



September 19, 2024

RE: REAL ESTATE SERVICES PROCUREMENT

To Whom It May Concern,

The Port of Hood River is embarking on a significant transition. Historically, bridge tolls have been utilized to support various economic initiatives, including the development of premier wind sport facilities. As we move forward, the Port is focused on managing our properties and buildings efficiently to contribute to the funding of our waterfront recreation assets and long-term capital building needs.

In light of our diverse portfolio and the urgent need to relocate administrative offices due to upcoming bridge replacement, the Port is seeking to establish a Master Listing Agreement (MLA) with a qualified real estate professional (“Agent”). We propose a five-year MLA that will serve as an overarching agreement for a variety of real estate activities. While the MLA will outline general standards and expectations, it will remain flexible regarding individual projects. Under this agreement, the Port and the Agent will collaboratively develop “Work Orders” tailored to specific project requirements. These Work Orders will function similarly to standard listing agreements and will encompass commission and other contractual terms.

The scope of potential activities at the Port is extensive. The Port Commission is considering the sale of the Big 7 building, as well as the development of several vacant properties. Additionally, there is an opportunity for new development on the south side of the marina at the former Chamber and DMV locations. We are also exploring the feasibility of developing storage units or other revenue-generating projects at the twelve-acre Lower Hanel Mill site in Odell. As previously mentioned, the Port requires a new location for its administrative offices, and leasing space during bridge construction may be a viable option. The Ken Jernstedt Airfield is also ready for private/public development and the Port has also been contacted by cell phone companies about leasing space on top of our waterfront buildings.

Please review the materials included in this packet. If you are interested in collaborating with us, kindly respond directly to me with your resume, a list of similar projects you have undertaken (such as leasing agent roles, commercial building sales, market research, etc.), your real estate experience in the Hood River/mid-Columbia area, and any suggested revisions to the draft Work Orders provided in the procurement documents. Please limit your submission to a maximum of five pages.



Port of
HOOD RIVER

The Port will evaluate all proposals and contact selected candidates for interviews in early October. We aim to establish a long-term partnership with an Agent to support us during this pivotal time in the Port's history.

If you have any questions, please feel free to reach out.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin M. Greenwood". The signature is stylized and cursive.

Kevin M. Greenwood
Executive Director

PORT OF HOOD RIVER
Request for Proposals
Real Estate Representation Services

The Port of Hood River (the “Port”) is looking for representation for real estate services to market one of our Light Industrial properties located at 616 Industrial Street, Hood River for sale, and then remain as the on-call Port broker to sell and buy or lease properties as needed.

In accordance with public procurement laws, the Port is soliciting proposals from multiple realtors who may be interested. Submit to Kevin Greenwood, Executive Director, at kgreenwood@portofhoodriver.com. Port office is at 1000 E. Port Marina Dr., Hood River, OR 97031.

Schedule of Procurement

Action	Location	Date	Time
Solicitation Advertisement		Sept. 20, 2024	N/A
RFP Protest/Change Request Deadline		7 days before proposals due	
Proposals Due	Port Office	Sept. 30, 2024	4:00 PM
Interviews		Oct. 7-9, 2024	TBD
Evaluation Committee Recommendation/Port Commission	Board Room	Oct. 15, 2024	5:00 PM
Contract Negotiations with Successful Proposer Conclude		Oct. 18, 2024	N/A
Notice of Intent to Award Contract		Oct. 18, 2024	N/A
Challenge Period Expires		7 days after notice of intent to award	N/A
Port Commission Approval of Contract	Board Room/Zoom	Oct. 22, 2024	TBD
Begin Contract (Desired)		Nov. 1, 2024	8:00 AM

*These dates are approximate and subject to change at the sole discretion of the Port

An evaluation committee will narrow the field down to 3 proposers based upon experience in the real estate industry (20 pts), list of similar building sales/leases (20 pts), and real estate experience in Hood River/mid-Columbia (20 pts). Finalists will be interviewed (40 pts) and a recommendation will be made to the Commission.

