



Thursday, December 12, 2024, at 5:00 pm  
Location: Gronquist Building, Lower Conference Room  
1650 Railroad Ave, Arlington, OR

Join Zoom Meeting

<https://us02web.zoom.us/j/9537854875>

Meeting ID: 953 785 4875

+16699006833,,85648511236# US (San Jose)

+12532158782,,85648511236# US (Tacoma)

**Regular Commission Meeting Agenda**  
**Thursday, December 12, 2024**

- A. Call Meeting to Order**
- B. Public Comment on Non-Agenda Items**
- C. Consent Agenda:**
  - 1. Approve Regular Meeting Minutes for November 14, 2024
  - 2. Approve October & November 2024 Accounts Payable and Financials
- D. Director Report**
  - 1. Alpine Building
  - 2. Other
    - A. Alkali Ridge
    - B. Sunken Vessel
    - C. Holiday Bonus
- E. President Report**
- F. Commissioner Reports**
- G. Executive Session, ORS 192.660(2)(e):** To conduct deliberations with persons designated by governing body to negotiate real property transactions. *(Placeholder)*
- H. Decision or deliberations on Real Estate Transactions** *(Placeholder)*
- I. Next Meeting – Thursday, January 9, 2025 at Port of Arlington**
- J. Adjourn Meeting**

**Port of Arlington Environmental Sentry Corp Meeting**

**Thursday, December 12, 2025 Immediately following Port Meeting**

- 1. Call Meeting to Order
- 2. Approval of Minutes
- 3. Sentry Corp Financial Policies for EPA Award
- 4. Adjourn

**Regular Commission Meeting**  
**November 14, 2024 MINUTES**  
**5:00PM**  
**Lower Conference Room, Gronquist Building**  
**1650 Railroad Ave., Arlington, OR**

**1. The Port of Arlington Commission meeting was called to order at 5:00pm by President Shannon.**

**Present:** President Leah Shannon and Vice President Ron Wilson; Commissioners: Kathryn Greiner, Gibb Wilkins, and Kip Krebs(via Zoom); Port Director, Jed Crowther, Kayla Rayburn, and Attorney Anna Cavaleri (via zoom)

**Absent:** None

**Audience:** Cris Patnode (Arrived 5:02pm,Left 5:43pm), Joe Patnode (Arrived 5:04pm, Left 5:43pm)

**2. Public Comment-** none

**3. Consent Agenda**

Rayburn advised there were no financials to approve this meeting, she would have them at the December meeting to approve.

**3.1. Approve Regular Meeting Minutes for October 10, 2024**

**Motion: Wilson moved, Wilkins seconded to approve Regular Meeting Minutes for October 10, 2024. motion carried unanimously.**

**4. Director Report**

**4.1. Alkali Ridge**

Currently the Property is listed for \$699,000, and the contract with Mountain Valley Realty is up November 20<sup>th</sup>. Marketing option would be; continue with Mountain Valley, lease with option to buy; although Crowther suggest against this option due to residential rentals is not what a Port does, or long-term rental air BnB, which would be monthly rentals not weekends; would also be ran by a company not the Port. After the tour prior to the regular Commission meeting, the Commissioners had some more insight regarding the property. Commissioner Wilson thinks the shop is great but the house needs work. Commissioner Greiner thinks the house needs some work before it will be marketable; carpets, paint, ect.. would be a great improvement. It was a suggestion rent the house and shop separately, especially since the shop currently is more marketable. Crowther was advised to talk to the school, the City, and other entities see if rentals are needed. The bid packet will go out in January for the infulstructure and road work. The Sallee lot line adjustment was approved, but it has been waiting on the Title Company, so the line could be adjusted and signed by County Officials.

**4.2. Lease Extensions**

The leases were already approved by the County Court at the last meeting, this time they would be including a 2 year extension, with a streamline process, so it's not such a convoluted process each renewal. Anna is currently working up new contracts that they approved, but needed the language updated, so both parties can sign.

**Motion: Greiner moved, Wilson seconded to approve the Gronquist Office room 1, and room 3 extensions/renewals, contengiant on wording from the attorneys. Motion carried unanimously.**

WATCO asked for a 1 year extension on their lease. There was questions from Anna who the actual Lessee should be, Crowther would look into it, and email her.

**Motion: Greiner moved, and Wilson seconded to approve lease extension with WATCO contingent upon changes to the agreement by the attorney. Motion carried unanimously.**

#### **4.3. Willow Creek Industrial Plan**

Advised the final draft of the Willow Creek Industrial Plan was finished, and Points would be sending bound copies for The Ports records. Questions about if Parks/Rec was removed like they requested. There was still a small amount of Parks/Rec included, but the Commissioners were ok with it.

**Motion: Wilkins moved, Greiner seconded to approve final repor by Points Consulting for Willow Creek Industrial Plan. Motion carried unanimously.**

#### **4.4. Dry Camping Concern**

Letter sent to Confederated Tribes of the Yakama Nation, and requested a meeting with their council. The letter was sent in October 2024, but they have not received word back yet for a meeting.

