

**REGULAR CITY COUNCIL MEETING
AIRPORT LEASE AGREEMENTS
EXECUTIVE SUMMARY
NOVEMBER 6, 2025**

The Airport is seeking approval of renewal of the following lease agreements and corresponding resolutions:

- a) Aaron Bowman and Jared Smith- 1,760 square foot City-owned hanger. The lease term will be five (5) years and rental rate will be \$324.20 per month.
- b) Civil Air Patrol – 1,760 square foot City-owned hanger. The lease term will be five (5) years and rental rate will be \$77.45 per month. In accordance with FAA authorization, a less than market value rental rate has always been provided to Civil Air Patrol due to the nature of their operations and benefit to the community as well as the airport.
- c) Bob Howard Larson Trust - 5,990 square feet of property upon which the trust owns a hangar. The lease term will be fifteen (15) years and rental rate will be \$1,377.70 per year.
- d) Butch McDougall and Ashley McDougall - 5,649.81 square feet of property upon which Mr. McDougall and Ms. McDougall own a hangar. The lease term will be thirty (30) years and rental rate will be \$1,299.46 per year.
- e) Hannah Warner – 6,293 square feet of property upon which Ms. Warner owns a hangar. The lease term will be twenty (20) years and rental rate will be \$1,447.39 per year.

Rental rates will be increased annually according to the CPI with a full review in 2026 and every five years thereafter.

MEMORANDUM

TO: City Council and Mayor
FROM: Brian Trammell, Deputy City Attorney
DATE: September 15, 2025
RE: Resolution and Lease Agreement

I have reviewed the resolution and lease agreement with Aaron Bowman and Jared Smith. This is a five-year lease of real property for the purpose of operating a private aircraft storage hangar. I have no legal concerns with Council approving the resolution and lease agreement, and authorizing the Mayor to sign it.

Please let me know if you have any questions or concerns.

RESOLUTION NO. 2025-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POCATELLO, A MUNICIPAL CORPORATION OF IDAHO, APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF POCATELLO, AARON BOWMAN, AND JARED SMITH, FOR THE LEASE OF CERTAIN REAL PROPERTY; DECLARING THE PROPERTY NOT NEEDED FOR CITY PURPOSES; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST SAID LEASE AGREEMENT ON BEHALF OF THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Pocatello (“City”) is the owner of certain lands located in Power County, Idaho, commonly known and designated as the Pocatello Regional Airport, which property is subject to certain covenants and restrictions imposed under the Surplus Property Act of 1944; and

WHEREAS, Lessee desires to lease the hereinafter described land at the Pocatello Regional Airport for the purpose of operating a private aircraft storage hangar; and

WHEREAS, the City Council has determined that leasing the subject property pursuant to the terms of the attached Lease Agreement is appropriate and is in the best interest of the citizens of Pocatello.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF POCATELLO AS FOLLOWS:

1. The Lease Agreement attached hereto and made a part hereof is hereby approved both as to form and content.

2. The Mayor and City Clerk are authorized to respectively execute and attest said Lease Agreement for and on behalf of the City of Pocatello.

3. This Resolution shall be in full force and effect immediately upon its adoption and approval.

RESOLVED this _____ day of _____, 2025.

CITY OF POCA TELLO, a municipal
corporation of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

KONNI R. KENDELL, City Clerk

AIRPORT HANGAR LEASE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2025, by and between the CITY OF POCATELLO, a municipal corporation of Idaho, hereinafter referred to as “LESSOR”, and AARON BOWMAN, 765 Dell Road, Chubbuck ID, 83202, and JARED SMITH, 1214 Holman Avenue, Pocatello ID, 83201, hereinafter and collectively referred to as “LESSEE”:

WITNESSETH:

WHEREAS, Lessor is the owner of certain lands located in Power County, Idaho, commonly known and designated as the Pocatello Regional Airport, which property is subject to certain covenants and restrictions imposed under the Surplus Property Act of 1944; and

WHEREAS, on December 18, 2020, Lessor entered into a lease agreement with Lessee for the purpose of leasing an aviation hangar at the Pocatello Regional Airport;

WHEREAS, Lessee desires to renew said lease of the hereinafter described land at the Pocatello Regional Airport for the purposes of private aircraft storage.

NOW THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the Parties agree as follows:

I. PREMISES

Lessor leases to Lessee the following described real property consisting of approximately 1,760 square feet located at 1462 Thunderbolt, hereafter referred to as Hangar #2.

II. TERM

This Agreement shall be for a five (5) year period, commencing with the December 1, 2025, and ending with the November 30, 2030.

III. PURPOSE

The premises described herein shall be used by the Lessee for the purpose of private aircraft storage and the storage of such equipment as may be incidental and/or necessary to the operation thereof. Lessee is prohibited from storing items or vehicles not pertinent to the operation and care of stored aircraft on the leased premises. Lessee may store flammables on or about the lease premises as long as said storage complies with Pocatello City Code 11.05 "Fire Protection." Any aircraft or equipment which is permitted to be stored pursuant to the terms of this Agreement must be stored within the hangar. Lessee's permitted use of the demised premises is limited to the storage of the aircraft and pertinent equipment. No other use of the demised premises is permitted. Further, Lessee is prohibited from using the demised premises for pecuniary gain or other commercial purpose(s). Additionally, the hangar shall be utilized solely for "cold storage" and no heating source such as a space heater, etc. shall be used.

IV. RENTAL

Commencing December 1, 2025 through November 30, 2026, Lessee shall pay to Lessor the sum of three hundred twenty-four dollars and twenty cents (\$324.20) per month. For each succeeding year, the monthly rental rate will increase by an amount not less than that of the Western Region Consumer Price Index for the previous year. The rental rate will be reassessed based on a current airport appraisal or airport rental rate comparison in 2026, then once every five (5) years thereafter. Rent shall be due and payable on the 5th day of each month during the term of this Agreement and shall be paid to the City of Pocatello at the office of the Airport Manager, Pocatello Regional Airport, Power County, Idaho.

Late Charges and Interest: Lessee acknowledges that a late payment of rent from Lessee to Lessor will cause Lessor to incur costs not contemplated by this Agreement, the exact amount

of such costs being extremely difficult and impracticable to ascertain. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from Lessee is not received when due, Lessee shall pay to Lessor the additional sum of \$150.00 as a late charge. The Parties agree this late charge is not a penalty but represents a fair and reasonable estimate of the costs Lessor will incur by reason of a late payment by Lessee. The acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of the other rights and remedies available to Lessor. The payment of said late charge shall be required to cure the default occurring by reason of the failure of Lessee to timely pay a rental installment. All amounts not paid by Lessee when due shall bear interest at the rate of eighteen percent (18%) annual percentage rate.

V. EXAMINATION OF PREMISES

Lessee has inspected the aforescribed premises and accepts the same in "as is" condition. Lessor makes no warranties, express or implied, concerning the property and Lessee in executing this Agreement is relying upon its own judgment, information, and inspection of the leased premises. Lessee hereby acknowledges that it is accepting the leased premises from the City subject to any and all physical conditions of the premises. Lessee further affirms that the City, its agents, employees, and/or attorneys have not made nor has Lessee relied upon any representation, warranty, or promise with respect to the leased premises or any other subject matter of this Agreement except as expressly set forth in this Agreement, including without limitation, any warranties or representations expressed or implied as the general plan designation, zoning, value, use tax status or physical conditions of the leased premises or improvements thereon, or any part thereof, including, but not limited to the flood elevations,

drainage patterns and soil and subsoil compositions and compaction level, and other conditions at the leased premises, or the existence or non-existence of toxic or hazardous materials on or under the premises, or as to the accuracy of any boundary survey or other survey or any soils reports or other plans or report therefore.

VI. WASTE

Lessee covenants that it will not commit or allow others to commit waste on the premises.

VII. MAINTENANCE OF FACILITY

Lessee shall not alter the leased premises without prior written permission of Lessor. Lessee shall keep the leased premises and any approved improvements in good and substantial condition and provide proper containers for trash and garbage, and shall keep the leased premises free and clear of rubbish, debris and litter at all times. Lessor shall provide necessary maintenance to the leased premises and shall have the right to enter upon and inspect said premises, but shall attempt to make such inspections at a mutually agreeable time.

VIII. UTILITIES

Lessee shall pay all utility charges with the exception of electricity, which shall be paid by Lessor. No additional utilities shall be installed without written consent of Lessor.

IX. NO SUBLEASE OR ASSIGNMENT

Lessee shall not directly nor indirectly assign, transfer or encumber any of the rights in or to this Agreement or any interest herein, nor any improvements made to the premises, without the express written consent of Lessor. Lessee acknowledges that Lessor has the right to require termination of this Agreement and the execution of a new lease on the part of a prospective

sublessee or assignee rather than consenting to any sublease or assignment and Lessee agrees to so inform any interested party.

X. INDEMNIFICATION

Lessee agrees that it will at all times maintain Worker's Compensation coverage for the benefit of its employees, and adequate liability and property damage insurance as specified in Section XI covering the activities of Lessee, its agents, servants and employees, on the leased premises.

Lessee further agrees to defend, indemnify, and save Lessor, its agents, employees and public officials, harmless from any and all claims or causes of action of any nature whatsoever arising out of the activities and operations of Lessee, its agents, servants, invitees, officers, and employees, in connection with this Agreement, or the use in common with others of the Pocatello Regional Airport.

XI. INSURANCE

In order to effectuate the foregoing indemnification provisions, Lessee shall maintain insurance coverage as follows:

A. Lessee shall purchase a comprehensive liability insurance policy in the amount of \$1,000,000 combined single limit to indemnify Lessor from any and all public liability claims. Further, such policy shall include coverage for fire legal liability to repair or replace the demised premises. Lessor shall be named as an additional insured or be acknowledged by Lessee's insurance carrier as a covered entity under the terms of said policy. Moreover, the Lessee is required to put its surety on notice, that said surety may not change or cancel the existing insurance policy with Lessee without first giving Lessor, City of Pocatello, at least thirty (30) days written notice.

B. Lessor does not provide insurance that will cover the Lessee's personal property that may be located on the demised premises. Lessee may purchase personal property insurance in an amount sufficient to insure any and all Lessee's personal property which might be used in Lessee's operation of the business or which might be present on the airport premises. In the event Lessee elects to forego maintaining personal property insurance, and Lessee suffers loss of personal property stored on leased property, Lessor will not be held responsible due to Lessee's lack of personal property insurance.

C. If applicable, Lessee shall purchase Worker's Compensation insurance or the equivalent as required by Idaho Code.

D. An Accord Certificate of Insurance evidencing compliance with the foregoing insurance requirements shall be filed with the Clerk of City of Pocatello prior to or at the time of execution of this Agreement. The above described insurance shall contain contractual coverage sufficiently broad to insure the provisions of Section X "Indemnification." The Lessee's failure to maintain insurance shall be a basis for immediate termination of this Agreement.

XII. DISCHARGE OF LIENS

Lessee agrees to pay when due all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with Lessee's consent to be furnished to or for Lessee in, upon or about the premises herein leased, which may be secured by any mechanic's, materialman's or other lien against the premises herein leased or Lessor's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due. Provided however, Lessee may in good faith contest any mechanic's or other lien filed or established, and in such event may permit

the items so contested to remain undischarged and unsatisfied during the period of such contest. In any event, Lessee agrees to defend and indemnify the Lessor for any such claim and/or lien.

XIII. RELEASE AND RELINQUISHMENT

Notwithstanding the terms of Article II above, either party may, at any time, terminate this Agreement upon giving ninety (90) days written notice to the other party. Thereupon, neither Lessee nor Lessor shall have further liability or responsibility to perform under this Agreement except for the payment of monies due under Section IV herein up to and including the date of termination, and except for the disposition of any appurtenances provided for in Section XIV herein. In the event Lessor terminates this Agreement during any lease term, Lessor shall reimburse Lessee the unearned portion of the rental paid by Lessee on a pro-rata basis to the effective date of the termination.

XIV. TERMINATION

On the termination date of this Agreement, Lessee shall forthwith surrender possession of the leased premises, in good condition, reasonable wear and tear excepted. Thereupon any appurtenances and improvements constructed or installed thereon under this Agreement shall be forthwith removed by Lessee, including fixtures at the option of Lessor. In so doing, Lessee shall ensure that any remaining equipment and furnishings are not damaged but are left as they would have been without such removal.

In the event Lessee does not remove the improvements within sixty (60) days of the termination date, unless a written agreement to the contrary has been executed by Lessee and Lessor, Lessee shall forfeit all of its right, title, and interest in and to said appurtenances, and fixtures, which shall thereupon become the property of the Lessor City as if conveyed by separate instrument without any recompense, payment, or reimbursement of any kind to Lessee.

XV. DESTRUCTION OF PREMISES

The Lessor shall be required to maintain insurance in the appropriate amounts to insure the structures and facilities at the Airport. However, in the event said structures and facilities are destroyed, this Agreement shall be deemed terminated. The proceeds from said insurance policy may be used to reconstruct structures and facilities at the Airport at the sole discretion of the Lessor.

XVI. STATUTES, ORDINANCES, RULES AND REGULATIONS

Lessee, for itself, its employees, agents, successors and assigns, expressly agrees to obey all applicable laws and regulations of the United States, including regulations of the State of Idaho, of Power County, and of the City of Pocatello, as well as the rules and regulations of the Pocatello Regional Airport. Lessee further agrees to conform to the requirements of the Airport Master Plan and those agreements between the United States and the City of Pocatello pertaining to the Pocatello Regional Airport.

XVII. DEFAULT

A. Failure of Lessee to pay rent on or before its due date or any other charge within ten (10) days after it is due shall constitute default.

B. Failure of Lessee to comply with any term or condition or to fulfill or comply with any obligation of this Agreement, other than as specified in subparagraph A above, within thirty (30) days after written notice by Lessor specifying the nature of the default with reasonable particularity, shall constitute default. If the default is of a nature that it cannot be cured within the said thirty (30) day period, Lessee may, within said period, present a plan, in writing, to the Airport Manager that provides a schedule in which Lessee will be able to cure the default. If the Lessee's plan is approved by the Airport Manager, Lessee's default will be held in abeyance so

long as the Lessee thereafter proceeds with reasonable diligence, in good faith and is able to meet the plan's deadlines, then the default shall be deemed cured.

C. The following shall constitute default by insolvency: 1) Insolvency of Lessee; 2) An assignment by Lessee for the benefit of creditors; 3) The filing by Lessee of a voluntary Petition in Bankruptcy; 4) An adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; 5) The filing of an involuntary Petition of Bankruptcy and failure of the Lessee to secure dismissal of the Petition within thirty (30) days after filing; and 6) Attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy or execution within ten (10) days.

XVIII. REMEDIES IN DEFAULT

In the event of default, the Lessor, at its option, may terminate this Agreement. In the event of a termination on default, Lessor shall be entitled to recover the reasonable costs of reentry and re-letting, including, without limitation, the costs of any cleanup, refurbishing, removal of Lessee's property and fixtures or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, and any attorney fees, court costs, brokerage commissions and advertising costs, along with the loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured. The remedies afforded the Lessor in this section shall not be exclusive but shall be cumulative, and in addition to all remedies now or hereafter allowed by law or elsewhere provided in this Agreement.

