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City of Madras  
Airport-Industrial Site Committee  
General Aviation Building  
2028 NW Berg Dr

February 15, 2024  
4 P.M.

## MINUTES

### I. CALL TO ORDER

Chair Trevorr Beaver called meeting to order at 4 p.m. on February 15, 2024, at the General Aviation Building 2028 NW Berg Dr

### MEMBERS PRESENT

Trevorr Beaver, Julian Duran, Ed Fuller, Darrel Miller, Chris Tatro, Tom Brown, Lamar Yoder

### VISITORS PRESENT

### STAFF MEMBERS PRESENT

Lorraine Martinelli, Airport Operations  
Jeff Hurd, Public Works Director

### II. CONSENT AGENDA

A. Approval of agenda

B. Approval of minutes for the December 21, 2023, meeting. January meeting was cancelled due to inclement weather.

**A motion was made by Tom Brown; seconded by Darrell Miller to approve the Consent agenda and minutes, motion carried unanimously.**

### III. Read Section 4: Committee Duties of Resolution No 01-2020.

Read by Lorraine Martinelli.

### IV. Visitor Comments

None

### V. New Business

#### A. Runway 16/34 extension

Jeff Hurd: It has been suggested that increasing the runway from 5,000 to 6,000 feet would be beneficial. There is a potential to apply for a Connect Oregon grant, but this would require matched funds of an estimated 35%, of which we do not have right now. We are researching and pursuing other possibilities of funding. There are currently not enough large aircraft operations (500+ annual) to pursue AIP funding. Chris Tatro asked if the FAA will authorize the lengthening of runway and if a longer runway would affect safety. The Master Plan addresses the safety for lengthening of runway 16 /34.



**B. Apron project – Update**

Preconstruction meeting will be February 23<sup>rd</sup>. Tom Brown requested a map of the current project. Jeff will email the construction plans to the committee. Plan is to have main construction completed before June 1<sup>st</sup> with final striping being completed shortly after.

Additional conversation about possible asphalt covering the area south of B.C. Air and north of A2. This project has been communicated to Century West for engineering recommendations.

**C. Madras Airport Day**

This event will be held on June 1<sup>st</sup>. A memo has been sent out to a few aeronautical businesses in Central Oregon. The memo was handed out to committee members. This free community event will draw aviation businesses together to share with the community about education and career opportunities available in aviation. We are looking for volunteers and have completed research on insurance requirements. Young Eagles flights will be occurring during the same time as Madras Airport Day but considered a separate event.

**D. Nominate Chair and Vice Chair**

Trevorr Beaver nominated as Chair by Tom Brown, Lamar Yoder seconded, all in favor.

Chris Tatro nominated as Vice Chair by Trevorr Beaver, Lamar Yoder seconded, all in favor.

**E. Bill Randolph – Resignation**

Lorraine read the letter from Bill Randolph. The Committee agreed to remain at the now seven (7) members. Four (4) members will create a quorum.

**F. Lease policy**

Jeff provided copies of the updated Airport Ground Lease For Aeronautical Use Improvements and the Airport T-Hangar Lease Agreement. These agreements and rates were created to standardize leases from this point forward. The suggested length of term for City T-Hangar Lease is up to five (5) years at a time. Ground lease terms are suggested to be twenty (20) years with two additional ten (10) year terms. The proper Jefferson County building address numbers will be on lease policies. The building number signs will be placed on hangars shortly.

**G. Newsletter**

Monthly newsletters are prepared to keep airport tenants and pilots up to date on airport news and information. The January and February 2024 newsletters were handed out. Looking for contributors for future newsletters.

**VI. Project Updates**

**A. FBO RFP – update (Jeff Hurd)**

Received two proposals for the FBO: B.C. Air and Hood Aero. Preparing to review.

**B. Airport Manager – update (Jeff Hurd)**

Lorraine Martinelli has been hired as the Airport Administrator Coordinator.

**C. Hangar Roof**

Jeff believes all was completed on the hangar roof. Julian mentioned that the South Hangar needs some fascia repaired. Dustin of L3 will fix South Hangar flashing/fascia and North Hangar siding. Darrell completed a temporary fix of the North Hangar siding.



#### **D. Airport Operations: Lorraine**

- **FEMA:** The onsite meeting for airport and tenant visits will be on February 23<sup>rd</sup>. FEMA has been in touch with a couple of the tenants for their on-site visits. All are invited to attend the general meeting at 8AM. Handed out the invitation that was emailed to all tenants and committee members.
- **Taxiway Lights:** Removing taxiway lights on north and south runup areas. Pilots have requested that these be removed.
- **Town Hall:** This was postponed due to inclement weather and will be rescheduled.
- **OAMA Legislative Day:** Attending conference in Salem to represent our airport.
- **Safety Presentation:** Presented an airport safety program to our Public Works department. Public Works helps with maintaining the grass strip, with snow plowing, using the street sweeper, and other maintenance on the movement areas of the airport. Working on a Driver Safety course for Public Works and tenants. At this point we cannot regulate who drives onto the airport because it is not fully fenced but will work to increase safety.
- **Pilot Charging Station and Pilot Lounge:** The pilot charging station in the airport office should be completed soon. Asking pilots how we can increase our amenities. Pilot lounge now has a small microwave, fridge, and Keurig for pilots that come in on off hours.
- **Surveillance:** Working on pursuing other options. The latest bid that we received was out of our budget. The camera facing the runway will be included with the surveillance package.
- **Flight Radar 24:** Received the equipment and will install.
- **Fencing:** Part of the Apron Reconstruction will provide fencing of the area south of the South Hangar and fence around the fuel tank farm.
- **Website page:** Sending information to the City for the Airport page of the website, which will include a camera view of the runway. Ensuring that pilots that are looking for the Airport page will be able to locate it without going through the full City website.

#### **VII. Additional Discussion**

##### **A. Airport-Industrial Site Committee and City Council Communications**

Tom asked how the information discussed at the Airport-Industrial Site Committee Meetings is conveyed to the City Council and asked how communication can be improved. Lorraine has been updating the City Council with Airport business at the meetings. Lamar mentioned that the City Administrator, Will Ibershof is sending weekly updates to the City Council from updates received from City staff, including the Airport. Jeff suggested that we add the Minutes from these meetings to the City Council packet. Lorraine will send the Administrator weekly updates to the Airport-Industrial Site Committee and her weekly airport-only updates. Discussion was made on what part of the Industrial area should be included in the committee's business. All agreed that it would include the airport property.

##### **B. Miller Lease**

Marv Garber ended his lease at 2260 NW Berg Drive, Hangar 1. Darrell Miller was next on the hangar waitlist. Darrell Miller signed a lease for this hangar.

##### **C. Aeronautical and Non-Aeronautical Use**

Asked Century West to work on environmental release (section 163) ahead of time to allow non-aeronautical use for ground leases.



**D. Possible Ground Leases**

Erickson Aircraft may be interested in a 2-acre ground lease. Discussions are also continuing a possible development.

**E. Helibase and Perimeter Road**

Phase 1 and 2 completed on the Helibase project. We have been awarded grant funding for Phases 3 and 4. Jeff and Michele are working on an RFP for paving the helibase to have this completed by the end of June. Also working on plans for the interior perimeter road for fuel trucks to drive to the helibase. A long-term plan is to improve fencing along Dogwood.

**VII. ADJOURN**

Meeting Adjourned at 5:01 PM

Respectfully Submitted

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Lorraine Martinelli, Airport Manager

**AIRPORT GROUND LEASE FOR AERONAUTICAL USE IMPROVEMENTS**  
(Hangar)

This Airport Ground Lease for Aeronautical Use Improvements (Hangar) (this "Lease") is dated \_\_\_\_\_, 2024, but made effective for all purposes as of \_\_\_\_\_, \_\_\_\_\_ (the "Effective Date"), and is entered into between City of Madras ("Landlord"), an Oregon municipal corporation, whose address is 125 SW E Street, Madras, Oregon 97741, and \_\_\_\_\_ ("Tenant"), an Oregon corporation, whose address is \_\_\_\_\_

RECITALS:

A. Landlord is the owner, sponsor, and operator of the Madras Municipal Airport, a public municipal airport located in Madras, Oregon (the "Airport"). Landlord is the owner of certain real property located at the Airport consisting of approximately \_\_\_\_\_ square feet, commonly known as \_\_\_\_\_ (the "Property"), which Property is more particularly described and/or depicted on the attached Exhibit A. The Property has been improved with the construction of \_\_\_\_\_ (the "Hangar").

B. 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 \_\_\_\_\_ (the "Initial Term"), unless sooner terminated or extended as provided under this Lease. For purposes of this Lease, the term "Lease Term" means the Initial Term and each Extended Term (as defined below), if applicable; unless the text clearly provides otherwise, the term "Hangar" means the Hangar and Property.

1.2 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 approach areas, runways, ramps, taxiways, and aprons will be for the sole purpose of the landing, takeoff, flying, taxiing, and towing of aircraft in connection with Tenant's use of the Property for the Permitted Use. 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).

1.3 Extended Term.

1.3.1 Subject to the terms and conditions contained in this Lease, if Tenant is not then in default under this Lease, Tenant has the option (the "Extension Option") to extend the Initial Term for two consecutive additional terms of ten (10) years each (each an "Extended Term"). Tenant will exercise an Extension Option by providing Landlord written notice (the "Notice of Extension") no less than one hundred eighty (180) days prior to the last day of the Initial Term or Extended Term, as applicable. Subject to the terms and conditions

contained in this Lease, including, without limitation, providing a satisfactory condition assessment report in accordance with Section 1.3.2, giving of the Notice of Extension will be sufficient to make this Lease binding for the applicable Extended Term. Each Extended Term will commence on the day immediately following the expiration of the Initial Term or Extended Term, as applicable. The terms and conditions for each Extended Term will be identical with the Initial Term except for (a) Base Rent (as defined below) and L/A Fee (as defined below) (which are subject to annual escalation as provided below), (b) Additional Rent (as defined below), and (c) Tenant will no longer have any Extension Option that has been exercised.

1.3.2 Notwithstanding anything contained in this Lease to the contrary, Tenant will not have the option to extend the Initial Term or first Extended Term, as applicable, under Section 1.3.1 unless and until Tenant provides Landlord a satisfactory (as determined by Landlord) facility (Hangar) condition assessment report, prepared by an independent, qualified contractor or consultant attesting that the Hangar's then useful life is at least fifteen years. Tenant will provide Landlord the condition assessment report contemporaneously with Tenant's submission of the Notice of Extension.

1.4 Tenant's Financial Capability; Authority; Hangar Ownership. Tenant represents and warrants the following to Landlord: (a) Tenant has sufficient assets and net worth to ensure Tenant's payment and performance of all Tenant's obligations under this Lease, including, without limitation, Tenant's payment obligations; (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 Hangar and no other person has any ownership, rights, and/or interests in and to the Hangar (except Landlord as provided under this Lease); (e) the Hangar is free from all Encumbrances (as defined below) and Tenant will keep the Hangar and Property free from all Encumbrances; and (f) this Lease is the legal, valid, and binding obligation of Tenant, enforceable against Tenant in accordance with its terms. 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, Hangar, and Property. Tenant accepts the Airport, Hangar, 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). Landlord makes no representations or warranties of any kind, whether express or implied, with respect to all or any part of the Airport, Hangar, and/or Property. Landlord has made no promise or agreement to repair, alter, construct, and/or improve all or any part of the Airport, Hangar, and/or Property.