Potential scope of work to be performed by Broker will include:

1. Properties for Sale:

- a) View subject properties and comparable sales within appropriate neighborhoods or areas, review information as to the assessed market value of the properties, market the properties to potential buyers and facilitate the closing through escrow.
- b) Develop a property prospectus for each property listed and marketed for sale.
- c) Maintain a communicative relationship with Port and other parties involved in the transaction to ensure a successful transaction from beginning to end.
- d) Facilitate any necessary documents between the buyer(s) and seller in a timely manner. All offers are submitted to the Port designated representative for review, consideration, and a response.
- e) Provide marketing and advertising to potential owner occupants and investors.
- f) Have access to the local MLS in addition to other property marketing websites and platforms.
- g) Install and maintain lockbox, schedule and conduct walkthroughs. Broker is responsible for showing property.

2. Properties to Purchase:

- a) Represent the Port interests as buyer's agent
- b) Maintain a communicative relationship with Port and other parties involved in the transaction to ensure a successful transaction from beginning to end.
- c) Research possible targets for acquisition, communicate with the owners as to their desire to sell, present prospective target property to the Port representative to review, develop an offering scenario, present the offer to the sellers, continue negotiations as necessary.
- d) Facilitate any necessary documents between the buyer and seller in a timely manner.
- e) Have access to the local MLS in addition to other property acquisition databases, websites and platforms.

3. General Provisions

- a) Broker responsible for showing property including installation and maintenance of lockbox and keys. Port Facilities Manager will have access to code and install keys upon request.
- b) Broker responsible for recommending market lease rates and listing prices at least 30 days in advance of lease expirations.
- c) Broker required to provide Port Executive Director with weekly activity reports.
- d) Broker required to provide monthly one-page memo to the Port Commission summarizing activity/progress.
- e) If Port does not have photos of property, Broker is required for acquiring property photos and to share photos with Port staff.
- f) Broker expected to respond to texts, emails, voice mails within 24 hours. Open communication is important to the Port for information flow.
- g) Broker should no less than quarterly report to the Port on industry trends, both locally and nationally.
- h) Early termination fee for early termination of a specific work order: 10% of brokerage fee plus actual expenses.
- i) Damage deposits to be required on leases.

- j) Commission on sale of Port property: 3.25%, no co-operating commission.
- k) Commission on lease of Port space intending to be sold: 1.25% of base rent for initial term of lease. 25% at lease execution; 75% at occupancy.
- l) Commission on lease of Port property generally: 1.75%, no co-operating commission. 25% at lease execution; 75% at occupancy.
- m) The above commission rates apply unless otherwise approved by the Port Commission.
- n) Broker shall comply with the Port Property Management Procedures, attached as Exhibit A, which may be updated from time to time by the Port with Agent input.
- o) The terms in this RFP will be included in the master listing agreement and work orders as needed. The sample master listing agreement for real estate services and form of work order are included with this RFP.
- p) Broker responsible for filling out paperwork and forms associated with leases or purchases with state or federal agencies.
- q) Broker to familiarize him or herself with the Port's Leasing Policies and annually update market analysis.
- r) Agent responsible for vetting financial viability of potential tenants.

If interested, please submit a proposal containing:

- Resume/CV
- List of similar buildings sold
- Real Estate experience in Hood River/mid-Columbia
- Your role in your firm and access to firm support/coverage
- Suggested changes to any of the terms noted in this procurement document
- Limit pages to 5.

Once received, the Port Executive Director, assisted by staff, will score proposals and conduct interviews in early October.

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MASTER LISTING AGREEMENT FOR REAL ESTATE SERVICES

Pursuant to this Master Listing Agreement for Real Estate Services (the "Agreement"), the Port of Hood River ("Owner") hereby grants to [NAME] of [FIRM] ("Broker") the right to sell, purchase or lease, for a period commencing [November 1, 2024], and ending at midnight on [October 30, 2029], designated Owner properties existing in the Port of Hood River District, County of Hood River, State of Oregon. ("Properties"). No extension, renewal, or other amendment of this Agreement shall be effective unless it is in writing signed by both Parties. In deciding whether to extend or renew this Agreement, Owner may consider the efforts and expense Broker has incurred in marketing the Properties, results, and assistance if a potential buyer or lessee is identified. This Agreement may refer to Owner and Broker individually as a "Party" or collectively as the "Parties."

