

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



**COUNCIL MEETING AGENDA
CITY COUNCIL – CITY OF ONTARIO OREGON
TUESDAY, JANUARY 28, 2025, 6:00 PM, MT**
[Zoom Link](#)

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

1) CALL TO ORDER

Roll Call: Susann Mills _____ Michael Braden _____ Ken Hart _____ Adrianna Contreras _____ John Kirby _____
Council President Penny Bakefelt _____ Mayor Deborah Folden _____

2) PLEDGE OF ALLEGIANCE

This Agenda was posted on January 24, 2025. 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) CONSENT AGENDA

A) Liquor License: El Rico Pan Bakery, Inc.

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

6) PRESENTATION

A) Comprehensive Road Safety Action Plan Update

7) NEW BUSINESS

- A) Committee Appointments: Budget/DAC/Parks
- B) Transfer Hangar: 110 India and 120 Juliet (Family Trust to Walker)
- C) Land Lease: Build Hangar 139 Cessna (Franks)
- D) Hangar Sale: 100 Hotel (Beaubien to Franks)

8) DEPARTMENT HEAD UPDATE

A) Finance: Monthly Report

9) HAND-OUTS

- A) Monthly Department Stats: Police & Code Enforcement
- B) Minutes: Parks 11-21-2024; County Court 01-13-2025, 01-15-2025

10) CORRESPONDENCE, COMMENTS AND EX-OFFICIO REPORTS

11) ADJOURN

The City Council may recess/adjourn to Executive Session under ORS 192.660(2) as follows: (a) Employment of Public Officers, Employees, or Agents; (b) Discipline of Public Officers, Employees, or Agents; (d) Labor Negotiations; (e) Real Property Transactions; (f) Exempt Public Records; (g) Trade Negotiations; (h) Litigation [Current or Potential]/Consult with Legal Counsel; (i) Performance Evaluation of Public Officers and Employees; (j) Trade Negotiations; and/or (l) Labor Negotiations.

The City of Ontario does not discriminate in providing access to its programs, services and activities on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, physical or mental disability, or any other inappropriate reason prohibited by law or policy of the state or federal government. Should a person need special accommodations or interpretation services, contact the City at 889-7684 at least one working day prior to the need for services and every reasonable effort to accommodate the need will be made.



**AGENDA REPORT
CONSENT AGENDA
January 28, 2025**

To: Mayor and City Council

FROM: Jason Cooper, Police Chief

THROUGH: Danny K. Cummings, City Manager

SUBJECT: **LIQUOR LICENSE: EL RICO PAN BAKERY, INC.**

DATE: January 23, 2025

PROPOSED MOTION:

I MOVE THE CITY COUNCIL APPROVE THE NEW OUTLET, OFF-PREMISES SALES LIQUOR LICENSE APPLICATION FOR EL RICO PAN BAKERY INC.

SUMMARY:

El Rico Pan Bakery Inc., completed the “New Outlet” application for Off-Premises Sales liquor license privileges through the Oregon Liquor Control Commission for El Rico Pan Bakery located at 192 SW 2nd Street, Ontario, Oregon.

Oregon Liquor Control Commission has updated the licensing procedure. Applications now come to the local government for endorsement before completing the application process through the State of Oregon Liquor Control Commission office in Salem.

All necessary paperwork has been submitted to the City of Ontario. The Oregon Liquor Control Commission office is awaiting a recommendation from the Ontario City Council.

BACKGROUND:

El Rico Pan Bakery Inc. has applied for a New Outlet, Off-Premises liquor license for their business located at 192 SW 2nd Street, Ontario, Oregon. El Rico Pan Bakery sells baked bread and other baked items. They also sell various Mexican grocery items. This license will allow them to sell beer and wine products for off-premise consumption.

The application forms have been filled out appropriately and the required fees will be received after council action. All permit and license requirements have been met through the City of Ontario Planning, Building, and Fire Departments.

CURRENT SITUATION:

El Rico Pan Bakery, owned by El Rico Pan Bakery Inc., is a Mexican-type corner store and/or bakery. They would like to add the sale of beer and wine products at their store. The

application process provides the necessary requirements for the Oregon Liquor Control Commission to license that location for New Outlet and off-premises sales. Once this step is completed, this location will have the necessary license which will require renewal on a yearly basis.

ANALYSIS:

- A. **STRATEGIC PLAN** This meets the Council's adopted Strategic Plan for Lifestyle and Growth. Under Lifestyle, with the approval of this license, El Rico Pan Bakery can add the sale of beer, and wine at their bakery. This has the potential to bring more visitors to the city creating additional revenue which supports the Strategic Plan goal of Growth.
- B. **FINANCIAL** There is no financial impact for this action.
- C. **TIMING** Recommendation is required before allowing the sale of alcohol at this location.
- D. **POLICY/LEGAL** All legal steps have been followed to completion, with no negative feedback.

ALTERNATIVES:

Not recommend the license application.

This has no true effect on the process, as the Oregon Liquor Control Commission may take the city's objections to the action into consideration but is not obligated to do so. They are the ultimate authority on the issuance of the license.

RECOMMENDATION:

Staff recommends that the City Council approve the new outlet off-premises sales liquor license for El Rico Pan Bakery Inc.

ATTACHMENTS:

None



Ontario Transportation Safety Action Plan

Ontario City Council Meeting – January 28, 2025

Agenda

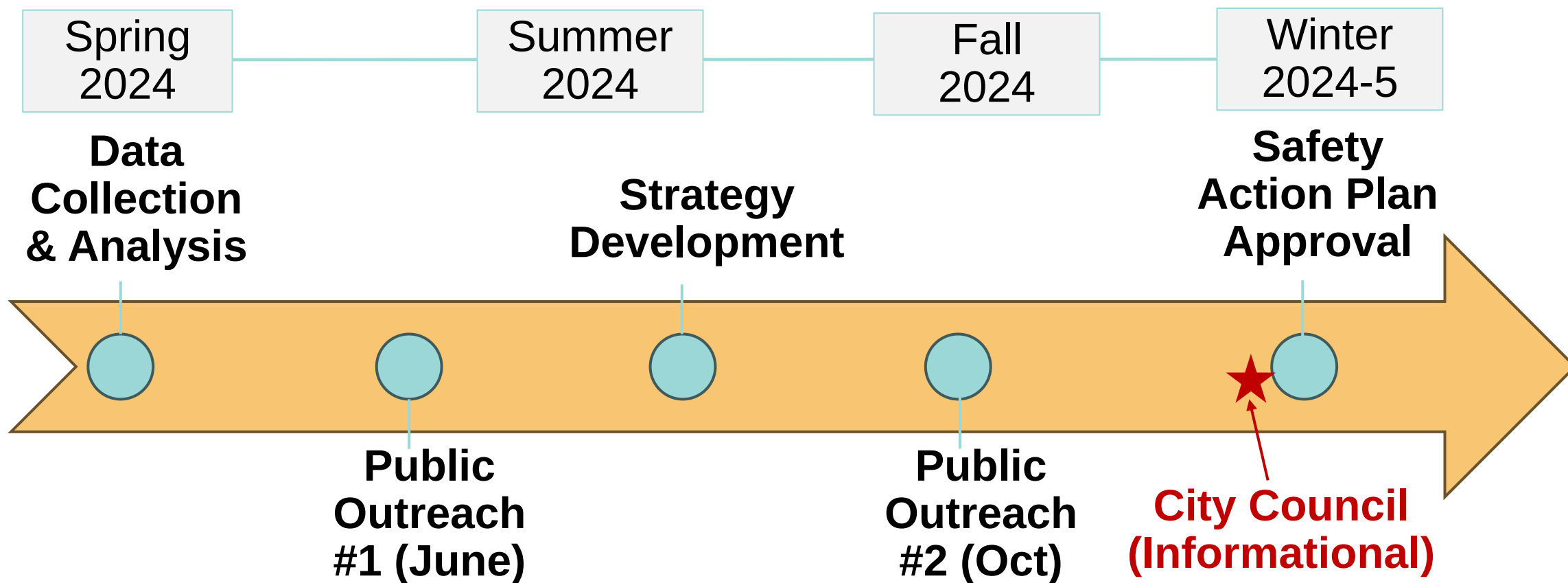
- Review of Planning Process
- Existing Conditions
- Public Engagement
- Strategies and Concepts
- Implementation Plan
- Next Steps



TSAP Overview



Project Schedule



Project Purpose/Scope

- SS4A Compliant Safety Action Plan
 - Mindset shift
 - Injury prevention vs. crash prevention
 - Less emphasis on people's choices -> will make mistakes
 - Goal to reduce Fatal and Serious Injury Crashes
 - Identify and Prioritize Projects and Strategies
 - Engage Community
 - Advisory Group
 - Address Underserved Communities
 - Data-Driven
 - All Users
- Public roads within Ontario urban growth boundary



Figure source: transportation.gov/NRSS/SafeSystem

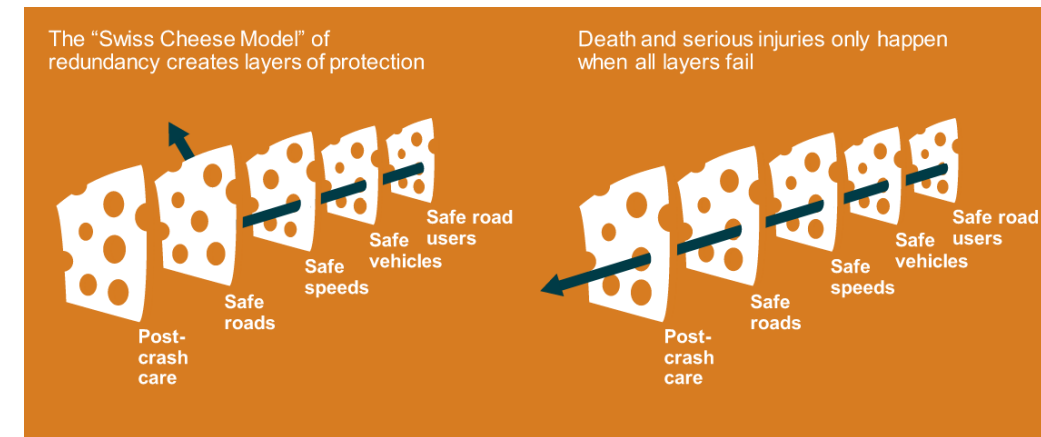
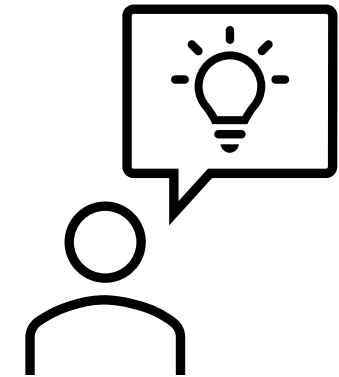
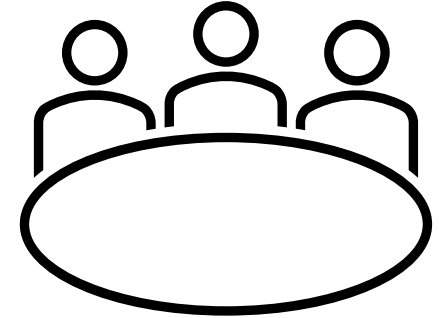


Figure source: FHWA



Technical Advisory Committee (TAC)

- Dina Ellwanger, St. Alphonsus
- Charlie Brizzee, St. Alphonsus
- Marlow Stanton, Oregon Department of Transportation (ODOT)
- Taylor Rembowski, Malheur County
- Thomas Huffman, Community in Action
- Dana Castellani, Boys and Girls Club of Western Treasure Valley
- Clint Benson, Ontario Fire & Rescue
- John Breidenbach, Chamber of Commerce
- Jane Padgett, Department of Human Services
- Norma Ramirez, Euvalcree
- Brittany White, Snake River Transit - Malheur Express
- Darin Bell, Treasure Valley Community College



Vision and Targets

- Long-term vision = Zero **fatal or serious injuries (FSI)**
- Technical Advisory Committee
Recommended Intermediary Goal:
 - 50% reduction of FSI crashes by 2035
 - 75% reduction of FSI crashes by 2045

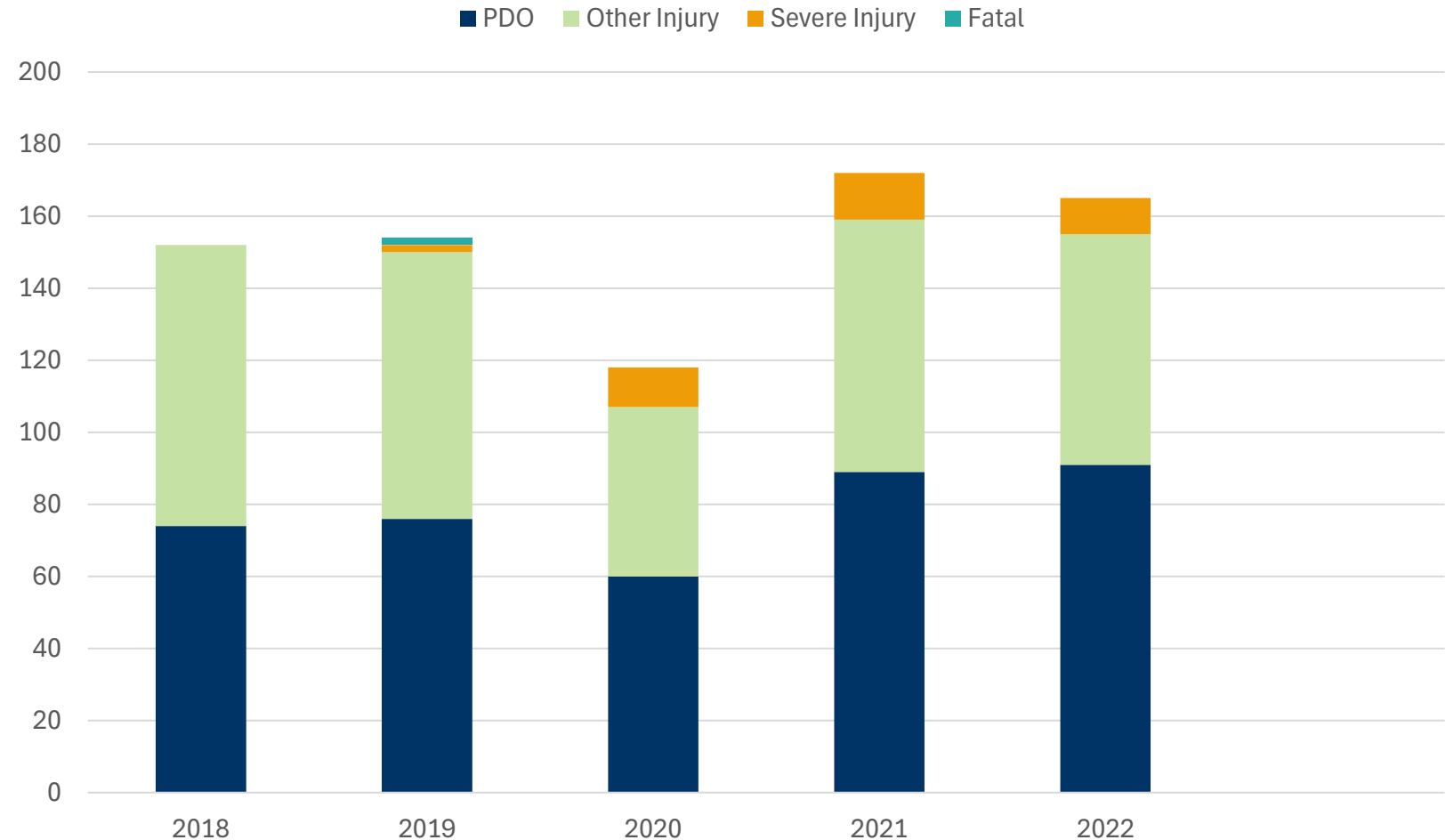


Existing Conditions



Injury Crashes In Ontario (2018-2022)

- **38** fatal and serious injury (FSI) crashes
- **761** total crashes
- **371** total injury crashes
- Injuries occurred in **49%** of crashes