## 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 \$\_\_\_\_\_ (\$0.1751 per square foot) ("Base Rent"). Base Rent is payable in one annual installment on or before January 1 each year without invoice from Landlord. Tenant's first payment of Rent is due and payable on the Effective Date. Base Rent will be prorated with respect to any partial month or year in which the Lease Term commences and/or 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. Commencing on July 1, 20\_\_ and continuing annually thereafter during the Lease Term upon July 1 of each year, Base Rent will escalate (increase) by three percent (3.0%) over Base Rent for the immediately preceding twelve-month period. Commencing on July 1, 2027, and continuing on July 1 every five years immediately thereafter, Base Rent will be equal to the Property's fair market rental rate (and escalated (increased) thereafter in accordance with this Lease), which amount will be mutually and reasonably determined by Landlord and Tenant. If Tenant and Landlord are unable to agree on the fair market rental rate no less than ninety (90) days prior to the then-applicable anniversary of the Effective Date, Tenant and Landlord will employ a

commercial real estate appraiser familiar with aeronautical airport properties in Central Oregon to assist in the determination; in which case the commercial real estate appraiser will be employed no less than sixty (60) days prior to the then-applicable anniversary of the Effective Date. Tenant will choose the commercial real estate appraiser from a list of no fewer than three qualified commercial real estate appraisers provided by Landlord. If Tenant fails to choose a commercial real estate appraiser from the list within five days after Tenant's receipt of the list, Landlord may name any commercial real estate appraiser from Landlord's list. Within thirty (30) days after his or her appointment, the commercial real estate appraiser will return his or her decision as to the Property's fair market rental rate, together with a discussion of the facts, considerations, and opinions on which the determination is based. Subject to the terms and conditions contained in this Lease, the commercial real estate appraiser's determination as to the Property's fair market rental rate will be binding on Tenant and Landlord. The cost and expense of the commercial real estate appraiser will be borne by the parties equally.

### 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 Hangar (collectively, "Additional Rent"): (a) all taxes (real property and personal property, if any), general and special assessments, insurance costs, telephone charges, licenses, utility charges, fuel, and all costs, expenses, and/or charges identified under Sections 2.3.2 and 2.3.3, below; (b) all costs and expenses incurred in connection with Tenant's ownership (in the case of the Hangar), use, occupancy, maintenance, improvement, and/or repair of the Property and/or Hangar; (c) all applicable Airport charges, fees, and/or assessments that may be imposed or assessed from time to time; and (d) all other sums Tenant is required to pay Landlord or any third party under this Lease or otherwise. Additional Rent is due and payable to the applicable payee commencing on the Effective Date. All Rent that is payable to Landlord under this Lease will be net to Landlord. All costs, expenses, and obligations imposed on Tenant under this Lease and/or arising out of Tenant's ownership (in the case of the Hangar), use, occupancy, maintenance, and/or repair of the Property and/or Hangar will be paid by Tenant. If an item of Additional Rent is not payable to Landlord, Tenant will furnish Landlord with receipts or other proof of payment of Additional Rent within fifteen (15) days after Landlord's written request. For purposes of this Lease, the term "Rent" means both Base Rent and Additional Rent.

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 Hangar), use, lease, occupancy, operation, repair, maintenance, and/or improvement of the Property and/or Hangar, including, without limitation, charges and expenses for fuel, connection fees, water, gas, electricity, sewage disposal, power, refrigeration, air conditioning, telephone, internet, and janitorial services (including, without limitation, all connection fees, costs, and expenses related thereto). Commencing on the Effective Date, in addition to all other fees, charges, and/or expenses provided under this Lease, Tenant will pay Landlord a right-of-way, lighting, and access fee of \$ \_\_\_\_\_ per month/\$ \_\_\_\_\_ per year (\$0.0149 per square foot) (the "L/A Fee"). Commencing on the July 1, 20\_\_ and continuing on the same day each year thereafter during the Lease Term, the L/A Fee will increase (escalate) by three percent (3%) over the L/A Fee for the last month of the immediately preceding twelve-month period.

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 Hangar), and/or personal property and/or fixtures located on the Property. Tenant will make all such payments directly to the applicable governing authority. If any such tax assessment or charges may be paid in installments, Tenant may elect to do so provided each installment together with interest is paid before it becomes delinquent.

## 3. USE OF PROPERTY

3.1 Permitted Use. Subject to the terms and conditions contained in this Lease, Tenant will use the Property for the (a) ownership, maintenance, repair, use, and operation of the Hangar, and (b) storage of Tenant's

aircraft and related aviation purposes (collectively, the "Permitted Use"). The Hangar is described and/or depicted on the attached Exhibit B. Tenant will not use the Property for any purpose other than the Permitted Use.

3.2 **Conditions, Limitations, and Restrictions.** In addition to all 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, Hangar, 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, construction of the Hangar, and/or by reason of Tenant's use of the Property, Hangar, 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 Hangar 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, Hangar, Airport, and/or Permitted Use, including, without limitation, fire and/or building codes, Airport master plan, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder), Environmental Laws (as defined below), any rules or regulations promulgated by the Federal Aviation Administration ("FAA") and/or any other federal airport authority (including, without limitation, Landlord's Grant Assurances and requirements under 14 CFR Part 77), Landlord's municipal code, Landlord's policies governing agreements involving the use or disposition of Airport property for aeronautical and/or non-aeronautical use improvements, the Airshow Regulations (as defined below), and 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 (if any), equipment, tools, and/or supplies inside the Hangar walls in a safe, neat, clean, and orderly manner; Tenant will not permit any aircraft, vehicles, equipment, tools, and/or supplies to remain unattended on Airport property outside the Hangar. Tenant will not store any non-aeronautical related vehicles including but not limited to recreational vehicles, boats, motorcycles, as well as equipment, tools, and/or supplies on or about the Property. Tenant will refrain from any activity which would make it impossible to insure the Property against casualty, or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau (or its successor) allowing Landlord to obtain reduced premium rates for long-term fire insurance policies, unless Tenant pays the additional costs of the insurance. Tenant will refrain from any use and/or activities which would be reasonably offensive to Landlord, other users of the Airport, and/or neighboring property, and/or which would tend to create or cause fire risk, a nuisance, and/or damage the reputation of the Property and/or Airport, all as determined by Landlord. Tenant will conduct and operate the Permitted Use and all activities at the Airport in a safe, prudent, professional, and lawful manner.

3.2.3 Tenant will not cause and/or permit any Hazardous Substances (as defined below) to be spilled, leaked, disposed of, and/or otherwise released on, under, and/or about the Property and/or Hangar. 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 Hangar 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 located on the Property and/or Hangar, including, without limitation, all Hazardous Substances that may have been spilled, leaked, disposed of, and/or otherwise released on, under, and/or about the Property prior to the Effective Date (whether during the term of the Lease Agreement or otherwise). 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, Hangar, and/or Property, which now exist or may hereafter become effective, including, without limitation, all Airport security, screening, and/or fire safety rules, regulations, and procedures (collectively, the "Rules and Regulations"). Tenant will not perform any acts or carry on any practice prohibited by the Rules and Regulations. Tenant acknowledges and agrees that Landlord is permitted to adopt new Rules and Regulations, or amend the Rules and Regulations, from time to time as Landlord determines necessary or appropriate. Any adoption or amendment to the Rules and Regulations will be effective thirty (30) days after Landlord provides Tenant notice of such adoption or amendments.

3.3 Aviation Easement; Aeronautical Uses. Tenant's use of the Property and Hangar 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 Hangar 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, (a) Tenant will not engage in any act that will prevent the Airport and/or Airport property from being used for aeronautical and related uses, and (b) Tenant 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 are 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, hangars, aprons, 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, Hangar, and/or Airport. Tenant is responsible for securing and safeguarding the Property, Hangar, and all aircraft and other personal property located therein. 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 Hangar and/or Airport 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, Hangar, and/or Airport due to the aforementioned activities.

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

3.8 Aircraft Identification. All aircraft based at the Airport must be registered with the Oregon Department of Aviation in accordance with ORS 837.040 (to the extent registration is required under such statute and related regulations). Based aircraft is defined as those aircraft based at the Airport for more than thirty (30) consecutive days. All aircraft located on or in the Property, Hangar, and/or Airport, including, without limitation, those aircraft under repair and/or inoperable aircraft, will be stored in a neat and orderly manner.

3.9 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).

3.10 Airshow of the Cascades. Tenant's use of the Property and/or Airport may not interfere with the operation and/or activities of The Airshow of the Cascades (the "Airshow") during the Airshow Days (as defined below). To this end, (a) Tenant will modify or alter its use and operations on and from the Property and Airport during the Airshow Days (which modifications or alterations must be approved by Landlord) to accommodate Airshow activities and/or operations, and (b) Landlord will not be in default (and Tenant will not receive any Rent abatements and/or other concessions) under this Lease due to Tenant's modifications or alterations in its use and operation on and from the Property and/or Airport. Landlord will endeavor to (y) provide Tenant no less than ninety (90) days' advance written notice of the five consecutive days a calendar year that the Airshow will be held (the "Airshow Days") during the applicable year, and (z) consult with Tenant concerning any potential commercially reasonable measures that may be taken to minimize the disruption the Airshow may have on Tenant's operations. Tenant will maintain adequate levels of communication with the Airshow organizer and Landlord to ensure maximum cooperation and coordination between Tenant, the organizer, and Landlord concerning Tenant's activities and operations from the Property and/or Airport during the Airshow Days.

3.11 Airshow Regulations. Tenant will comply with all reasonable rules and regulations concerning the Airport and/or Property that Landlord may adopt from time to time concerning the Airshow (the "Airshow Regulations"). Tenant will not perform (or caused to be performed) any acts or carry on any practice prohibited by the Airshow Regulations. Landlord is permitted to amend the Airshow Regulations (or adopt new Airshow Regulations) from time to time as Landlord reasonably determines necessary or appropriate. Any permitted adoption or amendment to the Airshow Regulations will be effective thirty (30) days after Landlord provides Tenant notice of such adoption or amendments.

#### 4. ALTERATIONS

Excepting any ordinary and necessary Hangar maintenance and/or repairs performed (or caused to be performed) by Tenant to the Hangar's interior, Tenant will make no additions, improvements, modifications, and/or alterations in or to the Property and/or Hangar of any kind or nature whatsoever, including, without limitation, the installation of any improvements, fixtures, and/or devices on or to the Hangar (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 Hangar and surrounding Property. Subject to Section 8.4, Alterations performed in or to the Property and/or Hangar 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 and will comply with all Laws 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 Hangar), including, without limitation, snow removal. All repairs, maintenance, replacements, alterations, and/or improvements in or to the Property and/or Hangar 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 Hangar (interior and exterior) in good condition, repair, working order, and appearance, and will preserve the Property and Hangar, 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: (a) any sweeping, mopping, trash collection and removal, and washing required to keep the Property and Hangar clean and orderly, including, without limitation, snow removal concerning the Hangar and immediately surrounding areas; (b) repair and maintain any plumbing system, electrical system, HVAC system, lighting facilities, fired or unfired pressure vessels, fire hose connections, and fire sprinkler and/or sand pipe and hose; (c) any repairs or maintenance necessitated by the acts or omissions of Tenant and/or Tenant's Agents (as defined below); and (d) any repairs, maintenance, and/or improvements required under Tenant's obligation to comply with the Laws. If Tenant fails or refuses to comply with this Section 5.2, Landlord may make the repair or improvement or perform the maintenance and charge the actual costs and expenses of repair, improvement, or maintenance to Tenant. Tenant will reimburse such expenditures 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 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 thirty (30) days after knowledge of the filing, secure the discharge of the lien 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. For purposes of this Lease, the term "Encumbrance(s)" means any liens, mortgages, pledges, security interests, reservations, restrictions, adverse claims, and/or other encumbrances.