XIX. ENVIRONMENTAL MATTERS

Lessee hereby indemnifies, agrees to defend and shall hold Lessor harmless from and against all liability, loss, claim, damage or expense, including but not limited to reasonable

attorneys' and experts' fees, clean-up or other remediation costs and fees and government fines, arising out of or in connection with the existence of any toxic or hazardous materials, pollutants, contaminants or hazardous wastes introduced to the leased premises by Lessee or its agents or from sources within Lessee's reasonable control in violation of any Environmental Law, as defined hereinafter, from and after the commencement date of this Agreement and through and until the date on which Lessee vacates the leased premises.

As used herein, 'Environmental Law' means any one or more of all federal, state and local environmental protection, occupational, health, safety and similar laws, ordinances, restrictions, licenses and regulations, including, without limitation the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 *et seq.*), Safe Drinking Water Act (42 U.S.C. Sec. 300f *et seq.*), Toxic Substance Control Act (15 U.S.C. Sec. 2601 *et seq.*), Clean Air Act (42 U.S.C. Sec. 7401 *et seq.*), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Sec. 9601 *et seq.*), Hazardous Materials Transportation Act (49 U.S.C. Sec. 1801 *et seq.*), and other similar federal, state or local laws, statutes, ordinances, orders, decrees, rules and/or regulations, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material as now or at any time hereafter be applicable.

XX. HAZARDOUS MATERIALS

"Hazardous Material" means any use or activity involving any substance which would cause (1) the leased premises to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise bring the leased premises within the ambit of, the Resource Conservation and Recovery Act of 1976, or any similar federal or state law or local ordinance or any other environmental law, (2) a release or threatened release of hazardous waste from the

leased premises within the ambit of, the Comprehensive Environmental response, Compensation and Liability Act of 1980, or any similar federal or state law or ordinance or any other environmental law, or (3) the discharge of pollutants or effluent into the air or any emissions, which would require a permit under the Federal Water Pollution Control Act, or the Clean Air Act, or any similar federal or state law or local ordinance or other environmental law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law ordinance, code, rule, regulation, order or decree, now or hereafter in force, regulating, relating to or imposing liability or standards on conduct concerning any hazardous material.

Lessee expressly assumes the risk and responsibility for any hazardous material during the term of this Agreement, hereafter located on the leased premises, and hold harmless the City, its officers, employees, representatives, agents, and successors from and against any and all judgments, claims expenses, causes of action, damages, liability (including reasonable attorneys' fees and costs) (1) including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, storage, or disposal of hazardous materials on the leased premises, and (2) including, without limitation, the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required plans, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release, or disposal of hazardous materials by any person on the leased premises.

XXI. SIGNS

Lessee shall have the right to install or cause to be installed appropriate signs on the leased premises. The cost of such installations and operations shall be borne by Lessee. Lessee

shall not erect, install, operate or cause, nor permit to be erected, installed, or operated upon the premises herein, any sign or other advertising device without first having obtained Lessor's written consent thereto as to size, construction, location, general appearance, and adherence to Pocatello Municipal Code.

XXII. MISCELLANEOUS

A. TAXES AND FEES. In the event the State of Idaho, Power County, or any State or local agency imposes a property tax or any substitute therefore on the demised premises, and/or the leasehold, Lessee shall pay the tax promptly when due.

B. NON-DISCRIMINATION. Lessee, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the grounds of race, color, sex, age, sexual orientation, gender identity, or national origin shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, age, sexual orientation, gender identity, or national origin shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

In the event of breach of any of the nondiscrimination covenants contained herein, Lessor shall have the right to terminate the Agreement, and to reenter and repossess said land and

facilities thereon, and hold the same as if said Agreement had never been made or issued; provided, however, that Lessee allegedly in breach shall have the right to contest said alleged breach under applicable Federal Aviation Administration procedures, and any sanctions under or termination of the Agreement shall be withheld pending completion of such procedures.

C. SUBORDINATION. This Agreement shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation and maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport.

D. NO WAIVER. The failure by the City to require strict performance of any condition of this Agreement shall not affect the City's right to subsequently enforce the same, nor shall a waiver of any term or condition be construed to be a waiver of any succeeding term or condition of this clause. To be effective, any waiver by the City must be in writing.

E. MERGER. This writing represents the entire agreement between the parties. No prior promises, representations or agreements, written or oral, shall amend, change or add to any of the express provisions herein.

F. SECTION CAPTIONS. The captions appearing under the section number designations of this Agreement are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions of the Agreement.

G. CONSTRUCTION. This Agreement shall be construed pursuant to the laws of the State of Idaho. The parties agree that no construction of this Agreement shall be made in a Court of competent jurisdiction against the interests of any party to the Agreement on the basis that the party had primary responsibility for drafting the Agreement.

H. JURISDICTION AND VENUE. Any action or proceeding to enforce the provisions of this Agreement shall be maintained in the Sixth District Court, County of Bannock, State of Idaho.

I. ENTIRE AGREEMENT. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting the demised premises, the leasing of said premises to Lessee, or the lease term herein provided and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. No prior promises, representations, or agreements, written or oral, shall amend, change or add to any of the expressed provisions herein contained. This Agreement can only be modified or amended in writing upon the mutual agreement of the parties hereto.

J. THIRD-PARTY GOVERNMENTAL AGENCIES. Lessee acknowledges and agrees to immediately provide Lessor with a copy of any written correspondence or verbal and/or written demands provided to Lessee regarding the leased premises by any third-party governmental agency including, but not an exhaustive list, any county, local taxing district or any Tribal authority. Moreover, Lessee shall not enter into any written agreement with any third-party governmental agency regarding the leased premises or Lessee's operations thereon without first obtaining Lessor's written consent to do so.

K. SEVERABILITY. If any provision of this Agreement shall be held or made invalid by a court decision, statute or rule, or shall be otherwise rendered invalid, the remainder of this Agreement shall not be affected thereby.

XXIII. NOTICES

All notices under this Agreement shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the parties hereto. Until hereafter changed by written notice, said addresses shall be as follows:

LESSOR: City of Pocatello
Attn: Airport Manager
P.O. Box 4169
Pocatello, ID 83205

LESSEE: Aaron Bowman
765 Dell Road
Chubbuck, ID 83202

Jared Smith
1214 Holman Avenue
Pocatello, ID 83201

Notice shall be complete upon receipt, unless the recipient ignores or refuses to sign for the certified letter, in which event notice shall be deemed to have been completed on the first attempted delivery by the United State Post Office.

XXIV. ATTORNEYS FEES UPON BREACH

In the event it becomes necessary for either party to enforce the terms of this Agreement, the prevailing party shall be awarded by a sum which will reasonably compensate it for the attorney's fees and costs incurred by such party to enforce the terms of this Agreement. In the event attorney fees are awarded by a Court of law, the parties agree that a reasonable rate for attorney fees is \$150.00 per hour.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their authorized representatives the date and year first above written.

LESSOR:

CITY OF POCA TELLO, a municipal corporation
of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

KONNI KENDELL, City Clerk

LESSEE:

AARON BOWMAN

JARED SMITH

STATE OF IDAHO)
 :SS
County of Bannock)

On this ____ day of _____, 2025 before me, the undersigned, a Notary Public in and for the State, personally appeared Brian C. Blad and Konni Kendell, known to me to be the Mayor and City Clerk, respectively, of the City of Pocatello, a municipal corporation of Idaho, who executed the foregoing instrument on behalf of said municipal corporation, and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____

STATE OF IDAHO)
 :ss
County of Bannock)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Aaron Bowman, known to me to be the person who executed the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____

STATE OF IDAHO)
 :ss
County of Bannock)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Jared Smith, known to me to be the person who executed the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____

MEMORANDUM

TO: City Council and Mayor
FROM: Brian Trammell, Deputy City Attorney
DATE: September 15, 2025
RE: Resolution and Lease Agreement

I have reviewed the resolution and lease agreement with Civil Air Patrol. This is a five-year lease of real property for private aircraft storage. I have no legal concerns with the Council approving the resolution and lease agreement, and authorizing the Mayor to sign it.

Please let me know if you have any questions or concerns.

RESOLUTION NO. 2025-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POCATELLO, A MUNICIPAL CORPORATION OF IDAHO, APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF POCATELLO AND CIVIL AIR PATROL, FOR THE LEASE OF CERTAIN REAL PROPERTY; DECLARING THE PROPERTY NOT NEEDED FOR CITY PURPOSES; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST SAID LEASE AGREEMENT ON BEHALF OF THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Pocatello (“City”) is the owner of certain lands located in Power County, Idaho, commonly known and designated as the Pocatello Regional Airport, which property is subject to certain covenants and restrictions imposed under the Surplus Property Act of 1944; and

WHEREAS, Lessee desires to lease the hereinafter described land at the Pocatello Regional Airport for the purpose of operating a private aircraft storage hangar; and

WHEREAS, the City Council has determined that leasing the subject property pursuant to the terms of the attached Lease Agreement is appropriate and is in the best interest of the citizens of Pocatello.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF POCATELLO AS FOLLOWS:

1. The Lease Agreement attached hereto and made a part hereof is hereby approved both as to form and content.

2. The Mayor and City Clerk are authorized to respectively execute and attest said Lease Agreement for and on behalf of the City of Pocatello.

3. This Resolution shall be in full force and effect immediately upon its adoption and approval.

RESOLVED this _____ day of _____, 2025.

CITY OF POCA TELLO, a municipal
corporation of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

KONNI R. KENDELL, City Clerk

AIRPORT HANGAR LEASE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2025, by and between the CITY OF POCATELLO, a municipal corporation of Idaho, hereinafter referred to as “LESSOR”, and CIVIL AIR PATROL, a branch of the United States Airforce, hereinafter referred to as “LESSEE”:

WITNESSETH:

WHEREAS, Lessor is the owner of certain lands located in Power County, Idaho, commonly known and designated as the Pocatello Regional Airport, which property is subject to certain covenants and restrictions imposed under the Surplus Property Act of 1944; and

WHEREAS, on August 20, 2020, Lessor entered into a lease agreement with Lessee for the purpose of easing an aviation hangar at the Pocatello Regional Airport; and

WHEREAS, Lessee desires to renew said lease of the hereinafter described land at the Pocatello Regional Airport for the purposes of private aircraft storage.

NOW THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the Parties agree as follows:

I. PREMISES

Lessor leases to Lessee the following described real property consisting of approximately 1,760 square feet, hereafter referred to as Hangar #3.

II. TERM

This Agreement shall be for a five (5) year period, commencing on December 1, 2025, and ending on November 30, 2030.

III. PURPOSE

The premises described herein shall be used by the Lessee for the purpose of aircraft storage and the storage of such equipment as may be incidental and/or necessary to the operation

thereof. Lessee may store flammables on or about the lease premises as long as said storage complies with Pocatello City Code 11.05 "Fire Protection." Any aircraft or equipment which is permitted to be stored pursuant to the terms of this agreement must be stored within Hangar #3. Lessee's permitted use of the demised premises is limited to the storage of the aircraft and pertinent equipment. No other use of the demised premises is permitted. Further, Lessee is prohibited from using the demised premises for pecuniary gain or other commercial purpose(s).

IV. RENTAL

Commencing December 1, 2025 through November 30, 2026, Lessee shall pay to Lessor the sum of seventy-seven dollars and forty-five cents (\$77.45) per month. For each succeeding year, the monthly rental rate will increase by an amount not less than that of the Western Region Consumer Price Index for the previous year. The rental rate will be reassessed based on a current airport appraisal or airport rental rate comparison in 2026, then once every five (5) years thereafter. Rent shall be due and payable on the 5th day of each month during the term of this Agreement and shall be paid to the City of Pocatello at the office of the Airport Manager, Pocatello Regional Airport, Power County, Idaho.

Late Charges and Interest: Lessee acknowledges that a late payment of rent from Lessee to Lessor will cause Lessor to incur costs not contemplated by this Agreement, the exact amount of such costs being extremely difficult and impracticable to ascertain. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from Lessee is not received when due, Lessee shall pay to Lessor the additional sum of \$150.00 as a late charge. The Parties agree this late charge is not a penalty but represents a fair and reasonable estimate of the costs Lessor will incur by reason of a late payment by Lessee. The acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the

overdue amount, nor prevent Lessor from exercising any of the other rights and remedies available to Lessor. The payment of said late charge shall be required to cure the default occurring by reason of the failure of Lessee to timely pay a rental installment. All amounts not paid by Lessee when due shall bear interest at the rate of eighteen percent (18%) annual percentage rate.

V. EXAMINATION OF PREMISES

Lessee has inspected the aforescribed premises and accepts the same in “as is” condition. Lessor makes no warranties, express or implied, concerning the property and Lessee in executing this Agreement is relying upon its own judgment, information, and inspection of the leased premises. Lessee hereby acknowledges that it is accepting the leased premises from the City subject to any and all physical conditions of the premises. Lessee further affirms that the City, its agents, employees, and/or attorneys have not made nor has Lessee relied upon any representation, warranty, or promise with respect to the leased premises or any other subject matter of this Agreement except as expressly set forth in this Agreement, including without limitation, any warranties or representations expressed or implied as the general plan designation, zoning, value, use tax status or physical conditions of the leased premises or improvements thereon, or any part thereof, including, but not limited to the flood elevations, drainage patterns and soil and subsoil compositions and compaction level, and other conditions at the leased premises, or the existence or non-existence of toxic or hazardous materials on or under the premises, or as to the accuracy of any boundary survey or other survey or any soils reports or other plans or report therefore.

VI. WASTE

Lessee covenants that it will not commit or allow others to commit waste on the premises.

VII. MAINTENANCE OF FACILITY

Lessee shall not alter the leased premises without prior written permission of Lessor. Lessee shall keep the leased premises and any approved improvements in good and substantial condition and provide proper containers for trash and garbage, and shall keep the leased premises free and clear of rubbish, debris and litter at all times. Lessor shall provide necessary maintenance to the leased premises and shall have the right to enter upon and inspect said premises, but shall attempt to make such inspections at a mutually agreeable time.

VIII. UTILITIES

Lessee shall promptly pay any charges for water, electricity, telephone, and all other charges for utilities, which may be furnished to the leased premises at Lessee's order or with Lessee's consent

IX. NO SUBLEASE OR ASSIGNMENT

Lessee shall not directly nor indirectly assign, transfer or encumber any of the rights in or to this Agreement or any interest herein, nor any improvements made to the premises, without the express written consent of Lessor. Lessee acknowledges that Lessor has the right to require termination of this Agreement and the execution of a new lease on the part of a prospective sublessee or assignee rather than consenting to any sublease or assignment and Lessee agrees to so inform any interested party.