#### **4.5. Sunken Vessel Wreck Removal**

Included in the packet for review was the Ports breakdown of its portion paid, but has not been submitted. The total was \$10,069.93. Crowther is working on submitting this to the ininsurance company for reimbursement.

#### **4.6. Kathryn Greiner- League of Oregon Cities Award**

Crowther congratulated Kathryn Greiner on her prestigious award from the League of Oregon Cities she received at the annual conference this year, and was glad to attend to see her accept it.

#### **4.7. Former Insitu Building- Build-to-suit Preparation**

Alpine is planning to move into the building formally leased by Insitu, but would need to be some costly renovations done, to be able to accommodate their needs. The list of renovations, and some of the quotes already received were included in the packet for the Commissioners review, but there are still more bids waiting to come in. Proposed \$4,500/month for the warehouse portion and outside canopy, leaving the rest to potentially rent out to another entity. They will need to use a restroom, and possibly a small office. The longer 5 year lease is in our best interest to get back some of the initial upgrade cost The Port will have to invest, to make the building ready for Alpine to move into. The gravel drive, potential to utilize the Ports pilings they already own at Willow Creek, L3 Construction who is mining the Quarry is going to submit a bid to haul, prep, and lay the gravel. It was suggested to also reach out to the County road crew and see if they could also potentially bid the project.

**Motion: Greiner moved, Wilkins seconded to authorize Jed authority to spend up to \$75,000 to do renovations for the former Insitu Building Items A-E with approval from the Board President. Motion carried unanimously.**

### **5. Presidents Report, Leah Shannon**

Able to attend the housing meeting with Jed, and it was interesting. There is some opportunities to create some more zoning in the City, that could be helpful with housing development moving forward.

### **6. Commissioner Reports**

6.1. **Ron Wilson**-nothing to report

6.2. **Kip Krebs**-nothing to report

6.3. **Kathryn Greiner**- Just a reminder about the required Public Ethics training, and they will be holding a State approved one in Condon on January 20<sup>th</sup> at the Veterans Memorial Hall.



6.4. **Gibb Wilkins**-Burned weeds at the old Condon Grade School because there were complaints regarding the grounds appearance. He also met the new County planner, and brought up rural housing.

**7. Next Meeting**

Commission Meeting- Thursday, December 12, 2024 at Port of Arlington.

**8. Adjourn Meeting**

**President Shannon adjourned The Regular Commissions meeting at 6:02pm.**

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President Leah Shannon

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Vice President Ron Wilson



**Port of Arlington  
Environmental Sentry Corp Meeting Minutes  
Gronquist Building, Lower Conference Room  
1650 Railroad Ave., Arlington**

**1. The Port of Arlington Environmental Sentry Corp meeting was called to order at 6:03pm by President Wilkins.**

**Present:** President Gibb Wilkins and Vice President Kip Krebs (via zoom); Commissioners: Leah Shannon, Kathryn Greiner, and Ron Wilson; Port Director, Jed Crowther, Kayla Rayburn, and Attorney Anna Cavaleri (via Zoom)

**Absent:** none

**Audience:** none

**2. Public Comment-** none

**3. Consent Agenda**

**3.1. Approve Environmental Sentry Corp Meeting Minutes for October 10, 2024.**

**Motion: Shannon moved, Wilson seconded to approve Environmental Sentry Corp Meeting minutes for October 10, 2024. Motion carried unanimously.**

**4. Director Report**

Crowther advised The Sentry Corp is on top of the paper work and working through the process, He is waiting for the formal approved Work plan. He is working with CCLR and the State Brownfield Project Manager to complete the process. The Sentry Corp will need to have a public meeting in this Quarter to stay in compliance, currently scheduled for December 4, 2024, and would like the commissions to attend, its going to coincide with the City of Condon's Council meeting. The Sentry Corp should be able to be reimbursed for spending for the public meeting, this would be for food and advertisement spent for the meeting regarding the School and the abatement process. Wilkins and Greiner are working with the Condon City Council to accept the School back once remediation is completed, and the planning to move forward with demolition or renovation. Discussion about what should be addressed with the public at the meeting. Discussion about what should be focused on for the building or the lands future. Willamina, Oregon, repurposed their old school, Wilkins reached out to see the pros/cons/struggles/ what went well/what didn't/would they do it again. This may help the City council in a decision when they get the former Grade School back. Jed said he attended the City of Condon's November council meeting to reiterate that the Sentries role is to remediate, but not to renovate the building.

**5. Adjourn Meeting**

**President Wilkins adjourned The Environmental Sentry Corp meeting at 6:14pm.**

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President Gibb Wilkins

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Vice President Kip Krebs



# DIRECTOR REPORT

December 5, 2024

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1. **Alpine Building** – Build-to-suit preparation of the warehouse and outer canopy portion, (reserving the office space for another potential future user).

