



**REDMOND MUNICIPAL AIRPORT ("ROBERTS FIELD")
REDMOND, OREGON**

AIRPORT LEASING POLICY

EFFECTIVE JULY 6, 2021

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Appendix A

City of Redmond – Airport Leasing Policy

1. General

1.1 Definitions; Laws; Interpretation

1.1.1 Defined terms contained in this City of Redmond – Airport Leasing Policy (this “policy”) have the meanings assigned to such terms in Appendix A (which defined terms may not be capitalized in this policy). Any reference to a federal, state, and/or local law, regulation, or rule means the federal, state, and/or local law, regulation, or rule as now existing and/or hereafter amended.

1.1.2 For purposes of this policy, 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.

1.2 Policy Purpose

City is the owner, operator, and sponsor of the airport. As a recipient of FAA AIP grants and the operator of a public municipal airport, the city must operate the airport for the use and benefit of the public. City must also make the airport available for all types, kinds, and classes of aeronautical and non-aeronautical activities on fair and reasonable terms and conditions without unlawful discrimination. Given these obligations, the city establishes this policy to (a) set forth a standardized system and process for leasing airport property and constructing leasehold improvements thereon for aeronautical and non-aeronautical purposes, and (b) govern the safe, orderly, and efficient use of airport property. Except as otherwise provided in this policy and/or as the airport director determines necessary or appropriate, this policy applies to all airport leases, including leases for non-aeronautical purposes or activities.

1.3 General Policies

In furtherance of the objectives identified under Section 1.2, above, the city endeavors to (a) preserve airport investments and resources, (b) facilitate orderly and equitable airport management and administration, (c) ensure the provision of high-quality services and facilities, (d) provide equitable and uniform treatment of all operators, tenants, and users, (e) ensure compliance with applicable laws concerning the application and acceptance of federal funds, (f) enable conformity with the approved AMP, ASP, ACM, and ALP (as applicable), (g) permit public use of the airport on reasonable terms and without unlawful discrimination, (h) maintain a fee and rental structure with the goal of airport financial self-sustainability, and (i) promote economic development and job creation.

1.4 Airport Operated for Public Benefit

City will ensure that the airport is operated for the use and benefit of the public and is made available to all types, kinds, and classes of aeronautical activities; provided, however, priority is given to such uses which further the city’s goals and the airport’s strategic business plan.

1.5 Policy Administrator; Reservation of Rights

1.5.1 The airport director is designated administrator of this policy. To this end, the airport director has the authority to implement, administer, and manage all aspects of this policy, including, without limitation, the authority to (a) interpret this policy, (b) decide all questions concerning this policy, including, without limitation, tenant eligibility and qualifications, and (c) if the airport director determines

necessary or appropriate, waive and/or modify procedural and/or substantive conditions and/or requirements contained in this policy.

1.5.2 The airport director will act in a manner he or she reasonably believes is in the city's best interests and otherwise consistent with Sections 1.2-1.4 of this policy. The airport director will not unreasonably withhold, condition, and/or delay his or her exercise of any consent, approval, determination, and/or similarly discretionary action under this policy. Subject to Section 4.5, the decision of the airport director will be final and conclusive. The decision of the airport director on any given matter will not set any precedent or bind future decisions of the airport director.

1.5.3 Notwithstanding anything contained in this policy to the contrary, the city reserves the right to modify, supplement, revise, change, delete, discontinue, and/or suspend all or any part of the procedures, practices, and/or policies contained in this policy as business, development, operations, legislation, and/or other conditions dictate. Except as otherwise expressly prohibited under a then-existing binding and effective lease, any modification, supplementation, revision, change, deletion, discontinuance, and/or suspension of all or any part of the procedures, practices, and/or policies provided in this policy apply to all existing and future leases (and leasing transactions). The terms of the lease will control if a conflict between the terms of a lease and this policy should occur.

2. Exclusive Rights

2.1 Exclusive Rights Prohibited

Subject to applicable laws, the city will not grant any exclusive rights, monopolies, and/or privileges in, to, and/or affecting the airport and/or airport improvements (facilities). For purposes of this section, an exclusive right includes, without limitation, a power, privilege, and/or other right excluding or debarring another from enjoying or exercising a similar power, privilege, and/or right.

2.2 No Presumption of Exclusivity

Presence on the airport of only one tenant engaged in a particular aeronautical or non-aeronautical activity does not indicate that an exclusive right, privilege, and/or power has been granted. The city does not enter into and/or promote any understanding, commitment, and/or express agreement to exclude other qualified tenants. The opportunity to engage in an aeronautical or non-aeronautical activity will be made available to those satisfying qualifications and standards applicable to the activity, subject to this policy, the laws, and availability of space at the airport.

3. Lease Application

3.1 Application Required

Any person desiring to enter into a lease with the city concerning airport property must, in addition to any other requirements that the airport director may impose from time to time, submit a written application to the city on the city's then-current airport lease application form (and pay the applicable application fee), which application will be submitted in the manner prescribed by the airport director. Applications to lease airport property may be obtained by contacting the airport director. The application must be signed and submitted by a person with legal authority to sign and submit the application on the applicant's behalf. An applicant will pay the application fee and all other fees, costs, and expenses imposed by the city and/or incurred by the applicant concerning the application and lease process.

3.2 Lease Application Process

The lease application will contain all information required under this policy, the minimum standards (as applicable), rules and regulations, and such other information and/or documentation necessary for the city to determine an applicant's qualification and benefit which will accrue to the public from the applicant's proposed use of the airport, including, without limitation, the following:

3.2.1 Applicant's name, address, email address, and telephone number. The amount, size, and location of the land and/or improvements proposed to be leased.

3.2.2 Descriptions and cost estimates of any proposed leasehold improvements.

3.2.3 Applicant's most current financial statements prepared by the applicant's chief operating officer and certified by an independent certified public accountant. The city may consider financial statements in evaluating the applicant's financial ability to construct any proposed leasehold improvements on the subject airport property and/or to perform the applicant's obligations under the lease.