X. INDEMNIFICATION

Lessee agrees that it will at all times maintain Worker's Compensation coverage for the benefit of its employees, and adequate liability and property damage insurance as specified in Section XI covering the activities of Lessee, its agents, servants and employees, on the leased premises.

Lessee further agrees to defend, indemnify, and save Lessor, its agents, employees and public officials, harmless from any and all claims or causes of action of any nature whatsoever arising out of the activities and operations of Lessee, its agents, servants, invitees, officers, and employees, in connection with this Agreement, or the use in common with others of the Pocatello Regional Airport.

XI. INSURANCE

In order to effectuate the foregoing indemnification provisions, Lessee shall maintain insurance coverage as follows:

A. Lessee shall purchase a comprehensive liability insurance policy in the amount of \$1,000,000 combined single limit to indemnify Lessor from any and all public liability claims. Further, such policy shall include coverage for fire legal liability to repair or replace the demised premises. Lessor shall be named as an additional insured or be acknowledged by Lessee's insurance carrier as a covered entity under the terms of said policy. Moreover, the Lessee is required to put its surety on notice, that said surety may not change or cancel the existing insurance policy with Lessee without first giving Lessor, City of Pocatello, at least thirty (30) days written notice.

B. Lessor does not provide insurance that will cover the Lessee's personal property that may be located on the demised premises. Lessee may purchase personal property insurance in an

amount sufficient to insure any and all Lessee's personal property which might be used in Lessee's operation of the business or which might be present on the airport premises. In the event Lessee elects to forego maintaining personal property insurance, and Lessee suffers loss of personal property stored on leased property, Lessor will not be held responsible due to Lessee's lack of personal property insurance.

C. If applicable, Lessee shall purchase Worker's Compensation insurance or the equivalent as required by Idaho Code.

D. An Accord Certificate of Insurance evidencing compliance with the foregoing insurance requirements shall be filed with the Clerk of City of Pocatello prior to or at the time of execution of this Agreement. The above described insurance shall contain contractual coverage sufficiently broad to insure the provisions of Section X "Indemnification." The Lessee's failure to maintain insurance shall be a basis for immediate termination of this Agreement.

XII. DISCHARGE OF LIENS

Lessee agrees to pay when due all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with Lessee's consent to be furnished to or for Lessee in, upon or about the premises herein leased, which may be secured by any mechanic's, materialman's or other lien against the premises herein leased or Lessor's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due. Provided however, Lessee may in good faith contest any mechanic's or other lien filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest. In any event, Lessee agrees to defend and indemnify the Lessor for any such claim and/or lien.

XIII. RELEASE AND RELINQUISHMENT

Notwithstanding the terms of Article II above, either party may, at any time, terminate this Agreement upon giving ninety (90) days written notice to the other party. Thereupon, neither Lessee nor Lessor shall have further liability or responsibility to perform under this Agreement except for the payment of monies due under Section IV herein up to and including the date of termination, and except for the disposition of any appurtenances provided for in Section XIV herein. In the event Lessor terminates this Agreement during any lease term, Lessor shall reimburse Lessee the unearned portion of the rental paid by Lessee on a pro-rata basis to the effective date of the termination.

XIV. TERMINATION

On the termination date of this Agreement, Lessee shall forthwith surrender possession of the leased premises, in good condition, reasonable wear and tear excepted. Thereupon any appurtenances and improvements constructed or installed thereon under this Agreement shall be forthwith removed by Lessee, including fixtures at the option of Lessor. In so doing, Lessee shall ensure that any remaining equipment and furnishings are not damaged but are left as they would have been without such removal.

In the event Lessee does not remove the improvements within sixty (60) days of the termination date, unless a written agreement to the contrary has been executed by Lessee and Lessor, Lessee shall forfeit all of its right, title, and interest in and to said appurtenances, and fixtures, which shall thereupon become the property of the Lessor City as if conveyed by separate instrument without any recompense, payment, or reimbursement of any kind to Lessee.

XV. DESTRUCTION OF PREMISES

The Lessor shall be required to maintain insurance in the appropriate amounts to insure the structures and facilities at the Airport. However, in the event said structures and facilities are destroyed, this Agreement shall be deemed terminated. The proceeds from said insurance policy may be used to reconstruct structures and facilities at the Airport at the sole discretion of the Lessor.

XVI. STATUTES, ORDINANCES, RULES AND REGULATIONS

Lessee, for itself, its employees, agents, successors and assigns, expressly agrees to obey all applicable laws and regulations of the United States, including regulations of the State of Idaho, of Power County, and of the City of Pocatello, as well as the rules and regulations of the Pocatello Regional Airport. Lessee further agrees to conform to the requirements of the Airport Master Plan and those agreements between the United States and the City of Pocatello pertaining to the Pocatello Regional Airport.

XVII. DEFAULT

A. Failure of Lessee to pay rent on or before its due date or any other charge within ten (10) days after it is due shall constitute default.

B. Failure of Lessee to comply with any term or condition or to fulfill or comply with any obligation of this Agreement, other than as specified in subparagraph A above, within thirty (30) days after written notice by Lessor specifying the nature of the default with reasonable particularity, shall constitute default. If the default is of a nature that it cannot be cured within the said thirty (30) day period, Lessee may, within said period, present a plan, in writing, to the Airport Manager that provides a schedule in which Lessee will be able to cure the default. If the Lessee's plan is approved by the Airport Manager, Lessee's default will be held in abeyance so

long as the Lessee thereafter proceeds with reasonable diligence, in good faith and is able to meet the plan's deadlines, then the default shall be deemed cured.

C. The following shall constitute default by insolvency: 1) Insolvency of Lessee; 2) An assignment by Lessee for the benefit of creditors; 3) The filing by Lessee of a voluntary Petition in Bankruptcy; 4) An adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; 5) The filing of an involuntary Petition of Bankruptcy and failure of the Lessee to secure dismissal of the Petition within thirty (30) days after filing; and 6) Attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy or execution within ten (10) days.

XVIII. REMEDIES IN DEFAULT

In the event of default, the Lessor, at its option, may terminate this Agreement. In the event of a termination on default, Lessor shall be entitled to recover the reasonable costs of reentry and re-letting, including, without limitation, the costs of any cleanup, refurbishing, removal of Lessee's property and fixtures or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, and any attorney fees, court costs, brokerage commissions and advertising costs, along with the loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured. The remedies afforded the Lessor in this section shall not be exclusive but shall be cumulative, and in addition to all remedies now or hereafter allowed by law or elsewhere provided in this Agreement.

XIX. ENVIRONMENTAL MATTERS

Lessee hereby indemnifies, agrees to defend and shall hold Lessor harmless from and against all liability, loss, claim, damage or expense, including but not limited to reasonable

attorneys' and experts' fees, clean-up or other remediation costs and fees and government fines, arising out of or in connection with the existence of any toxic or hazardous materials, pollutants, contaminants or hazardous wastes introduced to the leased premises by Lessee or its agents or from sources within Lessee's reasonable control in violation of any Environmental Law, as defined hereinafter, from and after the commencement date of this Agreement and through and until the date on which Lessee vacates the leased premises.

As used herein, 'Environmental Law' means any one or more of all federal, state and local environmental protection, occupational, health, safety and similar laws, ordinances, restrictions, licenses and regulations, including, without limitation the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 *et seq.*), Safe Drinking Water Act (42 U.S.C. Sec. 300f *et seq.*), Toxic Substance Control Act (15 U.S.C. Sec. 2601 *et seq.*), Clean Air Act (42 U.S.C. Sec. 7401 *et seq.*), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Sec. 9601 *et seq.*), Hazardous Materials Transportation Act (49 U.S.C. Sec. 1801 *et seq.*), and other similar federal, state or local laws, statutes, ordinances, orders, decrees, rules and/or regulations, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material as now or at any time hereafter be applicable.

XX. HAZARDOUS MATERIALS

"Hazardous Material" means any use or activity involving any substance which would cause (1) the leased premises to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise bring the leased premises within the ambit of, the Resource Conservation and Recovery Act of 1976, or any similar federal or state law or local ordinance or any other environmental law, (2) a release or threatened release of hazardous waste from the

leased premises within the ambit of, the Comprehensive Environmental response, Compensation and Liability Act of 1980, or any similar federal or state law or ordinance or any other environmental law, or (3) the discharge of pollutants or effluent into the air or any emissions, which would require a permit under the Federal Water Pollution Control Act, or the Clean Air Act, or any similar federal or state law or local ordinance or other environmental law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law ordinance, code, rule, regulation, order or decree, now or hereafter in force, regulating, relating to or imposing liability or standards on conduct concerning any hazardous material.

Lessee expressly assumes the risk and responsibility for any hazardous material during the term of this Agreement, hereafter located on the leased premises, and hold harmless the City, its officers, employees, representatives, agents, and successors from and against any and all judgments, claims expenses, causes of action, damages, liability (including reasonable attorneys' fees and costs) (1) including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, storage, or disposal of hazardous materials on the leased premises, and (2) including, without limitation, the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required plans, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release, or disposal of hazardous materials by any person on the leased premises.

XXI. SIGNS

Lessee shall have the right to install or cause to be installed appropriate signs on the leased premises. The cost of such installations and operations shall be borne by Lessee. Lessee

shall not erect, install, operate or cause, nor permit to be erected, installed, or operated upon the premises herein, any sign or other advertising device without first having obtained Lessor's written consent thereto as to size, construction, location, general appearance, and adherence to Pocatello Municipal Code.

XXII. MISCELLANEOUS

A. TAXES AND FEES. In the event the State of Idaho, Power County, or any State or local agency imposes a property tax or any substitute therefore on the demised premises, and/or the leasehold, Lessee shall pay the tax promptly when due.

B. NON-DISCRIMINATION. Lessee, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the grounds of race, color, sex, age, sexual orientation, gender identity, or national origin shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, age, sexual orientation, gender identity, or national origin shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

In the event of breach of any of the nondiscrimination covenants contained herein, Lessor shall have the right to terminate the Agreement, and to reenter and repossess said land and

facilities thereon, and hold the same as if said Agreement had never been made or issued; provided, however, that Lessee allegedly in breach shall have the right to contest said alleged breach under applicable Federal Aviation Administration procedures, and any sanctions under or termination of the Agreement shall be withheld pending completion of such procedures.

C. SUBORDINATION. This Agreement shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation and maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport.

D. NO WAIVER. The failure by the City to require strict performance of any condition of this Agreement shall not affect the City's right to subsequently enforce the same, nor shall a waiver of any term or condition be construed to be a waiver of any succeeding term or condition of this clause. To be effective, any waiver by the City must be in writing.

E. MERGER. This writing represents the entire agreement between the parties. No prior promises, representations or agreements, written or oral, shall amend, change or add to any of the express provisions herein.

F. SECTION CAPTIONS. The captions appearing under the section number designations of this Agreement are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions of the Agreement.

G. CONSTRUCTION. This Agreement shall be construed pursuant to the laws of the State of Idaho. The parties agree that no construction of this Agreement shall be made in a Court of competent jurisdiction against the interests of any party to the Agreement on the basis that the party had primary responsibility for drafting the Agreement.

H. JURISDICTION AND VENUE. Any action or proceeding to enforce the provisions of this Agreement shall be maintained in the Sixth District Court, County of Bannock, State of Idaho.

I. ENTIRE AGREEMENT. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting the demised premises, the leasing of said premises to Lessee, or the lease term herein provided and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. No prior promises, representations, or agreements, written or oral, shall amend, change or add to any of the expressed provisions herein contained. This Agreement can only be modified or amended in writing upon the mutual agreement of the parties hereto.

J. THIRD-PARTY GOVERNMENTAL AGENCIES. Lessee acknowledges and agrees to immediately provide Lessor with a copy of any written correspondence or verbal and/or written demands provided to Lessee regarding the leased premises by any third-party governmental agency including, but not an exhaustive list, any county, local taxing district or any Tribal authority. Moreover, Lessee shall not enter into any written agreement with any third-party governmental agency regarding the leased premises or Lessee's operations thereon without first obtaining Lessor's written consent to do so.

K. SEVERABILITY. If any provision of this Agreement shall be held or made invalid by a court decision, statute or rule, or shall be otherwise rendered invalid, the remainder of this Agreement shall not be affected thereby.

XXIII. NOTICES

All notices under this Agreement shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the parties hereto. Until hereafter changed by written notice, said addresses shall be as follows:

LESSOR: City of Pocatello
Attn: Airport Manager
P.O. Box 4169
Pocatello, ID 83205

LESSEE: Civil Air Patrol
1313 Airport Road
Blackfoot, ID 83221

Notice shall be complete upon receipt, unless the recipient ignores or refuses to sign for the certified letter, in which event notice shall be deemed to have been completed on the first attempted delivery by the United State Post Office.

XXIV. ATTORNEYS FEES UPON BREACH

In the event it becomes necessary for either party to enforce the terms of this Agreement, the prevailing party shall be awarded by a sum which will reasonably compensate it for the attorney's fees and costs incurred by such party to enforce the terms of this Agreement. In the event attorney fees are awarded by a Court of law, the parties agree that a reasonable rate for attorney fees is \$150.00 per hour.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their authorized representatives the date and year first above written.

LESSOR:

CITY OF POCA TELLO, a municipal corporation
of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

KONNI KENDELL, City Clerk

LESSEE:

KRISTINA E. JONES, Chief Operating Officer
National Headquarters, Civil Air Patrol

STATE OF IDAHO)
 :ss
County of Bannock)

On this ____ day of _____, 2025 before me, the undersigned, a Notary Public in and for the State, personally appeared Brian C. Blad and Konni Kendell, known to me to be the Mayor and City Clerk, respectively, of the City of Pocatello, a municipal corporation of Idaho, who executed the foregoing instrument on behalf of said municipal corporation, and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____

STATE OF _____)
:ss
County of _____)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Kristina E. Jones, known to me or proved to me to be the Civil Air Patrol's Chief Operating Officer, whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for and on behalf of the Civil Air Patrol.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR _____
Residing in: _____
Commission Expires: _____

MEMORANDUM

TO: City Council and Mayor
FROM: Brian Trammell, Deputy City Attorney
DATE: September 15, 2025
RE: Resolution and Lease Agreement

I have reviewed the resolution and lease agreement with the Bob Larson Trust. This is a fifteen-year lease of real property for the purpose of operating a private aircraft storage hangar. I have no legal concerns with the Council approving the resolution and lease agreement, and authorizing the Mayor to sign it.

Please let me know if you have any questions or concerns.