***Authorization was given at the November 14 board meeting to invest up to \$75,000 for proposed improvements, with notification/review by President Leah Shannon.***

We are moving well with key projects for the upcoming transition from the Flex building, together with a corresponding Draft Lease Agreement. By mutual goals, the agreement has a longer initial lease term and longer renewal options, which benefit both parties, and create a pattern to recoup improvement costs and provide return on investment. Pictures are attached to aid understanding and to show progress.

**Project Status with actual or projected expenditures:**

- A. **Gravel Yard** – Add gravel in front yard for truck turnaround access.
  - ✓ Estimate by Dewey for work by Gilliam County. **Cost \$10,000 to \$12,000.**
- B. **Fence Gate** – Add gate for truck approach to unloading ramp.
  - ✓ Installed by Port. **\$1,144 actual cost.**
- C. **Lights** – Move warehouse lights up.
  - ✓ Completed by Gordon Electric. **\$3,553 actual cost.**
- D. **Heaters** – Move warehouse heaters.
  - Viewed by Eastern Oregon HVAC, upcoming quote. **Estimate \$5,000. Actual TBD.**
- E. **Concrete Pad** – Fill unpaved gap between warehouse and outer canopy.
  - ✓ Completed by Silver Creek Contractors LLC. **\$16,353 actual cost.**
- F. **Restroom Door** – Entry from warehouse, to reserve office separate for future use.
  - To be performed by Port. **Cost not-to-exceed \$1000.**

**BOARD ACTION**

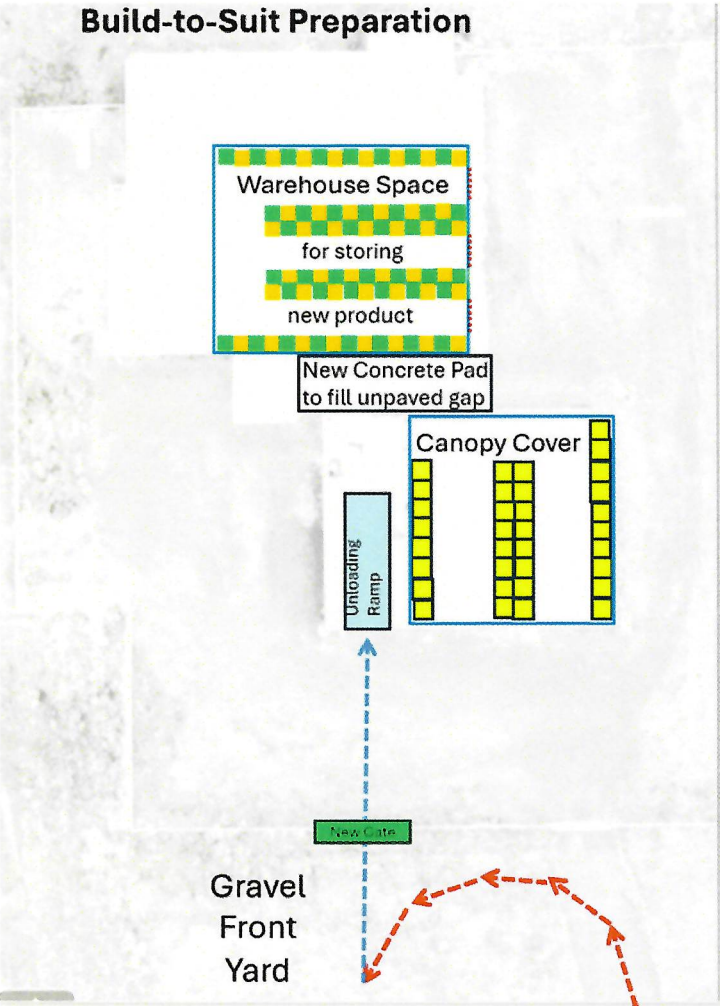
***Motion: Move to approve Lease Agreement with Alpine upon acceptable review and completion of improvements and authorize Leah to sign on behalf of the Port.***

2. **Other**

- A. **Alkali Ridge** – Bid subdivision improvements in December, Bid opening in January.
- B. **Sunken Vessel** – State Farm paid the claim by FDS Marine, so the Port will not have any financial obligation, and all dock restoration and improvements were completed.
- C. **Holiday Bonus** – Our budget includes \$200 each for staff holiday bonuses, to be confirmed by the Board. We appreciate extra tasks performed and quality teamwork.