3.2.4 For construction of proposed leasehold improvements, the city may require evidence of the applicant's financial ability to complete the improvements in one or more of the following forms: (a) performance bond in an amount equal to the cost for constructing the proposed improvements; (b) funds held in escrow pursuant to the terms of an escrow agreement; and/or (c) an irrevocable letter of credit guaranteeing funds to complete the improvements.

3.2.5 If an applicant proposes to engage in commercial aeronautical activities, all application information and materials required by the airport minimum standards. For all other applicants, a description of the applicant's business (if applicable) and proposed aeronautical or non-aeronautical use of the land and/or improvements proposed to be leased.

3.2.6 All additional information, documentation, and materials necessary to satisfy all applicable eligibility and/or qualification requirements under this policy, the rules and regulations, and/or minimum standards (as applicable), and/or as the airport director may determine necessary.

3.3 Financing Airport Development; Performance

An applicant's failure to demonstrate adequate financial resources to pay (a) for the proposed improvements described in the subject application, and/or (b) the applicant's obligations under the lease will be grounds for denial of the application. Nothing contained in this policy will be construed as obligating the city to provide financing and/or to construct improvements at the airport to facilitate the proposed improvements. Notwithstanding the immediately preceding sentence, if an applicant demonstrates financial capacity to pay for the proposed improvements and the applicant's obligations under the lease, the city may pursue supplemental federal, state, and/or local funds to contribute to the improvements.

4. Application Review

4.1 Submittal; Preliminary Review

Completed applications must be filed with the airport director. Each application will be reviewed and processed by the airport director in order of receipt. The city reserves the right to request additional documentation and information, as necessary. The airport director may conduct whatever investigation the airport director deems necessary or appropriate to determine whether the application is complete, the statements and information contained therein are true and accurate, and whether the application complies with this policy and all applicable laws.

4.2 Criteria

In addition to any other conditions and/or requirements imposed by the city, the airport director will review a completed application to determine compliance with all review criteria, including, without limitation, the following:

4.2.1 The proposed use meets the requirements of the AMP, ALP, ACM, ASP (if applicable), the city's zoning ordinance and map, and this policy.

4.2.2 The proposed use does not and will not create a safety hazard on or at the airport and/or the construction of any improvements associated with the proposed use does not and will not create a safety hazard.

4.2.3 Application approval will not require the city to spend funds and/or supply labor and/or materials concerning the proposed activity and the activity is not expected (as determined by the city) to result in financial loss to the city.

4.2.4 Suitable space is available to accommodate the entire activity proposed in the application and/or suitable land is available to construct any improvements necessary to accommodate the entire activity outlined in the application.

4.2.5 In the opinion of the airport director, the proposed improvements may be constructed and the use operated without (a) unduly interfering with airport operations, and/or (b) causing undue congestion on or at the airport.

4.2.6 Applicant does not have a record of violating the rules and regulations and/or the rules and regulations of any other airport, FAA regulations, and/or laws.

4.2.7 Applicant has not defaulted in the performance of another lease and/or any other agreement with the city and/or any other airport during the immediately preceding five years (from the date of the application).

4.2.8 In the opinion of the airport director, the applicant demonstrates adequate financial resources to undertake the proposed use (including construction of any improvements) based upon the financial information the applicant provided.

4.2.9 Applicant has provided (or certifies that the applicant will provide) acceptable surety in the amount required.

4.2.10 The airport director finds that the proposed activity and/or improvements is in the best interests of the city, airport, and/or the public.

4.3 Evaluation

The airport director may approve, approve with conditions, or deny an application. The airport director will provide the applicant written notice of the airport director's decision on an application. If the airport director finds that the application satisfies the criteria established in Section 4.2, the city may enter into a lease with the applicant in accordance with the application and this policy. Notwithstanding anything contained in this policy to the contrary, the lease will be in form and content satisfactory to the airport director and will be on the city's then-current lease form.

4.4 Grounds for Denial

The airport director may deny an application for any one or more of the following reasons: (a) the application is incomplete; (b) fraud, misrepresentation, and/or false statement(s) contained in the application and/or willful

withholding of information or incomplete disclosure concerning any matter required to be furnished in connection with the application; (c) failure to satisfy the criteria or policy requirements under this policy; and/or (d) failure to comply with any applicable law. If the airport director determines that an application is incomplete and/or the criteria has not been met, the airport director may deny the application and notify the applicant, in writing, of the deficiencies (the “deficiency notice”). If the applicant provides the information identified in the deficiency notice within the time period identified in the deficiency notice, the application will be considered timely and the airport director will evaluate the application. If the applicant does not timely provide the information identified in the deficiency notice, the application will be deemed withdrawn without further act of the city and/or applicant. Notwithstanding anything contained in this policy to the contrary, if the airport director determines that an applicant cannot satisfy any criteria under Section 4.2 and/or the application is denied under Section 4.2.2-4.2.5, the airport director may deny the application without providing the applicant an opportunity to cure the deficiencies.

4.5 Appeals

4.5.1 If the airport director denies an application under Section 4.4, the applicant may request reconsideration by filing a written request with the airport director (the “request for reconsideration”). The request for reconsideration must be filed with the airport director within thirty (30) days after the date of the subject application’s denial. The airport director will respond to any properly and timely filed request for reconsideration within twenty (20) days after receipt of the request for reconsideration. The airport director may respond to any request for reconsideration by summary order.

4.5.2 If the applicant is not satisfied with the airport director’s decision concerning the request for reconsideration, the applicant may appeal the airport director’s decision by filing an appeal with the city manager (an “appeal”). The appeal must be filed with the city manager within twenty (20) days after the date of the airport director’s response to the request for reconsideration. A copy of the appeal must be filed with the airport director. An applicant will not be permitted to file an appeal with the city manager unless the applicant has properly and timely filed a request for reconsideration with the airport director under Section 4.5.1. The city manager will dismiss an appeal that is filed untimely. Failure to properly and timely file an appeal will constitute a waiver of the applicant’s right to have the city manager review the airport director’s decision concerning the request for reconsideration.