Emphasis Areas



At intersections



Turning movement
and rear end



Distracted driving



Involving pedestrians
and bicyclists



Not local drivers





Public Engagement



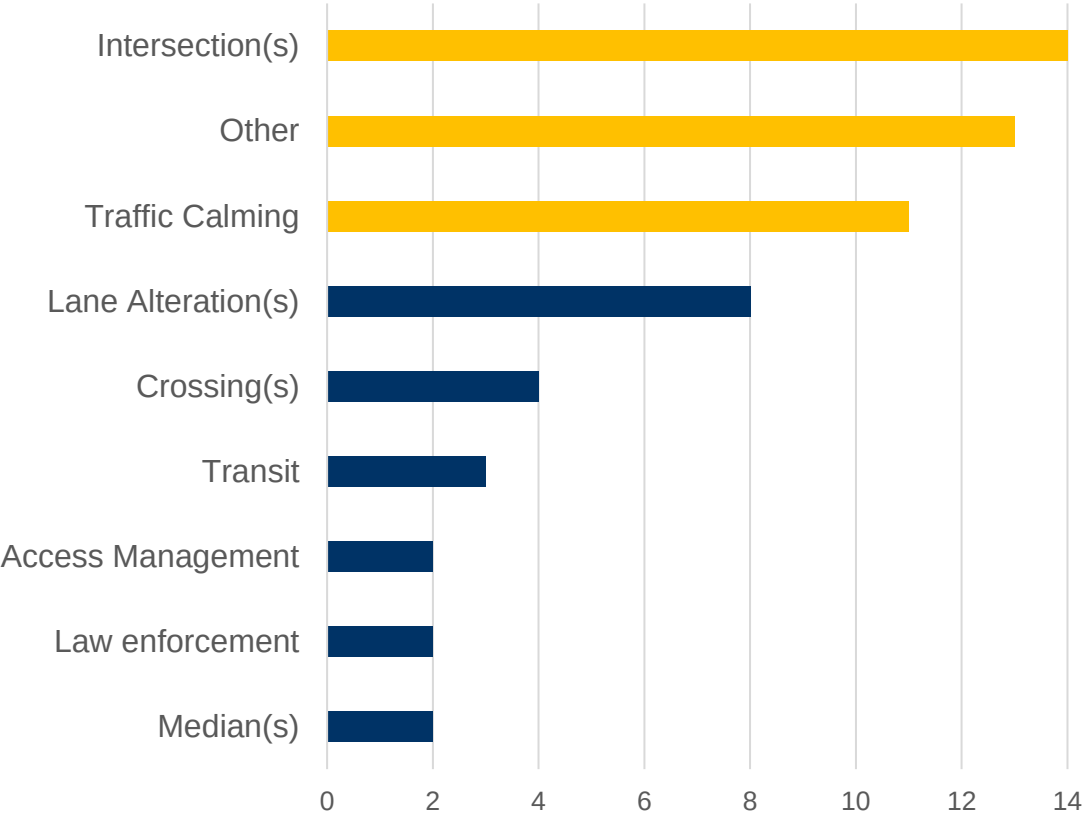
Engagement Approach

- In Person Events
 - Round 1: Saturday Market
 - Round 2: Four Rivers Cultural Center
- Two Virtual Open Houses
- Technical Advisory Committee (TAC)
 - Four meetings
- Other
 - City Website, Social Media, TAC email blasts
 - Malheur Enterprise
- ~50 people in person
- ~150 survey responses
- +500 website views



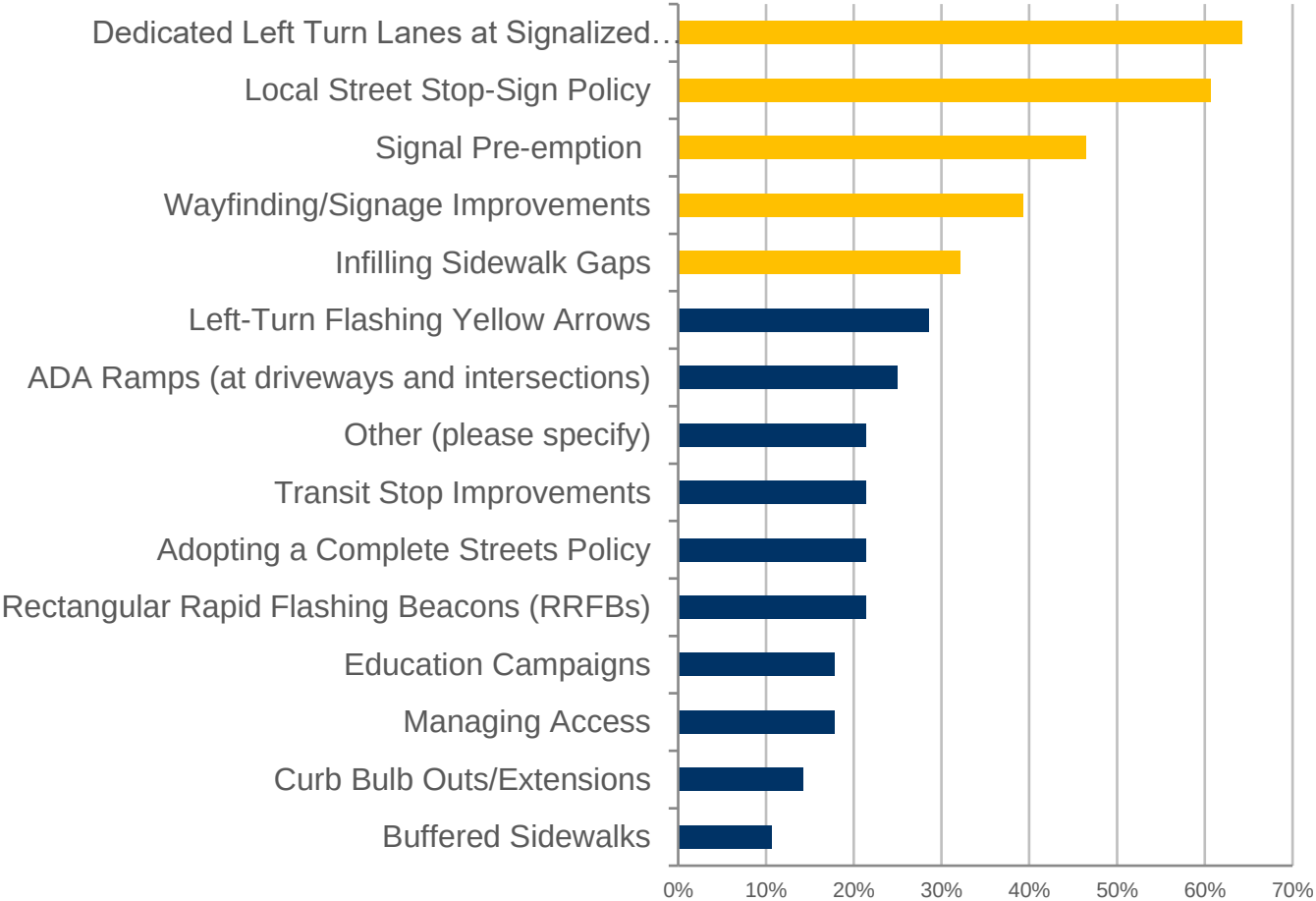
Engagement Responses

Round 1 comment categories



**Other is an aggregate of comments that were only received once*

What are your top five desired safety improvements?



Strategies and Concepts

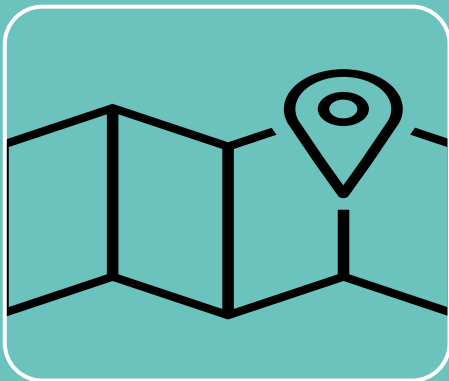


Site Specific vs. Systemic Strategies



Systemic

- Strategy implementation is beneficial system-wide
- A crash can happen anywhere with similar characteristics
- Opportunity for proactive rather than reactionary response
- Recommendations are infrastructure and non-infrastructure related



Site-Specific

- Strategies to address problem at specified location
- Crash characteristics point to easily identifiable casual factors
- Fine grained and requires a review of minor details



Systemic Strategies

- Infrastructure Countermeasures

- Signalized intersections
- Unsignalized intersections
- Segments
- Unsignalized crossings

- Non-Infrastructure Strategies

- Practices
- Collaboration
- Policies
- Education
- Monitoring/Prioritization of Projects



Infrastructure Countermeasure Examples



Non-Infrastructure Strategies

- Education campaigns
- Law enforcement practices
- Culture building
- Collaboration with local employers
- Emergency Response
 - Signal preemption
 - Post-crash care
- Incident management
- Vehicle procurement
- Policies
 - Local street stop signs
 - Complete streets
- Programs
 - Sidewalk infill
 - Safe Routes to School



Traffic Incident Response Source: [Responder Safety](#)



Considerations for Site- Specific Strategies



Priority Locations

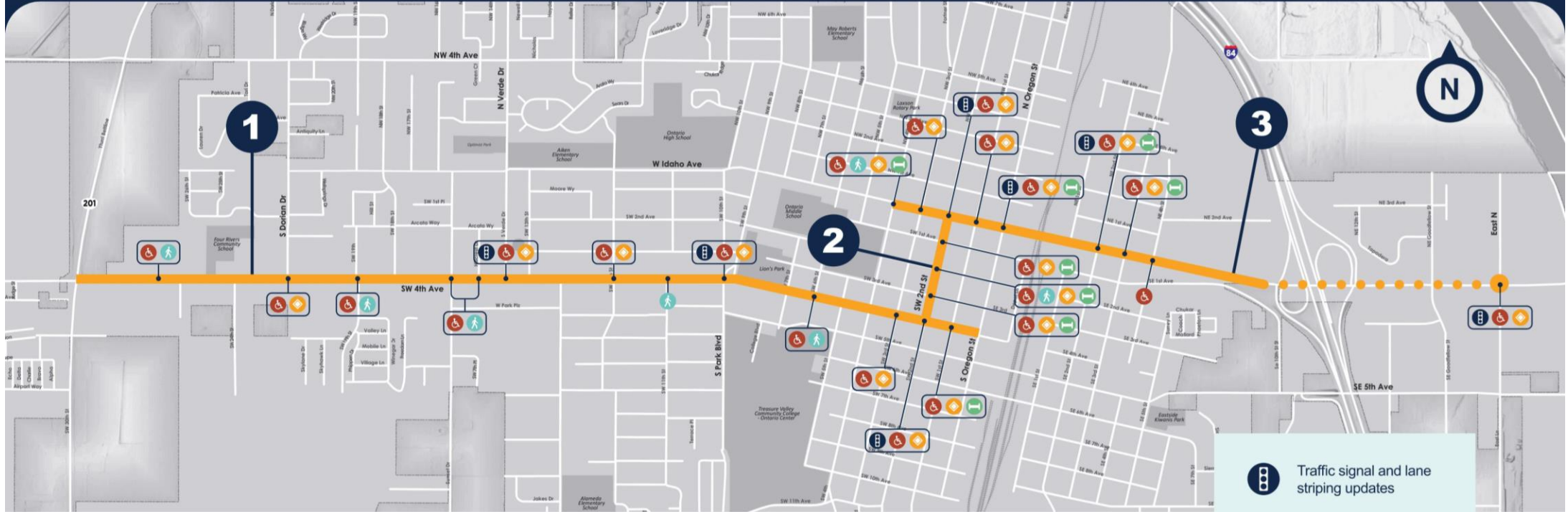
Intersections: #	Countermeasures:		
	Intersection	Pedestrian	Signage/Striping
1.E Idaho Ave & NE 2 nd St			
2.SW 4 th Ave & Park Blvd			
3.E Idaho Ave & NE 3 rd St			
4.SW 2 nd St & SW 3 rd Ave			
5.W Idaho Ave & NW 1 st St			
6.E Idaho Ave & East Ln			
7.W Idaho Ave & SW 4 th St			
8.Hwy 201 & NW 4 th St			
9.W Idaho Ave & Oregon St			
10.E Idaho Ave & Goodfellow St*			
11.SE 2 nd St & SE 5 th Ave			
12.SE 5 th St & SE 8 th Ave			
13.SE 3 rd St & SE 8 th Ave			
14.SE 3 rd St & SE 2 nd Ave			
Segments: #	Speed Mgmt	Pedestrian	Access Mgmt
1.SW 4 th Ave (Dorian Way to Park Blvd)			
2.SW 4 th Ave (Park Blvd to Oregon St)			
3.W/E Idaho Ave (Oregon St to ID border)			
4.NW 4 th Ave (Verde Dr to NW 9 th St)			
5.SW 11 th St (SW 4 th Ave to SW 14 th Ave)			
6.W Idaho St (NW 4 th St to Oregon St)			
7.SW 4 th Ave (Hwy 201 to Dorian Way)			
8.SW 2 nd St (SW 4 th Ave to W Idaho Ave)			
9.Oregon St (NW 8 th Ave to Park Blvd)			
10.East Lane (Home Depot to Central Dr)*			



The Ontario Connection - Concept



ONTARIO TRANSPORTATION
SAFETY ACTION PLAN

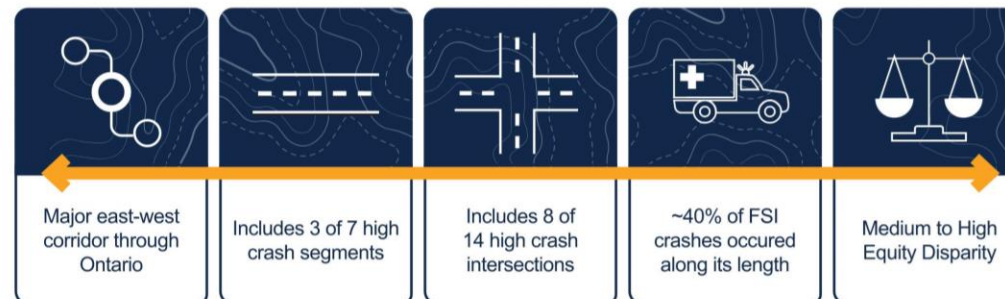


Concept Design

The corridor shown includes:

- 1 SW 4th Avenue**
(HWY 201 to S Oregon St)
- 2 SW 2nd Street**
(SW 4th Ave to W Idaho Ave)
- 3 W/E Idaho Avenue**
(NW/SW 4th St to I-84 EB Ramps
incl. East Ln intersection)

Why This Corridor?



- Traffic signal and lane striping updates
- Sidewalk and/or ADA improvements
- Crossing improvements
- Signage and/or striping updates
- Curb extensions

**See concept designs for potential access consolidation and sidewalk infill/rebuild along the corridor.*



Implementation Plan



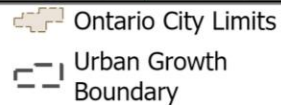
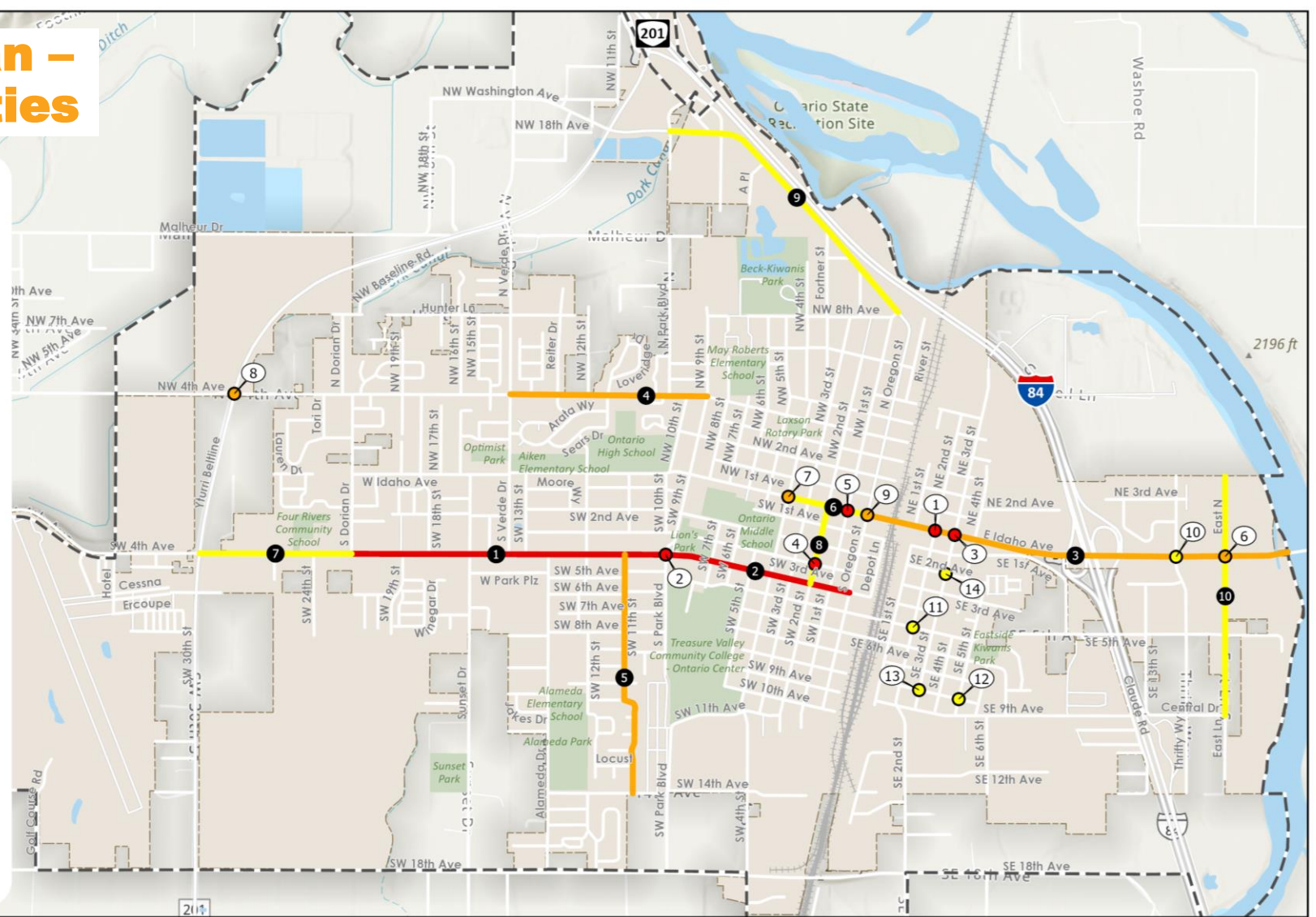
Implementation Plan – Site Specific Priorities