6. ASSIGNMENT; INSURANCE; INDEMNIFICATION

6.1 No Transfer. 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 Hangar (including, without limitation, any Alterations) (collectively, "Transfer") without Landlord's prior written consent. 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 fifty-one percent (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.

6.2 Transfer Notice. Tenant will provide Landlord no less than ninety (90) 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 Hangar is consistent with the terms of this Lease and that Landlord's interests in the Hangar, Property, and Airport will not be adversely affected in any material respect; (b) Tenant reimbursing Landlord for the costs and expenses incurred by Landlord in connection with its review of all Transfer documentation and/or instruments (and otherwise related to Landlord's determination as to whether to consent to the proposed Transfer); (c) the transferee agreeing in writing to comply with and be bound by all the terms, covenants, conditions, provisions, and agreements of this Lease; and (d) any other conditions that Landlord may reasonable impose under the particular circumstances surrounding the proposed Transfer. Tenant acknowledges and agrees that Landlord's conditioning of its consent to any proposed Transfer on Tenant's satisfaction of the conditions contained in this Section 6.2 is reasonable under this Lease.

6.3 Transfer Conditions. 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, the Property, and/or Hangar, 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.

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

6.5 General Liability Insurance. Tenant will procure, and thereafter will continue to carry, (a) general liability insurance (occurrence version) with a AM Best A+ rated 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 Hangar, 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 and pollution exposure insurance. Tenant's general liability insurance required to be carried under this Section 6.5 will have a general aggregate limit of no less than \$4,000,000.00, a per occurrence limit of no less than \$2,000,000.00; the aircraft liability and pollution exposure 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 City of Madras and City of Madras officers, employees, agents, and volunteers as additional insureds. The insurance Tenant is required to obtain under this Lease may not be cancelled without ten (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 ninety (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.

6.6 Tenant Release and Indemnification. Tenant releases and will defend, indemnify, and hold Landlord and Landlord's present and future officers, employees, contractors, representatives, volunteers, 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 Hangar 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, Hangar, and/or Property; (c) Tenant's use of the Property, Hangar, and/or Airport; (d) Tenant's construction, maintenance, repair, ownership, use, and/or occupancy of the Hangar and/or any condition of the Property and/or Hangar; (e) the use, storage, treatment, transportation, presence, release, and/or disposal of Hazardous Substances in, on, under, and/or about the Property and/or Hangar; 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 6.6 will survive the expiration or earlier termination of this Lease.

6.7 Reconstruction After Damage. If the Hangar is 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 Hangar. The completed repair, restoration, and/or replacement hangar will be equal in value, quality, and use and will be restored to the condition of the Hangar immediately before the damage or destruction. Tenant will pay all costs and expenses of repairing and restoring the Hangar, which repairs and restoration will be completed no later than one hundred eighty (180) 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 Hangar, nor will any other obligations of Tenant under this Lease be altered or terminated except as specifically provided in this Lease.

6.8 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.

6.9 Estoppel Certificates. Each party will, within thirty (30) days after notice from the other party, execute and deliver to the other party a certificate stating whether or not this Lease has been modified and is in full force and effect, and specifying any modifications, outstanding obligations, and alleged breaches by the other party. The certificate will state the amount of Rent, the dates to which Rent has been paid in advance, and the amount of any prepaid Rent or other charges. Failure to deliver the certificate within the specified time will be conclusive upon the party from whom the certificate was requested that this Lease is in full force and effect and has not been modified except as represented in the notice requesting the certificate.

## 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 thirty (30) 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 ninety (90) 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 ninety (90) 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 ninety (90) days; and/or (e) Tenant's failure for ninety (90) days or more to occupy the Property and Hangar for the Permitted Use.

7.2 Landlord's Remedies.

7.2.1 Upon an Event of Default, Landlord may terminate this Lease by notice to Tenant. If this Lease is not terminated by Landlord under this Section 7.2.1, 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 Hangar, and remove any persons or property (including the Hangar) 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 or Hangar (or both), and in that connection may make any suitable alterations or refurbish the Property or Hangar (or both), or change the character or use of the Property and/or Hangar, but Landlord will not be required to relet the Property and/or Hangar 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 Hangar, 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 Rent set forth in this Lease from the date of the Event 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 Hangar upon termination and leave the Hangar 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 Hangar for the period commencing on the earlier of the date of trial or the date the Hangar 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 6.6, 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, and/or (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 6.6, 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 Hangar 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 Hangar maintenance and repairs for which Tenant is responsible under this Lease; and (b) surrender the Property and Hangar (subject to Section 8.4) to Landlord in good condition, repair, working order, and appearance (reasonable wear and tear excepted), free of waste and debris. If Tenant fails to timely surrender the Property and Hangar in accordance with this Section 8.1, the following will apply: (x) by written notice given to Tenant within ten (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 Hangar to be surrendered in accordance with this Section 8.1 with interest at twelve percent (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 Hangar all aircraft, vehicles, furnishings, furniture, equipment, tools, trade fixtures, and personal property which remain Tenant's property under this Lease, including all resulting waste and/or debris. If Tenant fails to timely remove the aircraft, vehicles, furnishings, furniture, equipment, tools, trade fixtures, personal property, and all resulting waste and/or debris, the following will apply: (a) at Landlord's election, Tenant will be deemed to have abandoned the property, and Landlord may retain the property and all rights of Tenant with respect to the property will cease; (b) by written notice given to Tenant within ten (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 twelve percent (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 Hanger 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), except that Base Rent will be equal to one hundred fifty percent (150%) of the then-applicable Base Rent. Failure of Tenant to timely surrender the Property and Hangar 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 thirty (30) days prior to the termination date which will be specified in the notice.

8.4 Hangar 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 Hangar 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) accept ownership of the Hangar and/or Alterations (without payment of any consideration) then located on the Property free from all claims, rights, encumbrances, and/or interests of Tenant and/or any third party (if Landlord accepts ownership of the Hangar and/or Alterations under this Section 8.4, no additional conveyance document will be needed to effectuate the transfer of ownership unless requested by Landlord, in which case Tenant will execute any Landlord requested documents). If Tenant fails to timely remove the Hangar 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, (a) cause the Hangar and/or Alterations to be removed at Tenant's cost and expense, and/or (b) 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 Hangar and Alterations and Property's restoration with interest at twelve percent (12%) per annum on all such expenses from the date of expenditure by Landlord until paid in full.

## 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 ten (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 below, 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 Transfers, 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.

Landlord:

City of Madras  
Attn: Public Works Director



125 SW "E" Street  
Madras, Oregon 97741

Tenant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9.3 Entry for Inspection; Late Fees; Interest. Landlord may enter the Property and Hangar for the purpose of investigating compliance with the terms of this Lease, general safety inspections, and/or for any other reasonable purposes (as determined by Landlord), including, without limitation, to show the Property/Hangar to a prospective tenant. Except in the case of an emergency, Landlord will provide Tenant no less than twenty-four (24) hours' prior written before entering the Property. In addition, Landlord will have the right, at any time during the last ninety (90) days of the Lease Term, to place and maintain upon the Property/Hangar notices for leasing the Property/Hangar. If Rent (or other payment due from Tenant) is not received by Landlord within ten (10) days after it is due, Tenant will pay a late fee equal to ten percent (10%) of the payment or One Hundred Dollars (\$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 twelve percent (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 Jefferson County, Oregon. All parties submit to the jurisdiction of courts located in Jefferson County, Oregon for any such disputes. If Tenant is a corporation, limited liability company, limited partnership, or any other legal entity, Landlord may require (and Tenant will cause) one or more Landlord identified members, shareholders, partners, and/or other Tenant owners or officers to personally guaranty Tenant's timely and faithful performance of Tenant's obligations under this Lease. Berg and Fuller are jointly and severally liable for all Tenant obligations under this Lease.

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 thirty (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 thirty (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. Each person constituting Tenant is jointly and severally liable for all Tenant's representations, warranties, covenants, and obligations contained in this Lease.

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

LANDLORD:  
City of Madras,  
an Oregon municipal corporation

TENANT:  
\_\_\_\_\_  
an Oregon corporation

\_\_\_\_\_  
By: Mike Lepin, Mayor

\_\_\_\_\_  
By:

Exhibit A

Property – Description and Depiction

[attached]

Exhibit B

Hangar – Description and Depiction

[attached]

City's T Hangars Rent Spreadsheet

Year	Square Footage	Base Rent per Month	L/A Fee per SF	Total L/A per month	Monthly Payment	Per Year
Jan 1 2023 -June 30 2024	915	\$ 225.00	\$ 0.0149	\$ 13.60	\$ 238.60	\$ 1,431.60
July 1 2024- June 30 2025	915	\$ 250.00	\$ 0.0153	\$ 14.00	\$ 264.00	\$ 1,584.00
July 1 2025- June 30 2026	915	\$ 258.00	\$ 0.0158	\$ 14.40	\$ 272.40	\$ 3,268.80
July 1 2026- June 30 2027	915	\$ 266.00	\$ 0.0163	\$ 14.80	\$ 280.80	\$ 3,369.60
July 1 2027- June 30 2028	915	\$ 274.00	\$ 0.0168	\$ 15.30	\$ 289.30	\$ 3,471.60 Appraisal Year
July 1 2028- June 30 2029	915	\$ 282.00	\$ 0.0173	\$ 15.80	\$ 297.80	\$ 3,573.66
July 1 2029- June 30 2030	915	\$ 290.00	\$ 0.0178	\$ 16.30	\$ 306.30	\$ 3,675.60
July 1 2030- June 30 2031	915	\$ 299.00	\$ 0.0183	\$ 16.80	\$ 315.80	\$ 3,789.60
July 1 2031- June 30 2032	915	\$ 308.00	\$ 0.0189	\$ 17.30	\$ 325.30	\$ 3,903.60
July 1 2032- June 30 2033	915	\$ 317.00	\$ 0.0194	\$ 17.80	\$ 334.80	\$ 4,017.60 Appraisal Year
July 1 2033- June 30 2034	915	\$ 327.00	\$ 0.0200	\$ 18.30	\$ 345.30	\$ 4,143.60
July 1 2034- June 30 2035	915	\$ 337.00	\$ 0.0206	\$ 18.90	\$ 355.90	\$ 4,270.80
July 1 2035- June 30 2036	915	\$ 347.00	\$ 0.0212	\$ 19.40	\$ 366.40	\$ 4,396.80
July 1 2036- June 30 2037	915	\$ 357.00	\$ 0.0219	\$ 20.00	\$ 377.00	\$ 4,524.00
July 1 2037- June 30 2038	915	\$ 368.00	\$ 0.0225	\$ 20.60	\$ 388.60	\$ 4,663.20 Appraisal Year
July 1 2038- June 30 2039	915	\$ 379.00	\$ 0.0232	\$ 21.20	\$ 400.20	\$ 4,802.40
July 1 2039- June 30 2040	915	\$ 390.00	\$ 0.0239	\$ 21.90	\$ 411.90	\$ 4,942.80
July 1 2040- June 30 2041	915	\$ 402.00	\$ 0.0246	\$ 22.50	\$ 424.50	\$ 5,094.00
July 1 2041- June 30 2042	915	\$ 414.00	\$ 0.0254	\$ 23.20	\$ 437.20	\$ 5,246.40
July 1 2042- June 30 2043	915	\$ 426.00	\$ 0.0261	\$ 23.91	\$ 449.91	\$ 5,398.92 Appraisal Year
July 1 2043- June 30 2044	915	\$ 439.00	\$ 0.0269	\$ 24.60	\$ 463.60	\$ 5,563.20
July 1 2044- June 30 2045	915	\$ 452.00	\$ 0.0277	\$ 25.30	\$ 477.30	\$ 5,727.60