4.5.3 The city manager will respond to any properly and timely filed appeal within twenty (20) days after receipt of the subject appeal. The city manager will render a decision which either (a) affirms the airport director’s decision, (b) modifies the airport director’s decision, or (c) rescinds the airport director’s decision. The decision of the city manager will be final and conclusive. The decision of the city manager on any given matter will not set any precedent or bind future decisions of the city manager.

5. Leases (General)

5.1 General Rights and Privileges Granted

Leases are designed to provide the tenant one or more of the following rights or privileges: (a) use of the landing area and other public airport facilities in common with other authorized persons; (b) right to occupy (e.g., as an operator, tenant, etc.) and use the subject property; and/or (c) the right to offer goods and/or services to the public who use the airport. Notwithstanding anything contained in this policy to the contrary, the city will not enter into any lease without written receipt of adequate consideration. City will not enter into any lease that requires it to (a) waive any sovereign, governmental, and/or other immunity to which it may be entitled, and/or (b) submit to the laws of any state other than those of the State of Oregon. City will not enter into any lease prohibited by the laws.

5.2 Lease Required

5.2.1 Prior to commencing construction of improvements and/or operation of an aeronautical or non-aeronautical activity on or at the airport, an approved applicant must enter into a lease with the city setting forth the terms and conditions under which the person will be permitted to occupy and use the airport property, subject to the provisions of this policy. Airport leases are designed to protect the public interest and may contain more restrictive clauses than private sector leases. Notwithstanding the immediately preceding sentence, each lease will be in form and content satisfactory to the city and city's legal counsel, and will, at a minimum, conform to local/regional standards of airport tenant responsibility and liability.

5.2.2 Each Lease will include all provisions required under the laws and obligations placed upon the city. In addition, each lease will contain, in addition to all other provisions contemplated under this policy, terms and conditions concerning the following: (a) description of leasehold and property; (b) term; (c) fees, charges, rents, and other costs and expenses concerning occupying and operating on airport property; (d) payment procedures; (e) permitted uses; (f) prohibited uses; (g) insurance; (h) assignment; (i) fire prevention; (j) hazardous substances and environmental liability; (k) the city's right to access the property; (l) compliance with laws; (m) airport security programs, if applicable; (n) default and termination; (o) sale or transfer of improvements; (p) bankruptcy; (q) renewal; (r) subordination to the city's federal obligations, if applicable; and (s) such other terms and conditions the city determines necessary and/or appropriate. Notwithstanding anything contained in this policy to the contrary, the lease may be updated from time to time to reflect changes in FAA regulations and/or the laws (including real estate law) and/or to meet changing economic and other conditions.

5.2.3 If applicable, prior to the entering into the lease with the city, the applicant (and all applicable representatives) must obtain appropriate security clearance and pass all airport screening requirements, which may include an FBI criminal history background investigation (fingerprinting) and TSA Security Threat Assessment.

5.3 Control Over Operations

Any lease granting the right to serve the public at the airport will be subject to terms and conditions reserving the city sufficient control over all tenant operations to ensure that patrons will be treated fairly by the tenant. By entering into a lease, the tenant will covenant to comply with all applicable laws.

5.4 Control Over Aeronautical Activity and Development

City will not enter into any lease that would require it to divest itself of the right to take any action it considers necessary and/or appropriate to (a) protect the airport's aerial approaches against obstruction, and/or (b) prevent a tenant from erecting, or permitting to be erected, any building, structure, or other improvement which might limit the usefulness of the airport and/or constitute a hazard to aircraft. City will not enter into any lease requiring the city to divest itself of and/or limit its right to develop and/or improve the airport. City will not enter into any lease granting access to the airport ramps, taxiways, and/or landing areas by aircraft normally stored and/or serviced on land adjacent to, but not a part of, the airport.

5.5 Minimum Standards

Each tenant desiring to conduct aeronautical activities at the airport must satisfy all applicable minimum standards. The minimum standards establish a basis for practical negotiations between the city and potential tenants; provided, however, if presented with a choice between multiple potential tenants for a single space or facility, the city may give preference to the tenant who can offer the city and public the highest quality and standard of service, which may well exceed the minimum standards for the proposed activity. City may amend and/or modify the minimum standards, from time to time, to ensure the highest quality and standard of service to the public. City may grant a temporary waiver of the minimum standards under limited circumstances including, without limitation, if the aviation community at the airport has encountered difficulty in attracting a

competent service provider. Except as expressly provided otherwise in this policy and/or in the minimum standards, the city will not enter into a lease with an operator who cannot meet the applicable minimum standards.

5.6 Non-Aeronautical Activities

Availability of building sites and leasable space to accommodate aeronautical activities at the airport is limited. Therefore, subject to applicable laws, the city will not approve any proposed lease of aeronautical property for non-aeronautical activities for longer than a brief, interim period (generally five or fewer years), and provided the activity does not violate the laws, including, without limitation, the grant assurances. In addition, the city may require that the subject lease contain a provision permitting the city to terminate the lease upon reasonable advance notice if the subject property is needed for aeronautical activities. City may condition any lease of aeronautical property for non-aeronautical activities on FAA approval.

5.7 Private Aeronautical Uses

City is required to operate the airport for the maximum use and benefit of the public. To this end, the city must retain the ability to make reasonable provision for essential support services for those who use the airport. City acknowledges that some private aeronautical uses may be beneficial to the city (e.g., a private flying club may be a desirable and compatible operator). Proposed leases for private aeronautical uses will be evaluated on a case by case basis, taking into account the strategic business plan of the airport, benefits which may be derived from the proposed lease, potential costs of the proposed lease to the city, availability of suitable space, potential for conflict or interference with public uses of the airport, and all other factors the city determines applicable.

5.8 Development of Vacant Property

City's approval of any request to construct improvements at the airport will be subject to availability of vacant, appropriate space, as determined by the airport director. Each application to construct improvements to accommodate aeronautical activities will include, in addition to all other requirements under this policy, a site plan depicting the location and nature of the proposed improvements.