RESOLUTION NO. 2025-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POCATELLO, A MUNICIPAL CORPORATION OF IDAHO, APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF POCATELLO AND BOB HOWARD LARSON TRUST, FOR THE LEASE OF CERTAIN REAL PROPERTY; DECLARING THE PROPERTY NOT NEEDED FOR CITY PURPOSES; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST SAID LEASE AGREEMENT ON BEHALF OF THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Pocatello (“City”) is the owner of certain lands located in Power County, Idaho, commonly known and designated as the Pocatello Regional Airport, which property is subject to certain covenants and restrictions imposed under the Surplus Property Act of 1944; and

WHEREAS, Lessee desires to lease the hereinafter described land at the Pocatello Regional Airport for the purpose of operating a private aircraft storage hangar; and

WHEREAS, the City Council has determined that leasing the subject property pursuant to the terms of the attached Lease Agreement is appropriate and is in the best interest of the citizens of Pocatello.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF POCATELLO AS FOLLOWS:

1. The Lease Agreement attached hereto and made a part hereof is hereby approved both as to form and content.
2. The Mayor and City Clerk are authorized to respectively execute and attest said Lease Agreement for and on behalf of the City of Pocatello.
3. This Resolution shall be in full force and effect immediately upon its adoption and approval.

RESOLVED this _____ day of _____, 2025.

CITY OF POCA TELLO, a municipal
corporation of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

KONNI R. KENDELL, City Clerk

GROUND LEASE AGREEMENT

THIS AGREEMENT made and entered into this ____ day of _____, 2025, by and between the CITY OF POCATELLO, a municipal corporation of Idaho, hereinafter referred to as “LESSOR”, and BOB HOWARD LARSON TRUST, 9391 Braxton Drive, Pocatello ID, 83204, hereinafter referred to as “LESSEE”:

WITNESSETH:

WHEREAS, Lessor is the owner of certain lands located in Power County, Idaho, commonly known and designated as the Pocatello Regional Airport, which property is subject to certain covenants and restrictions imposed under the Surplus Property Act of 1944; and

WHEREAS, on March 28, 2011, Lessor entered into a lease agreement with Lessee for the purpose of operating a private aircraft storage hangar; and

WHEREAS, Lessee desires to renew said lease of the hereinafter described land at the Pocatello Regional Airport for the purposes of operating said hangar.

NOW THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the Parties agree as follows:

I. PREMISES

Lessor hereby lets and rents to Lessee the following described real property consisting of approximately 5,625 square feet. Said property is depicted and more particularly described in Exhibit “A” and depicted in Exhibit “B”, attached hereto and incorporated herein.

II. TERM

The term for this Lease shall be for fifteen (15) years commencing December 1, 2025, and terminating on November 30, 2040.

III. PURPOSE

The premises described herein shall be used by the Lessee for the purpose of a private aircraft storage hangar facility, consisting of two hangars under one roof, and such equipment and apparatus as may be incidental and/or necessary to the operation thereof. Lessee may store flammables on or about the leased premises as long as said storage complies with Pocatello City Code 11.05 "Fire Protection". Lessee's permitted use of the demised premises is limited to the hangaring of private aircraft. No other use of the demised premises is permitted without the expressed written authorization of the Lessor.

IV. RENTAL

For the first year of this Lease, commencing December 1, 2025, and terminating November 30, 2026, Lessee shall pay to Lessor the annual rental sum of One Thousand Three Hundred Seventy-Seven Dollars and Seventy Cents (\$1,377.70), which sum is payable on or before December 5, 2025. For each succeeding year, the annual rental rate will increase by an amount not less than that of the Western Region Consumer Price Index for the previous year. The rental rate will be reassessed based on a current airport appraisal or airport rental rate comparison in 2026, then once every five (5) years thereafter. For each succeeding rental period, the rental payment shall be made on or before the 5th day of December of that year and shall be paid to the City of Pocatello at the office of the Airport Manager, Pocatello Regional Airport, Power County, Idaho.

Late Charges and Interest: Lessee acknowledges that a late payment of rent from Lessee to Lessor will cause Lessor to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to ascertain. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from

Lessee is not received when due, Lessee shall pay to Lessor the additional sum of \$150.00 as a late charge. The Parties agree this late charge is not a penalty but represents a fair and reasonable estimate of the costs Lessor will incur by reason of a late payment by Lessee. The acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of the other rights and remedies available to Lessor. The payment of said late charge shall be required to cure the default occurring by reason of the failure of Lessee to timely pay a rental installment. All amounts not paid by Lessee when due shall bear interest at the rate of eighteen percent (18%) annual percentage rate.

V. EXAMINATION OF PREMISES

Lessee has inspected the aforescribed premises and accepts the same in "as is" condition. Lessor makes no warranties, express or implied, concerning the property and Lessee in executing this Lease is relying upon its own judgment, information, and inspection of the leased premises. Lessee hereby acknowledges that it is accepting the leased premises from the Lessor subject to any and all physical conditions of the premises. Lessee further affirms that the Lessor, its agents, employees, and/or attorneys have not made, nor has Lessee relied upon, any representation, warranty, or promise with respect to the leased premises or any other subject matter of this Lease except as expressly set forth in this Lease, including without limitation, any warranties or representations expressed or implied as the general plan designation, zoning, value, use tax status or physical conditions of the leased premises or improvements thereon, or any part thereof, including, but not limited to the flood elevations, drainage patterns and soil and subsoil compositions and compaction level, and other conditions at the leased premises, or the existence or non-existence of toxic or hazardous materials on or under the premises, or as to the accuracy of any boundary survey or other survey or any soils reports or other plans or report therefore.

VI. WASTE

Lessee covenants that it will not commit or allow others to commit waste on the premises.

VII. MAINTENANCE OF FACILITY

Lessee shall keep and maintain the leased premises and all improvements of any kind in good and substantial repair and condition, and shall make all necessary repairs and alterations thereto. Lessee shall provide proper containers for trash and garbage, and shall keep the leased premises free and clear of rubbish, debris and litter at all times. All roadways or other paved/asphalt areas within the demised premises shall be maintained by Lessee at Lessee's expense. Lessor shall have the right to enter upon and inspect said premises but shall attempt to make such inspections at a mutually agreeable time.

VIII. UTILITIES

Lessee shall promptly pay any charges for water, electricity, telephone, and all other charges for utilities which may be furnished to the leased premises at Lessee's order or with Lessee's consent.

IX. NO SUBLEASE OR ASSIGNMENT

Lessee shall not directly nor indirectly assign, transfer or encumber any of the rights in or to this Lease or any interest herein, nor any improvements made to the premises, without the express written consent of Lessor. Lessee acknowledges that Lessor has the right to require termination of this Lease and the execution of a new lease on the part of a prospective sublessee or assignee rather than consenting to any sublease or assignment and Lessee agrees to so inform any interested party.

X. INDEMNIFICATION

Lessee agrees that it will at all times maintain Worker's Compensation coverage for the benefit of his employees, and adequate liability and property damage insurance as specified in Article XI covering the activities of Lessee, its agents, servants and employees, on the leased premises.

Lessee further agrees to defend, indemnify, and save Lessor, its agents, employees and public officials, harmless from any and all claims or causes of action of any nature whatsoever arising out of the activities and operations of Lessee, its agents, servants, invitees, officers, and employees, in connection with this Lease, or the use in common with others of the Pocatello Regional Airport.

XI. INSURANCE

In order to effectuate the foregoing indemnification provisions, Lessee shall maintain insurance coverage as follows:

A. Lessee shall purchase a comprehensive liability insurance policy in the amount of \$1,000,000 combined single limit to indemnify Lessor from any and all public liability claims. Further, such policy shall include coverage for fire legal liability to repair or replace the demised premises. Lessor shall be named as an additional insured or be acknowledged by Lessee's insurance carrier as a covered entity under the terms of said policy. Moreover, the Lessee is required to put its surety on notice, that said surety may not change or cancel the existing insurance policy with Lessee without first giving Lessor, City of Pocatello, at least thirty (30) days written notice.

B. Lessor does not provide insurance that will cover the Lessee's personal property that may be located on the demised premises. Lessee may purchase personal property insurance in an

amount sufficient to insure any and all Lessee's personal property which might be used in Lessee's operation of the business or which might be present on the airport premises. In the event Lessee elects to forego maintaining personal property insurance, and Lessee suffers loss of personal property stored on leased property, Lessor will not be held responsible due to Lessee's lack of personal property insurance.

C. If applicable, Lessee shall purchase Worker's Compensation insurance or the equivalent as required by Idaho Code.

D. An Accord Certificate of Insurance evidencing compliance with the foregoing insurance requirements shall be filed with the Clerk of City of Pocatello prior to or at the time of execution of this Lease. The above described insurance shall contain contractual coverage sufficiently broad to insure the provisions of Article X "Indemnification." The Lessee's failure to maintain insurance shall be a basis for immediate termination of this Lease.

XII. DISCHARGE OF LIENS

Lessee agrees to pay when due all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with Lessee's consent to be furnished to or for Lessee in, upon or about the premises herein leased, which may be secured by any mechanic's, materialman's or other lien against the premises herein leased or Lessor's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due. Provided however, Lessee may in good faith contest any mechanic's or other lien filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest. In any event, Lessee agrees to defend and indemnify the Lessor for any such claim and/or lien.

XIII. RELEASE AND RELINQUISHMENT

Notwithstanding the terms of Section II above, either Party may, at any time, terminate this Lease upon giving ninety (90) days written notice to the other Party. Thereupon, neither Lessee nor Lessor shall have further liability or responsibility to perform under this Lease except for the payment of monies due under Section IV herein up to and including the date of termination, and except for the disposition of any appurtenances provided for in Section XIV herein. In the event Lessor terminates this Lease during any lease term, Lessor shall reimburse Lessee the unearned portion of the rental paid by Lessee on a pro-rata basis to the effective date of the termination.

XIV. TERMINATION

On the termination date of this Lease, Lessee shall forthwith surrender possession of the leased premises, in good condition, reasonable wear and tear excepted. Thereupon any appurtenances and improvements constructed or installed thereon under this Lease shall be forthwith removed by Lessee, including fixtures at the option of Lessor.

In the event Lessee does not remove the improvements within sixty (60) days of the termination date, unless a written agreement to the contrary has been executed by Lessee and Lessor, Lessee shall forfeit all of its right, title, and interest in and to said appurtenances, and fixtures, which shall thereupon become the property of the Lessor as if conveyed by separate instrument without any recompense, payment, or reimbursement of any kind to Lessee.

XV. STATUTES, ORDINANCES, RULES AND REGULATIONS

Lessee, for itself, its employees, agents, successors and assigns, expressly agrees to obey all applicable laws and regulations of the United States, including regulations of the State of Idaho, of Power County, and of the City of Pocatello, as well as the rules and regulations of the

Pocatello Regional Airport. Lessee further agrees to conform to the requirements of the Airport Master Plan and those agreements between the United States and the City of Pocatello pertaining to the Pocatello Regional Airport.

XV. DEFAULT

A. Failure of Lessee to pay rent on or before its due date or any other charge within ten (10) days after it is due shall constitute default.

B. Failure of Lessee to comply with any term or condition or to fulfill or comply with any obligation of this Lease, other than as specified in subparagraph A above, within thirty (30) days after written notice by Lessor specifying the nature of the default with reasonable particularity, shall constitute default. If the default is of a nature that it cannot be cured within the said thirty (30) day period, Lessee may, within said period, present a plan, in writing, to the Airport Manager that provides a schedule in which Lessee will be able to cure the default. If the Lessee's plan is approved by the Airport Manager, Lessee's default will be held in abeyance so long as the Lessee thereafter proceeds with reasonable diligence, in good faith and is able to meet the plan's deadlines, then the default shall be deemed cured.

C. The following shall constitute default by insolvency: 1) Insolvency of Lessee; 2) An assignment by Lessee for the benefit of creditors; 3) The filing by Lessee of a voluntary Petition of Bankruptcy; 4) An adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; 5) The filing of an involuntary Petition of Bankruptcy and failure of the Lessee to secure dismissal of the Petition within thirty (30) days after filing; and 6) Attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy or execution within ten (10) days.

XVI. REMEDIES IN DEFAULT

In the event of default, the Lessor, at its option, may terminate this Lease. In the event of a Termination on Default, Lessor shall be entitled to recover the reasonable costs of reentry and re-letting, including, without limitation, the costs of any cleanup, refurbishing, removal of Lessee's property and fixtures or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, and any attorney fees, court costs, brokerage commissions and advertising costs, along with the loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured. The remedies afforded the Lessor in this section shall not be exclusive but shall be cumulative, and in addition to all remedies now or hereafter allowed by law or elsewhere provided in this Lease.

XVII. ENVIRONMENTAL MATTERS

Lessee hereby indemnifies, agrees to defend and shall hold Lessor harmless from and against all liability, loss, claim, damage or expense, including but not limited to reasonable attorneys' and experts' fees, clean-up or other remediation costs and fees and government fines, arising out of or in connection with the existence of any toxic or hazardous materials, pollutants, contaminants or hazardous wastes introduced to the leased premises by Lessee or its agents or from sources within Lessee's reasonable control in violation of any Environmental Law, as defined hereinafter, from and after the commencement date of this Lease and through and until the date on which Lessee vacates the leased premises.

Lessor hereby agrees to defend and shall hold Lessee harmless from and against all liability, loss, claim, damage or expense, including, but not limited to, reasonable attorneys' and experts' fees, clean-up or other remediation costs and fees, and governmental fines, arising out of

or in connection with the existence of any toxic or hazardous materials, pollutants, contaminants or hazardous wastes existing on the leased premises in violation of any Environmental Law, as defined hereinafter, as of the commencement date of this Lease, or which come onto the leased premises during the term of this Lease from sources outside of Lessee's reasonable control including, without limitation, any expense associated with the removal of any underground storage tanks at the leased premises and any costs of remediation associated therewith.

As used herein, 'Environmental Law' means any one or more of all federal, state and local environmental protection, occupational, health, safety and similar laws, ordinances, restrictions, licenses and regulations, including, without limitation the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 *et seq.*), Safe Drinking Water Act (42 U.S.C. Sec. 300f *et seq.*), Toxic Substance Control Act (15 U.S.C. Sec. 2601 *et seq.*), Clean Air Act (42 U.S.C. Sec. 7401 *et seq.*), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Sec. 9601 *et seq.*), Hazardous Materials Transportation Act (49 U.S.C. Sec. 1801 *et seq.*), and other similar federal, state or local laws, statutes, ordinances, orders, decrees, rules and/or regulations, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material as now or at any time hereafter be applicable.

XVIII. HAZARDOUS MATERIALS

"Hazardous Material" means any use or activity involving any substance which would cause (1) the leased premises to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise bring the leased premises within the ambit of, the Resource Conservation and Recovery Act of 1976, or any similar federal or state law or local ordinance or any other environmental law, (2) a release or threatened release of hazardous waste from the

leased premises within the ambit of, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or any similar federal or state law or ordinance or any other environmental law, or (3) the discharge of pollutants or effluent into the air or any emissions, which would require a permit under the Federal Water Pollution Control Act, or the Clean Air Act, or any similar federal or state law or local ordinance or other environmental law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law ordinance, code, rule, regulation, order or decree, now or hereafter in force, regulating, relating to or imposing liability or standards on conduct concerning any hazardous material.