# Alpine Building Improvements 2024



1.5.2 Fence Gates





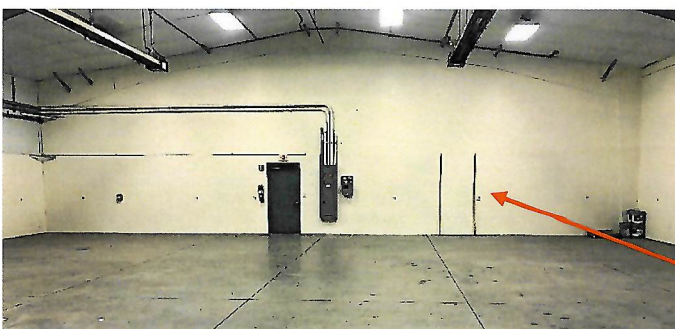
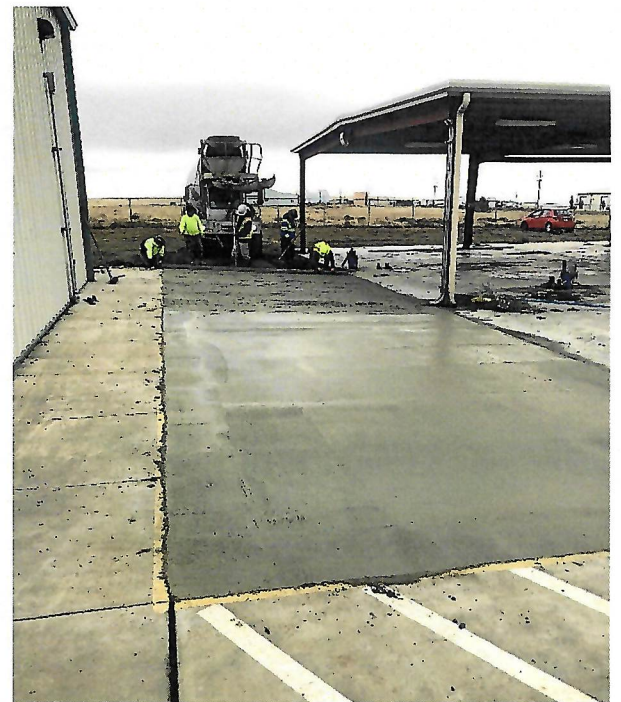
1.5.3 Interior Warehouse Lights



1.5.4 Interior Warehouse Heaters



1.5.5 Concrete Pad



1.5.6 Restroom Door





1.1. Lease of Premises to Tenant. Landlord hereby leases the Premises to Tenant, and Tenant leases the Premises from Landlord, for the term, at the rental rate, and upon all of the conditions set forth in this Lease.

1.2. Term of Lease. The "Initial Term" of this Lease shall be five (5) years, commencing on January, 1 2025 (the "Commencement Date") and expiring at 11:59 p.m. local time on December 31, 2029, unless sooner terminated or extended as provided in this Lease.

1.3. Option to Renew. If, at the expiration of the Initial Term of the Lease Tenant is not in default, Tenant shall have the option to renew this Lease for an additional term of three (3) years (the "Renewal Term") by providing written notice to Landlord of Tenant's intent to renew not less than ninety (90) days, nor more than one hundred eighty (180) days, prior to the expiration of the Initial Term. The rent for the Renewal Term shall be the Base Rent (as defined below) in effect as of the date Tenant exercises its option to renew, plus three percent (3.00%). All other terms and conditions of this Lease shall remain in effect, unless otherwise agreed upon in writing by both parties.

1.4. Possession. Tenant will be entitled to possession of the Premises for purposes of this Lease upon the Commencement Date.

1.5. Landlord Improvements to the Premises Prior to Commencement Date. Prior to the Commencement Date, or as soon as reasonably and practicably as possible thereafter, and pursuant to Tenant's request, Landlord will pay for and cause the following improvements to the Premises to be completed:

1.5.1. Gravel Yard: delivery and disbursement of gravel to the approximately 28,436 sf of space located south of and outside of the fenced exterior of the commercial building, north of Airport Road and west of the paved driveway to the parking canopy and commercial building, for semi-truck turnaround and Premises access, at a cost of approximately [\$12,000].

1.5.2. Fence Gate: install a 20' wide gate (or similar width large enough for a semi-truck to back through safely), within the existing fence south of the parking canopy, for enhanced access to the loading ramp area, at a cost of approximately [\$1,144].

1.5.3. Interior Warehouse Lights: raise existing interior warehouse lighting to facilitate Tenant's pallet rack storage, at a cost of approximately [\$3,553].

1.5.4. Interior Warehouse Heaters: remove radiant heaters currently located in the interior warehouse space and install one wall unit mounted heater in the northwest corner of the warehouse. The approximate cost of removing the interior radiant heaters and replacing with one wall unit is [\$5,000].

1.5.5. Concrete Pad: install a concrete pad in the space between the parking canopy and the commercial building to facilitate forklift traffic between the dock and canopy areas. The approximate cost of the concrete pad installation is [\$16,353].

1.5.6. Restroom Door: install a restroom door for direct access from the warehouse by Alpine only, thus assuring separate privacy and security for Alpine; and reserving separate locked access of the remaining office area by a potential future tenant. The approximate cost of the restroom door installation is \$1,000.