6. Leased Premises (Property)

6.1 Demonstrated Need

A lease for a single aeronautical activity, although meeting all reasonable standards and qualifications under this policy, will be limited to space necessary for the aeronautical activity. When an applicant seeks to lease property from the city, in addition to all other requirements under this policy, the applicant must provide evidence of demonstrated need for the space. If an application involves a request to occupy existing airport improvements, "demonstrated need" means the ability of the tenant to occupy property leased from the city as of the effective date of the lease; if an application involves construction of improvements and/or alterations to an existing improvements, "demonstrated need" means the ability to obtain a certificate of occupancy (if applicable) from the city for the proposed improvements within one hundred eighty (180) days after the effective date of the lease, unless the city determines, in the city's sole discretion, a longer period of time is warranted due to the scope of construction.

6.2 Requests for Additional Space

If an existing tenant requires additional airport space to accommodate increased demand for its existing services and/or to expand an existing service, the tenant must provide the city written notice of a demonstrated need for additional space (the term "demonstrated need" for this purpose means the ability of

the tenant to occupy the proposed additional space as of the effective date of the expansion). The written notice must sufficiently detail the demonstrated need for the additional space requested. City may grant the tenant the additional space requested (or a portion thereof) if and to the extent the tenant has a demonstrated need for the additional space. If, prior to the receipt of the tenant's notice, the city has received an application from another qualified applicant with a demonstrated need for the subject space, the city may negotiate with one or more applicants who have expressed an interest in the property in question to determine which alternative is most advantageous to the city. If the need for additional property concerns a new proposed aeronautical activity, one not permitted under the tenant's lease, the request for additional property will be treated by the city as one for a new lease and will be subject to the provisions of this policy. Notwithstanding anything contained in this policy to the contrary, the city will not grant, award, and/or provide any options and/or preferences (including, without limitation, the right of first refusal) on future sites or property to any tenant.

7. Lease Term; Extensions

7.1 Lease Term

City will enter into leases that balance the needs of a prospective tenant and the city, which may be accomplished through a standard term only, or a standard term plus one or more extension periods. City will determine the length of the lease based on factors which include, without limitation, the following: (a) whether the tenant is seeking to obtain space in an existing building or whether a long-term land lease is being sought for construction of improvements; (b) designation of the facility or proposed property on the ALP; (c) the tenant's proposed use of the property; (d) the tenant's proposed capital investment in the subject property; (e) the tenant's potential to attract other new aviation or non-aviation business or development; and/or (f) whether the tenant's activity will result in significant job creation. Notwithstanding anything contained in this policy to the contrary, but subject to Section 9.4.1, upon the earlier termination or expiration of a lease the city may require that the tenant provide, at the tenant's cost and expense, a satisfactory environmental assessment report and/or facility condition assessment report, each prepared by an independent, qualified contractor. The environmental assessment will attest to the environmental condition of the subject property and all improvements located thereon; the facility condition assessment report will attest to the physical condition of the improvements (e.g., an airplane hangar) located on the subject property, which report will contain, among other things, an assessment of the age, design, materials, condition, deterioration, effective age and estimated lifespan, and deficiencies of the subject improvements.

7.2 Lease Term Provisions

Each lease will generally contain (or be subject to) the following terms and conditions:

7.2.1 The initial term of a lease for existing city-owned aeronautical or non-aeronautical improvements requiring no additional capital investment or improvements will not exceed five years; provided, however, the city may offer the tenant an option to extend the lease term for one additional term of five years.

7.2.2 The initial term of a ground lease pursuant to which the tenant will construct a hangar will not exceed twenty (20) years; provided, however, the city may grant the tenant an initial term greater than twenty (20) years based on the city's consideration of those factors identified under Section 7.2.5; provided, further, the city may grant the tenant an option to extend the lease term for two consecutive additional terms of five years each.

7.2.3 The initial term of a ground lease pursuant to which improvements supporting aeronautical activities will be constructed (other than a hangar under Section 7.2.2 or improvements constituting a significant investment of capital under Section 7.2.5) will not exceed twenty-five (25) years;

provided, however, the city may offer the tenant an option to extend the lease term for two consecutive additional terms of five years each.

7.2.4 The initial term of a ground lease pursuant to which improvements not supporting aeronautical activities will be constructed (other than improvements constituting a significant investment of capital under Section 7.2.5) will not exceed twenty-five (25) years; provided, however, the city may offer the tenant an option to extend the lease term for two consecutive additional terms of five years each.

7.2.5 The initial term of a ground lease pursuant to which the tenant will construct aeronautical or non-aeronautical improvements requiring a significant investment in capital, which may involve the development of a larger tract of airport property, will not exceed fifty (50) years without the FAA's prior approval, if necessary. In determining whether to grant a lease for a term pursuant to this subsection, the city will consider factors, including, without limitation, the following: (a) whether the tenant will invest significant capital in leasehold improvements; (b) whether the tenant will invest significant capital in existing leasehold improvements; (c) the services provided to other airport tenants and users, if any; (d) whether the lease will result in significant job creation; (e) whether the lease will benefit the airport (generally); (f) whether the lease will provide a public infrastructure extension which will benefit other parcels (i.e., roads, water, and sewer); (g) potential to attract new aviation businesses or expand existing aviation businesses; (h) potential to attract other businesses in and/or around the airport; and/or (i) potential to generate additional airport related revenue.

7.3 Extension Options

Subject to the terms and conditions contained in Section 7.2 and this Section 7.3, the city may provide a tenant the option to extend the tenant's lease term under an existing hangar or ground lease (which includes any extension terms permitted under the subject lease) for one additional term of five years if (a) the city did not previously grant the tenant an additional extension (i.e., an extension not expressly provided under the subject lease), and (b) the total lease term will not violate the applicable maximum lease term permitted under Section 7.2, including, without limitation, the fifty (50) year maximum provided under Section 7.2.5. Subject to the provisions of this policy (and the terms and conditions of the lease), in general a lease may be extended if the following minimum conditions are satisfied: (w) the leased property is not required for other airport uses according to the ALP; (x) the tenant is not then in default; (y) the rental to be paid during the extended term equals the fair market value of the leased property with increases to the rent over the term that is substantially similar to other city airport leases over the extended term; and (z) the subject improvements are in a condition to last for the extended term (the city may require the tenant to provide the city a facility condition assessment report, prepared by an independent, qualified contractor attesting to the condition of the leasehold improvements). The airport director may require that the tenant enter into a new lease with the city consistent with the city's then-current lease as a condition to a lease extension under this Section 7.3.