Intersections:

1. E Idaho Ave & NE 2nd St
2. SW 4th Ave & Park Blvd
3. E Idaho Ave & NE 3rd St
4. SW 2nd St & SW 3rd Ave
5. W Idaho Ave & NW 1st St
6. E Idaho Ave & East Ln
7. W Idaho Ave & SW 4th St
8. Hwy 201 & NW 4th St
9. W Idaho Ave & Oregon St
10. E Idaho Ave & Goodfellow St
11. SE 2nd St & SE 5th Ave
12. SE 5th St & SE 8th Ave
13. SE 3rd St & SE 8th Ave
14. SE 3rd St & SE 2nd Ave

Segments:

1. SW 4th Ave (Dorian Way to Park Blvd)
2. SW 4th Ave (Park Blvd to Oregon St)
3. W/E Idaho Ave (Oregon St to ID border)
4. NW 4th Ave (Verde Dr to NW 9th St)
5. SW 11th St (SW 4th Ave to SW 14th Ave)
6. W Idaho St (NW 4th St to Oregon St)
7. SW 4th Ave (Hwy 201 to Dorian Way)
8. SW 2nd St (SW 4th Ave to W Idaho Ave)
9. Oregon St (NW 8th Ave to Park Blvd)
10. East Lane (Home Depot to Central Dr)



Priority Intersections

- High
- Medium
- Low

Priority Segments

- High
- Medium
- Low



Site Specific Prioritization

Implementation Plan – Systemic Priorities

Priority	Strategy / Action
High	• Develop a local intersection traffic control policy • Evaluate and install emergency signal pre-emption • Adopt complete streets policy • Launch education campaigns for safety related to emphasis areas • Engage in education opportunities for law enforcement, EMS, etc.
Medium	• Continue to prioritize safety related capital projects • Continue to coordinate with ODOT to implement safety countermeasures on ODOT facilities • Design and program for construction improvements based on updated historical crash data and outcomes of the initially implemented designs • Conduct transit stops prioritization • Coordination with ODOT on Incident Management and Traffic Incident Management (TIM) training
Low	• Improve upon existing sidewalk infill program • Modify vehicle procurement process to include safety considerations



Performance Measures and Monitoring Program

- To measure success, a comparison of data over periods of time is necessary
- Data to be reviewed:
 - Crash statistics (severity, locations, characteristics, etc.)
 - Strategies implemented between analysis periods (physical, policy, education, enforcement, etc.)
- Annual location review of fatality and injury crashes

Performance Measure	Baseline ¹	Current Performance ²	2035 Goal	2045 Goal
Fatal and Serious Injury (FSI) Crashes	38		19	9

¹ = 2018 – 2022 average

² = Benchmarks can be tracked over a five-year period to understand trends.

Performance Measure	Baseline ¹	Current Performance ²
Fatalities and Serious Injuries (FSI)	38	
Injury Pedestrian Crashes	19	
Injury Bicycle Crashes	8	
Injury Intersection Crashes	264	
Injury Turning Movement Crashes	74	
Injury Rear-End Crashes	101	
Injury Distracted Driving Crashes	55	
Injury Crashes Involving a Non-Local Person	163	

¹ = 2018 – 2022 average

² = Benchmarks can be tracked over a five-year period to understand trends.



Next Steps



Next Steps



Final Plan revisions – Early February



Completion of the Plan – Mid February



City Council approval meeting – February 25th



Committee Appointments - 2025

Committee	New Term Expiration	Current Member	Applicant- Interested
Airport [4 year term] Full			
Budget [4 year term] Citizen at Large	Dec 2028	Vacant	Rebecca Boldman
Business Loan Fund [Perpetual] Full			
CLG/Façade Grand [3 year term] Full			
Diversity Advisory [3 year term] Citizen at Large Citizen at Large Citizen at Large	Dec 2027 Dec 2027 Dec 2025	Vacant Vacant Vacant	Amber Heyne
Parks [3 year term] Lion's Club Rotary Club Citizen at Large	Dec 2027 Dec 2027 Dec 2025	Michael Pratt Michael Partin Vacant	Michael Pratt Michael Partin
Planning Commission [4 year term] Full			
Public Works [3 year term] Citizen at Large Citizen at Large	Dec 2027 Dec 2027	Jackson Fox Jake Galeener	
V&C [3 year term] Full			

Meeting	Date	Time	Location
Airport	1st Mon/Mo	6:00 p.m.	City Hall
Budget	May/Year	6:00 p.m.	Training Center
Business Loan Fund	As needed	5:00 p.m.	Comm Dev Center
CLGC/Façade Grant	As needed	5:00 p.m.	Comm Dev Center
Diversity Advisory	3rd Wed/Mo	5:30 p.m.	City Hall
Parks	3rd Thu/Mo	6:00 p.m.	City Hall
Planning	2nd Mon/Mo	6:00 p.m.	City Hall
Public Works	3rd Tue/Mo	3:00 p.m.	City Hall
V&C	1st Thu/Mo	7:00 a.m.	Chamber Office

CITY OF ONTARIO

REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: City of Ontario -- City Recorder
444 SW 4th St., Ontario, OR 97914
(541) 889-3232 FAX (541) 889-7121

The Ontario City Council appoints individuals to numerous Boards, Committees, and the Planning Commission. Persons who wish to serve need to provide the following information.

NAME: Rebecca Goldman Rebecca JS
Last First, Middle Initial

HOME ADDRESS: 1235 College Green Dr Ontario 97914
Street City Zip Code

TELEPHONE: 208-591-0573 suzie65@gmail.com
Home, Work, Cell, or Business (Include Area Code) E-mail Address

Name of Board, Committee, or Commission for appointment requested:

1. Budget 2. 3.

Community Activities/Civic Organization/Boards/Committees:

Activity / Organization:	Length of Service	Position (s) Held:
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

Employment:

<u>Belly Busters</u>	<u>Sandwich maker</u>	<u>10-94- present</u>
Current Employer:	Position:	Dates of Employment:

Education:

High School diploma

Please indicate why you are requesting appointment to this Board (s) /Commission (s):

I am very interested in learning + helping on the board

Additional Information you feel may be helpful in considering your request for appointment:

Signature:

June 21, 2024
Date:

Submit

Reset

CITY OF ONTARIO

REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail or personally deliver to: *City of Ontario -- City Recorder*
444 SW 4th St., Ontario, OR 97914
(541) 889-3232 FAX (541) 889-7121

The Ontario City Council appoints individuals to numerous Boards, Committees, and the Planning Commission. Persons who wish to serve need to provide the following information.

NAME: Heyne Amber R
Last First Middle Initial

HOME ADDRESS: 930 NW 4th St Apt 46 Ontario 97914
Street City Zip Code

TELEPHONE: 541-709-3629 aheyne@lifeways.org
Home, Work, Cell, or Business (Include Area Code) E-mail Address

Name of Board, Committee, or Commission for appointment requested:

Diversity Avidsory Committee
1. 2. 3.

Community Activities/Civic Organization/Boards/Committees:

Activity / Organization:	Length of Service	Position (s) Held:
<u>Narcotics Anonymous</u>	<u>4 years</u>	<u>Alt. GSR, Secretary, Chairer</u>
<u>MCPC</u>	<u>1 year</u>	<u>Committee Team Member</u>
<u>LCHP</u>	<u>1 year</u>	<u>Co-Chair</u>

Employment:

<u>Lifeways-LRC/White Family Medicine</u>	<u>Residential Associate-Recovery Navigator /CHW</u>	<u>09-24-2024-Present /06-2023</u>
Current Employer:	Position:	Dates of Employment:

Education:

Certified Recovery Mentor/Coach, CADC-R (Certified Alcohol Drug Counselor-Registrant), Treasure Valley Community College/MACHBO

Please indicate why you are requesting appointment to this Board (s) /Commission (s):

I would love the opportunity to be a part of the change in Malheur County.

Additional Information you feel may be helpful in considering your request for appointment:

Our community struggles with substance abuse. Having lived experience; I think it would be beneficial to have an individual who is in recovery and a part of our community on the committee.

Amber Heyne January 14, 2025
Signature: Date:

Submit

Reset

CITY OF ONTARIO

REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail, email or personally deliver to: City of Ontario -- City Recorder
444 SW 4th St., Ontario, OR 97914
(541) 889-3232 tori.barnett@ontariooregon.org

The Ontario City Council appoints individuals to numerous Boards, Committees, and the Planning Commission. Persons who wish to serve need to provide the following information.

NAME: Pratt Michael A
Last First Middle Initial
HOME ADDRESS: 1128 Oak Circle Ontario 97914
Street City Zip Code
TELEPHONE: 1-541-709-0239 mpratt45judo@gmail.com
Home, Work, Cell, or Business (Include Area Code) E-mail Address

Name of Board, Committee, or Commission for appointment requested:

1. Parks 2. _____ 3. _____

Community Activities/Civic Organization/Boards/Committees:

Activity / Organization:	Length of Service	Position (s) Held:
<u>Lions</u>	<u>48</u>	<u>Pres etc</u>
<u>VFW</u>	_____	_____
<u>Or-Judo Guild</u>	_____	_____

Employment:

Current Employer:	Position:	Dates of Employment:
<u>Retired</u>	_____	_____

Education:

Please indicate why you are requesting appointment to this Board (s) /Commission (s):

Additional Information you feel may be helpful in considering your request for appointment:

Ma Pratt
Signature:

January 16, 2025
Date:

CITY OF ONTARIO

REQUEST FOR BOARD OR COMMISSION APPOINTMENT

Mail, email or personally deliver to: **City of Ontario -- City Recorder**
444 SW 4th St., Ontario, OR 97914
(541) 889-3232 tori.barnett@ontariooregon.org

The Ontario City Council appoints individuals to numerous Boards, Committees, and the Planning Commission. Persons who wish to serve need to provide the following information.

NAME: Partin Michael L.
Last First, Middle Initial

HOME ADDRESS: 1803 N Allen Ave Fruitland 83689
Street City Zip Code

TELEPHONE: 208-899-7510 mikepartin@aol.com
Home, Work, Cell, or Business (Include Area Code) E-mail Address

Name of Board, Committee, or Commission for appointment requested:

1. Park 2. _____ 3. _____

Community Activities/Civic Organization/Boards/Committees:

Activity / Organization:	Length of Service	Position (s) Held:
<u>MTV Rotary</u>	<u>1995 to Now</u>	<u>Secretary, President, Service</u>
_____	_____	_____
_____	_____	_____

Employment:

<u>Retired / Ontario Veteran</u>	<u>Hall manager</u>	_____
Current Employer:	Position:	Dates of Employment:

Education:

BS

Please indicate why you are requesting appointment to this Board (s) /Commission (s):

Presently on committee, representing Rotary

Additional Information you feel may be helpful in considering your request for appointment:

[Signature]
Signature:

January 16, 2025
Date:



**AGENDA REPORT
NEW BUSINESS
January 28, 2025**

To: Mayor and City Council

FROM: Andy Wood, Airport Manager

THROUGH: Danny K. Cummings, City Manager

SUBJECT: **TRANSFER HANGAR: 110 INDIA AND 120 JULIET (FAMILY TRUST TO WALKER)**

DATE: January 16, 2025

PROPOSED MOTION:

I MOVE THE CITY COUNCIL APPROVE THE TRANSFER OF HANGARS 110 INDIA AND 120 JULIET TO JACK ALBERT WALKER.

SUMMARY:

The deceased owner has left the referenced hangars in a trust. The beneficiaries are asking to transfer the hangars to his deceased's son Jack Albert Walker.

BACKGROUND:

The family have been a long time contributor to the airport and its growth over many years.

CURRENT SITUATION:

Beneficiaries Ruth Strode and Jack Albert Walker are requesting the leases be transferred to Jack Albert Walker.

ANALYSIS:

- A. **STRATEGIC PLAN** None.
- B. **FINANCIAL** Current land lease rates apply.
- C. **TIMING** The family would like to finalize the estate, and this action would aid in doing so.
- D. **POLICY/LEGAL** Terms and conditions of the current non-commercial land lease agreement will be in effect.

ALTERNATIVES:

None.

RECOMMENDATION:

Staff recommends the City Council approve the transfer of Hangars 110 India and 120 Juliet to Jack Albert Walker.

ATTACHMENTS:

1. 110 India - Jack Walker
2. 120 Juliet - Jack Walker
3. Certification of Trust
4. Hangar - Bill of Sale



NON-COMMERCIAL AIRPORT GROUND LEASE FOR AERONAUTICAL USE IMPROVEMENTS
(110 India Lease)

This Non-Commercial Airport Ground Lease for Aeronautical Use Improvements (Define Use i.e. Hangar) (this "Lease") is dated effective for all purposes as of Wednesday, 29 January 2025 (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 **Jack Albert Walker** ("Tenant"), whose address is 3311 Homedale Road, Klamath Falls, Oregon 97603.

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 1360 total square feet of land commonly known as 581 SW 33rd Street and 110 India, Ontario, Oregon 97914 (the "Property"). As of the Effective Date, an approximately 1360 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 Sunday, 29 January 2045 (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 TEN (10) 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, (f) Jack Albert Walker are Tenant's only member and no other person has any ownership rights and/or interests in and to Tenant, and (g) Jack Albert Walker 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 hangar may park their vehicle inside the hangar 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 hangar 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 **\$238.68** (\$0.1755 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) 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 Hangar on the Property.