Landlord has invested a total of [\$39,050] in the above Premises improvements per Tenant's request and on Tenant's behalf. If this Lease is terminated by Tenant or due to Tenant's default prior to the expiration of the Initial Term, Landlord may, but is not obligated to, seek reimbursement from Tenant, and Tenant agrees to pay to Landlord for, a portion of the improvement costs based upon the following schedule:

If the Lease is terminated by Tenant or due to Tenant default in the period from:	... then, at Landlord's discretion and upon Landlord's request, Tenant will reimburse Landlord up to the correlating percentage of the total Improvements costs:
January 1, 2025 – December 31, 2025	50%



January 1, 2026 – December 31, 2026	40%
January 1, 2027 – December 31, 2027	30%
January 1, 2028 – December 31, 2028	20%
January 1, 2029 – December 31, 2029	10%

1.6. Premises Leased "As Is". Except as otherwise expressly set forth in section 1.5 above, the Premises is leased to Tenant in its "AS IS" condition, subject to any and all patent and latent defects and faults, without reliance upon any representation by Landlord as to the condition or suitability of the Premises for any intended use or purpose by Tenant and without any representation or warranty by Landlord as to its compliance with applicable Legal Requirements (as defined below) or other matters, and Tenant further acknowledges that Tenant will be relying solely on its own skill, judgment and discretion in deciding whether to lease the Premises.

## 2. Rental

2.1. Annual Base Rent. For the first twelve (12) months of the Initial Term, Tenant shall pay to Landlord as rent for the Premises the sum of **Four-Thousand and NO Dollars (\$4,000.00)** per month, in advance ("Rent" or "Base Rent"). Beginning on January 1, 2026, and upon every annual anniversary of the Commencement Date for each year of the Initial Term and the Renewal Term, if any, the Base Rent will be increased in an amount equal to three percent (3.00%) of the prior year's Base Rent. Rent for the first month shall be paid on or prior to the Commencement Date. Rent for any partial month shall be a pro rata portion of the monthly installment. Rent shall be payable in lawful money of the United States to Landlord at the address stated herein or to such other persons or at such other place as Landlord may designate in writing.

2.2. Additional Rent, No Offsets. All payments required to be paid by Tenant under this Lease, other than Base Rent, will constitute "Additional Rent". All rent (including Base and Additional Rent) shall be received by Landlord without set-off, offset, abatement, or deduction of any kind.

2.3. Net Lease. The Rent paid by Tenant shall be a fully net (sometimes referred to as "triple net" or "absolute net") return to Landlord, so that from and after the Commencement Date, this Lease shall yield the Base Rent to Landlord net of all operating costs, maintenance and repair costs, taxes, insurance charges, assessments, governmental charges, utility costs and fees, and all other expenses of whatever kind or nature pertaining to the operation of the Premises. All such costs and expenses accruing after the Commencement Date shall be paid by Tenant as to the Premises. This provision includes, but is not limited to Tenant's duty to pay property taxes on the facilities not to exceed \$8,000 annually. Property taxes will be paid in advance to the Landlord on a prorated bases of \$660 per month along with monthly base rent payment. Landlord will be responsible for payment of the property tax liability to the Gilliam County Treasurer and any liability over \$8,000. If it is determined by the Tax Assessor that the property taxes are less than \$8,000, the difference in the collected monthly amounts will be remitted to the Tenant.

## 3. Use of Premises

3.1. Permitted Use. Tenant will use the Premises only for the following purpose(s): battery and equipment storage ("Permitted Use"). No other use may be made of the Premises without the prior written approval of Landlord, which may be granted or denied in the sole discretion of Landlord.

3.2. Compliance with Legal Requirements. In connection with its use, Tenant shall keep and maintain the Premises in compliance with all applicable laws, rules, regulations and ordinances of all federal, state, county, municipal and other public authorities having or claiming jurisdiction, and other recorded covenants, conditions and restrictions affecting the Premises and the Property (collectively, the "Legal Requirements").

3.3. Non-disturbance. The rights of Tenant to the Premises shall not be disturbed, cancelled, terminated or otherwise interfered with by Landlord during the term of this Lease.



3.4. Hazardous Substances. Landlord has no knowledge as to whether hazardous substances have been generated, released, stored or deposited over, beneath, or on the Premises or the Property. Tenant (as to the Premises, during the Lease term) and Landlord (as to any adjoining property owned or operated by it), if any, shall not allow or permit any Hazardous Substances to be generated, released, used, stored or deposited on or in the Premises or adjoining property, except to the extent that any Hazardous Substances exist on the Premises or adjacent property, or in the ordinary course of maintaining and operating such property and in strict compliance with applicable Environmental Laws (as defined below). The term "Hazardous Substances" is used in its very broadest sense, and refers to materials which because of their quantity, concentration, or physical, chemical, or infectious characteristics may cause or pose a present or potential hazard to human health or the environment when improperly handled, treated, stored, transported, disposed of, or otherwise managed. The term shall include, but is not limited to, all hazardous substances, hazardous materials and hazardous wastes listed by the U.S. Environmental Protection Agency and the state in which the Property is located under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Toxic Substances Control Act (TSCA), and the Federal Water Pollution Control Act (FWPCA), the Emergency Planning and Community Right-to-Know Act (EPCRA), the Clean Air Act (CAA) and any and all other federal, state and local statutes or ordinances applicable to the protection of human health or the environment (the "Environmental Laws").