8. Transfers; Encumbrances; Hazardous Substances

8.1 Assignment and Sublease

A tenant will not be permitted to transfer the tenant's rights and/or interests in or to the lease, airport property subject to the lease, and/or any improvements on the airport property (including, without limitation, any hangar constructed on the property) without the city's prior written consent, which consent the city will not unreasonably withhold, condition, and/or delay. Without otherwise limiting the immediately preceding sentence, as a condition to consenting to a proposed transfer, the city may require the tenant to, among other things, (a) provide the city a satisfactory facility condition assessment report and environmental report concerning the subject airport property and/or improvements, and/or (b) pay a transfer and/or administration fee to the city. The applicable transfer and/or administration fee will be established by the city from time to time. Notwithstanding anything contained in this policy to the contrary, the city may require that the proposed

assignee of the lease and/or subject improvements enter into a new lease with the city in lieu of an assignment of the then-existing lease; provided, however, the city has no obligation to provide a term under the new lease exceeding the remaining term of the to-be terminated lease. If the city consents to the transfer of a lease, the city may provide the transferee an option to extend the lease term (which includes any extension terms permitted under the subject lease) for one additional term of five years if (a) the city did not previously grant the transferor or transferee an additional extension (i.e., an extension not expressly provided under the subject lease), (b) the total lease term will not violate the applicable maximum lease term permitted under Section 7.2, including, without limitation, the fifty (50) year maximum provided under Section 7.2.5, and (c) all the terms and conditions contained in Section 7 (including, without limitation, conditions (v)-(z) under Section 7.3) are satisfied.

8.2 Transfer Notice

A tenant will provide the city no less than thirty (30) days' prior written notice of a proposed transfer, which transfer notice must include the name and address of the proposed transferee and a true and complete copy of the proposed transfer documentation; provided, however, the city may require additional advance notice if the city determines necessary or appropriate under the particular facts and circumstances (e.g., a lease concerning a significant investment of capital). City's consent to any proposed transfer will be conditioned on, among other things the city may reasonably impose, the tenant demonstrating (to the city's reasonable satisfaction) that the proposed transferee's condition (financial and otherwise), style of operation, business reputation, and use of the airport property and improvements thereon (if any) is consistent with the terms of the subject lease and that the city's interests in the subject property, airport, and improvements (if any) will not be adversely affected in any material respect. If the city consents to a transfer, the terms and conditions of the subject lease will in no way be deemed waived or modified and the transfer will not modify, relieve, and/or eliminate any liabilities and/or obligations the tenant and/or any guarantor of the subject lease may have under the lease.

8.3 No Encumbrances

Each tenant and tenant contractor will pay when due all charges and expenses for labor and materials used or furnished for construction and/or services rendered to or concerning the subject airport property and will keep all airport property free from all encumbrances. Without otherwise limiting the immediately preceding sentence, each tenant will pay as and when due all claims for materials furnished and construction work performed concerning the tenant's construction of any improvements on the subject airport property and will keep such airport property and improvements free from encumbrances. Notwithstanding anything contained in this policy providing otherwise, under certain limited circumstances (e.g., a lease concerning a significant investment of capital), the city may subordinate its rights under a lease to a first mortgage, first deed of trust, and/or other first position lien or encumbrance concerning a loan made to the tenant for the purpose of constructing improvements on the subject airport property provided the subordination does not materially and adversely affect the city's rights and interests in and to the subject airport property, improvements, and/or airport.

8.4 Hazardous Substances

The tenant will not cause and/or permit any hazardous substances to be spilled, leaked, disposed of, and/or otherwise released on, under, and/or about airport property and/or improvements located thereon. Upon the earlier termination or expiration of the lease (or earlier as provided under the tenant's lease), the tenant will properly remove and dispose of all hazardous substances that may have been spilled, leaked, disposed of, and/or otherwise released on, under, and/or about airport property and/or improvements located thereon pursuant to the terms of the tenant's lease.

9. Termination – Ownership of Improvements

9.1 Airport Hangars

Upon the earlier termination or expiration of a lease concerning a city-owned hangar on airport property, the tenant will, at the tenant's cost and expense, pay and perform the following: (a) perform all property and hangar maintenance and repairs for which the tenant is responsible under the lease; and (b) surrender the subject property and hangar to the city in good condition, repair, working order, and appearance, free of waste and debris.

9.2 Non-Hangar Improvements

Upon the earlier termination or expiration of a lease concerning city-owned non-hangar improvements on airport property, the tenant will, at the tenant's cost and expense, pay and perform the following: (a) perform all property and improvement maintenance and repairs for which the tenant is responsible under the lease; and (b) surrender the subject property and improvements to the city in good condition, repair, working order, and appearance, free of waste and debris.

9.3 Personal Property

Prior to the earlier termination or expiration of a lease, the tenant will remove from the subject property and all improvements (including, without limitation, a hangar) all aircraft, vehicles, furnishings, furniture, equipment, tools, trade fixtures, and personal property which remain the tenant's property, including all resulting waste and/or debris.

9.4 Hangar and Improvement Removal and Ownership

9.4.1 Upon the earlier termination or expiration of a lease (and provided the termination is not due to the tenant's default under the lease), upon providing the airport director no less than ninety (90) days' prior written notice, the tenant may remove any non-city owned hangar, leasehold improvements, and/or alterations from the subject property (and surrender the property to the city in good condition, repair, working order, and appearance, free of waste and debris), at the tenant's cost and expense. Tenant's removal of the non-city owned hangar, leasehold improvements, and/or alterations will be completed to the city's satisfaction prior to the earlier termination or expiration of the lease. If the tenant removes the non-city owned hangar and all associated leasehold improvements pursuant to this Section 9.4.1, the tenant will not be required to provide the city the facility condition assessment report required under Section 7.1.

