

FIRST AMENDMENT

This is the First Addendum to that certain lease by and between CITY OF SALEM, OREGON, an Oregon municipal corporation (“Landlord”) and HANGAR II LLC. (“Tenant”), dated August 1, 2024 (Lease). This First Amendment is effective on the date last signed by both parties below.

RECITALS:

Whereas, pursuant to the Lease, Landlord leased to Tenant, certain real property located at 4018 Airway Drive SE, Salem, Marion County, Oregon, as described in the Lease (the “Premises”); and

Whereas, the parties hereto desire to amend Section 2.1 to establish the new Commencement Date and Expiration Date;

Whereas, Section 4.9 of the Lease contains certain representations and warranties by Landlord regarding the absence of Hazardous Substances in actionable quantities on the Premises, as referenced in Exhibit C – Environmental Addendum;

Whereas, Section 1.3 of the Lease permit the use of Common Areas but does not specify the route of ingress and egress from the Premises, as referenced in Exhibit D – Access Addendum and Schedule I;

Whereas, Section 1.2 of the Lease provides that Tenant is proposing to develop a hangar facility on the Premises, as referenced in Exhibit E – Development Activity Addendum;

Whereas, in conjunction with Tenant’s proposed development and financing of a hangar facility on the Premises, Tenant commissioned two Phase II Environmental Site Assessments, which revealed the presence of per- and polyfluoroalkyl substances (PFAS) in the subsurface soils of the Premises; and

Whereas, the parties desire to amend Section 2.1 of the Lease and to incorporate Exhibit C, D, and E, along with Schedule I.

Now therefore, the Parties agree as follows:

Amend the Lease to incorporate all language within Exhibit C, D, and E, along with including Schedule I; amend Section 2.1 of the Lease.

2.1 Term. The term of this Lease is for a period of forty (40) years, commencing December 1, 2025, or the date the Lease is signed by Landlord, whichever shall later occur (the

"Commencement Date") and November 30, 2065 ("Expiration Date"). The date used as the anniversary date for payment of Rent and for adjustments to the Rent shall be July 1.

IN WITNESS WHEREOF the parties have caused this First Amendment to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

LANDLORD:

CITY OF SALEM

An Oregon municipal corporation

TENANT:

HANGAR II LLC

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit C
Environmental Addendum

RECITALS:

- A. Section 4.9 of the Lease contains certain representations and warranties by Landlord regarding the absence of Hazardous Substances in actionable quantities on the Property;
- B. In conjunction with Tenant's proposed development and financing of a hangar facility on the Property, Tenant commissioned two Phase II Environmental Site Assessments, which revealed the presence of per- and polyfluoroalkyl substances (PFAS) in the subsurface soils of the Property; and
- C. The parties desire to amend the Lease to acknowledge the presence of PFAS and to allocate responsibility therefor.

In accordance with the Recitals above, the parties agree as follows:

ADDENDUM:

- 1. Amendment to Section 4.9 – Environmental Matters/Landlord Indemnification for Pre-Existing Contamination. Section 4.9 of the Lease is hereby amended to add the following language to the end of the existing section:

“Notwithstanding the foregoing, Landlord acknowledges and agrees that Tenant, through the course of its due diligence and in coordination with its lender, conducted two separate Phase II Environmental Site Assessments of the Property, which identified the presence of Hazardous Substances, specifically per- and polyfluoroalkyl substances (PFAS), in the subsurface soils of the Property. Landlord acknowledges and agrees that the PFAS and any other Hazardous Substances present in or under the Property as of the Commencement Date constitute pre-existing contamination of the Property. Landlord hereby agrees to indemnify, defend, and hold harmless Tenant, and its members, affiliates, lenders, successors and assigns (collectively, the “Tenant Parties”) from and against any and all claims, demands, liabilities, costs, damages, or expenses (including reasonable attorneys’ fees) arising out of or relating to such pre-existing contamination, including but not limited to remediation, removal, monitoring, response actions, or third-party claims.