Lessee expressly assumes the risk and responsibility for any hazardous material during the term of this Lease, hereafter located on the leased premises, and hold harmless Lessor, its officers, employees, representatives, agents, and successors from and against any and all judgments, claims expenses, causes of action, damages, liability (including reasonable attorneys' fees and costs) (1) including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, storage, or disposal of hazardous materials on the leased premises, and (2) including, without limitation, the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required plans, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release, or disposal of hazardous materials by any person on the leased premises.

XIX. SIGNS

Lessee shall have the right to install or cause to be installed appropriate signs on the leased premises. The cost of such installations and operations shall be borne by Lessee. Lessee

shall not erect, install, operate or cause, nor permit to be erected, installed, or operated upon the premises herein, any sign or other advertising device without first having obtained Lessor's written consent thereto as to size, construction, location, general appearance, and adherence to Pocatello Municipal Code.

XX. MISCELLANEOUS

A. TAXES AND FEES. In the event the State of Idaho, Power County, or any State or local agency imposes a property tax or any substitute therefore on the demised premises, and/or the leasehold, Lessee shall pay the tax promptly when due.

B. NON-DISCRIMINATION. Lessee, for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the grounds of race, religion, color, sex, age, sexual orientation, gender identity, or national origin shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, religion, color, sex, age, sexual orientation, gender identity, or national origin shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

In the event of breach of any of the nondiscrimination covenants contained herein, Lessor shall have the right to terminate this Lease, and to reenter and repossess said land and facilities thereon, and hold the same as if said Lease had never been made or issued; provided, however, that Lessee allegedly in breach shall have the right to contest said alleged breach under applicable Federal Aviation Administration procedures, and any sanctions under or termination of the Lease shall be withheld pending completion of such procedures.

C. SUBORDINATION. This Lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation and maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport. In the event there is a conflict between the terms of this Lease and Federal Grant Assurances, the Grant Assurances will take precedence and govern.

D. NO WAIVER. The failure by the Lessor to require strict performance of any condition of this Lease shall not affect the Lessor's right to subsequently enforce the same, nor shall a waiver of any term or condition be construed to be a waiver of any succeeding term or condition of this clause. To be effective, any waiver by the Lessor must be in writing.

E. SECTION CAPTIONS. The captions appearing under the section number designations of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of the Lease.

F. CONSTRUCTION. This Lease shall be construed pursuant to the laws of the State of Idaho. The Parties agree that no construction of this Lease shall be made in a Court of competent jurisdiction against the interests of any Party to the Lease on the basis that the party had primary responsibility for drafting the Lease.

G. JURISDICTION AND VENUE. Any action or proceeding to enforce the provisions of this Lease shall be maintained in the Sixth District Court, County of Bannock, State of Idaho.

H. ENTIRE AGREEMENT. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting the demised premises, the leasing of said premises to Lessee, or the lease term herein provided and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. No prior promises, representations, or agreements, written or oral, shall amend, change or add to any of the expressed provisions herein contained. This Lease can only be modified or amended in writing upon the mutual agreement of the Parties hereto.

I. THIRD-PARTY GOVERNMENTAL AGENCIES. Lessee acknowledges and agrees to immediately provide Lessor with a copy of any written correspondence or verbal and/or written demands provided to Lessee regarding the leased premises by any third-party governmental agency including, but not an exhaustive list, any county, local taxing district or any Tribal authority. Moreover, Lessee shall not enter into any written agreement with any third-party governmental agency regarding the leased premises or Lessee's operations thereon without first obtaining Lessor's written consent to do so.

J. CORPORATE AUTHORITY. Any individual or individuals executing this Agreement on behalf of any corporation which is a Party hereto, hereby acknowledge and represent that he, she, or they have the power and authority to so bind the corporate authority, and that such authority was conferred by an act of the Board of Directors of such corporate authority, unless the binding of any such corporation is within the power of the person or persons executing this document on such corporation's behalf. In the event that the party or parties executing this document on behalf of any corporate party hereto, do not have authority to so bind the

corporation for any cause or reason, then such person or persons shall be personally liable under the terms hereof.

K. SEVERABILITY. If any provision of this Lease shall be held or made invalid by a court decision, statute or rule, or shall be otherwise rendered invalid, the remainder of this Lease shall not be affected thereby.

XXI. NOTICES

All notices under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the Parties hereto. Until hereafter changed by written notice, said addresses shall be as follows:

LESSOR:	City of Pocatello Attn: Airport Manager P.O. Box 4169 Pocatello, ID 83205
LESSEE:	Bobette Nicholls 9391 Braxton Pocatello, ID 83204 Cindy Nestor 4950 Valenty Drive, Suite B Chubbuck, ID 83202

Notice shall be complete upon receipt, unless the recipient ignores or refuses to sign for the certified letter, in which event notice shall be deemed to have been completed on the first attempted delivery by the United State Post Office.

XXII. ATTORNEYS FEES UPON BREACH

In the event it becomes necessary for either Party to enforce the terms of this Lease, the prevailing party shall be awarded by a sum which will reasonably compensate it for the attorney's fees and costs incurred by such party to enforce the terms of this Lease. In the event

attorney fees are awarded by a Court of law, the Parties agree that a reasonable rate for attorney fees is \$150.00 per hour.

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be signed by their authorized representatives the date and year first above written.

LESSOR:

CITY OF POCA TELLO, a municipal corporation
of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

KONNI KENDELL, City Clerk

LESSEE:
BOB H. LARSON TRUST

BOBETTE NICHOLLS, Trustee

CINDY NESTOR, Trustee

STATE OF IDAHO)
 :ss
County of Bannock)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Brian C. Blad and Konni Kendell, known to me to be the Mayor and City Clerk, respectively, of the City of Pocatello, a municipal corporation of Idaho, who executed the foregoing instrument on behalf of said municipal corporation, and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____
My Commission Expires: _____

STATE OF IDAHO)
 :ss
County of _____)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Bobette Nicholls, known to me to be the person who executed the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____
My Commission Expires: _____

STATE OF IDAHO)
 :ss
County of _____)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Cindy Nestor, known to me to be the person who executed the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____
My Commission Expires: _____

CENTERLINE RUNWAY 7/25

CENTERLINE INTERSECTION
RUNWAY 3/21 AND 7/25

THIS MAP IF FOR REFERENCE ONLY AND
SHOULD NOT BE RECORDED WITH ANY OTHER
DOCUMENT

NORTHEAST CORNER
SECTION 10 MARKED
BY A 3/4" IRON ROD



SCALE 1 = 40'
OCTOBER 14, 2025

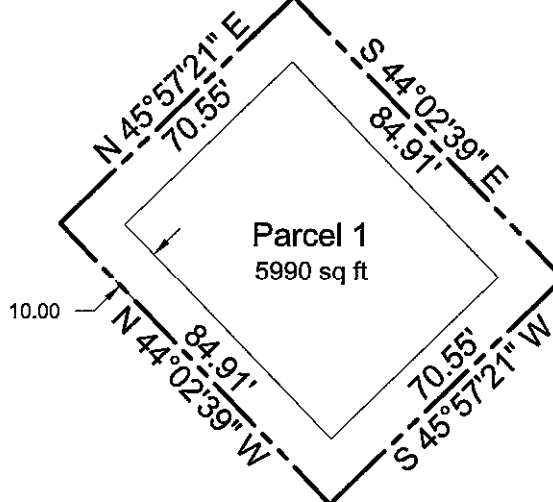
CENTERLINE RUNWAY 3/21

S 45°15'17" W
1782.07

S 44°44'43" E
1094.56

N 89°51'46" W
1211.50'

2731.75
N 0°08'14" E



2560.24'
N 0°08'14" E

SE CORNER SECTION 10
FOUND 7/8" IRON REBAR
WITH A 2.5" ALUM. CAP
SEE CP&FR INST. 174630



BOB LARSON TRUST PARCEL 1
POCATELLO REGIONAL AIRPORT
LOCATED IN
SECTION 10, TOWNSHIP 6 SOUTH, RANGE 33 BM
POWER COUNTY, IDAHO

PARCEL 1
LEASE AREA
Bob Larson Trust

A 5990 sq. ft. (0.14 Acre) rectangular shaped parcel of land located at the Pocatello Regional Airport, located in Section 10, Township 6 South, Range 33 East, Boise Meridian, Power County, Idaho more particularly described as follows:

Commencing at the Northeast corner of Section 10, Township 6 South, Range 33 East, Boise Meridian being marked by a 3/4" iron rod and described in corner perpetuation and filing record, instrument 208592, of the records of Power County;

Thence South 00°08'14" West, along the east line of section 10 (Basis of Bearing per the Central Meridian of the East Zone of the Idaho State Plane Coordinate System) a distance of 2731.75 feet, to a point on said section line, which bears North 00°08'14" East a distance of 2560.24 feet from the Southeast corner of section 10, marked by a 2½" aluminum cap affixed to a 7/8" dia. rod, and described in corner perpetuation and filing record, instrument 174630, of the records of Power County;

Thence North 89°51'46" West, leaving said East line, a distance of 1211.50 feet to

The True Point of Beginning;

which is South 44°44'43" East 1094.56 feet from the centerline of runway 3/21 and South 45°15'17" West along said centerline a distance of 1782.07 feet, from the intersection of runways 3/21 and 7/25;

Thence South 44°02'39" East, a distance of 84.91 feet;

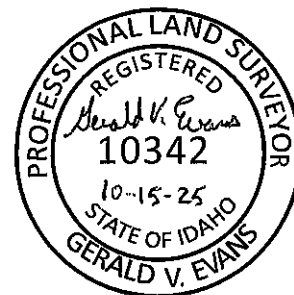
Thence South 45°57'21" West, a distance of 70.55 feet;

Thence North 44°02'39" West, a distance of 84.91 feet;

Thence North 45°57'21" East, a distance of 70.55 feet, to

The True Point of Beginning.

Comprising 0.14 acres, (5990 sq. ft.) more or less.



MEMORANDUM

TO: City Council and Mayor
FROM: Brian Trammell, Deputy City Attorney
DATE: September 15, 2025
RE: Resolution and Lease Agreement

I have reviewed the resolution and lease agreement with Butch McDougall and Ashley McDougall. This is a thirty-year lease of real property for operating a private aircraft storage hangar. I have no legal concerns with the Council approving the resolution and lease agreement, and authorizing the Mayor to sign it.

Please let me know if you have any questions or concerns.

RESOLUTION NO. 2025-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POCATELLO, A MUNICIPAL CORPORATION OF IDAHO, APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF POCATELLO, BUTCH MCDUGALL, AND ASHLEY MCDUGALL; FOR THE LEASE OF CERTAIN REAL PROPERTY; DECLARING THE PROPERTY NOT NEEDED FOR CITY PURPOSES; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST SAID LEASE AGREEMENT ON BEHALF OF THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Pocatello (“City”) is the owner of certain lands located in Power County, Idaho, commonly known and designated as the Pocatello Regional Airport, which property is subject to certain covenants and restrictions imposed under the Surplus Property Act of 1944; and

WHEREAS, Lessee desires to lease the hereinafter described land at the Pocatello Regional Airport for the purpose of operating a private aircraft storage hangar; and

WHEREAS, the City Council has determined that leasing the subject property pursuant to the terms of the attached Lease Agreement is appropriate and is in the best interest of the citizens of Pocatello.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF POCATELLO AS FOLLOWS:

1. The Lease Agreement attached hereto and made a part hereof is hereby approved both as to form and content.

2. The Mayor and City Clerk are authorized to respectively execute and attest said Lease Agreement for and on behalf of the City of Pocatello.

3. This Resolution shall be in full force and effect immediately upon its adoption and approval.

RESOLVED this _____ day of _____, 2025.

CITY OF POCA TELLO, a municipal
corporation of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

KONNI R. KENDELL, City Clerk

GROUND LEASE AGREEMENT

THIS AGREEMENT made and entered into this ____ day of _____, 2025, by and between the CITY OF POCATELLO, a municipal corporation of Idaho, hereinafter referred to as “LESSOR”, and BUTCH MCDOUGALL, P.O. Box 1384, Pocatello ID 83204; and ASHLEY MCDOUGALL, 1900 Azalea, Pocatello ID 83201, hereinafter and collectively referred to as “LESSEE”:

WITNESSETH:

WHEREAS, Lessor is the owner of certain lands located in Power County, Idaho, commonly known and designated as the Pocatello Regional Airport, which property is subject to certain covenants and restrictions imposed under the Surplus Property Act of 1944; and

WHEREAS, on September 7, 1995, Lessor entered into a lease agreement with Lessee for the purpose of operating a private aircraft storage hangar; and

WHEREAS, Lessee desires to renew said lease of the hereinafter described land at the Pocatello Regional Airport for the purposes of operating said hangar.

NOW THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the Parties agree as follows:

I. PREMISES

Lessor hereby lets and rents to Lessee the following described real property consisting of approximately 9,252 square feet. Said property is depicted and more particularly described in Exhibit “A” and depicted in Exhibit “B”, attached hereto and incorporated herein.

II. TERM

The term for this Lease shall be for thirty (30) years commencing December 1, 2025, and terminating on November 30, 2055.

III. PURPOSE

The premises described herein shall be used by the Lessee for the purpose of a private aircraft storage hangar facility, and such equipment and apparatus as may be incidental and/or necessary to the operation thereof. Lessee may store flammables on or about the leased premises as long as said storage complies with Pocatello City Code 11.05 "Fire Protection". Lessee's permitted use of the demised premises is limited to the hangaring of private aircraft. No other use of the demised premises is permitted without the expressed written authorization of the Lessor.

IV. RENTAL

For the first year of this Lease, commencing December 1, 2025, and terminating November 30, 2026, Lessee shall pay to Lessor the annual rental sum of One Thousand Two Hundred Ninety-Nine Dollars and Forty-Six Cents (\$1,299.46), which sum is payable on or before December 5, 2025. For each succeeding year, the annual rental rate will increase by an amount not less than that of the Western Region Consumer Price Index for the previous year. The rental rate will be reassessed based on a current airport appraisal or airport rental rate comparison in 2026, then once every five (5) years thereafter. For each succeeding rental period, the rental payment shall be made on or before the 5th day of December of that year and shall be paid to the City of Pocatello at the office of the Airport Manager, Pocatello Regional Airport, Power County, Idaho.

Late Charges and Interest: Lessee acknowledges that a late payment of rent from Lessee to Lessor will cause Lessor to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to ascertain. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from Lessee is not received when due, Lessee shall pay to Lessor the additional sum of \$150.00 as a

late charge. The Parties agree this late charge is not a penalty but represents a fair and reasonable estimate of the costs Lessor will incur by reason of a late payment by Lessee. The acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of the other rights and remedies available to Lessor. The payment of said late charge shall be required to cure the default occurring by reason of the failure of Lessee to timely pay a rental installment. All amounts not paid by Lessee when due shall bear interest at the rate of eighteen percent (18%) annual percentage rate.