1. Legal Compliance. The terms and conditions of any sale(s), purchase(s) or lease(s) necessarily resulting from this Agreement shall conform to applicable federal, state, and local laws, Owner ordinances and policies, the Port's Strategic Plan, existing bond, grant or loan covenants, area development plans or other plans as adopted by the Commission. Further, the Broker shall keep fully informed regarding and materially comply with all federal, state, and local laws, ordinances and regulations and all orders and decrees of bodies or tribunals having jurisdiction or authority which may affect those engaged or employed in the performance of this Agreement.
2. Scope of Work. Broker shall provide at a minimum the services set forth in Exhibit A, Scope of Work. Owner may require additional services in connection with the marketing of specific Properties.
3. Work Order Contracts. Each property designated by the Owner for sale, purchase or lease shall incorporate its own Listing Agreement as a form of Work Order Contract ("Work Order") under this Agreement, substantially in the form attached hereto as Exhibit B.
4. Consideration. In consideration of Broker's agreement to diligently pursue the sale, purchase or lease of Owner Properties, Owner agrees to pay Broker the commission in accordance with the terms set forth in the applicable Work Order.
5. Payment of Consideration. Broker shall submit invoices for any commission due in accordance with the associated Work Order. Invoices shall be in a form acceptable to the Owner. Owner shall make payments in a timely manner, within twenty-five (25) days of receipt of invoice. Invoices received from the Broker pursuant to this Agreement will be reviewed and approved by the Owner prior to payment. No compensation will be paid by Owner for any portion of these services or any sale or lease not performed. If Owner does not pay within twenty-five (25) days of receipt of invoice acceptable to Owner, the invoice shall incur a service charge of 1.5% per month on the unpaid monthly balance. Broker reserves the right to withhold services or cancel this Agreement if Owner's account is more than sixty (60) days delinquent.
6. Terms of Service.
 - a. Broker agrees to actively market designated Owner Properties, place signs as agreed by Broker and Owner, place information regarding the Properties in appropriate listing media,

and advertise the Properties in accordance with industry standard best practices. Broker agrees to cooperate with other brokers and to maintain regular and appropriately detailed communication with Owner by email and telephone reporting on the actions taken by Broker and the results of those actions. A written report shall be submitted to Owner at least every month during the term of this Agreement. If requested, Broker shall appear at Port of Hood River Commission meetings to report on progress marketing the subject property and to answer questions.

- b. Broker may market the designated Properties without stating offering terms or may advertise sale prices or lease terms if approved by Owner in writing. Designated Properties prices or sale or lease terms shall always be represented by Broker as being subject to, and shall be subject to, Owner's right to approve or disapprove any offer for any reason, in Owner's absolute discretion. Owner shall have the right to reject any offer to lease or purchase even if an offer received is consistent with terms marketed or advertised by Broker.
 - c. Owner agrees to cooperate with Broker in effecting leases of the Property and to immediately refer to Broker all inquiries of any party interested in purchase of designated Properties.
 - d. It is understood that it is illegal for either Owner or Broker to refuse to display, lease or sell to any person because of race, color, religion, national origin, sex, marital status, or physical ability.
7. Owner Indemnification. Owner represents that it is the legal owner of the designated Properties and has full legal authority to execute this Agreement and to sell designated Properties, subject to applicable legal requirements. Subject to the limitations of the Oregon Tort Claims Act, Owner agrees to indemnify and hold Broker harmless from any liability, costs or damages and/or expenses, including without limitation attorney's fees, arising from or connected with any incorrect information supplied by Owner, if material to a claim. Owner's indemnity obligations do not apply to any liability, claims, damages or causes of actions or suits arising out of or relating to a breach of this Agreement by Broker or negligence or wrongful acts of Broker or its licensees nor of any cooperating broker and its licensees.
8. Broker Indemnification. The Broker shall indemnify, defend and hold harmless the Owner, its commissioners, employees and agents, from and against any and all claims, demands, suits, actions, proceedings, judgments, losses, damages, injuries, penalties, costs, expenses (including attorney's fees) and liabilities to the extent, they are directly resulting from, or alleged to arise from, the acts of the Broker, or any of the Broker's employees or agents arising in connection with the performance of this Agreement. The obligations of the indemnifications extended by the Broker to the Owner shall survive the termination or expiration of this Agreement.
9. Insurance. Broker shall keep and maintain the following insurance for the duration of the Agreement term:
- a. Commercial General Liability insurance on an occurrence basis with a limit of not less than \$1,000,000 each occurrence for bodily injury and property damage and \$2,000,000 general

aggregate. The Liability Insurance coverage shall provide contractual liability. The coverage shall name the Port of Hood River and each of its commissioners, officers, agents, and employees as Additional Insured with respect to Agreement.