This indemnity by Landlord shall survive the expiration or earlier termination of the Lease. However, to be clear, this Landlord indemnity shall not apply to the extent any claims, demands, liabilities, costs, damages, or expenses are caused by Tenant's introduction of Hazardous Substances to the Property after the Commencement Date.”

Exhibit D

Access Addendum

Access to Property. The Property is not immediately adjacent to a public street. Under Section 1.3 of the Lease, Tenant has the “*right to use in common with other such users such public Airport facilities, public improvements, runways and taxiways, and public roads, ways and areas at the Airport that are necessary for ingress and egress to and from the Premises, collectively the “Common Areas.”*” As part of such Common Areas, Landlord grants Tenant the specific non-exclusive rights to utilize the paved roadways from Airway Dr SE to the Premises, as depicted in the attached Schedule I, to access the Premises.

Schedule I

DEPICTION OF ACCESS TO PROPERTY FROM AIRWAY DR SE VIA
COMMON AREA PAVED ROADWAYS

(see attachment)

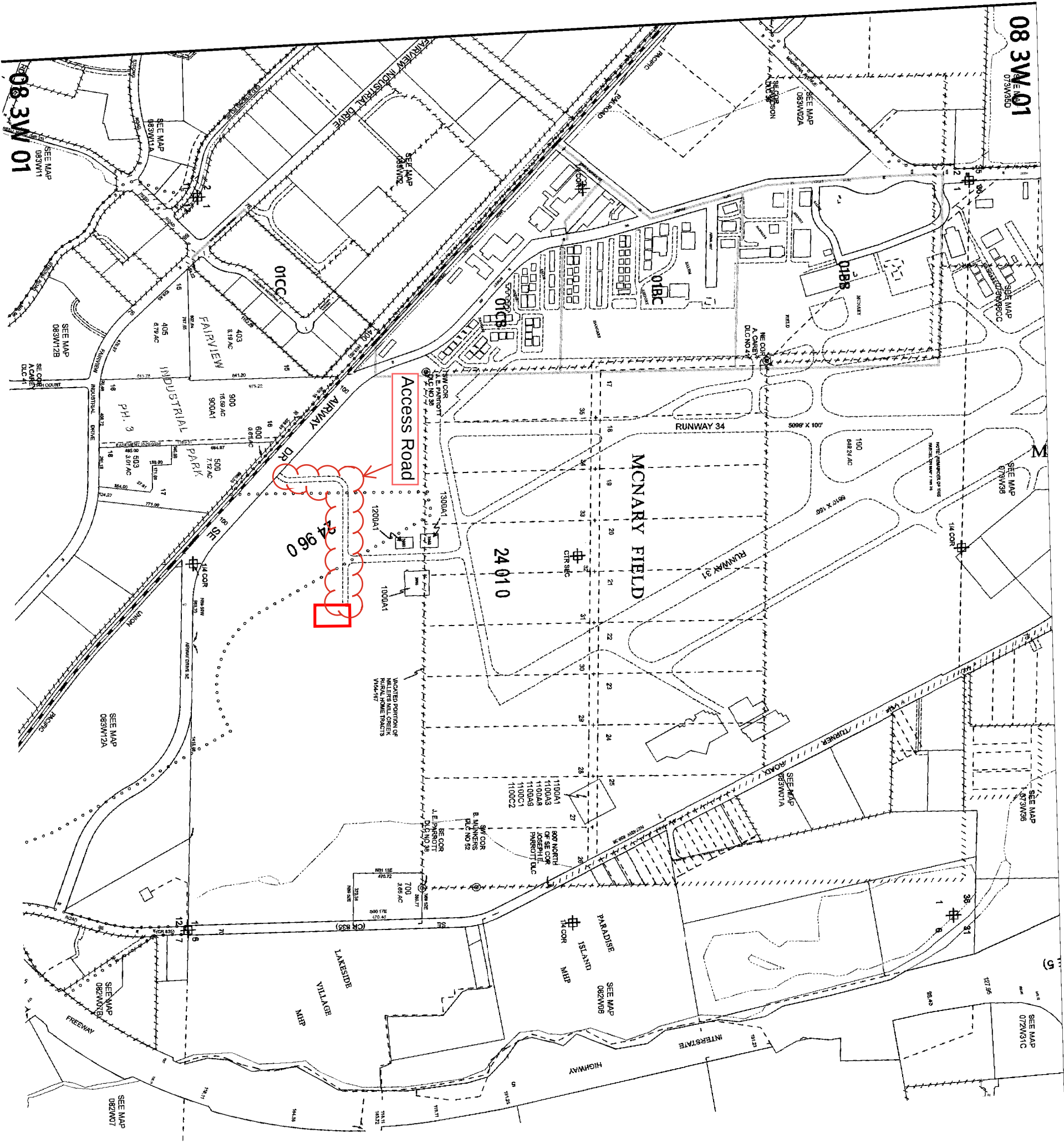


First American
Title Insurance Company

File No.: 1227766
Location: Marion County, OR

Legend

 PIQ



This map may or may not be an accurate description or identification of the land and is not intended nor may be it relied upon as a survey of the land depicted hereon. This map is solely intended to provide orientation as to the general location of the parcel or parcels depicted herein. First American Title Company, its subsidiaries and affiliates, expressly disclaim any and all liability for all loss or damage which may result from reliance or use of this map.

NOT TO SCALE

Exhibit E

Development Activity Addendum

RECITALS:

- A. Section 1.2 of the Lease provides that Tenant is proposing to develop a hangar facility on the Property;
- B. Tenant commissioned two Phase II Environmental Assessments which revealed the presence of PFAS in the subsurface soils of the Property; and
- C. The parties desire to amend the Lease to minimize exposure to PFAS during the development of the hangar and related improvements.

In accordance with the Recitals above, the parties agree as follows:

ADDENDUM:

- 1. Amendment to Section 1.2 – Use of Premises. Section 1.2 of the Lease is hereby amended to add the following provisions to the existing section:
 - 1.2.1 All site activities that include ground disturbance will need to be managed under a Contaminated Media Management Plan (CMMP) and Health and Safety Plan (HASP).
 - 1.2.2 All soil and groundwater should be handled as if it were impacted by PFAS unless specific testing demonstrates that PFAS is not detected (recommended that samples be collected by an environmental professional and samples be analyzed by EPA Method 1633).
 - 1.2.3 Any ground disturbance activity will need to be evaluated for potential worker exposure, PPE requirements, and appropriate engineering controls.
 - 1.2.4 There should be no use of groundwater anywhere within the airport property (including for irrigation or other non-potable uses).
 - 1.2.5 Stormwater infiltration should be prohibited, with the exception that it could be allowed on a case-by-case basis if the soil within (and in the vicinity of) the infiltration area has been demonstrated to not include any detectable PFAS. In addition to prohibiting stormwater infiltration infrastructure (such as swales, ponds, or galleries), we would recommend that development include fully capping parcels with hardscaping (asphalt or concrete pavements) or buildings.
 - 1.2.6 Any soil or groundwater that is removed from the subsurface will need to be properly characterized and profiled for disposal at a permitted facility. On a case-by-case basis, grading of soil within the boundaries of the parcel may be allowable (such as to change the surface grade to accommodate building foundations) as long as the soil is only being moved in the immediate vicinity and not containerized – as approved by DEQ. Any soil that is excavated and placed in a container (e.g., drum, tote, box, truck) would be considered a waste and would need to be disposed of properly.
 - 1.2.7 Rigorous housekeeping during all construction activities must be maintained to ensure that no soil or groundwater is tracked onto adjacent roads or be released outside of the parcel boundary (including dust control during earthmoving

operations, tarping and sweeping of dump trucks, collection and proper disposal of rinse water, and other best management practices [BMPs]).