V. EXAMINATION OF PREMISES

Lessee has inspected the aforescribed premises and accepts the same in "as is" condition. Lessor makes no warranties, express or implied, concerning the property and Lessee in executing this Lease is relying upon its own judgment, information, and inspection of the leased premises. Lessee hereby acknowledges that it is accepting the leased premises from the Lessor subject to any and all physical conditions of the premises. Lessee further affirms that the Lessor, its agents, employees, and/or attorneys have not made, nor has Lessee relied upon, any representation, warranty, or promise with respect to the leased premises or any other subject matter of this Lease except as expressly set forth in this Lease, including without limitation, any warranties or representations expressed or implied as the general plan designation, zoning, value, use tax status or physical conditions of the leased premises or improvements thereon, or any part thereof, including, but not limited to the flood elevations, drainage patterns and soil and subsoil compositions and compaction level, and other conditions at the leased premises, or the existence or non-existence of toxic or hazardous materials on or under the premises, or as to the accuracy of any boundary survey or other survey or any soils reports or other plans or report therefore.

VI. WASTE

Lessee covenants that it will not commit or allow others to commit waste on the premises.

VII. MAINTENANCE OF FACILITY

Lessee shall keep and maintain the leased premises and all improvements of any kind in good and substantial repair and condition, and shall make all necessary repairs and alterations thereto. Lessee shall provide proper containers for trash and garbage, and shall keep the leased premises free and clear of rubbish, debris and litter at all times. All roadways or other paved/asphalt areas within the demised premises shall be maintained by Lessee at Lessee's expense. Lessor shall have the right to enter upon and inspect said premises but shall attempt to make such inspections at a mutually agreeable time.

VIII. UTILITIES

Lessee shall promptly pay any charges for water, electricity, telephone, and all other charges for utilities which may be furnished to the leased premises at Lessee's order or with Lessee's consent.

IX. NO SUBLEASE OR ASSIGNMENT

Lessee shall not directly nor indirectly assign, transfer or encumber any of the rights in or to this Lease or any interest herein, nor any improvements made to the premises, without the express written consent of Lessor. Lessee acknowledges that Lessor has the right to require termination of this Lease and the execution of a new lease on the part of a prospective sublessee or assignee rather than consenting to any sublease or assignment and Lessee agrees to so inform any interested party.

X. INDEMNIFICATION

Lessee agrees that it will at all times maintain Worker's Compensation coverage for the benefit of his employees, and adequate liability and property damage insurance as specified in Article XI covering the activities of Lessee, its agents, servants and employees, on the leased premises.

Lessee further agrees to defend, indemnify, and save Lessor, its agents, employees and public officials, harmless from any and all claims or causes of action of any nature whatsoever arising out of the activities and operations of Lessee, its agents, servants, invitees, officers, and employees, in connection with this Lease, or the use in common with others of the Pocatello Regional Airport.

XI. INSURANCE

In order to effectuate the foregoing indemnification provisions, Lessee shall maintain insurance coverage as follows:

A. Lessee shall purchase a comprehensive liability insurance policy in the amount of \$1,000,000 combined single limit to indemnify Lessor from any and all public liability claims. Further, such policy shall include coverage for fire legal liability to repair or replace the demised premises. Lessor shall be named as an additional insured or be acknowledged by Lessee's insurance carrier as a covered entity under the terms of said policy. Moreover, the Lessee is required to put its surety on notice, that said surety may not change or cancel the existing insurance policy with Lessee without first giving Lessor, City of Pocatello, at least thirty (30) days written notice.

B. Lessor does not provide insurance that will cover the Lessee's personal property that may be located on the demised premises. Lessee may purchase personal property insurance in an amount sufficient to insure any and all Lessee's personal property which might be used in Lessee's operation of the business or which might be present on the airport premises. In the event Lessee elects to forego maintaining personal property insurance, and Lessee suffers loss of personal property stored on leased property, Lessor will not be held responsible due to Lessee's lack of personal property insurance.

C. If applicable, Lessee shall purchase Worker's Compensation insurance or the equivalent as required by Idaho Code.

D. An Accord Certificate of Insurance evidencing compliance with the foregoing insurance requirements shall be filed with the Clerk of City of Pocatello prior to or at the time of execution of this Lease. The above described insurance shall contain contractual coverage sufficiently broad to insure the provisions of Article X "Indemnification." The Lessee's failure to maintain insurance shall be a basis for immediate termination of this Lease.

XII. DISCHARGE OF LIENS

Lessee agrees to pay when due all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with Lessee's consent to be furnished to or for Lessee in, upon or about the premises herein leased, which may be secured by any mechanic's, materialman's or other lien against the premises herein leased or Lessor's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due. Provided however, Lessee may in good faith contest any mechanic's or other lien filed or established, and in such event may permit

the items so contested to remain undischarged and unsatisfied during the period of such contest. In any event, Lessee agrees to defend and indemnify the Lessor for any such claim and/or lien.

XIII. RELEASE AND RELINQUISHMENT

Notwithstanding the terms of Section II above, either Party may, at any time, terminate this Lease upon giving ninety (90) days written notice to the other Party. Thereupon, neither Lessee nor Lessor shall have further liability or responsibility to perform under this Lease except for the payment of monies due under Section IV herein up to and including the date of termination, and except for the disposition of any appurtenances provided for in Section XIV herein. In the event Lessor terminates this Lease during any lease term, Lessor shall reimburse Lessee the unearned portion of the rental paid by Lessee on a pro-rata basis to the effective date of the termination.

XIV. TERMINATION

On the termination date of this Lease, Lessee shall forthwith surrender possession of the leased premises, in good condition, reasonable wear and tear excepted. Thereupon any appurtenances and improvements constructed or installed thereon under this Lease shall be forthwith removed by Lessee, including fixtures at the option of Lessor.

In the event Lessee does not remove the improvements within sixty (60) days of the termination date, unless a written agreement to the contrary has been executed by Lessee and Lessor, Lessee shall forfeit all of its right, title, and interest in and to said appurtenances, and fixtures, which shall thereupon become the property of the Lessor as if conveyed by separate instrument without any recompense, payment, or reimbursement of any kind to Lessee.

XV. STATUTES, ORDINANCES, RULES AND REGULATIONS

Lessee, for itself, its employees, agents, successors and assigns, expressly agrees to obey all applicable laws and regulations of the United States, including regulations of the State of Idaho, of Power County, and of the City of Pocatello, as well as the rules and regulations of the Pocatello Regional Airport. Lessee further agrees to conform to the requirements of the Airport Master Plan and those agreements between the United States and the City of Pocatello pertaining to the Pocatello Regional Airport.

XV. DEFAULT

A. Failure of Lessee to pay rent on or before its due date or any other charge within ten (10) days after it is due shall constitute default.

B. Failure of Lessee to comply with any term or condition or to fulfill or comply with any obligation of this Lease, other than as specified in subparagraph A above, within thirty (30) days after written notice by Lessor specifying the nature of the default with reasonable particularity, shall constitute default. If the default is of a nature that it cannot be cured within the said thirty (30) day period, Lessee may, within said period, present a plan, in writing, to the Airport Manager that provides a schedule in which Lessee will be able to cure the default. If the Lessee's plan is approved by the Airport Manager, Lessee's default will be held in abeyance so long as the Lessee thereafter proceeds with reasonable diligence, in good faith and is able to meet the plan's deadlines, then the default shall be deemed cured.

C. The following shall constitute default by insolvency: 1) Insolvency of Lessee; 2) An assignment by Lessee for the benefit of creditors; 3) The filing by Lessee of a voluntary Petition of Bankruptcy; 4) An adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; 5) The filing of an involuntary Petition of Bankruptcy and failure of the Lessee to secure dismissal of the Petition within thirty (30) days after filing; and 6)

Attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy or execution within ten (10) days.

XVI. REMEDIES IN DEFAULT

In the event of default, the Lessor, at its option, may terminate this Lease. In the event of a Termination on Default, Lessor shall be entitled to recover the reasonable costs of reentry and re-letting, including, without limitation, the costs of any cleanup, refurbishing, removal of Lessee's property and fixtures or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, and any attorney fees, court costs, brokerage commissions and advertising costs, along with the loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured. The remedies afforded the Lessor in this section shall not be exclusive but shall be cumulative, and in addition to all remedies now or hereafter allowed by law or elsewhere provided in this Lease.

XVII. ENVIRONMENTAL MATTERS

Lessee hereby indemnifies, agrees to defend and shall hold Lessor harmless from and against all liability, loss, claim, damage or expense, including but not limited to reasonable attorneys' and experts' fees, clean-up or other remediation costs and fees and government fines, arising out of or in connection with the existence of any toxic or hazardous materials, pollutants, contaminants or hazardous wastes introduced to the leased premises by Lessee or its agents or from sources within Lessee's reasonable control in violation of any Environmental Law, as defined hereinafter, from and after the commencement date of this Lease and through and until the date on which Lessee vacates the leased premises.

As used herein, 'Environmental Law' means any one or more of all federal, state and local environmental protection, occupational, health, safety and similar laws, ordinances, restrictions, licenses and regulations, including, without limitation the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 *et seq.*), Safe Drinking Water Act (42 U.S.C. Sec. 300f *et seq.*), Toxic Substance Control Act (15 U.S.C. Sec. 2601 *et seq.*), Clean Air Act (42 U.S.C. Sec. 7401 *et seq.*), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Sec. 9601 *et seq.*), Hazardous Materials Transportation Act (49 U.S.C. Sec. 1801 *et seq.*), and other similar federal, state or local laws, statutes, ordinances, orders, decrees, rules and/or regulations, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material as now or at any time hereafter be applicable.

XVIII. HAZARDOUS MATERIALS

"Hazardous Material" means any use or activity involving any substance which would cause (1) the leased premises to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise bring the leased premises within the ambit of, the Resource Conservation and Recovery Act of 1976, or any similar federal or state law or local ordinance or any other environmental law, (2) a release or threatened release of hazardous waste from the leased premises within the ambit of, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or any similar federal or state law or ordinance or any other environmental law, or (3) the discharge of pollutants or effluent into the air or any emissions, which would require a permit under the Federal Water Pollution Control Act, or the Clean Air Act, or any similar federal or state law or local ordinance or other environmental law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act,

any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law ordinance, code, rule, regulation, order or decree, now or hereafter in force, regulating, relating to or imposing liability or standards on conduct concerning any hazardous material.

Lessee expressly assumes the risk and responsibility for any hazardous material during the term of this Lease, hereafter located on the leased premises, and hold harmless Lessor, its officers, employees, representatives, agents, and successors from and against any and all judgments, claims expenses, causes of action, damages, liability (including reasonable attorneys' fees and costs) (1) including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, storage, or disposal of hazardous materials on the leased premises, and (2) including, without limitation, the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required plans, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release, or disposal of hazardous materials by any person on the leased premises.

XIX. SIGNS

Lessee shall have the right to install or cause to be installed appropriate signs on the leased premises. The cost of such installations and operations shall be borne by Lessee. Lessee shall not erect, install, operate or cause, nor permit to be erected, installed, or operated upon the premises herein, any sign or other advertising device without first having obtained Lessor's written consent thereto as to size, construction, location, general appearance, and adherence to Pocatello Municipal Code.

XX. MISCELLANEOUS

A. TAXES AND FEES. In the event the State of Idaho, Power County, or any State or local agency imposes a property tax or any substitute therefore on the demised premises, and/or the leasehold, Lessee shall pay the tax promptly when due.

B. NON-DISCRIMINATION. Lessee, for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the grounds of race, religion, color, sex, age, sexual orientation, gender identity, or national origin shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, religion, color, sex, age, sexual orientation, gender identity, or national origin shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

In the event of breach of any of the nondiscrimination covenants contained herein, Lessor shall have the right to terminate this Lease, and to reenter and repossess said land and facilities thereon, and hold the same as if said Lease had never been made or issued; provided, however, that Lessee allegedly in breach shall have the right to contest said alleged breach under applicable Federal Aviation Administration procedures, and any sanctions under or termination of the Lease shall be withheld pending completion of such procedures.

C. SUBORDINATION. This Lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation and maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport. In the event there is a conflict between the terms of this Lease and Federal Grant Assurances, the Grant Assurances will take precedence and govern.

D. NO WAIVER. The failure by the Lessor to require strict performance of any condition of this Lease shall not affect the Lessor's right to subsequently enforce the same, nor shall a waiver of any term or condition be construed to be a waiver of any succeeding term or condition of this clause. To be effective, any waiver by the Lessor must be in writing.

E. SECTION CAPTIONS. The captions appearing under the section number designations of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of the Lease.

F. CONSTRUCTION. This Lease shall be construed pursuant to the laws of the State of Idaho. The Parties agree that no construction of this Lease shall be made in a Court of competent jurisdiction against the interests of any Party to the Lease on the basis that the party had primary responsibility for drafting the Lease.

G. JURISDICTION AND VENUE. Any action or proceeding to enforce the provisions of this Lease shall be maintained in the Sixth District Court, County of Bannock, State of Idaho.

H. ENTIRE AGREEMENT. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting the demised premises, the leasing of said premises to Lessee, or the lease term herein provided and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. No prior promises, representations, or agreements, written or

oral, shall amend, change or add to any of the expressed provisions herein contained. This Lease can only be modified or amended in writing upon the mutual agreement of the Parties hereto.

I. THIRD-PARTY GOVERNMENTAL AGENCIES. Lessee acknowledges and agrees to immediately provide Lessor with a copy of any written correspondence or verbal and/or written demands provided to Lessee regarding the leased premises by any third-party governmental agency including, but not an exhaustive list, any county, local taxing district or any Tribal authority. Moreover, Lessee shall not enter into any written agreement with any third-party governmental agency regarding the leased premises or Lessee's operations thereon without first obtaining Lessor's written consent to do so.

J. CORPORATE AUTHORITY. Any individual or individuals executing this Agreement on behalf of any corporation which is a Party hereto, hereby acknowledge and represent that he, she, or they have the power and authority to so bind the corporate authority, and that such authority was conferred by an act of the Board of Directors of such corporate authority, unless the binding of any such corporation is within the power of the person or persons executing this document on such corporation's behalf. In the event that the party or parties executing this document on behalf of any corporate party hereto, do not have authority to so bind the corporation for any cause or reason, then such person or persons shall be personally liable under the terms hereof.

K. SEVERABILITY. If any provision of this Lease shall be held or made invalid by a court decision, statute or rule, or shall be otherwise rendered invalid, the remainder of this Lease shall not be affected thereby.

XXI. NOTICES

All notices under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the Parties hereto. Until hereafter changed by written notice, said addresses shall be as follows:

LESSOR: City of Pocatello
Attn: Airport Manager
P.O. Box 4169
Pocatello, ID 83205

LESSEE: Butch McDougall
P.O. Box 1384
Pocatello, ID 83201

Ashley McDougall
1900 Azalea Lane
Pocatello, ID 83204

Notice shall be complete upon receipt, unless the recipient ignores or refuses to sign for the certified letter, in which event notice shall be deemed to have been completed on the first attempted delivery by the United State Post Office.