Hopefully I'm retired. :)

## AIRPORT T-HANGAR LEASE AGREEMENT

This Airport T-Hangar Lease Agreement (this "Lease") is dated \_\_\_\_\_, but made effective for all purposes as of \_\_\_\_\_ (the "Effective Date"), between City of Madras ("Landlord"), an Oregon municipal corporation, whose address is 125 SW E Street, Madras, Oregon 97741, and \_\_\_\_\_ ("Tenant"), whose address is \_\_\_\_\_.

### RECITALS:

A. Landlord is the owner, sponsor, and operator of the Madras Municipal Airport, a public municipal airport located in Madras, Oregon (the "Airport"). Landlord is the owner of that certain T-Hangar Building commonly known as City T-Hangars located at \_\_\_\_\_, Madras, Oregon 97741 (the "Building").

B. Tenant desires to lease T-hangar # \_\_\_\_\_ located in the Building commonly known as City T-Hangars consisting of approximately 915 square feet (the "Premises") to store the Aircraft (as defined below), which Premises is depicted and described on the attached Exhibit A. Subject to the terms and conditions contained in this Lease, Tenant will lease the Premises from Landlord, and Landlord will lease the Premises to Tenant.

### 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 hereby agree as follows:

#### 1. LEASE; TERM; OCCUPANCY

1.1 Lease of Premises. Subject to the terms and conditions contained in this Lease, Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord. The term of this Lease, Tenant's right to possession of the Premises, 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 \_\_\_\_\_ (the "Lease Term"), unless sooner terminated as provided in this Lease.

1.2 Airport Facilities. Subject to the terms and conditions contained in this Lease and the Rules and Regulations (as defined below), during the Lease Term Landlord grants Tenant a limited, revocable, non-exclusive license to use the Building's common T-hangar related facilities, including that portion of the Airport's approach areas, runways, ramps, taxiways, and aprons reasonably necessary to facilitate expeditious movements of the Aircraft to and from the runway and takeoff areas. Tenant's use of the City's common T-hanger related facilities and Airport approach areas, runways, ramps, taxiways, and aprons are for the sole purpose of the landing, takeoff, flying, taxiing, and towing of the Aircraft in connection with Tenant's use of the Premises.

1.3 Tenant's Financial Capability; Authority. 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 of Tenant's obligations under this Lease; and (c) this Lease is the legal, valid, and binding obligation of Tenant, enforceable against Tenant in accordance with its terms.

1.4 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, Building, and Premises. Tenant accepts the Airport, Building, and Premises 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). Landlord makes

no representations or warranties of any kind, whether express or implied, with respect to all or any part of the Airport, Building, and/or Premises. Landlord has made no promise or agreement to repair, alter, construct, and/or improve all or any part of the Airport, Building, and/or Premises.

## 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 monthly base rent, without offset, in the amount of \$225.00 (Base Rent"). Tenant's first payment of Rent is due and payable within 30 days of the Effective Date. Tenant will pay all other payments of Rent monthly in advance on the first day of each month. Base Rent will be prorated on a daily basis with respect to any partial month 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. Commencing on July 1, 2024, Base Rent will increase to \$250.00 per month. Commencing on July 1, 2025, and continuing on the same day each year thereafter during the Lease Term, (a) Base Rent will increase (escalate) in July of each year by three percent (3%) over Base Rent for the preceding June, and (b) commencing on July 1, 2024 and continuing on the same day each year thereafter during the Lease Term, the L/A Fee (as defined below) will increase (escalate) in July of each year by three percent (3%) over L/A Fee for the preceding June.

### 2.2 Additional Rent.

2.2.1 Tenant will timely pay in full the following charges, costs, and expenses related to or concerning (whether directly or indirectly) the Premises (collectively, "Additional Rent"): (a) all taxes (real property and personal property, if any), general and special assessments, fuel, insurance costs, telephone charges, licenses, L/A Fee, utility charges, and all costs, expenses, and/or charges identified under Sections 2.2.2 and 2.2.3, below; (b) all costs and expenses incurred in connection with Tenant's use, occupancy, maintenance, improvement, and/or repair of the Premises; (c) all applicable Airport charges, fees, and/or assessments that may be imposed or assessed from time to time; and (d) all other sums Tenant is required to pay or reimburse Landlord or any third party under this Lease or otherwise. Additional Rent is due and payable to the applicable payee commencing on the Effective Date. All Rent payable under this Lease will be net to Landlord and all costs, expenses, and obligations imposed on Tenant under this Lease and/or arising out of Tenant's use, occupancy, maintenance, and/or repair of the Premises will be paid by Tenant. Tenant will furnish Landlord with receipts or other proof of payment of Additional Rent within ten (10) days after Landlord's written request. For purposes of this Lease, the term "Rent" means both Base Rent and Additional Rent.

2.2.2 Without otherwise limiting Section 2.2.1, Tenant will pay when due all costs, expenses, and charges for services and utilities incurred in connection with the use, lease, occupancy, operation, repair, maintenance, and/or improvement of the Premises, including, without limitation, charges and expenses for fuel, water, gas, electricity, sewage disposal, power, refrigeration, air conditioning, telephone, internet, and janitorial services. Commencing on the Effective Date, in addition to any other fees, charges, and/or expenses provided under this Lease, Tenant will pay Landlord a right-of-way, lighting, and access fee of \$13.60 per month (the "L/A Fee"). The L/A Fee will be increased (escalated) annually in accordance with Section 2.1, above.

2.2.3 Tenant will pay before delinquency all real and personal property taxes, general and special assessments, and all other charges of every description levied on and/or assessed against the Premises, any improvements located on or about the Premises, and/or personal property and/or fixtures located on or about the Premises. Tenant will make all such payments directly to the applicable governing authority. If any such tax assessment or charges may be paid in installments, Tenant may elect to do so provided each installment together with interest is paid before it becomes delinquent.

2.3 Security Deposit. Landlord will require Tenant to deposit with Landlord the sum of \$200.00 as security for Tenant's timely payment of Rent and for the full, timely, and faithful performance of all Tenant's other obligations under this Lease (the "Security Deposit"). Landlord may commingle the Security Deposit with its funds and Tenant will not be entitled to interest on the Security Deposit. Landlord will have the right to offset against

the Security Deposit any sums owing from Tenant to Landlord not paid when due, any damages caused by Tenant's default, the cost of curing any default by Tenant if Landlord elects to do so, and the cost of performing any repair or cleanup that is Tenant's obligation under this Lease. Offset against the Security Deposit will not be Landlord's exclusive remedy but may be invoked by Landlord, at Landlord's option, in addition to any other remedy provided by law or this Lease for Tenant's breach or nonperformance of any term or condition contained in this Lease. Landlord will give written notice to Tenant each time an offset is claimed against the Security Deposit and, unless this Lease is terminated, Tenant will, within ten (10) days following Tenant's receipt of such notice, deposit with Landlord a sum equal to the amount of the offset so that the balance of the Security Deposit, net of offset, will remain constant throughout the term of this Lease. Provided Tenant is not in default under this Lease and has performed its obligations under this Lease, Landlord will return the Security Deposit (or any balance thereof), without interest, to Tenant within sixty (60) days after the date Tenant surrenders the Premises to Landlord in compliance with this Lease.

3. USE OF PREMISES

3.1 Permitted Use; Aircraft. Subject to the terms and conditions contained in this Lease, Tenant will use the Premises for the storage of the Aircraft (the "Permitted Use") and for no other purpose. No aircraft other than the Aircraft may be stored or located in the Premises. The Aircraft must be stored in a neat and orderly manner. Tenant must maintain the Aircraft in air worthy operable condition, except when the Aircraft is under repair. The Aircraft's period of repair may not exceed one hundred twenty (120) days at any one time during the Lease Term. Notwithstanding anything contained in this Lease to the contrary, Tenant will not cause or permit the storage of vehicles and/or any other personal property whatsoever in the Premises other than those tools and equipment necessary for Tenant's operation of the Aircraft; provided, however, Tenant may temporarily park his or her privately owned automobile (and/or his or her passenger's automobile) inside the Premises during a flight that originated from the Airport. Tenant may not perform any repairs and/or maintenance activities in the Premises other than those necessary for Tenant's operation of the Aircraft. For purposes of this Lease, the term "Aircraft" means the following airplane or other aeronautical equipment:

Aircraft Make and Model: \_\_\_\_\_  
Aircraft Year: \_\_\_\_\_  
Aircraft Registration No.: \_\_\_\_\_  
Owner (Name and Pilot License No.): \_\_\_\_\_  
Owner's Address: \_\_\_\_\_  
Owner's Telephone Number: \_\_\_\_\_  
Owner's Email Address: \_\_\_\_\_

In accordance with ORS 837.040, Tenant will file and maintain the Aircraft's registration with the Oregon Department of Aviation.

3.2 Conditions, Limitations, and Restrictions. In addition to all 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 Premises and/or Airport:

3.2.1 Tenant will conform and comply with the Laws (as defined below). 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 Premises 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 Premises 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, occupy, and use the Premises 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 Building, Airport, and/or Permitted Use, including, without limitation, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder), Environmental Laws (as defined below), all rules and/or regulations promulgated by the Oregon Department of Environmental Quality, United States Environmental Protection Agency, United States Department of Transportation (“DOT”), 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), Landlord’s municipal code, Landlord’s policies governing agreements involving the use or disposition of Airport property for aeronautical activities, Airshow Regulations (as defined below), and 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 (if any), equipment, tools, and/or supplies on the Premises in a safe, neat, clean, and orderly manner. Tenant will store all aircraft, vehicles (if any), equipment, tools, and/or supplies wholly within the Premises. Tenant will not store any non-aeronautical related vehicles, equipment, tools, and/or supplies on or about the Premises including but not limited to recreational vehicles, boats, motorcycles, atvs, etc. Tenant will refrain from any activity which would make it impossible to insure the Premises 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 Premises 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. Tenant will not change, alter, and/or modify Landlord’s locks for the Premises without first obtaining Landlord’s prior written consent (if Landlord’s consent is provided, Tenant will pay for all costs and expenses related to or concerning the lock change, alteration, and/or modification).