3.5. Limits on Use. Tenant will not use, nor permit anyone else to use, the Premises in a manner, nor permit anything to be done on the Premises, that (a) adversely impacts, or is likely to adversely impact the Premises and/or the Property, or any element or part of the Premises, or the operations of the Premises; (b) creates any condition that is a safety hazard; (c) creates a condition that may increase the rate of fire insurance for the Premises or would prevent Landlord from taking advantage of any ruling of an insurance rating bureau that would allow Landlord to obtain reduced rates for its insurance policies, or violates any requirements of Tenant's insurance carrier; or (d) creates a hazard or a nuisance to other tenants or occupants of the Property.

#### **4. Improvements; Maintenance; Taxes; Utilities**

4.1. Improvements. Tenant will not make any alterations, additions, or improvements to the Premises, modify the color of the exterior or interior of the Premises, or install any wall or floor covering therein without obtaining Landlord's prior written consent, which consent Landlord may withhold in Landlord's sole discretion. If Landlord consents in writing to any proposed alteration of the Premises, Tenant will (i) contract only with a Landlord-approved contractor for the performance of the alterations, (ii) obtain all necessary governmental permits and approvals and deliver copies thereof to Landlord, and (iii) cause all alterations to be completed in compliance with Landlord approved plans and specifications with all due diligence. Except for removable machinery and unattached movable trade fixtures, all improvements, alterations, wiring, cables, or conduit installed by Tenant will immediately become part of the Premises/Property, with title vested in Landlord. Landlord may require that Tenant remove any such improvements, alterations, wiring, cables, or conduit installed by or for Tenant and restore the Premises to good condition and repair upon expiration or earlier termination of this Lease. Any contractor used by Tenant for any work on the Premises will be subject to review and approval by Landlord, and Landlord may post notices of non-responsibility in connection with any work being performed in the Premises by or at the request of Tenant. All work on the Premises by or at Tenant's request must comply with all applicable Laws. Tenant will not permit any liens to attach to the Premises or Property as a result of any work performed by or at Tenant's request.

4.2. Tenant Maintenance and Repairs. Tenant will be responsible for maintaining the Premises in good order, condition, repair, operating condition, working order and appearance, and in accordance with all applicable Legal Requirements and Environmental Laws. Tenant shall obtain a yearly maintenance



inspection identifying maintenance and repair needs for the Premises, a copy of which shall be provided to Landlord.

4.3. Landlord Maintenance. Landlord will repair, maintain, and/or replace, if necessary, the roof, foundation, exterior walls, electrical systems and plumbing systems. Landlord shall also repair, maintain, and/or replace, if necessary, the HVAC system on the Premises to the extent it is covered by a service contract. Tenant expressly waives the benefits of any statute now or later in effect that would otherwise give Tenant the right to make repairs at Landlord's expense and deduct that cost from Rent owing to Landlord.

4.4. Utilities and Services. Tenant shall open an account and be directly billed by utility providers for all charges for utilities and services supplied to the Premises. Tenant shall pay all charges for utilities and services, including without limitation any applicable "hookup" and service charges for electricity, gas, telephone, internet, cable, water, and sewer. Landlord will not be liable for any failure or interruption of utilities or services to the Premises. If and when another tenant is located in the office area which results in significant shared utility usage, the proportions of utility use responsibility by each tenant will then be established which generally correlate with approximate percentage of use by each tenant.

## **5. Insurance; Restoration of Damage**

5.1. Liability Insurance. At all times during the Term of this Lease, Tenant, at its expense, will maintain commercial general liability insurance in respect to the Premises and the conduct or operation of business in it, naming Landlord as an additional insured, with a limit of not less than Two Million Dollars (\$2,000,000) per each occurrence. All such insurance will insure the Tenant's performance of the indemnity agreement as to liability for bodily injury to, illness of, or death of persons and damage to property set forth in this Lease. Tenant will pay for and deliver to Landlord and any additional insured such policies or certificates of insurance, in a form reasonably satisfactory to Landlord, issued by the insurance company or its authorized agent, at least ten (10) days before the Lease Commencement Date. Tenant will procure and pay for renewals of such insurance from time to time before the expiration thereof, and Tenant will deliver to Landlord and any additional insured the renewal policy at least thirty (30) days before the expiration of any existing policy. All such policies must contain a provision whereby the same cannot be canceled or modified unless Landlord and any additional insured are given at least thirty (30) days' prior written notice of the cancellation or modification. All policies may be part of blanket coverage relating to properties owned or leased by Tenant.