9.4.2 If the tenant does not timely elect to remove the non-city owned hangar, leasehold improvements, and/or alterations from the subject property under Section 9.4.1, upon the earlier termination or expiration of a lease, the city may, at the city's election, (a) require the tenant to remove any non-city owned hangar, leasehold improvements, and/or alterations from the subject property (and surrender the property to the city in good condition, repair, working order, and appearance, free of waste and debris), at the tenant's cost and expense, or (b) accept ownership of the tenant's hangar, leasehold improvements, and/or alterations (without payment of any consideration) then located on the subject property free from all encumbrances and/or interests of the tenant and/or any third party (if the city accepts ownership of the tenant's hangar, leasehold improvements, and/or alterations, no additional conveyance document will be needed to effectuate the transfer of ownership unless requested by the city, in which case the tenant will execute all reasonably requested city documents).

9.4.3 If (a) the city accepts ownership of the tenant's hangar, leasehold improvements, and alterations under Section 9.4.2(b), (b) the lease's termination was not due to the tenant's default, (c) the tenant is in good standing with the city, and (d) the city does not require the subject hangar, leasehold

improvements, and/or alterations for other airport uses (i.e., uses other than inclusion in the city's hangar leasing pool), the tenant may leaseback the subject hangar, leasehold improvements, and alterations at the then-applicable fair market value rental rate subject to the terms and conditions contained in this policy, including, without limitation, the maximum lease term provisions under Section 7.3 of this policy; provided, however, the tenant will not be permitted to leaseback the subject hangar, leasehold improvements, and alterations unless the tenant provides the city written notice of its desire to leaseback the same no less than ninety (90) days prior to the date the lease expires or sooner terminates. Notwithstanding anything contained in this policy providing otherwise, the tenant will not have the right to leaseback the subject hangar, leasehold improvements, and/or alterations under this Section 9.4.3 if the hangar, leasehold improvements, and/or alterations are not in a condition expected to last for the new lease term (the city may require the tenant to provide the city a facility condition assessment report, prepared by an independent, qualified contractor attesting to the condition of the leasehold improvements). In connection with any leaseback transaction, the city reserves the right to require that the lease be updated consistent with the city's then-current lease template.

9.4.3 If the tenant fails to timely and properly remove the non-city owned hangar, leasehold improvements, and/or alterations from the subject property under Section 9.4.1 or Section 9.4.2(a) (and surrender the property to the city in good condition, repair, working order, and appearance, free of waste and debris), the city may, in addition to all other rights and remedies, (a) cause the non-city owned hangar, leasehold improvements, and/or alterations to be removed from the subject property (and restore the subject property to a good condition, repair, working order, and appearance, free of waste and debris) at the tenant's cost and expense, and/or (b) treat the tenant as a holdover tenant under the subject lease.

9.5 Reversion Deferral.

9.5.1 The tenant may pay the city a "reversion deferral fee" in lieu of the city obtaining ownership of the tenant's hangar, leasehold improvements, and other alterations under an expiring lease in accordance with Section 9.4 of this policy. Upon payment of the reversion deferral fee, the lease will be extended (the "reversionary extended term") for one or more terms reasonably acceptable to the city; provided, however, in no event will the reversionary extended term (together with the original lease term and all applicable extensions) exceed fifty (50) years without FAA approval.

9.5.2 The reversion deferral fee will be equal to the city's accumulated expected annual return for the reversionary extended term on the hangar's (and other improvements) ownership, discounted to a net present value by the current prime rate as set forth by the FED (assuming the hangar and other improvements are not contaminated and have been properly maintained, repaired, and replaced in accordance with the terms and conditions of the lease). The city's annual return will be based on the city's rental of the hangar (and all other improvements) at the then-applicable fair market rental rate (and escalated (increased) annually thereafter in accordance with the city's rent escalation policies) as determined by a commercial real estate appraiser familiar with aeronautical hangar properties in Central Oregon. The reversion deferral fee may be paid monthly, annually, in one lump sum, and/or as otherwise agreed in writing by the city and tenant. If the tenant pays the reversion deferral fee annually or in one lump sum the city will provide the tenant a reversion deferral fee discount (reduction).

9.5.3 A tenant will exercise the reversion deferral provided under this Section 9.5 by providing the city no less than ninety (90) days' prior written notice. Notwithstanding anything contained in this policy providing otherwise, a reversion deferral will not be permitted under the following conditions or circumstances: (a) the city determines that the subject property, hangar, and/or related improvements are required for other airport uses; (b) the tenant is then in default under the lease; and/or (c) the subject improvements are not in a condition expected to last for the reversionary extended term (the city may require the tenant to provide the city a facility condition assessment report, prepared by an independent, qualified contractor attesting to the condition of the leasehold improvements). If the tenant exercises the reversion

deferral, the city reserves the right to require that the lease be updated consistent with the city's then-current lease template.

10. FAA Required Provisions

10.1 Subordination

In addition to any other term or condition required under this policy, each lease will contain a subordination provision substantially as follows:

"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 (City) 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)."

10.2 Non-Discrimination; Unfair Practices

In addition to any other term or condition required under this policy, each lease will contain a non-discrimination and unfair practices provision substantially as follows:

"Non-Discrimination; Unfair Practices. Tenant covenants and agrees as follows: (a) if any improvements and/or improvements (including, without limitation, any hangar and/or improvements) are constructed, maintained, and/or otherwise operated on airport property and/or such hangar for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant will maintain and operate such improvements 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 improvements located on the airport property and/or such hangar; and (c) in the construction of any hangar and/or any improvements on, over, and/or under airport property and/or hangar 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."

10.3 Aviation Easement; Aeronautical Uses

Each tenant's use of airport property, leasehold improvements, and/or a hangar is secondary and subordinate to the city's operation of the airport and laws. City reserves for itself, and for the public, a right of flight for the passage of aircraft in the airspace above the subject airport property and improvements together with the right to cause noise, vibration, dust, fumes, smoke, vapor, and other effects inherent in the navigation or flight of aircraft and/or operation of the airport. Each 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, the city's operations and/or those of other tenants and authorized users of the airport or general public. Any tenant activities that the city 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 under the lease.