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 Premises. Without otherwise limiting the generality of the immediately preceding sentence, Tenant may use, store, and/or otherwise handle on or in the Premises 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 Premises 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 remove all Hazardous Substances from the Premises that have been stored, loaded, disposed, spilled, leaked, and/or otherwise released on, under, and/or about the Premises on and after the Effective Date. 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 and/or Premises, which now exist or may hereafter become effective, including, without limitation, all Airport security, screening, and/or fire safety rules, regulations, and procedures (collectively, the “Rules and Regulations”). Tenant will not perform any acts or carry on any practice prohibited by the Rules and Regulations. Tenant acknowledges and agrees that Landlord is permitted to adopt new Rules and Regulations, or amend the Rules and Regulations, from time to time as Landlord determines necessary or appropriate. Any adoption or amendment to the Rules and Regulations will be effective thirty (30) days after Landlord provides Tenant notice of such adoption or amendments.

3.2.5 Tenant will not engage or permit any commercial activity to be conducted on, at, and/or from the Premises, including, without limitation, aircraft or equipment maintenance for profit, aerial spraying, charter flights, air taxi, sightseeing, aerial photography, and/or aircraft storage for profit.

3.3 Aviation Easement; Aeronautical Uses. Tenant's use of the Premises 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 Premises together with the right to cause noise, vibration, dust, fumes, smoke, vapor, and other effects inherent in the navigation or flight operation 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, hangars, aprons, 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 Premises and/or Airport. Tenant is responsible for securing and safeguarding the Premises and all personal property located therein, including, without limitation, the Aircraft. Landlord will not be liable for any loss and/or damage to Tenant's property (including, without limitation, the Aircraft) due to theft, vandalism, and/or any other causes, including forces of nature.

3.5 Construction Activities. Tenant's use of the Premises and/or Airport 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 Premises and/or Airport due to the aforementioned activities.

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

3.9 Airshow of the Cascades. Tenant's use of the Premises and/or Airport may not interfere with the operation and/or activities of The Airshow of the Cascades (the "Airshow") during the Airshow Days (as defined below). To this end, and without otherwise limiting any other provision contained in this Lease, (a) Tenant will modify or alter its use and operations on and from the Premises and Airport during the Airshow Days (which modifications or alterations must be approved by Landlord) to accommodate Airshow activities and/or operations, (b) the Premises will be placed in (or restored to) a clean, orderly condition, and (c) the Airplane and all equipment and other personal property are securely stored inside the Premises. The Airshow of the Cascades is generally held in August of each year. Tenant is responsible for knowing the dates of the airshow through monitoring local advertising, Airshow website, etc., and will coordinate with Airshow of the Cascades concerning any reasonable measures that may be taken to minimize the disruption the Airshow may have on Tenant's operations. Tenant will maintain adequate levels of communication with the Airshow organizer and Landlord to ensure maximum cooperation and coordination between Tenant, the organizer, and Landlord concerning Tenant's activities and operations from the Premises and/or Airport during the Airshow Days. Notwithstanding anything contained in this Lease providing otherwise, Landlord will not be in default (and Tenant will not receive any Rent abatements and/or other concessions) due to Tenant's Airshow related modifications or alterations in its use and operation on and from the Premises and/or Airport. For purposes of this Lease, the term "Airshow Day(s)" means the three days immediately preceding the dates of the Airshow, the three consecutive days during which the Airshow occurs, and the three days immediately following the days during which the Airshow occurred.

3.10 Airshow Regulations. Tenant will comply with all reasonable rules and regulations concerning the Airport and/or Premises that Landlord may adopt from time to time concerning the Airshow (the "Airshow Regulations"). Tenant will not perform (or caused to be performed) any acts or carry on any practice prohibited by the Airshow Regulations. Landlord is permitted to amend the Airshow Regulations (or adopt new Airshow Regulations) from time to time as Landlord reasonably determines necessary or appropriate. Any permitted adoption or amendment to the Airshow Regulations will be effective thirty (30) days after Landlord provides Tenant notice of such adoption or amendments.

#### 4. MAINTENANCE; ALTERATIONS.

4.1 Landlord Maintenance and Repairs. Subject to the terms and conditions contained in this Lease, Landlord will perform, at Landlord's cost and expense, structural and exterior repairs and maintenance concerning the Building (including, without limitation, the Premises), including painting the exterior of the Premises when Landlord determines necessary or appropriate, provided such structural and exterior repairs and maintenance are not caused or necessitated, directly or indirectly, by Tenant's acts or omissions. Landlord will perform any required snow removal within 20 feet of the building. Tenant will be responsible for clearing of snow and ice from the building to the area cleared by Landlord. Tenant will have no right to an abatement of Rent or any claim against Landlord for any inconvenience or disturbance resulting from Landlord's repair and/or maintenance activities. Landlord may enter and inspect the Premises to determine the necessity of any repairs and/or maintenance and/or to otherwise determine the condition of the Premises and/or Building. Except in the case of an emergency, Landlord will endeavor to provide Tenant no less than twenty-four (24) hours' prior written notice before entering the Premises. Whether or not such inspection is made, Landlord's obligation to perform any maintenance and/or repairs will not mature until a reasonable time (i.e., no less than twenty (20) days) after Landlord has received written notice from Tenant of the required maintenance and/or repairs.

4.2 Tenant Maintenance and Repairs. Tenant will maintain, at Tenant's cost and expense, the Premises in good condition, repair, working order, and appearance, and will preserve the Premises, 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: (a) any sweeping, mopping, trash collection and removal, and washing required to keep the Premises clean and orderly; (b) any repairs or maintenance necessitated by the negligence of Tenant and/or Tenant's Agents, including repairs and maintenance that would otherwise be Landlord's responsibility under Section 4.1; (c) any repairs, maintenance, and/or improvements required under Tenant's obligation to comply with the Laws; and/or (d) all maintenance and repairs which Landlord is not expressly required to perform under this Lease. If Tenant fails or refuses to complete or perform any repairs and/or maintenance that is required under this Section 4.2, Landlord may make the repair or perform the maintenance and charge the actual costs of repair or maintenance to Tenant. Tenant will reimburse such expenditures on demand, together with interest at the rate of twelve percent (12%) per annum from the date of expenditure until paid in full.

4.3 Alterations. Tenant will make no interior and/or exterior additions, improvements, modifications, and/or alterations in or to the Premises of any kind or nature whatsoever, including, without limitation, the installation of any improvements, fixtures, devices, telecommunications wiring, cables, and/or conduit (individually and collectively, "Alteration(s)"), without obtaining 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 Building. Alterations performed in or to the Premises by either Landlord or Tenant will be the property of Landlord; provided, however, Landlord may require, in Landlord's discretion, that Tenant remove any Alterations, at Tenant's cost and expense, and the Premises restored to its original condition as of the Effective Date upon the earlier termination or expiration of this Lease.

4.4 Signage; Encumbrances. Tenant will not be permitted to erect or maintain any signage on or about the Premises 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. Tenant will pay as and when due all claims for work done on and for services rendered or material furnished to the Premises and will keep the Building free from all liens and encumbrances. If Tenant fails to pay any such claims or to discharge any lien, 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 demand. Landlord's payment of Tenant's claims or discharge of any Tenant lien will not constitute a waiver of any other right or remedy which Landlord may have on account of Tenant's default. If a lien is filed as a result of nonpayment, Tenant will, within ten (10) days after knowledge of the filing, secure the discharge of the lien or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to Landlord in an amount sufficient to discharge the lien plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the lien. Tenant will indemnify, defend, and hold Landlord harmless for, from, and against any claim, loss, and/or liability arising out of Tenant's failure to comply with this Section 4.4.

## 5. ASSIGNMENT; INSURANCE; INDEMNIFICATION

5.1 No Transfer. Tenant will not sell, exchange, gift, assign, lease, sublease, mortgage, sublet, lien, convey, encumber, and/or otherwise transfer (whether directly, indirectly, voluntarily, involuntarily, or by operation of law) all or any part of Tenant's interest in this Lease and/or in or to the Premises (collectively, "Transfer"). For purposes of this Lease, a "Transfer" includes the sale, assignment, encumbrance, and/or transfer – or series of related sales, assignments, encumbrances, or transfers – of fifty percent (50%) or more of the shares or other ownership interest of Tenant, regardless of whether the sale, assignment, encumbrance, or transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence.

5.2 Landlord and Tenant Insurance. Landlord will keep the Premises insured against fire and other risks covered under a standard fire insurance policy with an endorsement for extended coverage. Tenant will maintain, at Tenant's cost and expense, a policy of fire, extended coverage, vandalism, and malicious mischief insurance insuring the personal property, furniture, furnishings, and fixtures belonging to Tenant located in or on

the Premises, including, without limitation, the Aircraft. Landlord will not be responsible for any loss or damage to Tenant's personal property, whether or not insured.

5.3 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 Premises, 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 and pollution exposure insurance. Tenant's general liability insurance required to be carried under this Section 5.3 will have a general aggregate limit of not less than Two Million Dollars (\$2,000,000.00), a per occurrence limit of not less than One Million Dollars (\$1,000,000.00); the aircraft liability and pollution exposure insurance will have a general aggregate and per occurrence limit of not 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 ten (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 ninety (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.

5.4 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 Premises; (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; (c) Tenant's use of the Premises and/or Airport; (d) Tenant's storage of the Aircraft; (e) any condition of the Premises caused and/or contributed by Tenant and/or Tenant's Agents; (f) the use, storage, treatment, transportation, presence, release, and/or disposal of Hazardous Substances in, on, under, and/or about the Premises; and/or (g) 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 5.4 will survive the expiration or earlier termination of this Lease.

5.5 Reconstruction After Damage. If Tenant and/or Tenant's Agents damage or destroy the Premises (and/or other portions of the Building) during the Lease Term, whether or not covered by insurance, Tenant will promptly repair the damage and restore the Premises (and all other portions of the Building). The completed repair, restoration, and/or replacement premises (and other improvements) will be equal in value, quality, and use and will be restored to the condition of the Premises immediately before the damage or destruction. Tenant will pay all costs and expenses of repairing and restoring the Premises (and other improvements), which repairs and restoration will be completed no later than one hundred twenty (120) 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 Premises (or other improvements), nor will any other obligations of Tenant under this Lease be altered or terminated except as specifically provided in this Lease.

5.6 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 exercise its reasonable, good faith effort to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

5.7 Estoppel Certificate. Tenant will, within thirty (30) days after notice from Landlord, execute and deliver to Landlord a certificate stating whether or not this Lease has been modified and is in full force and effect, and specifying any modifications, outstanding obligations, and alleged breaches by Landlord. The certificate will state the amount of Rent, the dates to which Rent has been paid in advance, and the amount of any prepaid Rent or other charges. Failure to deliver the certificate within the specified time will be conclusive upon Tenant that this Lease is in full force and effect and has not been modified except as represented by Landlord.

## 6. TERMINATION; DEFAULT; REMEDIES

6.1 Termination. 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 Tenant providing ninety (90) days written notice to Landlord, (c) 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 5.4, will survive the termination.