- b. Automobile Liability insurance with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage, including coverage for owned, hired, or non-owned vehicles, as applicable.
- c. Professional Liability insurance with a \$1,000,000 per claim and \$2,000,000 in the aggregate for malpractice or errors and omissions coverage against liability for personal injury, death, or damage of property, including loss of use thereof, arising from the Broker's negligent acts, errors or omissions related to this Agreement.
- d. Workers' Compensation insurance in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers. (Required of companies with one or more employees, unless exempt under ORS 656.027.)

Prior to commencing any work under this Agreement, the Broker shall provide the Owner with a certificate or certificates evidencing the insurance required by this section, as well as the amounts of coverage for the respective types of coverage. If the Broker subcontracts any portion(s) of the work, said sub-broker(s) shall be required to furnish certificates evidencing statutory worker's compensation insurance, comprehensive general liability insurance and professional liability insurance coverage in amounts satisfactory to the Owner and the Broker. If the coverage under this section expires during the term of this Agreement, the Broker shall provide replacement certificate(s) evidencing the continuation of required policies. Endorsement CG 20 10 11 85 or its equivalent must be attached to the Certificate. The Certificate shall provide that the insurance shall not terminate or be canceled without 30-days written notice first being given to the Owner. Insuring companies or entities are subject to Owner acceptance. If required, complete copies of the insurance policy shall be provided to the Owner. The Broker shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

10. Confidentiality. During the performance of the Agreement and for all time subsequent to completion of the services under this Agreement, the Broker agrees not to use or disclose to anyone, except as required by the performance of this Agreement or by law, or as otherwise authorized by the Owner, any and all information given to the Broker by the Owner or developed by the Broker as a result of the performance of this Agreement. The Broker agrees that if the Owner so requests, the Broker will execute a confidentiality agreement in a form acceptable to the Owner and will require any employee or sub-broker performing work under this Agreement or receiving any information deemed confidential by the Owner to execute such a confidentiality agreement.
11. Assignment. Neither Party shall assign this Agreement or parts hereof or its duties hereunder, but not including work products produced by the Broker, without the express written consent of the other Party. In the event of dissolution, consolidation or termination of the Owner, the Parties agree that the Owner may assign to a successor entity any rights, obligations and functions it may have remaining under this Agreement.
12. Termination. In addition to any other rights provided herein, the Owner shall have the right to terminate all or part of this Agreement at any time and for its own convenience, by written notice to Broker.

13. Recordkeeping. The Broker shall maintain all records and documents relating to services performed under this Agreement for three (3) years after the termination or expiration of this Agreement, or for three (3) years after all other pending matters in connection with this Agreement are closed. This includes all books and other evidence bearing on the Broker's time based and reimbursable costs and expenses under this Agreement. The Broker shall make these records and documents available to the Owner, at the Owner's office, at all reasonable times, without any charge. If accepted by the Owner, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.

14. Public Contracting Requirements.

- a. Overtime. Any person employed on work under this Agreement, other than a person subject to being excluded from the payment of overtime pursuant to either ORS 653.010 to 653.261 or 29 USC §201 to 209, shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week, and otherwise in accordance with in accordance with ORS 653.010 to ORS 653.261 and the Fair labor standards Act of 1938.
- b. Payment for Labor or Material. Broker shall make payment promptly, as due, to all persons supplying labor or material for the performance of the work provided for in this Agreement. (ORS 279B.220)
- c. Contributions to the Industrial Accident Fund. Broker shall pay all contributions or amounts due the Industrial Accident Fund from Broker incurred in the performance of this Agreement, and shall ensure that all subcontractors pay those amounts due from the subcontractors. (ORS 279B.220)
- d. Liens and Claims. Broker shall not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished. (ORS 279B.220)
- e. Income Tax Withholding. Broker shall pay to the Oregon Department of Revenue all sums withheld from employees pursuant to ORS 316.167. (ORS 279B.220)
- f. Medical Care for Employees. Broker shall promptly, as due, make payment of all sums to any person, co-partnership, association or corporation, furnishing medical, surgical and/or hospital care incident to the sickness or injury of Broker's employee(s), all sums which Broker agrees to pay for such services and all monies and sums which Broker collected or deducted from the wages of employees pursuant to any law, contract or contract for the purpose of providing or paying for such service. (ORS 279B.230)
- g. Non-Discrimination. Broker agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statues, rules, and regulations. Broker also shall comply with the Americans with Disabilities Act of 1990, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws.
- h. Foreign Contractor. If Broker is not domiciled in or registered to do business in the state of