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 Hangar 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 hangar. 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 reasonably 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 T'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 notice 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

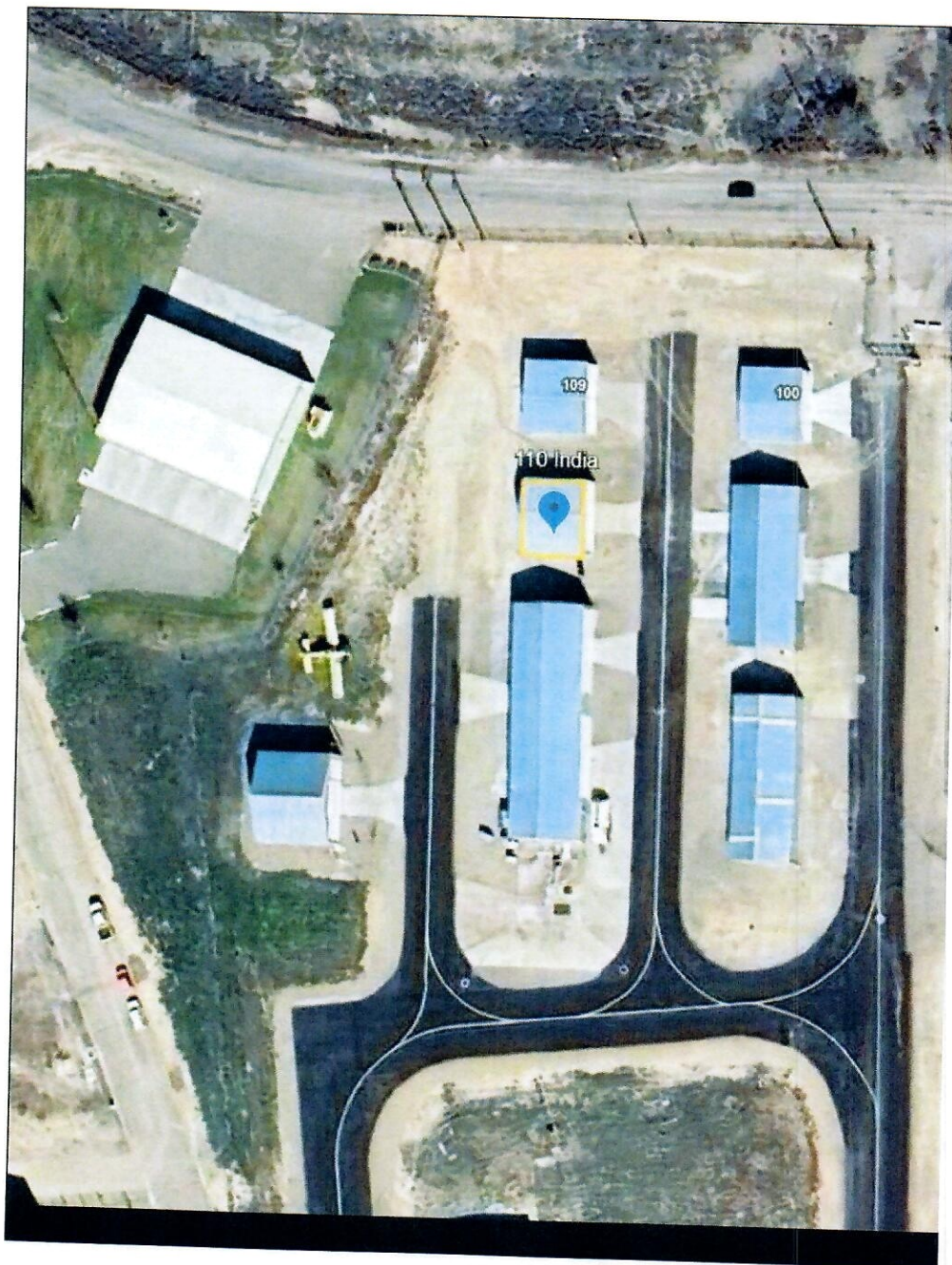
TENANT:
Jack Albert Walker

By: Deborah Folden, Mayor


By: Jack Albert Walker

Exhibit A
Property Description and Depiction

[attached]





NON-COMMERCIAL AIRPORT GROUND LEASE FOR AERONAUTICAL USE IMPROVEMENTS
(120 Juliet Lease)

This Non-Commercial Airport Ground Lease for Aeronautical Use Improvements (Define Use i.e. Hangar) (this "Lease") is dated effective for all purposes as of Wednesday, 29 January 2025 (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 **Jack Albert Walker** ("Tenant"), whose address is 3311 Homedale Road, Klamath Falls, Oregon 97603

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 2000 total square feet of land commonly known as 581 SW 33rd Street and 120 Juliet, Ontario, Oregon 97914 (the "Property"). As of the Effective Date, an approximately 2000 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 Sunday, 29 January 2045 (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 TEN (10) 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) Jack Albert Walker are Tenant's only member and no other person has any ownership rights and/or interests in and to Tenant, and (z) Jack Albert Walker 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 hangar may park their vehicle inside the hangar 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 hangar 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 **\$351.00** (\$0.1755 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) 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 Hangar on the Property.

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 Hangar 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 hangar. 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 reasonably 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 T'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 notice 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:
Jack Albert Walker

By: Deborah Folden, Mayor


By: Jack Albert Walker

Exhibit A
Property Description and Depiction

[attached]



EXHIBIT A – 120 Juliet, Ontario, Oregon
{44°01'25"N 117°00'42"W}

CERTIFICATION OF TRUST

I, RUTH K. STRODE, the currently acting Trustee of The JACK ARCHIE WALKER Trust, dated January 4, 2013, make this Certification pursuant to Idaho Statutes 68-115.

1. **Trust.** The JACK ARCHIE WALKER Trust is presently in existence. It was established under agreement dated January 4, 2013, (the "Trust").
2. **Trustor.** The Trustor of the Trust is JACK ARCHIE WALKER.
3. **Trustee.** The currently acting Trustee of the Trust is RUTH K. STRODE, whose mailing address is 4916 John Day Hwy, Vale, OR 97918. The First Successor Trustee of the Trust is JACK ALBERT WALKER.
4. **Trust Powers.** The Trust powers include all those trust powers set forth in Idaho Statutes 68-106.
5. **Revocability.** The Trust is irrevocable due to the death of the Trustor.
6. **Modification of Trust.** The Trust cannot be modified, amended, or revoked due to the death of the Trustor.
7. **One Trustee Only.** The Trustee is acting alone as Trustee and has authority to exercise trust powers alone.
8. **Taxpayer Identification Number.** The Trust's taxpayer identification number is XXX-XX-6639, which number is the Trustee's Social Security Number.
9. **Title to Trust Property.** Trust property is to be titled as follows: RUTH K. STRODE, or her successor in trust, as Trustee of The JACK ARCHIE WALKER Trust, dated January 4, 2013.
10. **Jurisdiction.** This Trust was established under the laws of the State of Idaho.
11. **No Change in Trust.** The Trust has not been revoked, modified, or amended in any manner that would cause the representations contained in this Certification to be incorrect.

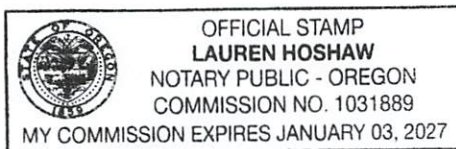
DATED: September 26, 2023.

Ruth K Strode trustee
RUTH K. STRODE, Trustee

STATE OF OREGON
County of Malheur

On September 26, 2023, personally appeared before me the above-named RUTH K. STRODE, Trustee of The JACK ARCHIE WALKER Trust, under agreement dated January 4, 2013, and acknowledged the foregoing instrument to be her voluntary act and deed.

[Signature]
Notary Public - State of Oregon



BILL OF SALE

For and in consideration of the sum of \$10.00 and other value received, the receipt of which is acknowledged, I bargain, sell, transfer and convey unto JACK ALBERT WALKER, the Buyer, all my right, title and interest in and to the following described property:

Ontario Municipal Airport Hangar 110 India,
Malheur County Assessor's Office Reference #7716.

I covenant to and with the Buyer that I am the sole owner of the property, that the same is free from all encumbrances, that I have good right to sell the same and that I and my heirs, personal representatives, successors and assigns shall warrant and defend the same against all lawful claims and demands of all persons whatsoever.

Dated: January 8th, 2025.



RUTH K. STRODE, Seller
Trustee of the JACK ARCHIE WALKER Trust
dated January 4, 2013

BILL OF SALE

For and in consideration of the sum of \$10.00 and other value received, the receipt of which is acknowledged, I bargain, sell, transfer and convey unto JACK ALBERT WALKER, the Buyer, all my right, title and interest in and to the following described property:

Ontario Municipal Airport Hangar 120 Juliet,
Malheur County Assessor's Office Reference #7717.

I covenant to and with the Buyer that I am the sole owner of the property, that the same is free from all encumbrances, that I have good right to sell the same and that I and my heirs, personal representatives, successors and assigns shall warrant and defend the same against all lawful claims and demands of all persons whatsoever.

Dated: January 8th, 2025.



RUTH K. STRODE, Seller
Trustee of the JACK ARCHIE WALKER Trust
dated January 4, 2013



**AGENDA REPORT
NEW BUSINESS
January 28, 2025**

To: Mayor and City Council

FROM: Andy Wood, Airport Manager

THROUGH: Danny K. Cummings, City Manager

SUBJECT: **LAND LEASE: BUILD HANGAR 139 CESSNA (FRANKS)**

DATE: January 16, 2025

PROPOSED MOTION:

I MOVE THE CITY COUNCIL TO APPROVE THE LAND LEASE TO MICHAEL AND TONI FRANKS TO BUILD HANGAR 139 CESSNA.

SUMMARY:

A request for a land lease has been received from Michael and Toni Franks to build a hangar on 139 Cessna.

BACKGROUND:

Michael and Toni Franks have rented a hangar for several years. They are now seeking to purchase an existing hangar and have requested a land lease to build a new hangar on 139 Cessna.

CURRENT SITUATION:

Michael Franks would like to build a new hangar, which would be built to meet the hangar requirements at the airport. The proposed hangar would be 50' x 50' in size.

ANALYSIS:

- A. **STRATEGIC PLAN** Development of more hangars at the airport promotes Growth in this area.
- B. **FINANCIAL** Current land lease rates apply.
- C. **TIMING** Not critical, but would like to get this step completed.
- D. **POLICY/LEGAL** Terms and conditions of the non-commercial land lease agreement will be in place.

ALTERNATIVES:

None.

RECOMMENDATION:

Staff recommends the approval of this action for Michael and Toni Franks.

ATTACHMENTS:

1. 139 Cessna - Michael Franks



NON-COMMERCIAL AIRPORT GROUND LEASE FOR AERONAUTICAL USE IMPROVEMENTS
(139 Cessna Lease)

This Non-Commercial Airport Ground Lease for Aeronautical Use Improvements (Define Use i.e. Hangar (this "Lease") is dated effective for all purposes as of **Wednesday, 29 January 2025** (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 Michael Dee Franks and Toni Lorainne Franks ("Tenant"), whose address is 3356 Echo Road, Nyssa 97913.

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 2,500 total square feet of land commonly known as 581 SW 33rd Street and 139 Cessna, Ontario, Oregon 97914 (the "Property"). As of the Effective Date, an approximately 2,500 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 Sunday, 29 January 2045 (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 TEN (10) (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) Michael Dee Franks and Toni Lorainne Franks is Tenant's only member and no other person has any ownership rights and/or interests in and to Tenant, and (z) Michael Dee Franks and Toni Lorainne Franks 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 hangar may park their vehicle inside the hangar 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 hangar 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 \$438.75 (\$0.1755 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) 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 Hangar on the Property.

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 Hangar 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 hangar. 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 T'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 notice 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.

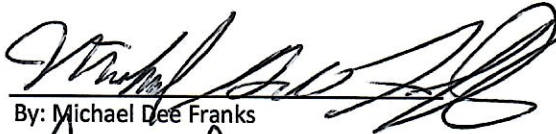
[end of lease – signature page immediately follows]

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

By: Deborah Folden, Mayor

TENANT:
Michael Dee Franks and Toni Lorainne Franks



By: Michael Dee Franks



By: Toni Lorainne Franks

Exhibit A
Property Description and Depiction

[attached]

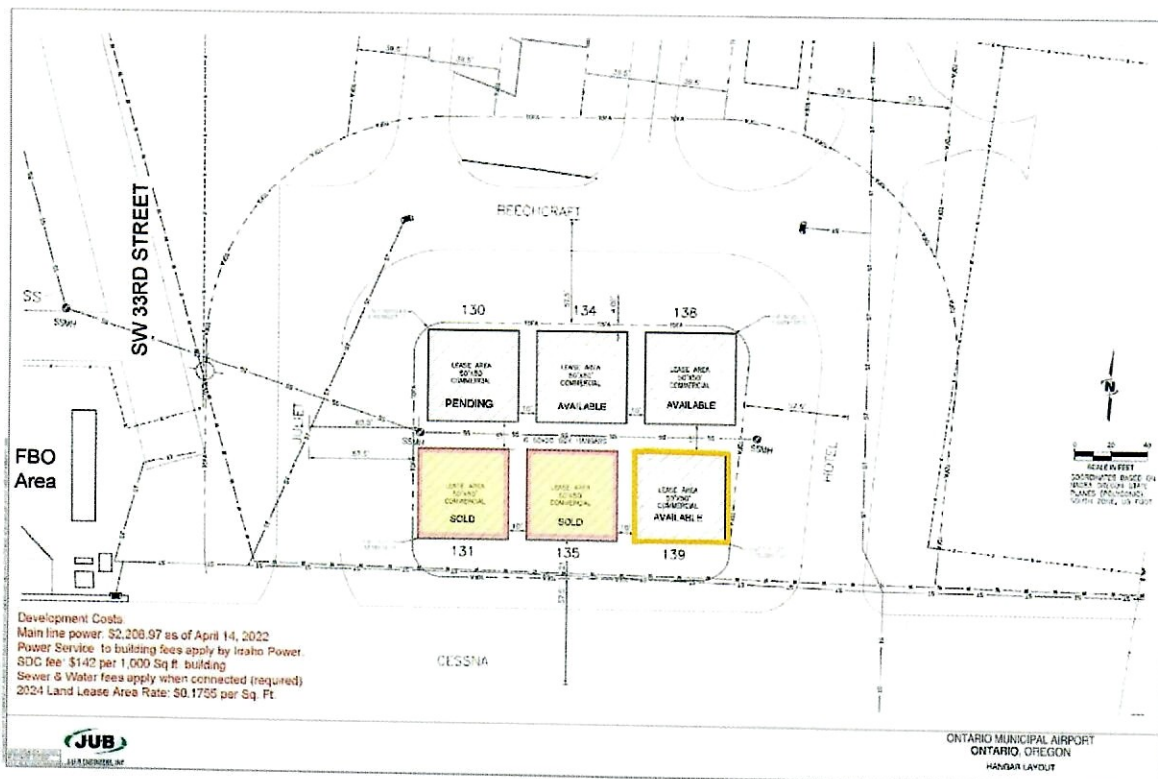
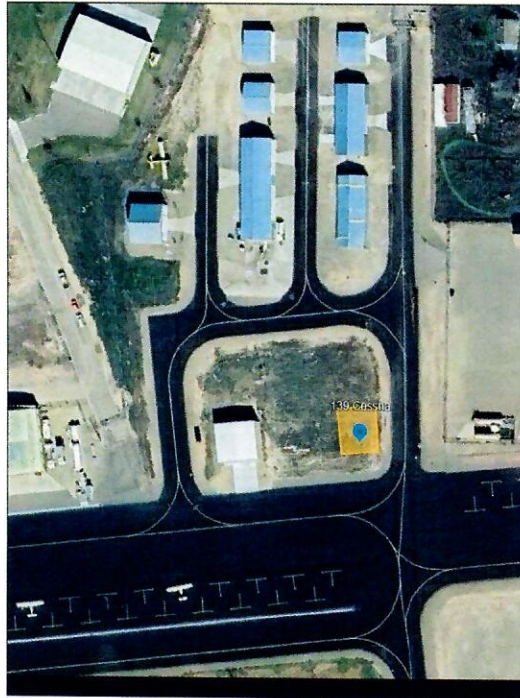


EXHIBIT A – 139 Cessna
{44°01'23"N 117°00'38"W}



**AGENDA REPORT
NEW BUSINESS
January 28, 2025**

To: Mayor and City Council

FROM: Andy Wood, Airport Manager

THROUGH: Danny K. Cummings, City Manager

SUBJECT: **HANGAR SALE: 100 HOTEL (BEAUBIEN TO FRANKS)**

DATE: January 21, 2025

PROPOSED MOTION:

I MOVE THE CITY COUNCIL APPROVE THE SALE OF HANGAR 100 HOTEL TO MICHAEL AND TONI FRANKS.

SUMMARY:

The current owner has requested the sale of Hangar 100 Hotel to the buyers Michael and Toni Franks.

BACKGROUND:

The Franks have sublet a hangar on the airport for many years and are now in a position to purchase a hangar and grow their interest at the Ontario Airport. Michael Franks is an Airport Committee member for the City of Ontario.

CURRENT SITUATION:

Dan Beaubien would like to sell Hangar 100 Hotel to Michael and Toni Franks, and is seeking authorization from the City Council to proceed with the purchase. The Franks will then become the lease owners of Hangar 100 Hotel.

ANALYSIS:

- A. **STRATEGIC PLAN** This promotes financial stability at the airport.
- B. **FINANCIAL** The Franks would be responsible for the annual payment of the lease.
- C. **TIMING** The Bill of Sale and transfer of lease is scheduled for January 29, 2025.
- D. **POLICY/LEGAL** None.

ALTERNATIVES:

None.

RECOMMENDATION:

Staff recommends the City Council approve the sale of hangar 100 Hotel to Michael and Toni Franks.

ATTACHMENTS:

1. 20250129 - Michael_Toni Franks



NON-COMMERCIAL AIRPORT GROUND LEASE FOR AERONAUTICAL USE IMPROVEMENTS
(100 Hotel Lease)

This Non-Commercial Airport Ground Lease for Aeronautical Use Improvements (Define Use i.e. Hangar (this "Lease") is dated effective for all purposes as of **Wednesday, 29 January 2025** (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 Michael Dee Franks and Toni Lorainne Franks ("Tenant"), whose address is 3356 Echo Road, Nyssa 97913.

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 1,360 total square feet of land commonly known as 581 SW 33rd Street and 110 Hotel, Ontario, Oregon 97914 (the "Property"). As of the Effective Date, an approximately 1,360 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 Sunday, 29 January 2045 (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 TEN (10) (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) Michael Dee Franks and Toni Lorainne Franks is Tenant's only member and no other person has any ownership rights and/or interests in and to Tenant, and (z) Michael Dee Franks and Toni Lorainne Franks 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 hangar may park their vehicle inside the hangar 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 hangar 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 \$238.68 (\$0.1755 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) 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 Hangar on the Property.