6.2 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 payable by Tenant 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 6.2(a)) within ten (10) days after written notice from Landlord specifying the nature of the failure with reasonable particularity; (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 thirty (30) days; (d) Tenant 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 thirty (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 thirty (30) days; and/or € Tenant's failure for thirty (30) days or more to occupy the Premises for the Permitted Use.

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

6.3.1 Landlord may terminate this Lease by providing thirty (30) day written 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 Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.

6.3.2 Following reentry or abandonment, Landlord may relet the Premises, and in that connection may make any suitable alterations or refurbish the Premises (or both), or change the character or use of the Premises, but Landlord will not be required to relet the Premises for any use or purpose other than

compatible uses or which Landlord may reasonably consider injurious to the Premises, or to any tenant which Landlord may reasonably consider objectionable. Landlord may relet all or part of the Premises, 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.

6.3.3 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 clean-up, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's failure to quit the Premises upon termination and leave the Premises 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 Premises for the period commencing on the earlier of the date of trial or the date the Premises are relet and continuing through the end of the Lease Term.

6.4 Cumulative Remedies; Right to Cure. 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.

6.5 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, and/or (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 5.4, 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 6.5.

## 7. SURRENDER; HOLDOVER

7.1 Condition of Premises. Upon the earlier termination or expiration of this Lease, Tenant will deliver all keys and Airport access identification cards to Landlord and will surrender the Premises to Landlord in good condition, repair, working order, and appearance, broom-clean condition (free of debris), reasonable wear and tear excepted. Alterations completed will, at Landlord's option, be removed by Tenant, at Tenant's cost and expense, and the Premises restored to its original condition as of the Effective Date. All maintenance and repairs for which Tenant is responsible will be completed to the latest practical date prior to surrender.

7.2 Personal Property. Prior to the earlier termination or expiration of this Lease, Tenant will remove from the Premises the Aircraft and all furnishings, furniture, equipment, tools, trade fixtures, and personal property which remain its property. If Tenant fails to do so, this will constitute an abandonment of the property, and Landlord may retain the property and all rights of Tenant with respect to it will cease or, by written notice given to Tenant within ten (10) days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in storage for Tenant's account. Tenant will be liable to Landlord for the cost of removal, transportation

to storage, and storage with interest at twelve percent (12%) per annum on all such expenses from the date of expenditure by Landlord until paid in full.

7.3 Holdover. If Tenant does not vacate the Premises 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 extensions), except that Base Rent will be equal to one hundred fifty percent (150%) of the then applicable Base Rent. Failure of Tenant to remove the Aircraft, Alterations (if applicable), trade fixtures, furniture, furnishings, equipment, tools, and/or any other personal property which Tenant is required to remove under this Lease will constitute a failure to vacate to which this Section 7.3 will apply. If a month-to-month tenancy results from a holdover by Tenant under this Section 7.3, the tenancy will be terminable at the end of any monthly rental period on written notice from Landlord given not less than thirty (30) days prior to the termination date which will be specified in the notice.

8. MISCELLANEOUS

8.1 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 ten (10) days after Landlord's demand, all attorney fees and costs Landlord incurs to enforce the terms of this Lease. 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.

8.2 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 below, or at any other address that a party may designate by notice to the other parties, and 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 (3rd) business day after the date deposited in the United States mail, postage pre-paid, certified, return receipt requested. Subject to the limitations under Section 5.1 concerning a Transfer 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.

Landlord:

City of Madras  
Attn: Public Works Director  
125 SW "E" Street  
Madras, Oregon 97741

Tenant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



8.3 Entry for Inspection; Late Fees; Interest. Landlord may enter the Premises for the purpose of investigating compliance with the terms of this Lease, general safety inspections, and/or for any other reasonable purposes (as determined by Landlord), including, without limitation, to show the Premises to a prospective tenant. Except in the case of an emergency, Landlord will endeavor to provide Tenant not less than twenty-four (24) hours' prior written notice before entering the Premises. In addition, Landlord will have the right, at any time during the last six months of the term of this Lease, to place and maintain upon the Premises notices for leasing the Premises. If Rent (or other payment due from Tenant) is not received by Landlord within ten (10) days after it is due, Tenant will pay a late fee equal to ten percent (10%) of the payment (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 twelve percent (12%) per annum from the due date (or, if applicable, the date of Landlord's payment) until paid by Tenant in full.

8.4 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 Jefferson County, Oregon. All parties submit to the jurisdiction of courts located in Jefferson County, Oregon for any such disputes. If Tenant consists of two or more persons, all representations, warranties, covenants, and obligations made by Tenant under this Lease are made by each person constituting Tenant on a joint and several basis. If Tenant is a corporation, limited liability company, limited partnership, or any other legal entity, Landlord may require (and Tenant will cause) one or more Landlord identified members, shareholders, partners, and/or other Tenant owners or officers to personally guaranty Tenant's timely and faithful performance of Tenant's obligations under this Lease.

8.5 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).

8.6 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 thirty (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 thirty (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.

8.7 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 agreement – signature page immediately follows]

IN WITNESS WHEREOF, the undersigned have caused this Lease to be executed on the date first written above but binding and effective for all purposes as of the Effective Date.

LANDLORD:  
City of Madras,  
an Oregon municipal corporation

TENANT:

\_\_\_\_\_  
By: Mike Lepin, Mayor

\_\_\_\_\_  
Print: \_\_\_\_\_

Exhibit A  
Premises – Depiction

[attached]

Year	Cost per SF	Square Footage Land Leased	Base Rent	Rent per Month	Months Occupied	Ground Lease Rent Due	SF Building	L/A Fee per SF	Total L/A per month	L/A Fee Due	Total Due
July 1 -2023 through June 30 2024	0.1751		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0149 \$	- \$	- \$
July 1 -2024 through June 30 2025	0.1804		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0153 \$	- \$	- \$
July 1 -2025 through June 30 2026	0.1858		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0158 \$	- \$	- \$
July 1 -2026 through June 30 2027	0.1913		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0163 \$	- \$	- \$
July 1 -2027 through June 30 2028	0.1971		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0168 \$	- \$	- \$
July 1 -2028 through June 30 2029	0.2030		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0173 \$	- \$	- \$
July 1 -2029 through June 30 2030	0.2091		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0178 \$	- \$	- \$
July 1 -2030 through June 30 2031	0.2154		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0183 \$	- \$	- \$
July 1 -2031 through June 30 2032	0.2218		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0189 \$	- \$	- \$
July 1 -2032 through June 30 2033	0.2285		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0194 \$	- \$	- \$
July 1 -2033 through June 30 2034	0.2353		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0200 \$	- \$	- \$
July 1 -2034 through June 30 2035	0.2424		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0206 \$	- \$	- \$
July 1 -2035 through June 30 2036	0.2497		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0212 \$	- \$	- \$
July 1 -2036 through June 30 2037	0.2571		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0219 \$	- \$	- \$
July 1 -2037 through June 30 2038	0.2649		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0225 \$	- \$	- \$
July 1 -2038 through June 30 2039	0.2728		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0232 \$	- \$	- \$
July 1 -2039 through June 30 2040	0.2810		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0239 \$	- \$	- \$
July 1 -2040 through June 30 2041	0.2894		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0246 \$	- \$	- \$
July 1 -2041 through June 30 2042	0.2981		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0254 \$	- \$	- \$
July 1 -2042 through June 30 2043	0.3070		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0261 \$	- \$	- \$
July 1 -2043 through June 30 2044	0.3163		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0269 \$	- \$	- \$
July 1 -2044 through June 30 2045	0.3257		0 \$	- \$	-	12.00 \$	-	0.00 \$	0.0277 \$	- \$	- \$

Appraisal Year

Appraisal Year

Appraisal Year

Appraisal Year

Hopefully I'm Retired :)

T-Hangar Lease Unit #1 – Darrell Miller  
EXHIBIT A



Email invitation sent on 2/9/2024 to tenants:

Ladies and Gentlemen,

FEMA is sponsoring an assessment of Madras Municipal Airport (MDJ) for the purpose of developing a Disaster Response Air Operations Plan to support local or regional disasters. The assessment focuses on identifying sites, facilities, equipment, and services to support Air Evacuation, Air Reception, Logistics Staging, and Aeromedical Staging.

While the bulk of the assessment is accomplished virtually, a Site Visit to the airport is critical for validating research and ensuring effective plan development. During the Site Visit, the IEM team will meet with the airport authority and various airport tenants to assess the Airport Operations Area and those sites and facilities that may be considered to support Disaster Response Operations.

The following events have been coordinated with the Airport Authority to support the Site Visit:

- **In-Brief will be in person the day of the site visit: February 23, 2024 @ 8:00 a.m. PST – a schedule will be provided during the Site Visit In-Brief**
  - **Meeting Location:**  
**Madras Airport Conference Room at 2028 NW Berg Dr, Madras OR 97741**
- **Site Visit: February 23, 2024 @ 8:30 a.m. PST – a schedule will be provided during the Site Visit In-Brief**
  - **Meeting Location:**
    - **Madras Airport Conference Room at 2028 NW Berg Dr, Madras OR 97741**
- 

**Site Visit Virtual Out-Brief: TBD (VIA Microsoft Teams a separate invite will be sent)**

This schedule is being developed to minimize impacts to airport and tenant operations while ensuring a thorough assessment in the time we have been provided. Please contact me directly if you have questions or concerns. In order to capture all stakeholders, please forward this meeting invite as you see fit.

V/r

Liz  
Elizabeth Norris  
FEMA AGS Project Manager  
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[www.iem.com](http://www.iem.com)

*Building a Safe, Secure and Resilient World*



## MADRAS MUNICIPAL AIRPORT

**TO: Aviation Companies and Organizations**  
**FROM: Lorraine Martinelli, Madras Municipal Airport Manager (S33)**  
**DATE: February 7, 2024**  
**SUBJECT: Madras Airport Day on June 1<sup>st</sup>**

The Madras Airport would like to invite you to take part in our upcoming aviation event on June 1<sup>st</sup> from 8AM to 1PM. This free community event is open to all with the purpose of sharing information about aviation with residents of Jefferson County and surrounding areas throughout Central Oregon.

There will be static aircraft and information booths from various aviation businesses and organizations. This will be a great opportunity for aviation businesses and organization to share about their place in the community. If possible, it would be nice for visitors to have the ability to look inside of static aircraft and take part in an activity or other hands-on experience at your booth.

This event will be geared toward all ages.

- Are you a flight school with information about how to get started in earning a pilot's license?
- Are you in the aviation industry and searching for employees? This would be a great opportunity to spread the word.
- Do you have an aircraft or equipment that would help our community understand the many aspects of aviation?
- Does your organization host aviation events? Bring information to share!

EAA Young Eagles will be flying youth during the same time as this event. It will be at a separate location on the airfield to create a safe separation.

This is not an air show and we do not plan to have any flight demonstrations.

Please consider how you and your organization may be able to join us for our First Annual Madras Airport Day. **Please contact me soon with your space requirements so we may begin planning the event area. [LMartinelli@cityofmadras.us](mailto:LMartinelli@cityofmadras.us) or 541-777-4935**

This event will be run 100% by volunteers. If your organization is interested in helping in this capacity, please let me know.

We look forward to a fantastic event - thank you for considering how you will participate.