XXII. ATTORNEYS FEES UPON BREACH

In the event it becomes necessary for either Party to enforce the terms of this Lease, the prevailing party shall be awarded by a sum which will reasonably compensate it for the attorney's fees and costs incurred by such party to enforce the terms of this Lease. In the event attorney fees are awarded by a Court of law, the Parties agree that a reasonable rate for attorney fees is \$150.00 per hour.

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be signed by their authorized representatives the date and year first above written.

LESSOR:

CITY OF POCA TELLO, a municipal corporation
of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

KONNI KENDELL, City Clerk

LESSEE:

BUTCH MCDOUGALL

ASHLEY MCDOUGALL

STATE OF IDAHO)
 :ss
County of Bannock)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Brian C. Blad and Konni Kendell, known to me to be the Mayor and City Clerk, respectively, of the City of Pocatello, a municipal corporation of Idaho, who executed the foregoing instrument on behalf of said municipal corporation, and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO

Residing in:

My Commission Expires: _____

STATE OF IDAHO)
 :SS
County of _____)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Butch McDougall, known to me to be the person who executed the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____
My Commission Expires: _____

STATE OF IDAHO)
 :SS
County of _____)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Ashley McDougall, known to me to be the person who executed the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____
My Commission Expires: _____

CENTERLINE RUNWAY 7/25

CENTERLINE INTERSECTION
RUNWAY 3/21 AND 7/25

THIS MAP IF FOR REFERENCE ONLY AND
SHOULD NOT BE RECORDED WITH ANY OTHER
DOCUMENT

NORTHEAST CORNER
SECTION 10 MARKED
BY A 3/4" IRON ROD



SCALE 1 = 40'
OCTOBER 14, 2025



CENTERLINE RUNWAY 3/21

S 45°15'17" W
2289.13'

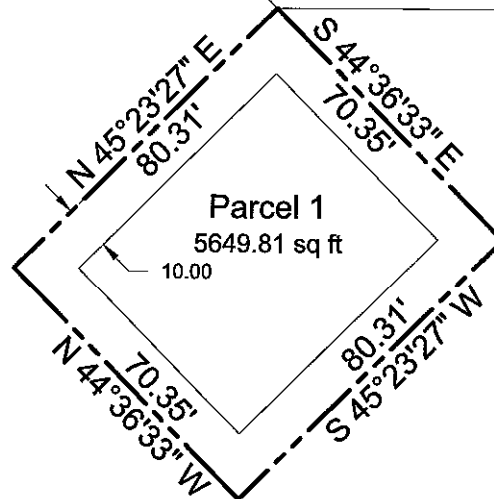
S 44°44'43" E
1464.98'

N 89°51'46" W
1309.92'

3352.02'
N 0°08'14" E

1939.95'
N 0°08'14" E

SE CORNER SECTION 10
FOUND 7/8" IRON REBAR
WITH A 2.5" ALUM. CAP
SEE CP&FR INST. 174630



BUTCH & ASHLEY McDOUGALL
POCATELLO REGIONAL AIRPORT
LOCATED IN

SECTION 10, TOWNSHIP 6 SOUTH, RANGE 33 BM
POWER COUNTY, IDAHO

PARCEL 1
LEASE AREA
Butch & Ashley McDougall

A 5650 sq. ft. (0.13 Acre) rectangular shaped parcel of land located at the Pocatello Regional Airport, located in Section 10, Township 6 South, Range 33 East, Boise Meridian, Power County, Idaho more particularly described as follows:

Commencing at the Northeast corner of Section 10, Township 6 South, Range 33 East, Boise Meridian being marked by a 3/4" iron rod and described in corner perpetuation and filing record, instrument 208592, of the records of Power County;

Thence South 00°08'14" West, along the east line of section 10 (Basis of Bearing per the Central Meridian of the East Zone of the Idaho State Plane Coordinate System) a distance of 3352.02 feet, to a point on said section line, which bears North 00°08'14" East a distance of 1939.95 feet from the Southeast corner of section 10, marked by a 2½" aluminum cap affixed to a 7/8" dia. rod, and described in corner perpetuation and filing record, instrument 174630, of the records of Power County;

Thence North 89°51'46" West, leaving said East line, a distance of 1309.92 feet to

The True Point of Beginning;

which is South 44°44'43" East 1464.98 feet from the centerline of runway 3/21 and South 45°15'17" West along said centerline a distance of 2289.13 feet, from the intersection of runways 3/21 and 7/25;

Thence South 44°36'33" East, a distance of 70.35 feet;

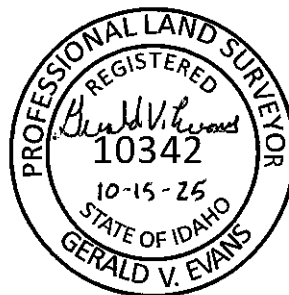
Thence South 45°23'27" West, a distance of 80.31 feet;

Thence North 44°36'33" West, a distance of 70.35 feet;

Thence North 45°23'27" East, a distance of 80.31 feet, to

The True Point of Beginning.

Comprising 0.13 acres, (5650 sq. ft.) more or less.



MEMORANDUM

TO: City Council and Mayor
FROM: Brian Trammell, Deputy City Attorney
DATE: October 20, 2025
RE: Resolution and Lease Agreement

I have reviewed the resolution and lease agreement between the City and Hannah Warner. The lease pertains to the operation of an aircraft hangar storage facility at the Pocatello Regional Airport and has a term of twenty years. I have no legal concerns with the Council's approval of the resolution and lease agreement or the authorization of the Mayor to sign it.

Please let me know if you have any questions or concerns.

RESOLUTION NO. 2025-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POCATELLO, A MUNICIPAL CORPORATION OF IDAHO, APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF POCATELLO AND HANNAH WARNER, FOR THE LEASE OF CERTAIN REAL PROPERTY; DECLARING THE PROPERTY NOT NEEDED FOR CITY PURPOSES; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST SAID LEASE AGREEMENT ON BEHALF OF THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Pocatello (“City”) is the owner of certain lands located in Power County, Idaho, commonly known and designated as the Pocatello Regional Airport, which property is subject to certain covenants and restrictions imposed under the Surplus Property Act of 1944; and

WHEREAS, Lessee desires to lease the hereinafter described land at the Pocatello Regional Airport for the purposes of operating a private aircraft T-hangar storage facility; and

WHEREAS, the City Council has determined that leasing the subject property pursuant to the terms of the attached Lease Agreement is appropriate and is in the best interest of the citizens of Pocatello.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF POCATELLO AS FOLLOWS:

1. The Lease Agreement attached hereto and made a part hereof is hereby approved both as to form and content.

2. The Mayor and City Clerk are authorized to respectively execute and attest said Lease Agreement for and on behalf of the City of Pocatello.

3. This Resolution shall be in full force and effect immediately upon its adoption and approval.

RESOLVED this _____ day of _____, 2025.

CITY OF POCA TELLO, a municipal
corporation of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

KONNI R. KENDELL, City Clerk

GROUND LEASE AGREEMENT

THIS AGREEMENT made and entered into this ____ day of _____, 2025, by and between the CITY OF POCA TELLO, a municipal corporation of Idaho, hereinafter referred to as “LESSOR”, and HANNAH WARNER, 112 East Center Street, Firth ID 83236, hereinafter referred to as “LESSEE”:

WITNESSETH:

WHEREAS, Lessor is the owner of certain lands located in Power County, Idaho, commonly known and designated as the Pocatello Regional Airport, which property is subject to certain covenants and restrictions imposed under the Surplus Property Act of 1944; and

WHEREAS, Lessee desires to lease the hereinafter described land at the Pocatello Regional Airport for the purposes of operating a private aircraft T-hangar storage facility.

NOW THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the Parties agree as follows:

I. PREMISES

Lessor hereby lets and rents to Lessee the following described real property consisting of approximately 6,293 square feet. Said property is depicted and more particularly described in Exhibit “A” and depicted in Exhibit “B”, attached hereto and incorporated herein.

II. TERM

The term for this Lease shall be for twenty (20) years commencing December 1, 2025, and terminating on November 30, 2045.

III. PURPOSE

The premises described herein shall be used by the Lessee for the purpose of a private aircraft storage hangar facility, consisting of two hangars under one roof, and such equipment

and apparatus as may be incidental and/or necessary to the operation thereof. Lessee may store flammables on or about the leased premises as long as said storage complies with Pocatello City Code 11.05 "Fire Protection". Lessee's permitted use of the demised premises is limited to the hangaring of private aircraft. No other use of the demised premises is permitted without the expressed written authorization of the Lessor.

IV. RENTAL

For the first year of this Lease, commencing December 1, 2025, and terminating November 30, 2026, Lessee shall pay to Lessor the annual rental sum of One Thousand Four Hundred Forty-Seven Dollars and Thirty-Nine Cents (\$1,447.39), which sum is payable on or before December 5, 2025. For each succeeding year, the annual rental rate will increase by an amount not less than that of the Western Region Consumer Price Index for the previous year. The rental rate will be reassessed based on a current airport appraisal or airport rental rate comparison in 2026, then once every five (5) years thereafter. For each succeeding rental period, the rental payment shall be made on or before the 5th day of December of that year and shall be paid to the City of Pocatello at the office of the Airport Manager, Pocatello Regional Airport, Power County, Idaho.

Late Charges and Interest: Lessee acknowledges that a late payment of rent from Lessee to Lessor will cause Lessor to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to ascertain. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from Lessee is not received when due, Lessee shall pay to Lessor the additional sum of \$150.00 as a late charge. The Parties agree this late charge is not a penalty but represents a fair and reasonable estimate of the costs Lessor will incur by reason of a late payment by Lessee. The acceptance of

any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of the other rights and remedies available to Lessor. The payment of said late charge shall be required to cure the default occurring by reason of the failure of Lessee to timely pay a rental installment. All amounts not paid by Lessee when due shall bear interest at the rate of eighteen percent (18%) annual percentage rate.

V. EXAMINATION OF PREMISES

Lessee has inspected the aforescribed premises and accepts the same in "as is" condition. Lessor makes no warranties, express or implied, concerning the property and Lessee in executing this Lease is relying upon its own judgment, information, and inspection of the leased premises. Lessee hereby acknowledges that it is accepting the leased premises from the Lessor subject to any and all physical conditions of the premises. Lessee further affirms that the Lessor, its agents, employees, and/or attorneys have not made, nor has Lessee relied upon, any representation, warranty, or promise with respect to the leased premises or any other subject matter of this Lease except as expressly set forth in this Lease, including without limitation, any warranties or representations expressed or implied as the general plan designation, zoning, value, use tax status or physical conditions of the leased premises or improvements thereon, or any part thereof, including, but not limited to the flood elevations, drainage patterns and soil and subsoil compositions and compaction level, and other conditions at the leased premises, or the existence or non-existence of toxic or hazardous materials on or under the premises, or as to the accuracy of any boundary survey or other survey or any soils reports or other plans or report therefore.

VI. WASTE

Lessee covenants that it will not commit or allow others to commit waste on the premises.

VII. MAINTENANCE OF FACILITY

Lessee shall keep and maintain the leased premises and all improvements of any kind in good and substantial repair and condition, and shall make all necessary repairs and alterations thereto. Lessee shall provide proper containers for trash and garbage, and shall keep the leased premises free and clear of rubbish, debris and litter at all times. All roadways or other paved/asphalt areas within the demised premises shall be maintained by Lessee at Lessee's expense. Lessor shall have the right to enter upon and inspect said premises but shall attempt to make such inspections at a mutually agreeable time.

VIII. UTILITIES

Lessee shall promptly pay any charges for water, electricity, telephone, and all other charges for utilities which may be furnished to the leased premises at Lessee's order or with Lessee's consent.

IX. NO SUBLEASE OR ASSIGNMENT

Lessee shall not directly nor indirectly assign, transfer or encumber any of the rights in or to this Lease or any interest herein, nor any improvements made to the premises, without the express written consent of Lessor. Lessee acknowledges that Lessor has the right to require termination of this Lease and the execution of a new lease on the part of a prospective sublessee or assignee rather than consenting to any sublease or assignment and Lessee agrees to so inform any interested party.

X. INDEMNIFICATION

Lessee agrees that it will at all times maintain Worker's Compensation coverage for the benefit of his employees, and adequate liability and property damage insurance as specified in

Article XI covering the activities of Lessee, its agents, servants and employees, on the leased premises.

Lessee further agrees to defend, indemnify, and save Lessor, its agents, employees and public officials, harmless from any and all claims or causes of action of any nature whatsoever arising out of the activities and operations of Lessee, its agents, servants, invitees, officers, and employees, in connection with this Lease, or the use in common with others of the Pocatello Regional Airport.

XI. INSURANCE

In order to effectuate the foregoing indemnification provisions, Lessee shall maintain insurance coverage as follows:

A. Lessee shall purchase a comprehensive liability insurance policy in the amount of \$1,000,000 combined single limit to indemnify Lessor from any and all public liability claims. Further, such policy shall include coverage for fire legal liability to repair or replace the demised premises. Lessor shall be named as an additional insured or be acknowledged by Lessee's insurance carrier as a covered entity under the terms of said policy. Moreover, the Lessee is required to put its surety on notice, that said surety may not change or cancel the existing insurance policy with Lessee without first giving Lessor, City of Pocatello, at least thirty (30) days written notice.

B. Lessor does not provide insurance that will cover the Lessee's personal property that may be located on the demised premises. Lessee may purchase personal property insurance in an amount sufficient to insure any and all Lessee's personal property which might be used in Lessee's operation of the business or which might be present on the airport premises. In the event Lessee elects to forego maintaining personal property insurance, and Lessee suffers loss of

personal property stored on leased property, Lessor will not be held responsible due to Lessee's lack of personal property insurance.

C. If applicable, Lessee shall purchase Worker's Compensation insurance or the equivalent as required by Idaho Code.

D. An Accord Certificate of Insurance evidencing compliance with the foregoing insurance requirements shall be filed with the Clerk of City of Pocatello prior to or at the time of execution of this Lease. The above described insurance shall contain contractual coverage sufficiently broad to insure the provisions of Article X "Indemnification." The Lessee's failure to maintain insurance shall be a basis for immediate termination of this Lease.

XII. DISCHARGE OF LIENS

Lessee agrees to pay when due all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with Lessee's consent to be furnished to or for Lessee in, upon or about the premises herein leased, which may be secured by any mechanic's, materialman's or other lien against the premises herein leased or Lessor's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due. Provided however, Lessee may in good faith contest any mechanic's or other lien filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest. In any event, Lessee agrees to defend and indemnify the Lessor for any such claim and/or lien.

XIII. RELEASE AND RELINQUISHMENT

Notwithstanding the terms of Section II above, either Party may, at any time, terminate this Lease upon giving ninety (90) days written notice to the other Party. Thereupon, neither

Lessee nor Lessor shall have further liability or responsibility to perform under this Lease except for the payment of monies due under Section IV herein up to and including the date of termination, and except for the disposition of any appurtenances provided for in Section XIV herein. In the event Lessor terminates this Lease during any lease term, Lessor shall reimburse Lessee the unearned portion of the rental paid by Lessee on a pro-rata basis to the effective date of the termination.