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 Hangar 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 hangar. 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 T'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 notice 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

By: Deborah Folden, Mayor

TENANT:
Michael Dee Franks and Toni Lorainne Franks


By: Michael Dee Franks


By: Toni Lorainne Franks

Exhibit A
Property Description and Depiction

[attached]



**CITY OF ONTARIO
GENERAL FUND - DEPARTMENT REVENUE
FOR THE PERIOD ENDED
NOVEMBER 30, 2024**

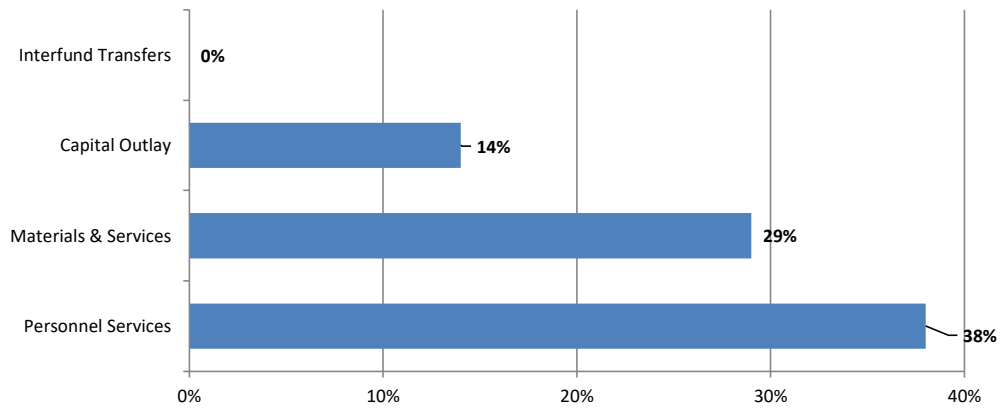
DEPARTMENT	BUDGET	ACTUAL	% REALIZED	COMMENTS
GENERAL FUND BEGINNING FUND BALANCE	3,356,532	5,006,402	149.2%	
Parks	111,020	66,666	60.0%	
Parks & Recreation	111,020	66,666	60.0%	
Fire	242,280	68,143	28.1%	
Code Enforcement	13,100	874	6.7%	
Police	458,885	172,248	37.5%	
Dispensary Business License	130,200	55,800	42.9%	
Public Safety Total	844,465	297,064	35.2%	
Interest	85,000	110,728	130.3%	
State Revenue Sharing	158,062	29,245	18.5%	
Administrative Services	497,148	207,145	41.7%	
Other General Revenues	8,000	23,002	287.5%	
Property Taxes	4,404,315	4,285,409	97.3%	
Alcohol Bvg License & Fee	233,109	44,520	19.1%	
Cigarette tax	8,292	2,574	31.0%	
Marijuana tax	2,500,000	-	0.0%	
Franchise Fees	1,806,579	444,309	24.6%	Quarterly payments
Cemetery	100,900	12,500	12.4%	\$70K budgeted is transfer from cem perpetual fund
General Government Total	9,801,405	5,159,432	52.6%	
Planning & Zoning	4,000	1,631	40.8%	
Community development	4,000	1,631	40.8%	
GENERAL FUND REVENUE TOTALS	\$ 10,760,890	\$ 5,524,794	51.3%	
YTD CURRENT YEAR PROFIT(LOSS)				\$ 1,678,112
YTD BUDGET BENCHMARK				41.7%  9.7%

**CITY OF ONTARIO
GENERAL FUND - DEPARTMENT EXPENDITURES
FOR THE PERIOD ENDED
NOVEMBER 30, 2024**

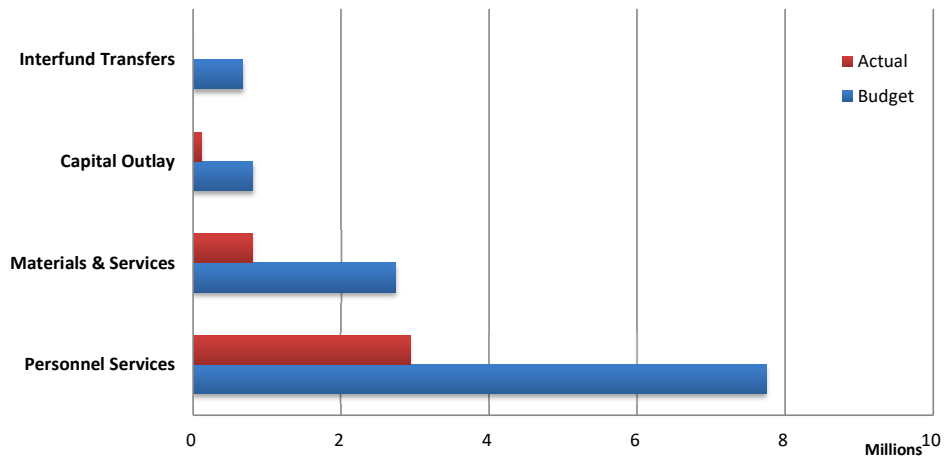
DEPARTMENT	BUDGET	ACTUAL	% EXPENDED	COMMENTS
Parks	278,294	108,164	38.9%	
Parks & Recreation	278,294	108,164	38.9%	
Fire	2,300,409	814,650	35.4%	
Code Enforcement	165,030	39,772	24.1%	
Police	5,645,814	1,962,356	34.8%	
Public Safety Total	8,111,253	2,816,778	34.7%	
Administration	605,440	202,423	33.4%	
City Council	33,357	6,610	19.8%	
Business Registration	1,100	10	0.9%	
Cemetery	218,082	67,539	31.0%	
Finance	273,878	103,264	37.7%	
Technology	239,559	91,569	38.2%	
General Government Total	1,371,416	471,416	34.4%	
Community development	199,025	69,186	34.8%	
Community Development	199,025	69,186	34.8%	
Administrative Overhead	916,714	361,355	39.4%	
Non-Departmental Contributions	433,000	19,783	4.6%	
Other Total	1,349,714	381,138	28.2%	
Operating Transfers Out	639,558	-	0.0%	
GENERAL FUND TOTALS	\$ 11,949,260	\$ 3,846,683	32.2%	
YTD BUDGET BENCHMARK			41.7%	 9.5%

**CITY OF ONTARIO
GENERAL FUND - DEPARTMENT EXPENDITURES
FOR THE PERIOD ENDED
NOVEMBER 30, 2024**

% Expended by Category



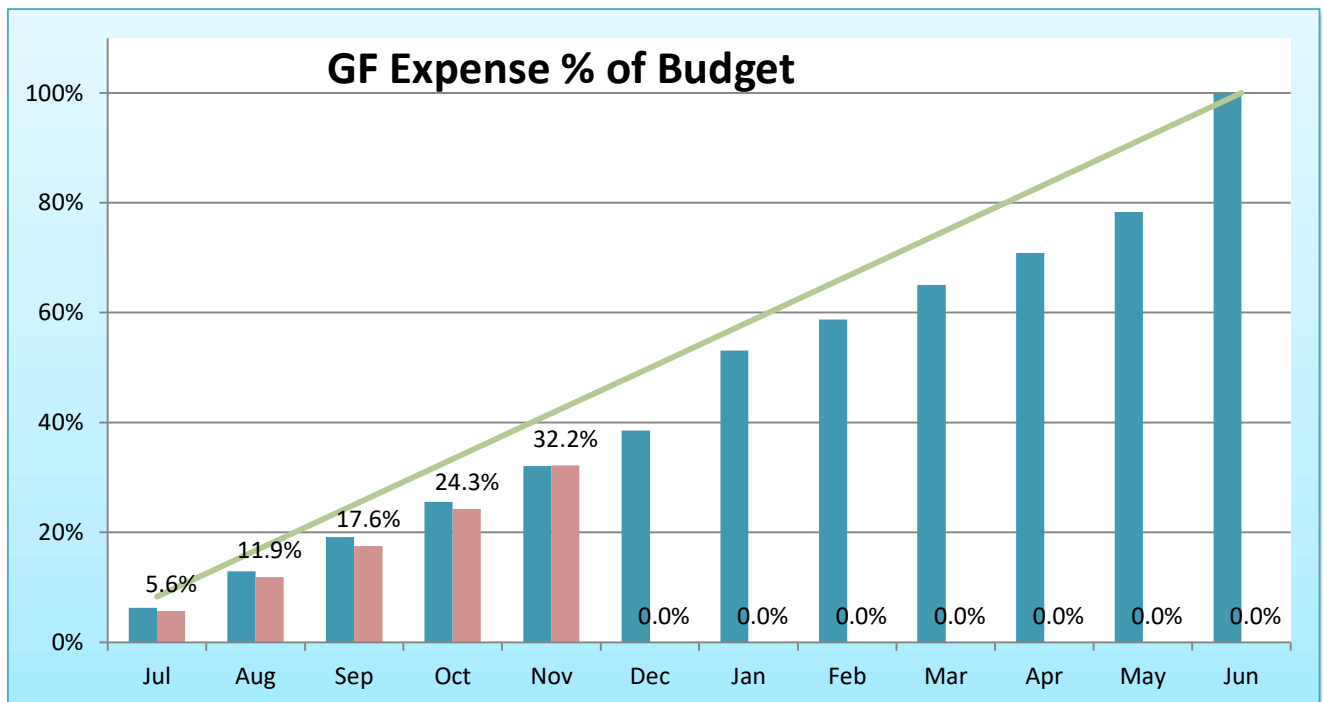
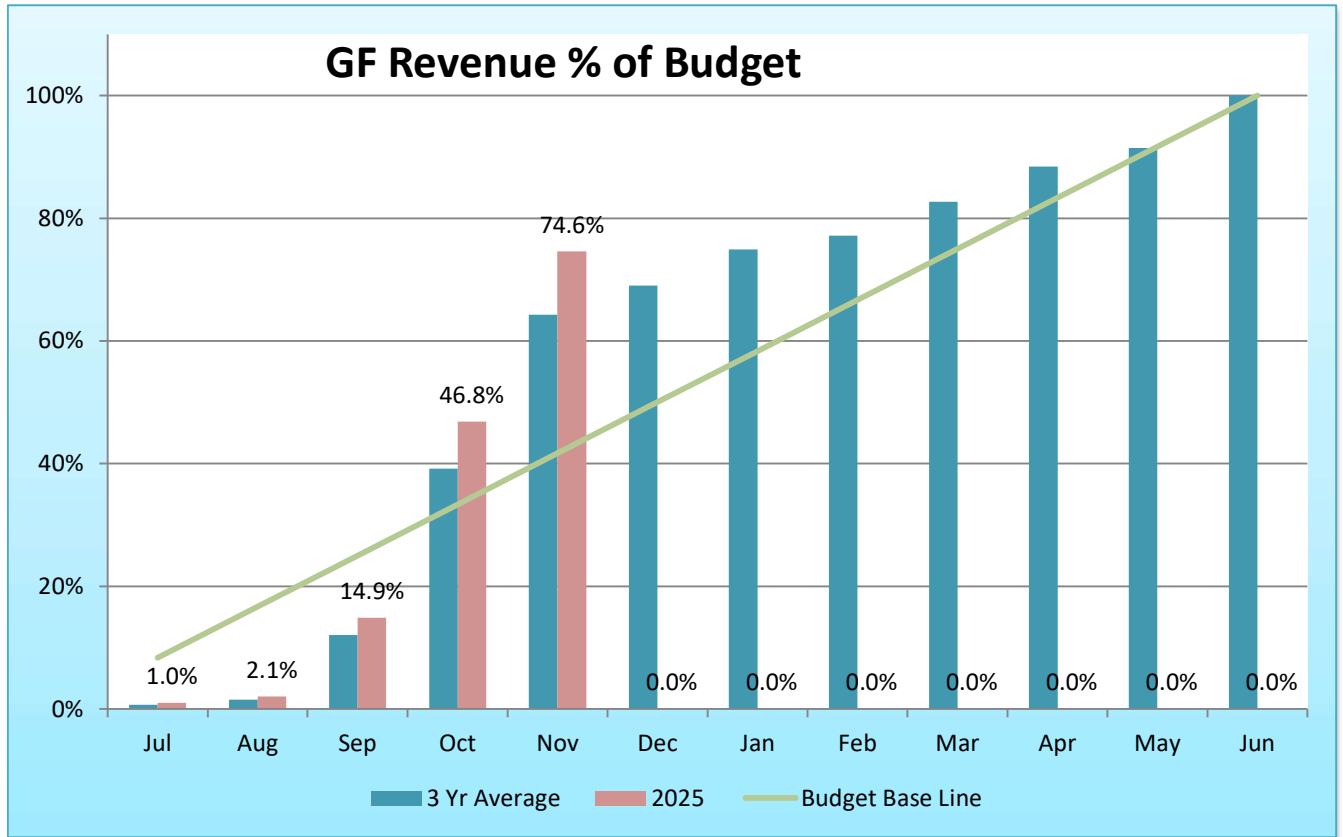
Budget to Actual by Category



**CITY OF ONTARIO
GENERAL FUND - LEGAL SERVICES
AS OF JANUARY 24, 2025**

LEGAL EXPENSES	
JULY	\$ 4,916
AUGUST	5,539
SEPTEMBER	5,204
OCTOBER	3,562
NOVEMBER	2,075
DECEMBER	4,643
JANUARY	-
FEBRUARY	-
MARCH	-
APRIL	-
MAY	-
JUNE	-
TOTAL	\$ 25,938
BUDGETED AMOUNT	\$ 150,000
(OVER) UNDER BUDGET AMOUNT	\$ 124,062
Budget remaining	82.7%

**CITY OF ONTARIO
GENERAL FUND
FOR THE PERIOD ENDED
NOVEMBER 30, 2024**



**CITY OF ONTARIO
OTHER FUNDS - EXPENDITURES
FOR THE PERIOD ENDED
NOVEMBER 30, 2024**

DEPARTMENT/FUND	REVENUES				EXPENDITURES		
	BUDGET	ACTUAL	% REALIZED		BUDGET	ACTUAL	% EXPENDED
002 Marijuana Enforcement Fund	32,455	21,213	65.4%		32,455	-	0.0%
010 Grant Fund	1,611,652	467,074	29.0%		1,611,652	177,646	11.0%
027 Building Fund	790,653	858,624	108.6%		314,871	86,875	27.6%
030 Capital Projects Fund	7,005,638	5,923,466	84.6%		7,005,638	186,965	2.7%
031 SDC Fund	915,814	893,782	97.6%		915,814	-	0.0%
045 Street Fund	6,563,003	3,398,502	51.8%		6,563,003	1,643,232	25.0%
050 Trust Funds	1,398,836	1,005,706	71.9%		1,221,388	215,488	17.6%
055 Reserve Funds	4,475,406	4,702,314	105.1%		3,841,445	93,064	2.4%
060 Revolving Loan Fund	321,014	289,157	90.1%		321,014	10,000	3.1%
105 Water Fund	6,396,041	4,685,176	73.3%		4,771,578	1,840,513	38.6%
110 Sewer Fund	6,429,820	3,547,686	55.2%		4,765,641	1,652,813	34.7%
115 Storm Sewer Fund	479,590	453,996	94.7%		162,083	85,447	52.7%
120 Airport Fund	340,277	192,068	56.4%		340,277	131,724	38.7%

Comments:

YTD BUDGET BENCHMARK

41.7%



Police Stat Report

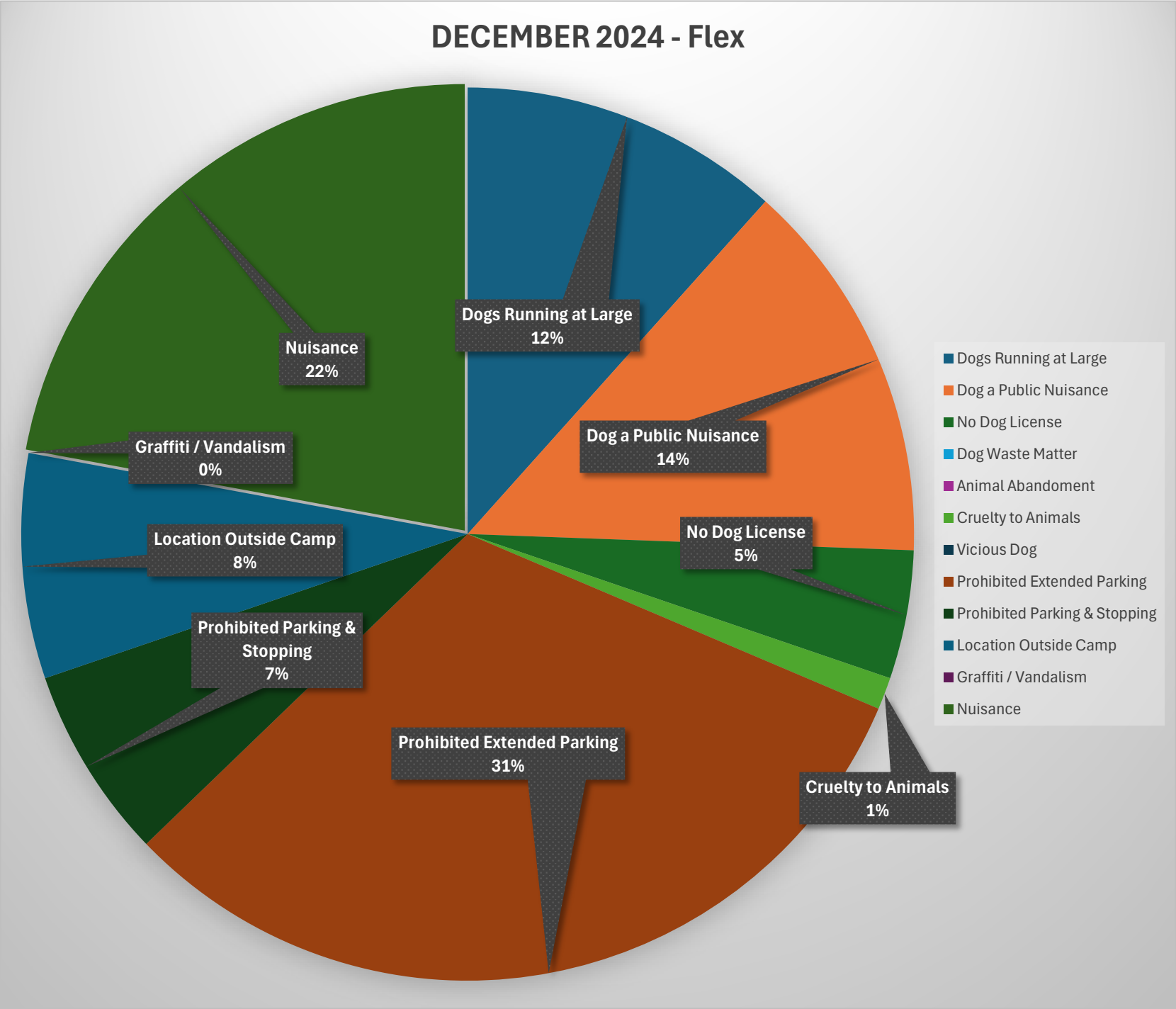
DECEMBER & QTR 4 2024

Activity	Oct	Nov	Dec	YTD 2024	Qrt1	Qrt2	Qrt3	Qrt4	PRIOR YTD 2023
Calls for Service	1101	1037	950	13037	3563	3027	3359	3088	15490
Total Incidents	1035	947	872	11089	2262	2800	3173	2854	9555
Murder	1	0	0	1	0	0	0	1	0
Robbery	0	1	0	15	9	0	5	1	9
Sex Crimes	5	2	7	53	13	11	15	14	111
Burglary	2	7	6	97	22	31	29	15	88
Assault	20	13	11	209	30	68	67	44	141
Arson	6	1	1	12	0	0	4	8	3
UUMV / Auto Theft	4	5	2	64	20	18	15	11	88
Arrests	57	52	51	630	187	107	176	160	1042
Arrests w/Use of Force	2	1	2	28	6	10	7	5	28
Gang Related Cases	4	6	1	17	1	3	2	11	28
Graffiti	0	0	0	5	1	1	3	0	38
Death Investigations	2	0	1	16	3	2	8	3	27
SRO Cases	6	13	9	81	25	28	0	28	93
Thefts	59	42	53	669	157	177	181	154	705
Traffic Stops	241	277	245	2654	688	485	718	763	1558
Cited Traffic/Parking	85	85	84	1041	352	204	231	254	1132
Traffic Crashes	50	44	46	513	121	127	125	140	508
Alarms	25	37	22	316	69	90	73	84	381

CODE ENFORCEMENT

December: 2024 STATS

Violation	Dec-25
Dogs Running at Large	10
Dog a Public Nuisance	12
No Dog License	4
Dog Waste Matter	0
Animal Abandonment	0
Cruelty to Animals	1
Vicious Dog	0
Prohibited Extended Parking	27
Prohibited Parking & Stopping	6
Location Outside Camp	7
Graffiti / Vandalism	0
Nuisance	19
December Summary	86





ORIGINAL

Jacobs

PARK'S

COMMITTEE MEETING MINUTES

Thursday November 21, 2024, 6:00 p.m. MT

The scheduled meeting of the Park's Committee was called to order by Commissioner Michael Pratt at approximately 6:00 p.m. on Thursday, November 21, 2024, in the Council Chambers of City Hall. Committee members present in person were Mike Pratt, Michael Partin, Marc Berg, Michael Braden & Deborah Folden; Andrew Maeda was excused.

Others present in person were, Ex-Officio City Manager/Ex-Officio Economic Development Director Dan Cummings.

Public Works Director, Casey Mordhorst.

Michael Pratt led everyone in the Pledge of Allegiance.

AGENDA

This Agenda was posted on November 20, 2024; copies of the agenda and minutes are available at the Public Works Headquarters and on the city's website at www.ontariooregon.org.

MOTION PASSED UNANIMOUSLY TO ADOPT THE AGENDA AS PRESENTED

PUBLIC COMMENT

NONE

APPROVAL OF MINUTES

August 15, 2024

RESOLUTION, ACTION &/OR MOTION

THE MOTION WAS MADE BY MR. BRADEN SECONDED BY MRS. FOLDEN TO ADOPT THE AUGUST 15, 2024, MINUTES: MOTION PASSED UNANIMOUSLY

NEW BUSINESS

A) Marc Berg – Kiwanis Club President, Chris Plummer – Status of Lanterman Park Fencing:

- Kiwanis Club - Mr. Chris Plummer is the new Ontario Kiwanis club president.
- Mrs. Sara Ray will be the president-elect.
- Marc Berg will still be the Kiwanis contact for the Parks meetings. The Kiwanis board asked to get an update on repairs at Lanterman Park. The club had installed a portion of a fence on Serve Day, back in April. The south fencing did not go in, as the sprinkler line was damaged while drilling post holes. Any updates?
- Public Works Director Casey Mordhorst stated that the sprinklers had been repaired and the grass was watered this summer. Kiwanis club would like to complete the fencing project, but this may have to wait until springtime.
- Kiwanis club also had plans to install fencing for a dog area at Beck Kiwanis Park. Will this be allowed?
- City Manager Dan Cummings answered the question. The city is planning on closing dog areas, specifically at Lions Park. The outer fencing will stay along the street. The inner fencing will be removed. JACOBS may wait until warmer weather. However, any club who is willing to take on the responsibility, to manage the dog feces clean-up, then a dog area could be created. Otherwise, the city is not going to authorize any new dog areas.

B) Michael Braden - Report: "Growing Equity: Urban and Community Forestry Subaward Program"

- Michael Braden gave an update on the grant applications. The Oregon ODF Urban Community Forestry grant was submitted. This was a request for \$573,000, which does not require any matching funds. If approved, the funding would cover multiple years of planning. Phase I would include a long-range plan, hiring an arborist and landscape designer. The goal is to increase the number of tree cover in city spaces by 10%. Phase II would be to implement those plans, including the trimming of dead branches, removal of older trees, and locations for new trees. The ODF Tree Plotter tool will allow all the city trees to be mapped out.
- Michael Braden is also preparing a similar grant through Oregon DLCD. This is due by December 2nd. The amount requested was scaled down to \$450,000 and does not require any matching funds. This application would increase the tree cover by 5% throughout the city. Together, these grants would fund city park improvements for the next several years.

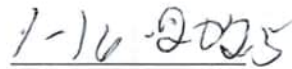
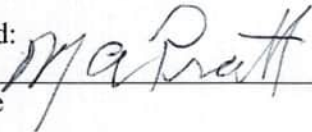
- Michael Braden was voted onto the city council. He will be sworn in next January and will no longer be able to serve on the Parks Committee. December will be his last Parks meeting.
- An upcoming grant application is through Oregon Parks and Recreation (OPRD). This will be under the “local government grant” program. This could include the purchase of property at Moore Park, whose purchase would count towards the 40% match requirement. The city has an approved Master Plan for Moore Park, from a few years back. ORPRD grant funds could be used in phases.
- Committee Chair Mike Pratt updated his findings. One of the city signs at the park was tagged with graffiti. He was able to clean and remove the paint vandalism.
- Vice-Chair Michael Parton gave an update on Laxson Park. They are still planning on using the matching funds. A walking path and exercise equipment along the path is the goal, with the new ADA Wheelchair Swing Set. Total cost estimated to be \$20,000. City can match half of the cost. When would the city like to review the purchases?
- City Manager Dan Cummings would like the following:
 - Complete a Master Plan for Laxson Park.
 - Plans are approved by the city.
 - Public Works can review the specific purchases and installations.
 - Construction completed.
- ORD - Pool Update
- City Manager Dan Cummings gave the update. ORD is asking for more space within Lions Park. Would any of the clubs have issues with this idea? Parking spaces would be increased along the east side of the park and into the center of the park. A new outdoor pool could be designed for the area northwest of the indoor pool. This is the area designated for an indoor gym (in previous proposals). There will also be updates on slides and playground equipment.
- For now, the design for the indoor gym is on hold. The cost estimates during the bidding on the indoor pool repair were significantly higher than expected. The indoor pool is also on hold, unless the gym could be constructed in the pool area, etc.
- ORD is asking for the property for parking, but the city will not deed the property over until funding is successful. The city council meeting on Dec 10th will discuss the pool and parking options.
- The flagpole replacement is still planned for the southwest corner of Lions Park.

RESOLUTION, ACTION &/OR MOTION**NO RESOLUTION, ACTION &/OR MOTION WAS MADE.**

COMMENTS FROM COMMITTEE MEMBERS**NONE****ADJOURN****RESOLUTION, ACTION &/OR MOTION****THE MOTION TO ADJOURN WAS MADE BY MR. BERG, and SECONDED BY MR. PARTON, MOTION PASSED UNANIMOUSLY.****NEXT MEETING SCHEDULED FOR December 19, 2024, AT 6:00PM.**

Approved:

Signature



Date

(Chairman Michael Pratt, Vice-Chairman Michael Partin)

MALHEUR COUNTY SPECIAL MEETING MINUTES

Pursuant to Initiative Measure No. 23-64

Meet to Promote Relocating Oregon-Idaho Border Ordinance

January 13, 2025

The Special Meeting of the County Court was called to order by Judge Dan Joyce at 9:00 a.m. with Judge Joyce presiding and Commissioner Ron Jacobs and Jim Mendiola present. The Special Meeting was held pursuant to Initiative Measure 23-64 and Malheur County Meet to Promote Relocating Oregon-Idaho Border Ordinance to discuss how to promote the interests of Malheur County in any negotiations regarding the relocation of the Oregon-Idaho border. Present in the meeting room were public members Bob Doughty, Harold Durfee, Devon Durfee, Bob Wheatley, Charles "Chuck" Pike, John Lawson, Merlyn Skeen, Logan Skeen, and Malheur County Economic and Community Development Director Taylor Rembowski. Present electronically were Matt McCaw with Greater Idaho, James (no last name given), Steven Mitchell with the Malheur Enterprise, and Antonio Sunseri with the Argus Observer. Notice of the meeting was emailed to the Argus Observer, Malheur Enterprise and posted on the Courthouse bulletin board and County website. The meeting was audio recorded. The agenda is recorded as instrument # [2025-0101](#)

Judge Joyce asked for comments from the public.

Bob Wheatley: My name is Bob Wheatley. I am a representative of the Greater Idaho move the border movement in Malheur County. I have given each of the commissioners a copy of some materials that I've put together; they're informational and primarily that's what I'm here for today is just to share some information with the commissioners and with the others here participating - point out a few things that have been happening lately and primarily things that have been happening in the Oregon legislature. One of the things that I wanted to show everybody is, first of all, I brought a map. Can you guys see that map? You see all the red and then you see the blue. In this last election in November, all the counties in red voted Republican, or conservative, if you will, the counties that are marked in blue are the counties that voted Democratic and we know how it carried. So, the majority of the state was in favor of primarily of views that were of a conservative nature. Those counties in blue, those nine counties out voted the other 27 counties in Oregon to pass their agenda over what most of us would represent. The second map that I have given you, you will see marked in red, those are the 13 counties that have so far voted in favor of looking into moving the border. Those are the counties in Eastern Oregon that have approved looking into this, investigating this. Now, one of the things that I wanted to point out to you is that in Malheur County, in November, there was a ballot measure that would have eliminated requiring these three meetings a year, and Greater Oregon did not oppose that. We did nothing to, we put out no materials, we did no speaking against that measure, because we've been to all these meetings. We agreed with the commissioners and the other people that these meetings did not need to be necessarily held on a regular basis as long as there was an accommodation to where we could have a special meeting when and if there was information to discuss. So, we supported that, but in Malheur County, 54% of the people voted to continue these meetings. So, I think that's a sign. There was no, like I say, there was no support against that measure from us as a group. And yet the people of Malheur County are still saying they want this looked at and want it talked about. Since the November election, we have had very little support in the legislature. Since the election, Representative Mark Owens, who represents in the House, District 60, which Malheur County is a part of, Mark Owens has said that he will submit a bill, a piece of legislation in this upcoming session that will ask for a committee to be put together, a bipartisan committee of the House and Senate that would interact with the legislature in Idaho to discuss the matter. It's just a matter of discussion, okay, to answer questions. Senator Diane Linthicum of District 27 has also stated that she will be presenting a bill in the Senate, Oregon Senate, for the same purpose. So what we're asking, the thing that we're asking formally here today, is that once again we ask the commissioners to consider supporting what the people of Malheur County have asked for and we ask that you would write a letter to the legislature indicating that you support the people that you represent in Malheur County and represent and would like the legislature to seriously consider passing these bills to form the committee to meet with the Idaho Legislature to discuss the merits, the pros and the cons, if you will, to discuss the problems, whether they can be met with, whether they can't, or whether there may be a better way of meeting what our problems are without having to go this far with moving of the border. But we need the people in the Legislature to know that the people of Malheur County support it and that the commissioners support it. So we ask you to really seriously consider doing that. Most of the 13 counties that have already voted to support this movement have sent letters of support to the legislature, the county commissioners, in each one of those counties. I think Malheur County is one of three that has not supported it; and that's why we are here today to ask for that support.

Gentlemen, I don't want to dominate this meeting at all. I have brought some information and it's included in your handout, but there are some things that I would like to mention, for those who may be listening and those who are here today, to give you an idea of what is happening in the legislature and what has been happening, that are going to have a dramatic impact on us in Eastern Oregon, and very much so in Malheur County, in the next few years. We've talked about over the last three years that there are measures being passed in the Oregon Legislature that are going to have an impact on our farmers and ranchers. Ladies and gentlemen, that time is here. We will be seeing in 2025 some of the impacts of the new green energy policies that Oregon has passed. Just historically, this green energy legislation was first proposed in the 2019 and 2020 state legislatures. Now if you will remember, the big walkout by the Republicans, in both the House and the Senate, was done at this time and the purpose of that was to block this legislation. The Republicans did not have the votes to block it. The Democrats would have passed this legislation basically without opposition. The Republicans, the only measure they had was to not show up so that there was not an adequate quorum to have the vote. And I think most of you remember all the uproar about that and supposedly the state police were going to go to all these legislators who had done a walk out and force them to attend. Anyway, things kind of cooled off a little bit but in order to avoid that happening again the legislature then did pass a measure that put in an attendance qualification