# MADRAS MUNICIPAL AIRPORT NEWSLETTER

February 2024

Vol. 2



Oh, winter days! A couple of weeks in January proved to be quite challenging at times due to freezing fog, freezing rain, snow, and cold temperatures. I have likened this job as a "lighthouse keeper" - it truly is 24/7, aiming to stay ahead of the weather and ensure a safe environment at all times. In the end we were successful in our plight and received many compliments on the snow removal efforts. The number one objective throughout the process of snow and ice removal remains the same as in favorable conditions: SAFETY. It is extremely important that we communicate the runway conditions well to pilots through NOTAMs and AWOS announcements. We aim to keep the airport open as much as possible - with safety as our number one goal. This is an important reminder to pilots: check NOTAMs in planning a flight and right before a flight. While enroute, be sure to check NOTAMs and listen to the AWOS as conditions and NOTAMs change.

Spending a couple of weeks plowing and shoveling, it quickly became apparent that work was necessary on the Snow Removal Procedure Guidelines that have been in the works. More on that further in the newsletter.

During January many small repairs were made including filling gravel in front of Erickson Aero Tanker hangar and at the approach end of 34. Taxiway and runway light repairs have also been ongoing.

As I have cleared snow and after the storm, gravel, I have thought about those who were here nearly 100 years ago maintaining and flying out of this airport. In this and future newsletters I hope to share some wonderful history of the Madras Airport.

Please let me know if you ever have any questions or concerns at the airport. [LMartinelli@cityofmadras.us](mailto:LMartinelli@cityofmadras.us) or 541-777-4935

With much appreciation,  
Lorraine Martinelli

## CALENDAR AT A GLANCE

### UPCOMING

- February 2:** 8:00 AM Jefferson County Coffee Cuppers at the Madras Airport Office
- February 12:** 5:30 PM - Airshow of The Cascades, Committee meeting, Airport Office conference room
- February 15:** 4PM - Industrial Site-Airport Commission Meeting, Airport Office conference room
- February 17:** 10:00 AM Central Oregon 99s Meeting @ Clubhouse
- February 23:** 8:00 AM FEMA information meeting, Airport Office followed by on-site visits.

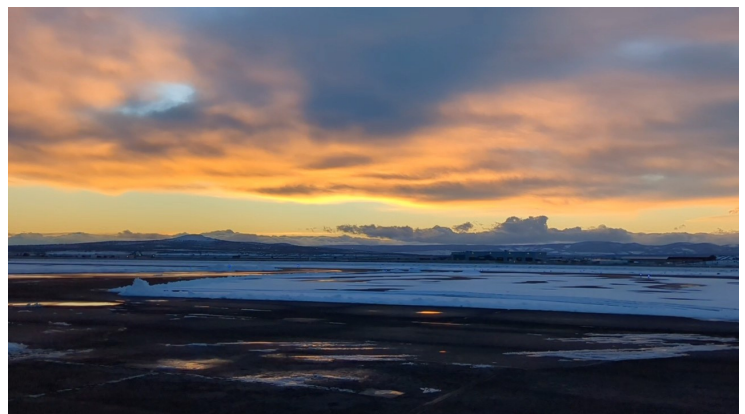
### FUTURE: SAVE THE DATE

- June 1:** 8 AM - 1 PM Madras Airport Day / EAA Young Eagle flights
- June 17-21:** Tri-Pacer Fly In
- August 10:** Palms To Pines Air Race terminus and banquet
- August 23-24:** Airshow of the Cascades

### ONGOING

- Sunday mornings @ 9 AM:** Coffee & doughnuts @ Airport Office
- Third Thursday of the month @ 4 PM:** Industrial Site - Airport Commission Meeting @ Airport Office conference room

Call 541-777-4935 to add Madras Airport events to the calendar (Madras Airport business/tenant/aviation related)







## PROJECT/PROGRAM UPDATES

**Hangars:** A hangar waitlist policy will be out this month. We are also actively looking for investors to begin building much needed hangars. If you are interested in discussing options, please reach out to me.

**Runway extension:** This project remains on the table but will be moved to a long-term project.

**Apron repair work:** The apron in front of the Airport Office is in need of much repair. Work will begin in March. More on this project in the March newsletter.

**Wash pad:** The Public Works crew is ready to fix the water fixture at the wash pad in the spring. It will be ready for pilots to use to wash their aircraft.

**Run up area taxiway lights:** The inner circle of lights at the run-up areas will be removed and replaced with covers. This will be completed to create a safer environment for aircraft to perform their run-up. It will also make it easier to sweep and remove snow in this area.

**Grass strip:** We plan to smooth out the south end of the grass strip with additional soil in early spring.

**REIL lights:** The REILs are NOTAM out until March 31st. The hope is to have these replaced and repaired before this time.

**FOD:** Thank you for helping to keep our airport clean and free of debris.

## UPCOMING EVENT DETAILS

February 2 @ 8-9AM: Jefferson County Chamber members will be our guests at the airport office for Coffee Cuppers. Please join us for snacks and coffee.

February 17 @ 10AM: Ninety-Nines will host a continental breakfast for their members and potential members. ALL female pilots and student pilots are invited to attend. This meeting will be held at the Central Oregon 99s Clubhouse, located in the B.C. Air hangar (formerly Skydive Awesome).

June 1, 8AM - 1PM: Madras Airport Day! Save the date! This event will be open to the public and free for attendees. The vision is to have information booths available for youth and adults to explore what is available in the world of aviation. To make this event a success, aviation business, pilots, aircraft mechanics along with volunteers will work together to share aviation with our community.

I'm looking for individuals are interested in collaborating on this event.

## FEMA

As mentioned in the January newsletter and through email correspondence with tenants, IEM, on behalf of FEMA, has sent out invitations for the meeting on February 23rd. If you are a tenant at Madras Airport and did not receive an email, please reach out to me.

## AIRPORT TOURS

It is a pleasure to share the airport and the intrigue of aviation with visiting groups. Last month I had the opportunity to share the world of aviation with a few groups of students.

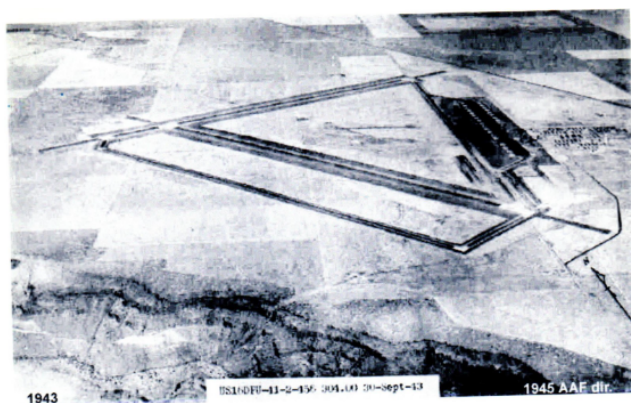


# HISTORY OF MADRAS AIRPORT

Our town and our airport is rich in history, and I look forward to sharing my findings in future newsletters. Tom Brown assisted in finding an article that Mr. Jerry Ramsey wrote in 2009. There will be copies of this article available at the airport for your reading pleasure. It is fantastic! Mr. Ramsey has also shared wonderful photos of days gone past here at the Madras Airport.



Above is a photo from a 1946 celebration. In the background is what we now know as the "North Hangar" and "South Hangar". The control tower once stood just north of where the airport office. Photo credit: Jefferson County Historical Society.



Here is a photo of the Airbase at Madras. As mentioned on the first page of the Agate article, there was an amazing array of aircraft at this base. It is so fitting that we now have an incredible collection of WW2 aircraft at our airport at the Erickson Aircraft Collection. [www.ericksoncollection.com](http://www.ericksoncollection.com) Photo credit: Jefferson County Historical Society.



## Madras Airport in War and Peace

By Jarold Ramsey



The recent arrival at Madras Airport of Butler Aviation, with its fleet of heavy DC-7 "borate bombers" for fighting forest fires, is a reminder of the World War II years, when the airport was "Madras Army Airbase," and our local skies were full of B-17 "Flying Fortresses," C-47 transports, P-39 "Airacobra" and P-38 "Lightning" fighters, and small observation and liaison planes.

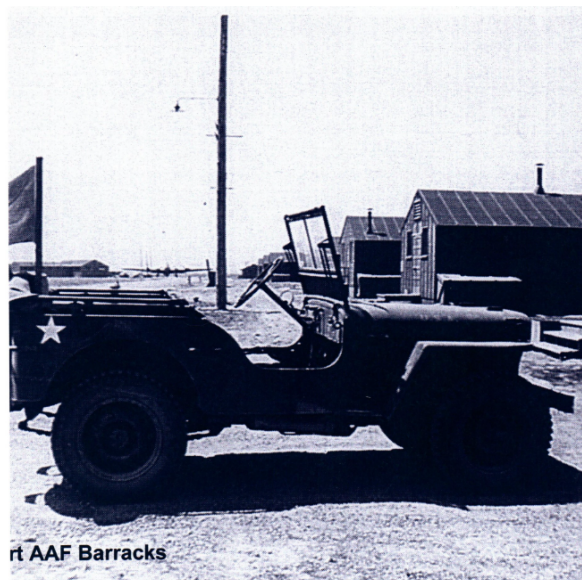
When the Air Base was de-activated, in Fall 1945, many of its auxiliary buildings were taken over by the newly-arrived North Unit Irrigation District, and others were sold and moved elsewhere, or demolished for lumber. The big recreation hall/theater on base remained in civilian use until the 1960s (it was popular with square-dancing groups), as did the Base control tower, which was used by volunteers of the Ground Observer Corps for searching the skies for Russian bombers and UFOs. But the two main hangars, each spacious enough to hold a B-17, are still in service, and have been carefully maintained over the years. They stand as reminders of the Airport's military heyday, over sixty years ago.



First page of an article of the Madras Airport in the Agate.

Jeep in foreground and barracks at Madras; B-17 in background

Photo credit: Jefferson County Historical Society.



rt AAF Barracks



## SNOW REMOVAL

Our number one priority for keeping the airport open and safe is for emergency services. Pictured here is a Life Flight aircraft that was able to transport a child in need of medical attention the day after our first storm. Two of the large City of Madras plow trucks helped to clear snow on two occasions on runway 16/34, taxiway A, A1, A4, in front of the airport office, and in front of the fuel farm. The assistance was much appreciated! As you may imagine, it is much ground to cover, and all must be completed in a strategic and safe manner. Lights are “frangible” meaning that they break with a low amount of impact. This is by design to help protect aircraft, in the event of impact.



Even with the relatively low amount of snow that we received, it proved to be a challenge with the freezing rain and freezing fog. It was not long lived but lessons were certainly learned.

It became apparent quickly that the Priority 1 procedures took an immense amount of time and effort. This means that clearing snow near the t-hangars was delayed.

As the snow and ice melt, it is important to begin cleanup of any gravel that has been moved to the runway and taxiway surfaces. Priority 1 areas are cleared first and then we move to the next priority. It is a process but if you ever notice gravel or rock on the runways or taxiways, please let me know right away. A daily airport inspection is completed but it is always great to have extra sets of eyes to help keep our airport safe.

## CITY OF MADRAS AIRPORT OFFICE

Pilot lounge available 24/7. Please call me for current door code.

### Airport Operations:

Lorraine Martinelli 541-777-4935

lmartinelli@cityofmadras.us

If you did not receive this newsletter directly, please email me your contact information to stay up to date with Madras Airport news.