XIV. TERMINATION

On the termination date of this Lease, Lessee shall forthwith surrender possession of the leased premises, in good condition, reasonable wear and tear excepted. Thereupon any appurtenances and improvements constructed or installed thereon under this Lease shall be forthwith removed by Lessee, including fixtures at the option of Lessor.

In the event Lessee does not remove the improvements within sixty (60) days of the termination date, unless a written agreement to the contrary has been executed by Lessee and Lessor, Lessee shall forfeit all of its right, title, and interest in and to said appurtenances, and fixtures, which shall thereupon become the property of the Lessor as if conveyed by separate instrument without any recompense, payment, or reimbursement of any kind to Lessee.

XV. STATUTES, ORDINANCES, RULES AND REGULATIONS

Lessee, for itself, its employees, agents, successors and assigns, expressly agrees to obey all applicable laws and regulations of the United States, including regulations of the State of Idaho, of Power County, and of the City of Pocatello, as well as the rules and regulations of the Pocatello Regional Airport. Lessee further agrees to conform to the requirements of the Airport Master Plan and those agreements between the United States and the City of Pocatello pertaining to the Pocatello Regional Airport.

XV. DEFAULT

A. Failure of Lessee to pay rent on or before its due date or any other charge within ten (10) days after it is due shall constitute default.

B. Failure of Lessee to comply with any term or condition or to fulfill or comply with any obligation of this Lease, other than as specified in subparagraph A above, within thirty (30) days after written notice by Lessor specifying the nature of the default with reasonable particularity, shall constitute default. If the default is of a nature that it cannot be cured within the said thirty (30) day period, Lessee may, within said period, present a plan, in writing, to the Airport Manager that provides a schedule in which Lessee will be able to cure the default. If the Lessee's plan is approved by the Airport Manager, Lessee's default will be held in abeyance so long as the Lessee thereafter proceeds with reasonable diligence, in good faith and is able to meet the plan's deadlines, then the default shall be deemed cured.

C. The following shall constitute default by insolvency: 1) Insolvency of Lessee; 2) An assignment by Lessee for the benefit of creditors; 3) The filing by Lessee of a voluntary Petition of Bankruptcy; 4) An adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; 5) The filing of an involuntary Petition of Bankruptcy and failure of the Lessee to secure dismissal of the Petition within thirty (30) days after filing; and 6) Attachment of or the levying of execution on the leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy or execution within ten (10) days.

XVI. REMEDIES IN DEFAULT

In the event of default, the Lessor, at its option, may terminate this Lease. In the event of a Termination on Default, Lessor shall be entitled to recover the reasonable costs of reentry and re-letting, including, without limitation, the costs of any cleanup, refurbishing, removal of

Lessee's property and fixtures or any other expense occasioned by Lessee's failure to quit the premises upon termination and to leave them in the required condition, and any attorney fees, court costs, brokerage commissions and advertising costs, along with the loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured. The remedies afforded the Lessor in this section shall not be exclusive but shall be cumulative, and in addition to all remedies now or hereafter allowed by law or elsewhere provided in this Lease.

XVII. ENVIRONMENTAL MATTERS

Lessee hereby indemnifies, agrees to defend and shall hold Lessor harmless from and against all liability, loss, claim, damage or expense, including but not limited to reasonable attorneys' and experts' fees, clean-up or other remediation costs and fees and government fines, arising out of or in connection with the existence of any toxic or hazardous materials, pollutants, contaminants or hazardous wastes introduced to the leased premises by Lessee or its agents or from sources within Lessee's reasonable control in violation of any Environmental Law, as defined hereinafter, from and after the commencement date of this Lease and through and until the date on which Lessee vacates the leased premises.

Lessor hereby agrees to defend and shall hold Lessee harmless from and against all liability, loss, claim, damage or expense, including, but not limited to, reasonable attorneys' and experts' fees, clean-up or other remediation costs and fees, and governmental fines, arising out of or in connection with the existence of any toxic or hazardous materials, pollutants, contaminants or hazardous wastes existing on the leased premises in violation of any Environmental Law, as defined hereinafter, as of the commencement date of this Lease, or which come onto the leased premises during the term of this Lease from sources outside of Lessee's reasonable control

including, without limitation, any expense associated with the removal of any underground storage tanks at the leased premises and any costs of remediation associated therewith.

As used herein, 'Environmental Law' means any one or more of all federal, state and local environmental protection, occupational, health, safety and similar laws, ordinances, restrictions, licenses and regulations, including, without limitation the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 *et seq.*), Safe Drinking Water Act (42 U.S.C. Sec. 300f *et seq.*), Toxic Substance Control Act (15 U.S.C. Sec. 2601 *et seq.*), Clean Air Act (42 U.S.C. Sec. 7401 *et seq.*), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Sec. 9601 *et seq.*), Hazardous Materials Transportation Act (49 U.S.C. Sec. 1801 *et seq.*), and other similar federal, state or local laws, statutes, ordinances, orders, decrees, rules and/or regulations, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material as now or at any time hereafter be applicable.

XVIII. HAZARDOUS MATERIALS

"Hazardous Material" means any use or activity involving any substance which would cause (1) the leased premises to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise bring the leased premises within the ambit of, the Resource Conservation and Recovery Act of 1976, or any similar federal or state law or local ordinance or any other environmental law, (2) a release or threatened release of hazardous waste from the leased premises within the ambit of, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or any similar federal or state law or ordinance or any other environmental law, or (3) the discharge of pollutants or effluent into the air or any emissions, which would require a permit under the Federal Water Pollution Control Act, or the Clean Air

Act, or any similar federal or state law or local ordinance or other environmental law, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law ordinance, code, rule, regulation, order or decree, now or hereafter in force, regulating, relating to or imposing liability or standards on conduct concerning any hazardous material.

Lessee expressly assumes the risk and responsibility for any hazardous material during the term of this Lease, hereafter located on the leased premises, and hold harmless Lessor, its officers, employees, representatives, agents, and successors from and against any and all judgments, claims expenses, causes of action, damages, liability (including reasonable attorneys' fees and costs) (1) including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, storage, or disposal of hazardous materials on the leased premises, and (2) including, without limitation, the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required plans, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release, or disposal of hazardous materials by any person on the leased premises.

XIX. SIGNS

Lessee shall have the right to install or cause to be installed appropriate signs on the leased premises. The cost of such installations and operations shall be borne by Lessee. Lessee shall not erect, install, operate or cause, nor permit to be erected, installed, or operated upon the premises herein, any sign or other advertising device without first having obtained Lessor's written consent thereto as to size, construction, location, general appearance, and adherence to Pocatello Municipal Code.

XX. MISCELLANEOUS

A. TAXES AND FEES. In the event the State of Idaho, Power County, or any State or local agency imposes a property tax or any substitute therefore on the demised premises, and/or the leasehold, Lessee shall pay the tax promptly when due.

B. NON-DISCRIMINATION. Lessee, for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the grounds of race, religion, color, sex, age, sexual orientation, gender identity, or national origin shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, religion, color, sex, age, sexual orientation, gender identity, or national origin shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

In the event of breach of any of the nondiscrimination covenants contained herein, Lessor shall have the right to terminate this Lease, and to reenter and repossess said land and facilities thereon, and hold the same as if said Lease had never been made or issued; provided, however, that Lessee allegedly in breach shall have the right to contest said alleged breach under

applicable Federal Aviation Administration procedures, and any sanctions under or termination of the Lease shall be withheld pending completion of such procedures.

C. SUBORDINATION. This Lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation and maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport. In the event there is a conflict between the terms of this Lease and Federal Grant Assurances, the Grant Assurances will take precedence and govern.

D. NO WAIVER. The failure by the Lessor to require strict performance of any condition of this Lease shall not affect the Lessor's right to subsequently enforce the same, nor shall a waiver of any term or condition be construed to be a waiver of any succeeding term or condition of this clause. To be effective, any waiver by the Lessor must be in writing.

E. SECTION CAPTIONS. The captions appearing under the section number designations of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of the Lease.

F. CONSTRUCTION. This Lease shall be construed pursuant to the laws of the State of Idaho. The Parties agree that no construction of this Lease shall be made in a Court of competent jurisdiction against the interests of any Party to the Lease on the basis that the party had primary responsibility for drafting the Lease.

G. JURISDICTION AND VENUE. Any action or proceeding to enforce the provisions of this Lease shall be maintained in the Sixth District Court, County of Bannock, State of Idaho.

H. ENTIRE AGREEMENT. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting the demised premises, the leasing of said premises to

Lessee, or the lease term herein provided and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. No prior promises, representations, or agreements, written or oral, shall amend, change or add to any of the expressed provisions herein contained. This Lease can only be modified or amended in writing upon the mutual agreement of the Parties hereto.

I. THIRD-PARTY GOVERNMENTAL AGENCIES. Lessee acknowledges and agrees to immediately provide Lessor with a copy of any written correspondence or verbal and/or written demands provided to Lessee regarding the leased demise by any third-party governmental agency including, but not an exhaustive list, any county, local taxing district or any Tribal authority. Moreover, Lessee shall not enter into any written agreement with any third-party governmental agency regarding the leased premises or Lessee's operations thereon without first obtaining Lessor's written consent to do so.

J. CORPORATE AUTHORITY. Any individual or individuals executing the within document on behalf of any corporation which is a Party hereto, hereby acknowledge and represent that he, she, or they have the power and authority to so bind the corporate authority, and that such authority was conferred by an act of the Board of Directors of such corporate authority, unless the binding of any such corporation is within the power of the person or persons executing this document on such corporation's behalf. In the event that the party or parties executing this document on behalf of any corporate party hereto, do not have authority to so bind the corporation for any cause or reason, then such person or persons shall be personally liable under the terms hereof.

K. SEVERABILITY. If any provision of this Lease shall be held or made invalid by a court decision, statute or rule, or shall be otherwise rendered invalid, the remainder of this Lease shall not be affected thereby.

XXI. NOTICES

All notices under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by the Parties hereto. Until hereafter changed by written notice, said addresses shall be as follows:

LESSOR: City of Pocatello
Attn: Airport Manager
P.O. Box 4169
Pocatello, ID 83205

LESSEE: Hannah Warner
112 E Center Street
Firth, ID 83236

Notice shall be complete upon receipt, unless the recipient ignores or refuses to sign for the certified letter, in which event notice shall be deemed to have been completed on the first attempted delivery by the United State Post Office.

XXII. ATTORNEYS FEES UPON BREACH

In the event it becomes necessary for either Party to enforce the terms of this Lease, the prevailing party shall be awarded by a sum which will reasonably compensate it for the attorney's fees and costs incurred by such party to enforce the terms of this Lease. In the event attorney fees are awarded by a Court of law, the Parties agree that a reasonable rate for attorney fees is \$150.00 per hour.

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be signed by their authorized representatives the date and year first above written.

LESSOR:

CITY OF POCATELLO, a municipal corporation
of Idaho

BRIAN C. BLAD, Mayor

ATTEST:

KONNI KENDELL, City Clerk

LESSEE:

HANNAH WARNER

STATE OF IDAHO)
 :ss
County of Bannock)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Brian C. Blad and Konni Kendell, known to me to be the Mayor and City Clerk, respectively, of the City of Pocatello, a municipal corporation of Idaho, who executed the foregoing instrument on behalf of said municipal corporation, and acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO

Residing in:

My Commission Expires: _____

STATE OF IDAHO)
 :SS
County of _____)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State, personally appeared Hannah Warner, known to me to be the person who executed the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

NOTARY PUBLIC FOR IDAHO
Residing in: _____
My Commission Expires: _____

PARCEL 1
EXISTING HANGAR LEASE AREA
HANNAH WARNER

A 6,293 sq. ft. rectangular shaped parcel of land located at the Pocatello Regional Airport, located in Section 10, Township 6 South, Range 33 East, Boise Meridian, Power County, Idaho more particularly described as follows:

Commencing at the Northeast corner of Section 10, Township 6 South, Range 33 East, Boise Meridian being marked by a 3/4" iron rod and described in corner perpetuation and filing record, instrument 208592, of the records of Power County;

Thence South 00°08'14" West, along the east line of section 10 (Basis of Bearing per the Central Meridian of the East Zone of the Idaho State Plane Coordinate System) a distance of 2526.88 feet, to a point on said section line, which bears North 00°08'14" East a distance of 2765.11 feet from the Southeast corner of section 10, marked by a 2½" aluminum cap affixed to a 7/8" dia. rod, and described in corner perpetuation and filing record, instrument 174630, of the records of Power County;

Thence North 89°51'46" West, leaving said East line, a distance of 1091.09 feet to,

The True Point of Beginning;

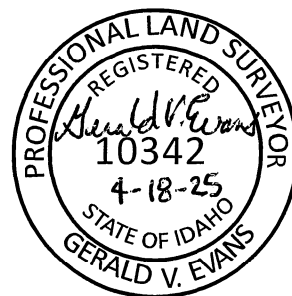
Thence North 44°44'43" West, a distance of 92.03 feet to a point which is South 44°44'43" East 1365.16 feet from the centerline of runway 3/21 and South 45°15'17" West along said centerline a distance of 1551.82 feet, from the intersection of runways 3/21 and 7/25;

Thence South 45°15'17" West, parallel with the centerline of runway 3/21, a distance of 68.38 feet;

Thence South 44°44'43" East, a distance of 92.03 feet;

Thence North 45°15'17" East, parallel with the centerline of runway 3/21, a distance of 68.38 feet, to **The True Point of Beginning.**

Comprising 6293 square feet, more or less.



CENTERLINE RUNWAY 7/25

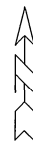
CENTERLINE INTERSECTION
RUNWAY 3/21 AND 7/25

NOTE:
THIS MAP IS FOR REFERENCE ONLY AND
SHOULD NOT BE RECORDED WITH ANY OTHER
DOCUMENT

NORTHEAST CORNER
SECTION 10 MARKED
BY A 3/4" IRON ROD
SEE CP&FR INST. 208592



SCALE 1" = 40'
APRIL 18, 2025



CENTERLINE RUNWAY 3/21

S 45°15'17" W
1551.82'

S 44°44'43" E
942.72'

S 45°15'17" W 68.38'

N 44°44'43" W 92.03'

PARCEL 1
6293 sq. ft.
CARPENTER LEASE

existing bldg

10.0' S 44°44'43" E 92.03'

N 45°15'17" E 68.38'

T.P.O.B.

N 89°51'46" W
1091.09'

2526.88'
N 0°08'14" E

2765.11'
N 0°08'14" E

SE CORNER SECTION 10
FOUND 7/8" IRON REBAR
WITH A 2.5" ALUM. CAP
SEE CP&FR INST. 174630



WARNER LEASE
POCATELLO REGIONAL AIRPORT
LOCATED IN
SECTION 10, TOWNSHIP 6 SOUTH, RANGE 33 BM
POWER COUNTY, IDAHO