and so any members of the House or Senate who pulled something like this again - did a walk out and missed, I can't remember what the number was, it was like three or four meetings, it wasn't very many, they would not qualify then to run for re-election. That's what happened to Senator Findley. In this last session, again to oppose this type of legislation, he was one of the ones that walked out and by standing by his values and what he knew that the people that he represented wanted, he forfeited his right to be able to run for re-election. Okay, as I mentioned, for various reasons, there was also a court action that stopped some of these policies from moving forward due to procedural problems, those have since been addressed and changed, but Governor Brown was coming towards the end of her session and so, she did not push it, but our new governor, Governor Kotek, immediately when she took office, then she, by executive order, put into effect many of these policies that had not yet been enacted legislatively. Okay, so what is the 100% Clean Energy for All Act? The 2021 legislature directed Oregon's utility companies to have no greenhouse gas emissions by 2040. To reach the 2040 mandate, 40% of Oregon's energy from natural gas and coal sources will have to be replaced by solar and offshore wind. One estimate shows that 70 billion dollars will be needed to accomplish this transition. Okay, so we've got some time between now and 2040, so there is still time to act and try and get some changes made. But the way the legislature stands at this point, the Democratic majority, which supports all these measures, will not be making any changes unless we get some real support coming from the rest of this state. Okay, there's a program that's been passed; it's the Climate Protection Program, known as CPP. It starts in 2025. This is already in effect. It requires that greenhouse emissions from suppliers of diesel, gasoline, natural gas, and propane, as well as other gas emitting industries, must reduce their carbon emissions. It's interesting to me to note that, you know, this sounds like maybe, I mean, there's some good things here. I'm not saying that this is totally wrong and something that we shouldn't look at trying to do in the future, but to jump into it the way they're jumping into it is going to be a real impact on the state, especially on our farmers and ranchers. Let me give you an example here. Part of this legislation and these acts that have been put in place includes an Advanced Clean Trucks Act, known as ACT Act, and Oregon is part of a six state compact that is led by California, which will restrict the sales of gas and diesel trucks, such as larger pickups, the F-250s and the HD2500s, many of our farmers drive, vans, motor homes, delivery trucks, dump trucks and semi trucks. Starting in 2025, this act will require 11% of sales within each truck class to be electric vehicles. Let's think about that for a minute. And let's just look at one of those categories. Semi trucks. Imagine it, folks. Imagine that the semi trucks that deliver and also export products in and out of Oregon, starting this year are going to have to be converting to electric. At this point, I don't believe there are many manufacturers that even have electric semi trucks available. Most manufacturers are working on it, because they've seen this coming, started in California. Oregon is next. I'm sure Washington will not be far behind. There are other states in the country that are doing the same sorts of things. Illinois is one of them that I know of, is being looked at. So this is going to have a great impact. I looked into a little background on this information and I thought it was kind of interesting, some of the comments that people have made regarding this changeover. So what we're talking about in California started this I think either last year or maybe the year before, implementing this thing, the same act, regarding semi trucks and it's having effect already in that most of the people, most of the carriers who deliver these things and they have these semi trucks are being able to gradually work into it but they have new requirements for their diesel trucks that they have emission requirements that they have to meet so most of them in order to meet those requirements, since they don't have the electric to try and convert to, are having to upgrade their diesel engines to meet the compliance. So we're talking about thousands of dollars in investment, probably for those who have fleets, talking about hundreds of thousands of dollars to make that change over. And that's only a temporary thing because it's going to keep getting tougher and tougher until it's a 100% requirement for electric. And one of the interesting things that I came across, and this affects not only those who are running those companies that are making these deliveries for all of us, but it also includes those companies who are in business, California and Oregon, to make the sales of these equipment. These people are going to be forced out of business as well, because they're not going to be able to get the equipment. They're not going to be able to make the sales. There's also a part of this bill that is going to require in the state of Oregon, and this starts this month in Oregon, sales of diesel have to be cut by 11 percent. Okay, that's just the start. Each year it's going to increase. So we're being forced into a situation where our farmers and our ranchers and those who are in the business of delivering goods to and throughout the state of Oregon are looking at a point where they either make the conversion, which is going to be thousands, maybe millions of dollars. One of the quotes that I saw, a trucker in California stated that the truck, the diesel truck that now costs him \$160,000 is going to, if he, when he goes to electric truck, in order to go to electric truck, he's looking at anywhere from \$400,000 to \$600,000. So we're going to be seeing a lot of people going out of business. Another thing that came up with this, and it's happening in California already, a lot of those smaller trucking companies that can't afford to make these upgrades to be compliant at the present time are already going out of business. And there are truckers outside of California who make deliveries into California and if they can't make that upgrade they're going to be stopped at the border, they're not going to be allowed to bring that merchandise into California. So what is happening, they're setting up transfer stations at the border so those trucks with loads that can't comply with California have to stop at the border, shift their loads over to a California compliant truck who will then make the rest of the delivery. So think about that. I mean that might be really good down the road for Ontario. We're right there at the border maybe we'll be the transfer station for all of Oregon - people bringing their merchandise in, they'll have to stop in Ontario and shift all this over. Imagine the additional costs that are going to come from this. Imagine the number of truckers that are just going to quit coming to Oregon. And so these are the things that I'm trying to let people know about.

I think it's important for us, in general, to think about this clean, this green clean act is going to eventually impact us as individuals as well. It's going to have an impact on all of our utilities. In January 2025, rate hikes of 15% for Pacific Power electric companies and 4.7% for natural gas customers went into effect. Those same residents have already had increases of 35% over the last three years in electric and 43% in gas. And I'm sure folks that, those of us who have Idaho power, we're going to have a little bit of a break because of Idaho Power and their situation. But these hikes are coming as this stuff continues to come through. How about the gasoline? The Oregon Department of Transportation is showing a \$1.7 billion budget shortfall for 2025. In order to make up for that, they're proposing adding \$0.35 a gallon to the current Oregon state tax on gas and \$0.40 per gallon on diesel. It says that

a tax rate of 75 cents per gallon, which this new tax rate would bring us up to, Oregon would surpass California and Illinois for the highest gas tax in the nation. And in addition to that, that 35 cent gas tax increase won't fill all of ODOT's budget hole. So plan on vehicle registration fees increasing as well. These are just a few of the things that we're looking at happening to us, and it starts this year. It has started in January. And I tell you, I've tried to keep up on some of this stuff, and I honestly wasn't aware that how much this was going to affect us this quickly, and I know that a lot of other people throughout Eastern Oregon, but I know especially in Malheur County, are unaware of these things. And whether we like it or not, that legislation has been passed. That's not to say that there couldn't be changes made, hopefully, but it's going to take a lot of work to do that. People say how impossible it is to think about moving the border. I'm telling you, I think it'd be easier to move the border than it's going to be to change the legislature in the state of Oregon the way that it's made up right now. We know just looking at those maps that those counties in the Portland, Salem, Eugene areas that make up the majority of the population of Oregon are going to pass whatever legislation they deem meets their agenda whether the rest of Oregon likes it or not and we need to be aware of this folks. Just for informational purposes I have begun putting together a list of people in Malheur County who have made me aware that they would like more information. I'm putting together a group text that I will, as I gain information, I will be sending out group texts to people who want to be informed and I am very happy to anyone who'd be interested just need to let me know and I'd be happy to put their names on it, but again, like I said I'm not here to make a long-winded speech I don't want to take up all your time but I did want to bring this information forward, present it to you, and I will be quiet now and let the rest of people talk.

Charles Pike: My name is Charles Pike and I'm pretty sure some of you here know me, I was raised here. One of the things that back up what he says and the reason for this border move is the fact that it's not just that impact but the people that's making this law about no fossil fuels in Oregon and removing the dams out of the river. Okay, first I would like to say how many tractors is produced that's over 200 horse that's electric? How many trucks that has that horse power to truck this stuff in? Maybe the legislation that put this up ought to do some investigating on what the impact of all of the people in Oregon and the world; these farmers feed us. And in over a hundred years, I come in this world in 1946, my father was using horses. That's developed up to now and what it is now and there's two, three hundred horse tractors. How are they going to charge these tractors if they take the power out of them windmills? They don't impress me much. What's the impact? There should be more investigation before they make a law like this because that legislature also eats a potato and gravy and a beef steak. These farmers produce that. They feed the world. Okay, this is just Oregon. It's not the whole United States or the whole world, but it's a beginning. The law, there might be some good in that, but they need to do more. They're gonna throw all these tractors that burn diesel fuel in the garbage? The millions, thousands of millions, hundreds of thousands, one of those tractors cost three or \$400,000 a piece. They can't afford in 10 years to switch all that to electric. Maybe we ought to do a little more investigating about this law. I support the farmers, I love them. I was raised a farmer here in Malheur County. I even worked for Mr. Mendiola's grandfather when I was a child, Joe Mendiola. So farming is not new to me, but there might be some good things in the fossil fuel reduction. I can see that there could be some good in that, but we got to do a little more investigating before we start shoving that down. That's really all I have to say. We can't just throw these tractors away or these trucks because they burn fossil fuel. And we certainly can't afford to buy new ones just because it doesn't burn fossil fuel. Let's do a little more investigating about our laws, the impacts, the batteries that's in these things. When they go bad, where are you going to jump them? We don't just go throw things in the ditch anymore, like we used to when we were kids. That's an impact, and these batteries require chemicals. Where does that come from? It needs to be investigated and developed. This impact on these farmers started over 100 years ago, and it's developed up to what it is today. And I'm amazed at what it does. And I'm amazed at how it feeds us, not just us, but the world. Let's not destroy it. Yes, let's develop it. That's basically what I wanted to say.

Devon Durfee: So I've done diesel mechanic-ing and I drive truck so in the schooling that I've done for an electric vehicle that you guys want to produce on the road the batteries only last 10 years, I don't know if you guys knew that, but it costs at least 20,000, and this is just in a hybrid car, at least \$20,000 to replace that battery every 10 years. It's like Chuck said, How are you gonna dispose of it? Because there's no clean way to dispose it. You can't even reuse the batteries. You look at your old vehicles, you can recycle them and reuse them. And if you look into a electric truck, there's more investigation that needs to be done. If you went from coast to coast in an electric truck, it would take six days, maybe seven days, to move your groceries across the United States of America. When I hauled beef, we had three days to move it. So how is that gonna affect on moving beef or other products that are time-sensitive if we do all electric? And I mean, like Chuck was saying, If you look at the carbon footprint that a windmill leaves or even a solar panel leaves it doesn't make sense because it leaves a bigger carbon footprint than even just an old tractor that runs straight on diesel not even def or anything like that. It leaves a huger carbon footprint because the main fact of it is you can't reuse it. I mean look at how many vehicles that we can still use today that are older than me. I'm 34 years old and yet they're still out there running, still producing. I mean, how can we justify math versus what an electric is going to do versus an old tractor or an old truck? And I don't know the research on it, but I've heard like to charge up, I can't remember how many electric trucks, it will take more of the power grid than what a whole city runs off of to charge those electric trucks. So we definitely need to investigate on what we're going to do to run semi-trucks because if it takes more, if it takes like four semi-trucks, it takes more to charge those trucks than it does a whole city like Chicago or whatever, what are we going to do? We don't have the energies or the resources for it. And I mean, I need to look a little more into it but I've heard some of the numbers and I haven't written it down, I'll admit that, but I have heard how much it will affect the power grid because of what it takes to charge just an electric semi truck.

B. Wheatley: Just to that, because I've seen a couple articles on that because the electrical grid throughout the United States at the present time cannot handle what he's talking about and it's been estimated, and this is probably like every other federal estimate it's gonna be on the low side, it would cost ten million dollars to update the electric grid throughout the United States to the point where it can handle this and we're talking, and the charging stations, like he said, they're going to be having to stop quite often to recharge these electric batteries. So there needs to be a whole series of these charging stations. It's not there. It's going to be 10,

12 years before the infrastructure would be in place to make this happen. And yet California, Oregon, these other states are saying, oh we're going to start it right now. You figure out how to make it.

D. Durfee: You have 11 hours to drive in a day for a truck driver. An electric truck, if I remember my math, you got four or five hours and then it takes pretty much a whole day to charge that truck, if you have the correct charger and not just that, they don't have the charging stations where you need them. We nowhere near have the efficiency. In California, even though they don't want to push it, how long have they been doing grid blackouts? Years. Before I was probably even alive, they were doing grid blackouts. Word is Idaho, they produce the power and they're taking it down to California. Thousands of miles that they're pushing electricity down to California out of Idaho, and then we tear out three dams over by Klamath Falls because of the fish, which are still there, because if they weren't how would we still have them? We all know that they swim up the river to produce and spawn, so, I mean we're not really helping ourselves because the cleanest energy that I can think of is probably hydro, a dam. Other than that, that's all I have left to say.

Merlyn Skeen: I come here every year. I'm Merlyn Skeen, and we still have all the same problems. I keep coming to this meeting and our lives haven't gotten any better on the farm. It's getting worse, as everybody's all testified. It's getting worse for us as business owners. It's getting worse for us as citizens with the death tax. Nothing is improving. So I would just plead with the Court. We have Mark Owens willing to take our case for you to support. I didn't realize that we were only three counties that didn't have a letter of support from the county court. I plead with you to please get their attention, at least let them know how bad it is for us over here and get their attention to what we're asking. And for them to let us go, I know that's a big, huge discussion, but they need to listen to us. They need to make some concessions so that we here in Eastern Oregon will still be existing. Because the way it is now, I don't see any course forward. I feel sorry for my son, you know, we're retiring. What's his future gonna look like? How's he gonna feed his family? Farming is tough already where it is right now without all these new regulations that are coming on. So that's what I would ask of you as the County Court.

C. Pike: You know, what's just as bad is that legislator up there has never worked like a farmer does. So if you put the hours in that a farmer does that legislator probably wouldn't even be there would he? Most of them don't even realize what work it takes to make a farm work, especially where you have animals. I was raised on a dairy and when I drafted I swore I'd never milk another cow again, I wasn't going back to that. But now today things has changed and it's work because they did the investigating and made it work. But you can't just stop something that's multi-million dollars like these tractors and that because of fossil fuel. It has to be investigated, improved. I can see where not making emission it would be good for the world. But you still got to make the world click, every one of us have to.

M. Skeen: We have to make noise or we won't ever be heard and basically that's what this push is for. We're just trying to make noise so that they will listen to us and care. I don't know if it will help but we can't just go down without a fight. Or we won't exist anymore over here the way we do now.

multiple talking

Judge Joyce: Do you have a letter drafted?

M. Skeen: A letter drafted to leave for you?

Judge Joyce: Do you have one?

M. Skeen: No. Do you want one?

Judge Joyce: Would you?

M. Skeen: For the court?

Judge Joyce: Yeah.

B. Wheatley: I can come up with one.

M. Skeen: I thought you already had done that before.

Judge Joyce: Not that I know of.

B. Wheatley: I can get a copy of several of the counties that have done it and it follows pretty much the same form so I can get that to you.

Judge Joyce: I think its got to be done properly. You know, like what you guys are talking about. Just saying.

B. Wheatley: Just to follow up with what Merlyn said, I guess that's the message that I wanted to bring today is that we need every county, all the county commissioners in counties that have voted to wanting to look into this to let the legislature know that in representing your constituents you support having them look at this. That's all this bill would be is to look at it. It's not a bill to move the border. It's a bill to make the two legislatures look at the problems and discuss them. So if we can get that started. And then the other thing, you know, I mentioned that I'm putting together this group text and, gosh, within a week's time, and just Chuck and I talking to people we know, I've got like 120 names of people that are interested in getting more information. If we can spread the word and get more people in Malheur County, in all the areas, I want from Jordan Valley to Nyssa and Adrian, Ontario, Nyssa, Vale, I want input from all the areas. And then what we have to do is write letters, not just to our legislators, but to the people who are the, I don't know what they call them, presidents of the Senate or House, whoever the House and Senate leadership are to let them know and to committees that may be looking at these bills, to let them know that we support this thing. If we could get thousands of letters going to Salem, let them know that the people at the grassroots want this looked at. We can overcome those hundreds of thousands of votes that are out there. I think it can have an impact, but if we don't try it now, if we don't do it now, it's just going to keep going forward. And like Merlyn said, in 10 to 15 years there's not going to be much activity in Malheur County. People will have moved out.

C. Pike: Well, last week I was with a group of clients around the table, we were discussing this, about the fossil fuel thing, and the power plants, and the farmers here, God help the governor and come on down and set on the border, because we're not going to just destroy all of our fossil fuel tractors. Multi-millions, even trillions to do this. How are you going to enforce it? You've got the majority of the people here, they'll go get their fuel if they have to in Idaho. Does that help Oregon?

M. Skeen: The farmers can't do that, it's not legal. If you're a private citizen, you can go do that, you can go over to Fruitland and fuel up. But if you're a farmer and you have your bulk tanks (inaudible)

C Pike: It's either that or go out of business, right?

B. Wheatley: Another part that I didn't mention on this reduction in the sales of the diesel vehicles, what they're going to do is, ultimately they want to do away with all sales of diesel fuels and also diesel run vehicles. They are not saying that you can't go over to Idaho and buy a diesel tractor or truck and bring it back into Oregon, but they're not going to register it. So what's that accomplish, right?

C. Pike: Well, the county sheriff's going to go write you a ticket for violating that law maybe. Most of them will probably support the farmer in my opinion, they're elected officials.

B. Wheatley: It could get to be really tough. I was kind of, I was sad to see, I don't think there's any supporters here that supported the ballot measure to stop the meetings that were opposed to moving the border. I don't think there's anybody here today. I was hoping they'd be here because one of the things that our meetings in the past have done with them here was to increase the dialogue that there's a lot of things that we commonly see wrong that we'd like to see fixed. They don't want to see us have to go to moving, they don't want to move the border, but they were willing to talk about the things that we do agree on. I was hoping we could continue that type of dialogue as well, so we'll see what happens in the future. I hope that will happen, because we need all the people in Malheur County to address these issues. Whether we move the border or not, we need to address these issues for our farmers and ranchers and our everyday business people.

D. Durfee: Another thing on the Green Act the whole reason why they say it's not green is because there's no efficient way to get rid of petroleum oil, which is like the oil you put in your engine, and this and that, which is not true because oil manufacturers have now started paying for waste oil to turn into diesel and a diesel engine can efficiently burn petroleum oil; I've even done it myself.

C. Pike: They need to investigate it. They need to. I can see the laws. I can see the reason for them. They want to do it right now. Let's do it over a period of time and develop it. Makes sense, don't it?

D. Durfee: If they didn't have a clean way to get rid of petroleum oil, why would we buy waste oil? And this goes for not just waste oil like engine oil, this goes for hydraulic fluid, transmission fluid, anything that's oil-based. I mean, brake fluid can even be converted into diesel. I've done the research on it. I know how to do it.