## FBO NEWS: BERG AIR, LLC WINTER HOURS

Monday - Saturday 9 AM - 4 PM

Sunday 9 AM - 1 PM

Self Serve 100LL and Jet A available 24/7

Call to schedule full service fueling 541-475-4899

### Contacts:

Treia Ingram 541-460-0101 Rob Berg 541-420-8905

The DRAFT Snow Removal Procedures will be available at the airport office for perusal.





## MADRAS MUNICIPAL AIRPORT NEWSLETTER

January 2024

Vol. 1



We are fortunate to have such a wonderful community and airport! Madras Airport "S33" is a unique and expansive facility with a lively history and incredible potential for a successful future. My desire is to be the conduit for bridging the gap between now and future growth. In order to do so, with success, we must establish a solid foundation. Over the past three weeks my mission has been to build on the foundation that has formed since our airport began operations as a WWII B-17 training base. Internally I am working on communication with tenants, pilots, business owners, and our city officials. Producing policies, procedures, and guidelines that will help us move forward with healthy growth is essential. Airport Emergency Procedures (AEP) are under construction as well as an updated Snow Removal Policy guide. In addition, we are working with FEMA to communicate how our community will assist in an emergency situation. Externally, small fixes around the airport have been completed with more to come. To bring our aviation community together, we will have a townhall meeting on Saturday, January 13th at 3PM at the airport office. Projects completed: replaced missing taxiway lights, repaired broken runway light holder, removed items stored outside of buildings, filled gravel hole on approach end of 34, and fixed small projects inside of the airport office.

### CALENDAR AT A GLANCE

#### UPCOMING

- January 8:** 5:30PM - Airshow of The Cascades, Committee meeting, Airport Office conference room
- January 13:** Noon - B.C. Air Open House - stop by and say, "Hi!"
- January 13:** 3PM - Airport Town Hall Meeting, Airport Office
- January 13:** 5PM - Central Oregon 99s Christmas Party
- January 18:** 4PM - Industrial Site-Airport Commission Meeting, Airport Office conference room
- February 2:** 8AM - Jefferson County Chamber Coffee Cuppers, Airport Office

#### FUTURE: SAVE THE DATE

- June 1:** 8AM - 1PM Madras Airport Day / EAA Young Eagle flights
- June 17-21:** Tri-Pacer Fly In
- August 10:** Palms To Pines Air Race terminus and banquet
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#### ONGOING

- Sunday mornings @ 9AM:** Coffee & doughnuts @ Airport Office
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Current projects in process: fill gravel on the Erickson Aero Tanker apron, repair the wash pad water fixture, remove unnecessary taxiway lights; prepare plan to smooth out grass strip, and repair REIL lights.

How can you help?

- Keep your eye out for anything unusual or unsafe.
- If you see FOD on any airport surface, please pick it up if you are able to do so in a safe manner. If not, contact me immediately. There will be a FOD jar in the office for us to see what ends up on our taxiways and runways.
- If you ever see anything that is in need of repair or cleaning, call me right away.

Please reach out to me with any concerns, questions, or suggestions. [lmartinelli@cityofmadras.us](mailto:lmartinelli@cityofmadras.us) or 541-777-4935

Be prepared, be safe, and continue to share the joy of aviation. Happy New Year!

*Lorraine Martinelli*



## PROJECT/PROGRAM UPDATES

**FEMA:** Collaboration with FEMA to prepare the airport in the event of a catastrophic emergency. (See next.)

**Hangars:** Developing policies for a hangar waitlist that will provide us the information necessary to work with investors on building much needed hangars. We are looking for interested parties.

**Runway extension:** When I ask tenants and businesses at Madras Airport what our priorities should be, the answer has been consistent: we need more hangars and a longer runway.

Lengthening the runway will take some work. I am securing data of aircraft takeoff and landings to build the case for our need. We are looking for creative ways to fund this project, if you or anyone you know would be interested in discussing this project contact me right away.

**Apron repair work:** The apron in front of the Airport Office is in need of much repair. This Spring this work will be completed.

**FBO RFP:** Extended due date to January 31, 2024.

**Lease policy:** Updating lease policy for new and renewing tenants.

## UPCOMING EVENT DETAILS

January 13 at 3PM: All interested parties are invited to attend a town hall style meeting for our airport. If you did not receive or have not turned in a survey letter, please contact me at 541-777-4935. My philosophy is that it takes communication and relationships to move forward and grow. This will give us an opportunity to hear from our Madras Airport community. Thank you to those who have already turned in a survey!

January 13 at 5PM: Ninety-Nines rescheduled their Christmas party. All are invited to attend. In order to plan for space and food please contact Kaitlan 503-354-7453 for more detail and to RSVP (by 1/10).

June 1, 8AM – 1PM: Attached is a Save the Date flyer for Madras Airport Day. This event will be open to the public and free for attendees. The vision is to have information booths available for youth and adults to explore what is available in the world of aviation. To make this event a success, aviation business, pilots, aircraft mechanics along with volunteers will work together to share aviation with our community.

I'm looking for individuals are interested in collaborating on this event.

## FEMA

Following is an email that airport tenants will receive on behalf of IEM (for FEMA) once we have a set date for an on-site visit. This will be our opportunity to come together as a community to help be part of a solution in a catastrophic event:

*IEM has been contracted by FEMA to perform the assessment and develop the Disaster Response Air Operations Plan. During this assessment, the IEM team will be looking to identify resources at the airport and in the local community that may be available to support Disaster Response Air Operations. The purpose of this assessment is to develop a Disaster Response Air Operations Plan to support local or regional disasters. The assessment focuses on identifying sites, facilities, equipment, and services to support Air Evacuation, Air Reception, Logistics Staging, Aeromedical Staging, Responder Air Bridge, and Air Search and Rescue Operations. While the IEM team has already been conducting internet research on the airport, they may be looking to schedule an initial meeting of approximately 30 minutes with you to review some general information about your specific mission as well as your facilities and equipment.*

*While the bulk of the assessment is accomplished virtually, a one-day Site Visit to the airport is critical for validating research and ensuring effective plan development. During the Site Visit, the IEM team will ask to meet with various airport tenants to assess the Airport Operations Area and those sites and facilities that may be considered to support Disaster Response Operations. If a visit is requested, a time will be coordinated with your organization. Once a date for the site visit has been agreed upon, you will receive information for the visit.*

## COMMUNITY

On December 14th, our Madras City Council congregated at the Madras Airport office conference room for a day-long City Council retreat. As a break from their discussions, The Council was treated to a tour of an MD-87 at Erickson Aero Tankers and the B-17 at Erickson Aircraft Collection. While standing on the compass rose, I passionately explained the airport's function and how we, as pilots, communicate and navigate while we are in our airport's vicinity.

Before The Council went back to their retreat discussions, they had the opportunity to visit one of our newer businesses on the field. Julian of New Moon Aviation explained his company's function on the field and plans for growth.

Thank you to Erickson Aero Tanker, Erickson Aircraft Collection, and New Moon Aviation for opening your doors to an inside look at your businesses.



## NEWSLETTER CONTRIBUTIONS

This newsletter aims to provide essential information about Madras Municipal Airport and communicate upcoming events. It's important to note that it will not be utilized for advertising or political purposes. To enhance the newsletter's value, we encourage contributions from those who possess comprehensive knowledge about the airport, including any historical perspectives. If you're interested in contributing a piece of historical or informational significance, we'd love to hear from you.

Following is our first contribution from a local pilot, Richard Smith:

*The Madras Airport has a very special place in the hearts of northwest pilots and non-aviators alike. With its World War 2 history gleaming from the windows of the majestic hangars that stand guard over the Central Oregon landscape. The spirits of the men and women who trained here to protect this great nation can still be felt and heard upon entering those hangars. The Madras Airport is still training the protectors of our country. The wildland firefighters call this home and launch an attack against the burning embers that destroy millions of acres of forest, 100s of homes, and many lives. These men and women are the descendants of the greatest generation. And on the north end of the field aviation history is still alive and flying. There is more than just aircraft to see at the Erickson Aircraft Collection. When you witness one of our senior pilots admiring a plane that he flew into battle, you see and feel the respect and admiration that he feels for the plane and crew that flew it. And the pride he has when he speaks of that plane to his children and grandchildren makes us all fortunate that we are Americans.*

*Sunday mornings have been special at the terminal building for close to 20 years now. Chairs are filled with old pilots, young pilots, and non-pilots. Upon entering the room, you may not know everyone, but every one of them is your friend. You grab a doughnut and cup of coffee and settle in; you will soon be engaged in conversation. We call it Church.*

*The staff at the Madras Municipal Airport are very friendly, knowledgeable, and accommodating. You can get what you need and get on your way quickly or relax in the living room style terminal on the couch in front of the fireplace. Or sit outside on the bench and be amazed at the height of Mt. Jefferson. The small town feel of this airport cannot be artificially duplicated. The other airports in the area do not have what S33 has, HEART.*



## SNOW REMOVAL

Although it has been slow to snow this winter, it inevitably will happen. Watching from the sidelines for years I do know that the process of snow removal takes much time and effort.

As you see from the diagram, the first priority is to clear runway 34/16, and taxiways A1, A2, and A. This will allow medical transports the ability to land here in case of emergency. From this point we will begin clearing in front of the fuel farm and airport office.

It will be important for me to know what our tenants' expectations will be during the snow season. If certain tenants will not be accessing their hangars during this time that will help me to prioritize where to plow. For those who regularly fly, I will need to know that as well.

Communication will be important to help alleviate misunderstandings and unmet expectations.

Thank you for working with me through this process. Be safe!

**Madras Municipal Airport  
Snow Plow Procedure Diagram  
Priority 1**



## CITY OF MADRAS AIRPORT OFFICE

Pilot lounge available 24/7. Door code information on airport office door (north side).

### Airport Operations:

Lorraine Martinelli 541-777-4935  
lmartinelli@cityofmadras.us

If you did not receive this newsletter directly, please email me your contact information to stay up to date with Madras Airport news.

## FBO NEWS: BERG AIR, LLC WINTER HOURS

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Self Serve 100LL and Jet A available 24/7  
Call to schedule full service fueling 541-475-4899

### Contacts:

Treia Ingram 541-460-0101 Rob Berg 541-420-8905

**SAVE THE DATE**

# **MADRAS AIRPORT DAY**

**JUNE 1, 2024**

**8AM-1PM**

MISSION FOR THIS EVENT:

FREE COMMUNITY EVENT FOCUSED ON SHARING ABOUT OUR AIRPORT

OPPORTUNITY TO PROMOTE EDUCATION/OCCUPATIONS AVAILABLE IN AVIATION.

PROVIDE E.A.A. YOUNG EAGLES FLIGHTS FOR YOUTH 8-17: ONLINE REGISTRATION OPENS MAY 1, 2024

LOCAL PILOTS AND AVIATION BUSINESS HOST INFORMATION BOOTHS WITH S.T.E.A.M. AND OTHER ACTIVITIES

PILOTS/AVIATION BUSINESSES DISPLAY AND SHARE ABOUT AIRCRAFT

**Ready to join the adventure?**

Volunteers, aviation enthusiasts and businesses,  
pilots, flight instructors, food trucks:  
contact the Madras Airport at 541-777-4935

