. Landlord may enter the Property and Improvements for the purpose of investigating compliance with the terms of this Lease, general safety inspections, and/or for any other reasonable purposes (as determined by Landlord), including, without limitation, to show the Property/Improvements to a prospective tenant. Except in the case of an emergency, Landlord will endeavor to provide Tenant no less than 24 hours' prior written before entering the Property. In addition, Landlord will have the right, at any time during the last 90 days of the Lease Term, to place and maintain upon the Property/Improvements notices for leasing the Property/Improvements. If Rent (or other payment due from Tenant) is not received by Landlord within 10 days after it is due, Tenant will pay a late fee equal to 10% of the payment or \$100.00, whichever is greater (a "Late Fee"). Landlord may levy and collect a Late Fee in addition to all other remedies available for Tenant's failure to pay Rent (or other payment due from Tenant). Any Rent or other payment required to be paid by Tenant under this Lease (and/or any payment made or advanced by Landlord in connection with Landlord's performance of any Tenant obligation under this Lease) will bear interest at the rate of 12% per annum from the due date (or, if applicable, the date of Landlord's payment) until paid by Tenant in full.

9.4 Severability; Further Assurance; Governing Law; Venue; Joint and Several. If a provision of this Lease is determined to be unenforceable in any respect, the enforceability of the provision in any other respect, and of the remaining provisions of this Lease, will not be impaired. The parties will sign such other documents and take such other actions as are reasonably necessary to further effect and evidence this Lease. This Lease is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing the Lease. If any dispute arises regarding this Lease, the parties agree that the sole and exclusive venue for resolution of such dispute will be in Malheur County, Oregon. All parties submit to the jurisdiction of courts located in Malheur County, Oregon for any such disputes.

9.5 Entire Agreement; Signatures; Time. This Lease contains the entire understanding of the parties regarding the subject matter of this Lease and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Lease. This Lease may be signed in counterparts. A fax or email transmission of a signature page will be considered an original signature page. At the request of a party, a party will confirm a fax or email-transmitted signature page by

delivering an original signature page to the requesting party. Time is of the essence with respect to Tenant's performance of its obligations under this Lease. If the date for performance of an obligation or delivery of any notice hereunder falls on a day other than a business day, the date for such performance or delivery of such notice will be postponed until the next ensuing business day. For purposes of this Lease, a "business day" means a normal working day (i.e., Monday through Friday of each calendar week, exclusive of Federal and state holidays and one day following each of Thanksgiving, Christmas, and New Year's).

9.6 Discretion; Landlord Default. When a party is exercising any consent, approval, determination, and/or similar discretionary action under this Lease, the standard will be the party's commercially reasonable discretion, which discretion will not be unreasonably withheld, conditioned, and/or delayed. No act or omission of Landlord will be considered a default under this Lease until Landlord has received 30 days' prior written notice from Tenant specifying the nature of the default with reasonable particularity. Commencing from Landlord's receipt of such default notice, Landlord will have 30 days to cure or remedy the default before Landlord will be deemed in default of this Lease; provided, however, that if the default is of such a nature that it cannot be completely remedied or cured within the thirty-day cure period, there will not be a default by Landlord under this Lease if Landlord begins correction of the default within the thirty-day cure period and thereafter proceeds with reasonable diligence to effect the remedy as soon as practical.

9.7 Additional Provisions; Attachments; Interpretation. The provisions of all exhibits, schedules, instruments, and other documents referenced in this Lease are part of this Lease. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Lease.

[end of lease – signature page immediately follows]

IN WITNESS WHEREOF, the undersigned have caused this Lease to be executed and effective for all purposes as of the Effective Date.

LANDLORD:
City of Ontario,
an Oregon municipal corporation

TENANT:
TENANT NAME
an STATE if applicable Limited Liability Company

By: CURRENT NAME, Mayor

By: NAME OF OWNER

Exhibit A
Property Description and Depiction
[attached]

DRAFT