5.2. Indemnification. Tenant will indemnify, defend, and hold harmless Landlord and Landlord's officers, directors, partners, employees, agents, and independent contractors from any and all claims or liability for any uninsured damage to any property and for any injury, illness, or death of any person occurring in or on the Premises when the damage, injury, illness, or death is caused by the act or failure to act of Tenant, its agents, servants, employees, invitees, or licensees, by any breach of this Lease by Tenant, or by any use of the Premises during the Term. This indemnity will apply even if a third-party claim arises from Landlord's negligence to the extent that the claim is covered by Tenant's liability insurance, it being the intent of the parties that Tenant's contractual liability insurance coverage will be the primary source of coverage for any third-party claims for accidents occurring in or on the Premises regardless of whether Tenant or Landlord is at fault. The Tenant's duty of indemnification shall survive the termination of this Lease.

## **6. Condemnation**

If the entire Property is condemned, or if a portion is taken which causes the remainder to be reasonably unusable for the use permitted hereunder, then this Lease shall terminate as of the date upon which possession of the Premises is taken by the condemning authority.

## **7. Transfers by Tenant Prohibited Without Consent**



Except as expressly provided herein, Tenant shall not assign, pledge, hypothecate, encumber or otherwise transfer its leasehold interest and interest in the improvements on the Premises without the written consent of Landlord, which consent may be withheld in Landlord's sole discretion. An unauthorized transfer under this section shall be deemed a default of this Lease and entitle Landlord to terminate this Lease.

## **8. Events of Default**

The following shall be "Events of Default":

8.1. Unauthorized Transfer. Tenant's assignment, pledge, sublease, encumbrance or other transfer of Tenant's leasehold interest without the prior written consent of Landlord.

8.2. Payment Default. Failure of Tenant to make any Rent or other payment to be made to Landlord under this Lease within twenty (20) days after receipt of written notice of nonpayment.

8.3. Default of Other Covenants. Failure of Tenant to comply with any other term or condition or fulfill any other obligation of this Lease within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be remedied fully within the thirty (30) day cure period, this requirement shall be satisfied if Tenant begins correction of the default within the thirty (30) day cure period and thereafter proceeds with reasonable diligence and in good faith to affect the remedy as soon as practicable.

8.4. Notice of Action to Retake or File Suit. Prior to taking any action to re-enter or retake possession of the Premises, or to sue Tenant for damages for default, Landlord will provide Tenant with at least ten (10) days' notice of Landlord's intent to pursue the particular remedy or remedies if the default is not cured within such time period. Such notice may be given concurrently with or separately from the notices specified above.

## **9. Remedies on Default**

Upon default, after expiration of notice and cure periods provided in Section 8, Landlord may exercise anyone or more of the following remedies:

9.1. Termination. In the event of a default the Lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not the Lease is terminated by election of Landlord or otherwise, Landlord shall be entitled to recover damages from Tenant for the default, and Landlord may reenter, take possession of the Premises and remove any persons or personal property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.

9.2. Re-letting. Following reentry or abandonment, Landlord may re-let the Premises and may make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises, but Landlord shall not be required to re-let for any use or purpose other than that specified in the lease or which Landlord may reasonably consider injurious to the Premises or to any tenant that Landlord may reasonably consider objectionable. Landlord may re-let all or part of the Premises, alone or in conjunction with other portions of the Property for a term longer or shorter than the term of this Lease, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

9.3. Damages for Default. Landlord may recover all damages caused by the default. Landlord may sue periodically to recover damages as they accrue during the remainder of the Lease term without barring a later action for further damages. Landlord may at any time bring an action for accrued damages plus damages for the remaining Lease Term equal to the difference between the rent specified in this Lease and the reasonable rental value of the Premises for the remainder of the Term, discounted to the time of judgment at the rate of nine percent (9.00%) per annum.

9.4. Cure of Tenant's Default. Without prejudice to any other remedy for default, Landlord may perform any obligation or make any payment required to cure a default by Tenant. The reasonable cost of performance, including reasonable attorneys' fees and all disbursements, shall immediately be repaid by Tenant upon demand, together with interest from the date of expenditure until fully paid at the rate of twelve



percent (12.00%) per annum, but not in any event at a rate greater than the maximum rate of interest permitted by law.

9.5. Other Remedies. Landlord may exercise any other remedy available under applicable law. Landlord may terminate this Lease and take possession of the Premises, and Landlord may pursue any other legal remedy for breach of contract, including (without limitation) specific performance, collection of damages, and collection of attorneys' fees and other costs and expenses.

## 10. General Provisions

10.1. Modifications. This Lease may not be modified except by endorsement in writing attached to this Lease, dated and signed by the parties. Neither party shall be bound by any statement of any agent or employee modifying this Lease, except for any person which the party has specifically designated in writing as its representative.