10.4 Indemnification

Each tenant will release and defend, indemnify, and hold the city and city's representatives 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 the following: (a) damage, loss, and/or injury to person or property in, on, and/or about the airport; (b) the tenant's acts and/or omissions, including, without limitation, the tenant's operations at the airport; (c) the tenant's use of airport property, improvements (e.g., a hangar) on such property and/or the airport; (d) the tenant's construction, maintenance, repair, ownership, use, and/or occupancy of the leasehold improvements and/or any condition of the airport property and/or improvements; (e) the use, storage, treatment, transportation, presence, release, and/or disposal of hazardous substances in, on, under, and/or about the airport and/or any airport property; and/or (f) the tenant's breach and/or failure to perform any tenant representation, warranty, covenant, and/or obligation under the lease.

11. Rentals, Rates, Fees, and Charges

11.1 Airport Sustainability

City has an obligation to make the airport self-sustainable. Each lease will provide adequate consideration for the lease of the subject property, which in no event will be less than fair market value. City's contractual terms and conditions, while fair and nondiscriminatory, will provide the most advantageous returns to the city and will ensure the provision of essential aviation services to the community.

11.2 No Unjustifiably Discriminatory Rates

Each tenant will be subject to all applicable rates, fees, rents, and other charges (e.g., fuel flowage fees, hangar rentals, and percentages of gross volume of business). City will establish rates, fees, and charges as the city determines necessary and appropriate for the leases. City may charge different rates to similar users of the airport if such rates are nondiscriminatory in purpose.

11.3 Periodic Adjustment of Rates

Adjustments to rental rates and airport user fees (e.g., percentages of an operator's gross revenues) provides parity of rates and charges between new and long-standing operators and assists the airport in achieving self-sustainability. Leases will contain an annual escalation provision applicable to rents or user fees, as applicable. In addition to and not in lieu of the annual escalation, rents and user fees will be adjusted every five years (or at such other period determined by the city) to equal or exceed the then applicable fair market rental rate. For purposes of this Section 11.3, the term "user fees" does not include landing fees and/or passenger facility charges.

12. Construction of Leasehold Improvements

12.1 General Policy

City seeks to promote consistent, attractive, and compatible high-quality development at the airport. City desires to encourage private sector investment in airport improvements and develop and maintain aesthetic excellence and high standards of environmental protection. City desires to create standards of development that maintain the character of the airport, are consistent with the city's policies, and ensure all construction meets and exceeds applicable safety standards and requirements. City prohibits any use, occupancy, construction, modification, and/or improvement that is inconsistent with the ALP and/or ASP.

12.2 Development Requirements

If applicable, a lease will include, without limitation, specific development requirements for construction of leasehold improvements on the airport. Prior to commencing construction of any leasehold improvements and before any building materials have been delivered to the airport, the tenant will comply with each of the following conditions (and all other conditions the city may reasonably impose):

12.2.1 Each tenant will timely make application for, and obtain, all necessary construction, building, and other permits, approvals, authorizations, and consents, including, without limitation, all necessary approvals from the FAA, the city, and Deschutes County. If applicable, construction of leasehold improvements 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. In connection therewith, the tenant will pay all applicable required application, permit, and processing fees. No leasehold improvements will be designed, planned, constructed, reconstructed, and/or remodeled without the airport director’s prior written consent.

12.2.2 Each tenant will submit a site plan application and pay the applicable fee to the city for the city’s land use approval process. The tenant will follow the conditions of approval from the site plan decision. As part of a design review process, the tenant will submit to the city three sets of preliminary construction plans and specifications prepared by an architect or engineer licensed in the State of Oregon which are sufficient to enable the city to make an informed judgment about the design and quality of the leasehold improvements.

12.2.3 Approval or disapproval will be communicated to the tenant in the manner provided for notices within a reasonable period of time after receipt of complete plans and specifications by the city. Any disapproval will be accompanied by a statement of the reasons for such disapproval. Tenant will revise plans and specifications to address the city’s review comments. Final working drawings and the construction work will conform in all respects with the site plan decision, plan review comments, and building department requirements. City will not be obligated to approve or agree with any item, specification, or document contained in or related to the plans and specifications not reasonably acceptable to the city. City’s review of the plans and specifications will be completed solely to protect the city’s interests in the subject property and Airport; the city will not be a guarantor of, or responsible for, the correctness or accuracy of the plans and specifications or their compliance with the laws. No tenant will modify, improve, alter, add, and/or delete improvements without the airport director’s prior written consent.

12.2.4 Each tenant will deliver to the city true copies of the commitments for both interim and permanent financing for any leasehold improvement construction together with written approval of the plans and specifications by the financial institution issuing the interim loan commitment. The tenant is not required to provide copies of the financial institution’s commitment if the tenant will pay for construction without third party financing.

12.2.5 Each tenant will deliver to the city such other documents, proofs, and copies as the city may reasonably request, including, without limitation, proof that workers’ compensation insurance has been procured to cover all persons employed in connection with the construction, proof of issuance of all building and other permits required for the construction, and copies of the tenant’s contract with the general contractor or with subcontractors for the leasehold improvement’s construction. Each tenant will obtain builder’s risk insurance.

12.3 Construction

12.3.1 Any structure or facility constructed or placed upon the airport will be constructed in a manner to conform to all safety and environmental regulations and will comply with the city’s current site development requirements, building codes, and fire regulations, and all FAA design standards. Each tenant will obtain, at the tenant’s cost and expense, all site plans, permits, and licenses required to construct the leasehold

improvements and will pay all applicable taxes, permits, inspection fees, and/or licenses required for construction and operation of the tenant's leasehold improvements and business.

12.3.2 Except as expressly provided otherwise by the city, each tenant will be solely responsible for connecting the leasehold improvements to utilities and other improvements, at the tenant's cost and expense, including, without limitation, public roadways, aprons, taxiways, electrical power, communications, water, sewer, and natural gas. Once construction has commenced, the tenant will prosecute construction of the leasehold improvements expeditiously, with diligence, and in accordance with the construction scheduled approved by the city. The tenant will suppress, at the tenant's cost and expense and to the satisfaction of FAA, all electromagnetic interference with radio guidance, safety devices, and/or with any electric or electronic equipment or installations on or associated with the airport.