John Lawson: I'm John Lawson, originally from Klamath Falls, but now Boise. And I'm not quite sure if I totally understood the reason for the gathering tonight. Are you going to be proposing or making a letter to the legislature and Salem asking them to disregard or against Measure 23-64? Is that the purpose of the meeting?

Commissioner Jacobs: We're here to listen to the public, you know; exactly what's taking place this morning to hear your views and then we'll have to make that decision of how we're gonna, if we're gonna submit a letter of support.

J. Lawson: Obviously, I'm in favor of moving the border. I'd like to put Boise and Klamath Falls together so I could say I lived in one state all my life. I'm a retired police officer and a retired attorney. And what I think one thing we need to talk about is getting some legal counsel involved in alternate ways to put pressure on Salem. Even if it's to the extent of having the pro border move counties come together and form some type of a resolution to say, hey, we won't go. You want to destroy your life, we won't go. And just say, you know that the county sheriff is the main law enforcement officer in the county. Oregon State Police, they do their job, but the sheriff is in charge of the law enforcement in the county. The judges in each county control case work in the county, not Salem. I think you could at least put together a coalition, like the people who want to move forward, and put some pressure on them politically through a large eastern Oregon group that says, we won't go. We won't support this. We won't support that. We won't do this. You can't stop our cows from defecating and farting. You know, there's natural gas out there no matter how you describe it but you can't put it in a gas can but I'm just thinking that there's got to be a way we can put pressure on Salem by having the counties come together. Form a coalition saying, we're not going to put up with your BS. We're going to do it our way. We will not enforce the law. And the sheriffs don't have to. Salem can't force the county sheriffs to do something regarding law enforcement in these counties. They might try to get the state police involved, but they're basically a highway patrol. So I'm just thinking these things through legally, and I haven't really come to any conclusions yet from what I've been able to think about. I think it's time for a rebellion, not just a, please let us out of your state. No, I think it's time we need to put up a fence and say, we'll live on this side, you stay on your side. You obey your laws. We'll do what we want to do, but by doing it in a legal sense and just form of a coalition between counties. It's hard for one county to put enough pressure on Salem to make them do anything but if all the the counties that voted to move the border come together and actually establish an organization of or at least an unofficial or official group of counties they could probably put a lot more pressure on Salem to back off.

C. Pike: To take this one one step further, those people on the coast that are dairymen and they have other farms like nuts and what stuff they grow over there, why couldn't we get them to go with this also?

J. Lawson: I don't see why not.

C. Pike: Some of them can't be all for that fossil fuel, they can't afford to replace all their trucks and their tractors.

J. Lawson: Well, most of the Oregon counties are now red, at least at the last election.

C. Pike: We might get to do it legally and get some of the people on that side of the state to join us.

J. Lawson: I'm just kind of thinking this thing through legally, and I haven't got an answer for it yet. But that's kind of where my mind is going while I'm sitting here. I'll let it go at that.

B. Wheatley: I might just add to that just to kind of answer a little bit of the question there is that essentially we're at the point with the Greater Oregon organization that's basically doing what John said is kind of where they're going. This year they have two primary, their two priorities are to work at the legislative level, and they've been doing this for the last couple of years, and they are gradually building a number of people in the legislature. Most of them are Republican, but some Democrats, who are willing to listen and work with this. And that is where, you know, we realize that as county commissioners, you have a limited impact with the legislature. But we also realize, like John said, that the counties that have voted for it, that there are associations. We know that you have several counties that you have an association with. And so that's the second part that Greater Oregon is working on, is working with each county to build the support in the counties so that we have a common voice, if you will, not only with the legislature, but with the governor and others who can have an impact. So that's kind of where we're going from. I've kind of been assigned as a representative of the group for Malheur County to try and provide, get as much information as I can out. That's why, you know, I want to communicate with you so that you know what our group is doing and what we're trying to accomplish and what we would like to see you do to help us. But I also, part of my duty is to try and get more information out to all the voters in Malheur County to make them more aware of what's going on. So I keep mentioning this group text thing, but for those that are here or who may be listening, anybody that you know that would be interested in being part of that text, just get a hold of me and let me know. I'll be more than happy to add names to it and we'll keep growing in that way. So from our side of the street, that's where we're working at now. I think we're at the point with the 13 counties, there are two more counties that are interested and that we would love to have come in with us, join the 13th. But that 15 counties is probably max that we're looking at joining the movement at this point. Once we reach that, I think we've come to the conclusion that now it's time to really put pressure on the legislature. Some of you are probably aware, maybe you don't know, because I mean, this involves Idaho as well. And in last year's legislature, the Idaho House passed a memorial that would have formed a committee between Oregon and Idaho to study this. There was also a similar bill presented in the Idaho Senate, but it was, by the time it got to committee, it was late in the session, the session adjourned before it could get to the floor for a vote, but they had enough senators who said they would vote positively for it. Had it gotten there, it would have passed. So, Idaho is willing to look at it. We need the Oregon legislature to be willing to look at it. They may come up with a totally different answer, and that's great. Maybe some of these things that we're talking about, maybe it just needs to go back and rework the legislation. I don't know. But the first thing that has to happen is discussions between us at the grassroots level between the legislature themselves between the two states.

C. Pike: Is there somehow legally we could bring Western Oregon in with us that would be supportive of our agenda here?

B. Wheatley: They can support it.

C. Pike: I wonder if we could work on something like that.

B. Wheatley: And there are people in Western Oregon, in fact I'm taking up all the time, but just for your knowledge a year and a half ago one of the major polling companies did a poll in Northwestern Oregon to get the feelings of the people who live in Northwestern Oregon about the idea of moving the border. And 54% of the responders were positive about looking at the idea of doing it. So yes, in that part of the state, there is support. There are not enough votes to get the counties to pass a resolution like Eastern Oregon has done, but there are certainly voters in the other side of the state that support the idea.

C. Pike: If we got them to come in with us that'd make us a lot stronger, that's for sure, if there's some way to do that, legally like he said.

Unknown: I like that thought.

B. Wheatley: You know we talk about, you talk about being from Klamath Falls and one of the areas that has been talked about and there's a lot of support is, I'm not sure what the county is, but the county that Coos Bay is in.

Unknown: Coos County.

B. Wheatley: Coos County, okay, so there's been support there for this and I'm just thinking out of my, you know, if this thing continues to go forward, and if suddenly we see that truckers are no longer able to come into Oregon to bring goods and stuff in, if we get Coos County and a couple of those other counties to join us, and we do move the border, suddenly Idaho has a port on the ocean. It could be one of the biggest ports in the Pacific Northwest. I'm just saying, there are things that can happen that we can't even sometimes imagine, but we can't allow what's happening to go forward without changes if we want to see the economy of rural Malheur County continue to exist and thrive.

D. Durfee: Well and with what California has passed you're not allowed to have a commercial rig that's older than ten years old; I don't know if you guys knew that. So if you have a four hundred thousand or six hundred thousand dollar semi truck how are you gonna pay that puppy off in ten years and not just that, in ten years the battery goes bad anyway. So what are you gonna do?

B. Wheatley: Let me ask you a question because you're knowledgeable on this, but I do know that California has passed legislation already that diesel trucks cannot idle for more than like five or six minutes.

D. Durfee: That is correct.

B. Wheatley: How does that affect your truck?

multiple talking

D. Durfee: Honestly, you don't want to idle a semi truck too much. But here's the better question, Why do you as an individual have less rights than a dog? And I say this because guess what, it gets hot in California and you know how many semi truck drivers have gotten a pet so that they can idle in the state of California because the dog or the cat or whatever animal they have has more rights because if they don't idle that truck for that animal, it is now animal abuse. Well what about myself? I'm a human

being. I have less rights than a dog to idle a truck.

C. Pike: I've got another thing to bring up. What about this rail? They talked about a reload here in Malheur County. They're a piece of electric. Are they going to change those too? That's another aspect of moving materials (inaudible)

D. Durfee: And not just that. These new trucks

C. Pike: (inaudible) bring that in too because that is a big part of our life - the rail.

D. Durfee: These new trucks are affected more by idling because the DPFs that they have in them they get plugged up with all that soot more and then they have to get worked on earlier because of all the idle time and that's why these new trucks can't idle.

Bob Doughty: Seems to me like it's time for us to put a little pressure to on the other two counties that have not got on board yet. Can we do that just by emailing the commissioners there and what not?

B. Wheatley: The Greater Oregon organization is working on that. They are the ones that have worked in each of the 13 counties so far to get people involved and get the measure on the ballot and get votes and they are still continuing to work with them. Umatilla County is one that would be a key county to bring onboard and there's a lot of work going on there. The other thing that I would just point out, when you look at the map, I think it's really interesting to me that every Oregon county that borders Idaho has voted to have the border move. I think that tells us something.

multiple talking.

Logan Skeen: One thing I would just like to add, uh, geez, I don't know how many years ago was five years ago or whatever when they were trying to pass the, uh, all the overtime laws. This side of the state was very against it and rightfully so, we're at an extreme disadvantage against Idaho, we bussed people over there, there was a bunch of people that went over, testimonies were given and everything, and the state showed a willingness to not view all counties the same. I think we need to remember that. So the squeaky wheel will cause action. So we need to continue to express why these laws and everything that they're trying to pass are not good for our side of the state, so that they can remember, because they've already done it, and that sets kind of a protocol there that they can view these counties differently when it comes to some of the laws.

M. Skeen: And I'm sure we could get some more bus loads over there if we ever had a chance for a hearing like we did with the overtime hearing.

Commissioner Mendiola: I'm sure even these blue states have farmers and truckers and loggers and stuff in them that are going to be impacted. I think the best thing I've heard so far is the common voice is what we need to do is everybody start pushing an agenda. So it's not invasive like changing the borders. They just need to know our views and how it's gonna hurt us. Common voice is the best thing going forward.

D. Durfee: There's plenty of truck drivers that won't go into California.

Commissioner Mendiola: There's a lot of truck drivers that quit going to California.

D. Durfee: They can't afford it for one and because of their laws and regulations. And I don't know if you know this, the crazy thing of it is, if you take the load into California right now, it pays great. But if you want to get out of the state of California to get a load that pays to get out of it, you cannot. And Colorado is the same way right now and you know what? They're pretty much right behind California in my opinion on following their agenda. Which Colorado has lost a lot of business because of what they've done.

Commissioner Mendiola: California has lost a lot of business too.

D. Durfee: California has, yeah.

M. Skeen: Oregon's going to be right behind them.

D. Durfee: And if we don't change what we're doing, we're not going to help our economy. And that's just the commercial industry.

J. Lawson: Well, I'm just curious, too. I think it's Umatilla County that takes all the trash from Portland. Is that correct? One of those river counties takes all the trash out of Portland and is transported by train over to one of the Eastern Oregon counties where it's dumped. And I'm just wondering how they're going to get their out of Portland if we we did the same thing to them that they want to do to us, not allow their trucks into our state or our side of the mountains. So they have to have all their trash accumulate there in Multnomah County. Just just being a little facetious here, I'm sorry.

B. Doughty: Well to be a little facetious, a friend of mine in California, he was a farmer, called me yesterday just to discuss everything about the election and how that went and blah, blah, blah, and rah, rah, Trump and the typical BS. And he told me he had just seen a report that Oregon yesterday was sending 60 fire trucks with crews down to California to help them fight the LA fires. They made it as far as Fresno, and the California EPA stopped them and said, no, you can't go further. These trucks don't measure up to California's EPA standards.

D. Durfee: Not just that, California's having problems because they got electric fire trucks. What are you gonna do?

Unknown: Sorry, I can't answer your call, my truck battery needs to be recharged.

D. Durfee: Sorry, I can't pump water, I'm passed my four hours. Their big thing of this go green energy is the carbon footprint that it's going to leave behind. I promise you, you will leave a bigger carbon footprint with this go green energy. Windmills is a prime example. It's made out of a carbon steel, that carbon steel cannot be recycled, cannot be reused. All they do is they take it out to a landfill and they bury it. And not just that, that windmill runs off of that oil that they say isn't usable because that petroleum oil can't be burned cleanly, which it can be. It can be burned through a diesel engine. And guess what? Here's the other problem. When COVID came into effect, California had a lot less traffic, no cars, and semi trucks coming in there, you want

to know how clean it got down there in California? I was talking to multiple truck drivers they said that is the cleanest I've seen the state of California in years because they didn't have all those cars running, just semi trucks and you could actually see the sky.

C. Pike: Well that brings up another too, when you said air, these airplanes all burn fossil fuel too, how are they going to do that? They'd have to develop an airplane that's electric huh. That's fossil fuel too.

D. Durfee: That's the biggest thing about the good green stuff is about the carbon footprint. I honestly think they don't realize how big the carbon footprint they will leave with an electric vehicle. Even solar panels and windmills are leaving a bigger carbon footprint than the energy that we could burn or even having a diesel generator running to make electricity. It leaves a bigger carbon footprint than that ever would, probably. I'm sure of it. But a windmill is only good for 20 years.

There were no further public comments; the Court thanked the participants for their input and Judge Joyce adjourned the meeting. See instrument # [2025-0102](#) for the handout from Mr. Wheatley.

MALHEUR COUNTY COURT MINUTES

January 15, 2025

The regularly scheduled meeting of the County Court was called to order by Judge Dan Joyce at 9:00 am. with Commissioner Jacobs and Commissioner Mendiola present. Members of the media, public and staff had the opportunity to join the meeting electronically or in-person. Present in the meeting room were: Economic and Community Development Director Taylor Rembowski and Administrative Officer Lorinda DuBois. Notice of the meeting was posted on the County website, Courthouse bulletin board, and emailed to the Argus Observer, Malheur Enterprise and those persons who have requested notice. The meeting was audio recorded. The agenda is recorded as instrument # [2025-0105](#)

MALHEUR WATERSHED COUNCIL

Meeting with the Court from the Malheur Watershed Council were Executive Director Ellie Hanson, Chair Andy Bentz, and Office Manager Jesse Prentiss. Mr. Bentz introduced Ms. Hanson and Ms. Prentiss to the Court. Malheur Watershed Council partners with landowners and local businesses as well as numerous agencies. During the 2023-2024 period 34 existing and new projects aimed at watershed improvement were worked on; these projects represent more than \$10,413,217 in outside funding with landowners contributing an additional \$794,452. Some of the projects worked on were conversion from flood irrigation to sprinklers; installation of fencing; enhancement of streambank; and removal of invasive juniper. In 2024 the Council secured \$7,097,608 in new grants; of this \$6,121,238 is going towards the Vale Lateral Pipeline Project (piping 10.4 miles of irrigation laterals in the Graham Blvd. area). Those present answered questions from the Court members. See instrument # [2025-0106](#) for the written report.

COURT MINUTES

Commissioner Jacobs moved to approve Court Minutes of January 8, 2025 as written. Commissioner Mendiola seconded and the motion passed.

CONTRACTS WITH PERS RETIREES

The Court further discussed the request made last week by the PERS retiree employees concerning the compensation policy for PERS retirees. Commissioner Jacobs noted that historically, employees retired and might continue to work for a limited period to help train someone into the new position; with the changes to the PERS requirements employees are now retiring and continuing to work for an indefinite amount of time. The County is required to continue to contribute to PERS even though the employee has retired. Currently, for a PERS Tier 1 employee the County pays 22% and that amount is going up to 27%. The Court does appreciate the long-term employees continuing to work for the County; although from a financial aspect, it is better to hire new employees. Commissioner Jacobs was supportive of paid holiday leave for the PERS retirees; paid holiday leave will enable the employees to use their vacation leave on other workdays instead of on holidays. Commissioner Jacobs made a motion to include paid holiday leave for PERS retiree employees beginning July 1, 2025. Commissioner Mendiola seconded and the motion passed unanimously.

BUDGET COMMITTEE VACANCY

There is one vacancy on the County Budget Committee.

EOCCO AGREEMENT

Commissioner Jacobs moved to approve Eastern Oregon Coordinated Care Organization (EOCCO) Community Benefit Initiative Reinvestment Program Agreement with the Health Department. Commissioner Mendiola seconded and the motion passed unanimously. Grant funding is in the amount of \$50,000 and is to be used to increase access to dental care for children from preschool to adolescence, specifically EOCCO eligible children. See instrument # [2025-0108](#)

FAIR BOARD

Commissioner Jacobs moved to reappoint Leanna Elguezabal and Dave Tschida to the Fair Board. Commissioner Mendiola seconded and the motion passed unanimously. Terms are for three years.

AGREEMENT WITH NEY

Commissioner Mendiola moved to approve Agreement for Temporary Environmental Health Specialist Services - Restaurant Inspections and Consultant to Environmental Health Department with Melissa Ney. Commissioner Jacobs seconded and the motion passed unanimously. See instrument # [2025-0107](#)

COURT ADJOURNMENT

Commissioner Mendiola moved to adjourn the meeting; Commissioner Jacobs seconded and the motion passed unanimously.