10.2. Nonwaiver. Waiver of performance of any provision shall not be a waiver of nor prejudice the party's right otherwise to require performance of the same provision or any other provision.

10.3. Succession. Subject to the limitations on transfer of Tenant's interest, this Lease shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns.

10.4. Entry by Landlord. Landlord or its authorized representatives may enter the Premises at any time without any restrictions from Tenant.

10.5. Estoppel Certificates. Within (ten) 10 calendar days after receipt of written request, each party shall deliver a written statement to the requesting party stating the date to which the rent and other charges have been paid, whether the Lease is unmodified and in full force and effect, and any other matters that may reasonably be requested.

10.6. Notices. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof to be given (collectively "Notices") shall be given in writing and effective upon receipt. Notices may be served: by certified or registered mail, postage paid with return receipt requested; by private courier, prepaid; by telex, facsimile, or other telecommunication device capable of transmitting or creating a written record; or personally. Mailed Notices shall be deemed received three (3) business days after mailing, properly addressed. Couriered Notices shall be deemed received when delivered as addressed, or if the addressee refuses delivery, when presented for delivery notwithstanding such refusal. With respect to any notice sent by telex, facsimile, email, or other telecommunication device, the term "receipt" will mean electronic verification that transmission to the recipient was completed, if such transmission occurs during the normal business hours, or otherwise on the next business day after the date of transmission. Personal delivery of Notices shall be effective when accomplished. Unless a party changes its address by giving notice to the other party as provided herein, Notices shall be delivered to the parties at the addresses first set forth above.

10.7. Attorneys' Fees. In the event suit or action is instituted to interpret or enforce the terms of this Lease, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial, upon appeal and on any petition for review, in addition to all other sums provided by law.

10.8. Relationship of Parties. The relationship of the parties to this Lease is that of landlord and tenant. Landlord is not a partner or joint venturer with Tenant in any respect or for any purpose in the conduct of Tenant's business or otherwise.

10.9. Applicable Law. The Premises and the Property are located in the State of Oregon. The parties agree that the law of such State shall be applicable for purposes of construing and determining the validity of this Lease. Any claim, action, suit or proceeding (collectively, "Claim") between Landlord and Tenant that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Gilliam County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

10.10. Prior Agreements. This Lease (including all exhibits, incorporated herein) is the entire, final, and complete agreement of the parties with respect to the matters set forth in this Lease, and supersedes and replaces all written and oral agreements previously made or existing by and between the parties or their representatives with respect to such matters.

10.11. Validity of Provisions. If any of the provisions contained in this Lease shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining provisions contained in this Lease shall not be affected.

10.12. Recording; Quitclaim. Tenant shall not file or record this Lease without the specific prior written consent of Landlord. Upon expiration or earlier termination of this Lease, Tenant shall promptly execute, acknowledge and deliver to Landlord any quitclaim deed or other document required by Landlord or a title company to remove the cloud of this Lease from the Property and to evidence the termination of Tenant's interests in the Premises and/or the Property and improvements that will remain on the Premises.

10.13. Merger of Estates. In the event and at such time as Landlord may own and hold both the landlord's and tenant's interest under this Lease, this Lease will terminate automatically by merger of estates.

10.14. Authorization of Lease; Facsimile, or Email Signatures. Each party covenants and warrants to the other that the person(s) executing this Lease on behalf of the party is duly authorized to execute and bind the party under this Lease. Facsimile or email transmission of any signed original document, and retransmission of any signed facsimile or email transmission, shall be the same as delivery of an original. At the request of either party, the parties shall confirm facsimile or email-transmitted signatures by signing an original document.

10.15. Brokers. Neither party has used a real estate broker in connection with this transaction. Each party will defend, indemnify, and hold harmless from any claim, loss, or liability made or imposed by any other party claiming a commission or fee in connection with this transaction and arising out of its own conduct.

10.16. Section Headings. The headings to the sections and paragraphs of this Lease are included only for the convenience of the parties and shall not have the effect of enlarging, diminishing, or affecting the interpretation of its terms.

10.17. Joinder in Instruments. Upon reasonable request from time to time, Landlord shall join with Tenant in any conveyance, dedication, grant of easement or license or other instrument as shall be reasonably necessary or convenient to provide public utility service to the Premises or in order to allow development or use of the Premises by Tenant. Landlord shall not be required to incur any cost or expense by virtue of the provision of this paragraph.

10.18. Exhibits. All exhibits and attachments to the Lease are hereby incorporated as part of the body of this instrument.

IN WITNESS WHEREOF, the undersigned has caused this Lease to be duly executed by a person or officer thereunto duly authorized as of the date and year first above written.

By: **LANDLORD**  
**PORT OF ARLINGTON**

By: **TENANT**  
**ALPINE POWER SYSTEMS, INC.**

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**Leah Shannon,**  
**Port Commission Board President**

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**Eric Light,**  
**Chief Financial Officer**