12.3.3 Construction will be performed in a good and workmanlike manner and will comply with all applicable laws. The tenant will timely pay, or cause to be paid, all costs, expenses, and charges related to or concerning the leasehold improvements, including, without limitation, costs of construction and installation. Each tenant will conduct its operations and construction in a safe, neat, and orderly fashion and in a manner that minimizes dust, noise, odors, stormwater detention, pollution, and smoke generation.

Appendix A
Definitions

“ACM” means the city’s then-applicable Airport Certification Manual.

“AIP” means the city’s then-current Airport Improvement Program.

“Airport” means the Redmond Municipal Airport (a/k/a “Roberts Field”), a public municipal airport located in Redmond, Oregon, including, without limitation, all areas and improvements (e.g., buildings, facilities, etc.) within the exterior boundaries of the airport as it now exists or as it may hereafter be extended or enlarged.

“Aeronautical activity(ies)” means any activity and/or service conducted at the airport that involves, makes possible, and/or is required for operation of aircraft, or that contributes to or is required for the safety of such operations, including, without limitation, the following services and/or activities commonly conducted on airports: charter operations; pilot training; aircraft rental and sightseeing; aerial photography; crop dusting; aerial advertising; surveying; air-carrier operations; aircraft sales and services; sale of aviation petroleum products; repair and maintenance of aircraft; sale of aircraft parts; and/or any other activities that, because of their direct relationship to the operation of an aircraft, can appropriately be regarded as an “aeronautical activity.”

“Airport director” means the individual employed and authorized by the city to be the airport’s chief administrative officer (or his or her designee).

“ALP” means the FAA approved and the city adopted drawing, as may be amended from time to time, which reflects an agreement between the FAA and airport, depicting the physical layout of the airport, identifying city-owned property at the airport to be utilized for aeronautical activities, and identifying the location and configuration of current and proposed runways, taxiways, buildings, roadways, utilities, navigational aids, facilities, plans, and other airport uses and proposed allocation of airport land and/or improvements to specific uses, operations, and/or development.

“AMP” means the city’s then-current Airport Master Plan.

“Appeal” has the meaning assigned to such term in Section 4.5.2, which appeal must be in writing and include the following information: (a) the applicant’s name, address, email, and telephone number; (b) a statement that the applicant requests that the city manager review the airport director’s decision concerning the subject request for reconsideration; and (c) the basis for the appeal, stating with specificity why the airport director’s decision is in error.

“Applicant” means a person submitting an application to the city to enter into a lease concerning the use and/or occupancy of airport property.

“ASP” means the city’s then-current Airport Strategic Plan.

“City” means City of Redmond, an Oregon municipal corporation.

“City manager” means the city’s then-appointed city manager (or his or her designee).

“Commercial aeronautical activity” means an aeronautical activity for commercial purposes as defined in the minimum standards.

“Deficiency notice” has the meaning assigned to such term in Section 4.4.

“Encumbrance(s)” means any lien, mortgage, pledge, security interest, reservation, restriction, adverse claim, and/or other encumbrance.

“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.

“FAA” means the Federal Aviation Administration.

“Grant assurance(s)” means the various continuing commitments airport owners make to the United States as a condition for receipt of grants from the federal government or as a condition of the conveyance of federal property for airport uses.

“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.

“Law(s)” means all policies, rules, leases, covenants, conditions, restrictions, easements, declarations, laws, statutes, liens, ordinances, orders, codes, and regulations directly or indirectly affecting a lease, the airport, and/or permitted airport uses, including, without limitation, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder), environmental laws, any rules or regulations promulgated by the FAA or any other federal airport authority (including, without limitation, grant assurances and requirements under 14 CFR Part 77), Chapter 10 of the city’s municipal code, this policy, and the rules and regulations, all as now in force and/or which may hereafter be amended, modified, enacted, and/or promulgated.

“Lease” means any agreement between the city and a person pursuant to which the city grants the person permission to use and occupy airport property in conformance with certain leasehold interests for a specified period of time in exchange for specified rent.

“Minimum standards” means those certain Minimum Standards for Commercial Aeronautical Service Providers at the Redmond Municipal Airport, codified at chapter 10 of the city’s municipal code, as amended by the city from time to time.

“Operator” means either a fixed base operator and/or a specialized aviation service operator when performing a commercial aeronautical activity.

“Person” means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, and/or any other entity.

“Policy” has the meaning assigned to such term in Section 1.1.1.

“Representative(s)” means each present and future director, officer, shareholder, member, manager, employee, agent, contractor, and/or authorized representative of the identified person.

“Request for reconsideration” has the meaning assigned to such term in Section 4.5.1, which request for reconsideration must be in writing and include the following information: (a) the applicant’s name, address, email, and telephone number; (b) a statement that the applicant requests that the airport director reconsider the application’s denial; and (c) the circumstances and/or information upon which the applicant reasonably believes warrants the airport director’s reconsideration.

“Rules and Regulations” means those Rules and Regulations Redmond Municipal Airport – Roberts Field adopted June 28, 2016, as amended from time to time, and such other city policies, procedures, and/or

regulations governing the safe, orderly, and efficient use of the airport as established and amended from time to time.

“State” means the State of Oregon.

“Tenant” means a person authorized to use and/or occupy certain airport property and holding certain leasehold interests in and to airport property subject to and in accordance with the terms and provisions of a lease with the city.

“Tenant’s agent(s)” means a tenant’s directors, officers, shareholders, members, managers, employees, agents, representatives, invitees, and/or contractors.

“Transfer” means any sale, assignment, mortgage, sublet, lien, conveyance, encumbrance, and/or other transfer (whether directly, indirectly, voluntarily, involuntarily, and/or by operation of law); provided, however, the term “transfer” includes the sale, assignment, encumbrance, and/or transfer - or series of related sales, assignments, encumbrances, and/or transfers of the shares, membership, and/or other ownership interests of the tenant.

“TSA” means the Transportation Security Administration.