Oregon, Broker shall promptly provide to the Oregon Department of Revenue and the Secretary of State Corporation Division all information required by those agencies relative to this Agreement. Broker shall demonstrate its legal capacity to perform these services in the state of Oregon prior to entering into this Agreement.

- i. Tax Law Compliance. Broker (to the best of Broker knowledge, after due inquiry), for a period of no fewer than six calendar years (or since the firm's inception if less than that) preceding the effective date of this Agreement, faithfully has complied with:

- 1) All tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318;

- 2) Any tax provisions imposed by a political subdivision of this state that applied to Broker, to Broker's property, operations, receipts, or income, or to Broker's performance of or compensation for any work performed by Broker;

- 3) Any tax provisions imposed by a political subdivision of this state that applied to Broker, or to goods, services, or property, whether tangible or intangible, provided by Broker; and

- 4) Any rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions.

15. Notice. All notices, bills and payments shall be made in writing and may be given by personal delivery, mail, or by fax to the addresses provided in the signature blocks to this Agreement. Notice, bills, payments, and other information shall also be made via email to the Parties listed in the address block below. Payments may be made by personal delivery, mail, or electronic transfer. When notices are so mailed, they shall be deemed given upon deposit in the United States mail, postage prepaid, or when so faxed, shall be deemed given upon successful fax. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving written notice pursuant to this Section.

16. Entire Agreement; Counterparts; Electronic Signatures. This Agreement constitutes the entire agreement between the Parties hereto relating to the services and sets forth the rights, duties, and obligations of each Party to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. The Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original and such counterparts shall together constitute but one and the same Agreement. Any Party shall be entitled to sign and transmit electronic signatures to this Agreement (whether by facsimile, .pdf, or electronic mail transmission), and any such signature shall be binding on the Party whose name is contained therein. Any Party providing an electronic signature to this Agreement agrees to promptly execute and deliver to the other Party, upon request, an original signed Agreement.

17. Binding Agreement. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigners of the Parties hereto.

18. No Waiver. No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision of the Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.
19. Limitation on Delegation. The Parties hereto acknowledge and agree that certain powers, rights and duties conferred on or held by the Owner are inherently governmental in nature and may not be delegated by contract to the Broker. Nothing in this Agreement shall be construed as an unlawful delegation of the non-delegable functions and powers of the Owner, and the Broker shall have no obligation to perform any non-delegable function.
20. Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, and any disputes hereunder shall be tried in the courts of the State of Oregon. Venue shall be in Hood River, Oregon.
21. Mediation; Trial Without a Jury. If either Party has a claim or dispute in connection with this Agreement, it shall first attempt to resolve the dispute through mediation. The Parties shall mutually select an acceptable mediator, shall equally share the applicable mediation fees, and shall mutually select an applicable mediation venue. If either Party fails to proceed in good faith with the mediation, or the Parties otherwise fail to resolve the claim via the mediation process, the claiming Party may proceed with litigation. Any litigation arising under or as a result of this Agreement shall be tried to the court without a jury. Each Party agrees to be responsible for payment of its own professional fees, including attorneys' fees, in both mediation and litigation.
22. Further Assurances. Each Party shall execute and deliver, at the request of the other Party, any further documents or instruments, and shall perform any further acts that may be reasonably required to fully effect the transaction intended by this Agreement.
23. Severability. If any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the Parties when they entered into the Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, this ____ day of _____, 2024.

Broker: _____

Port of Hood River

Signed: _____

Name:

Title:

Date:

Address:

Phone/Email:

Signed: _____

Name:

Title:

Date:

Address:

Phone/Email:

Kevin M. Greenwood

Executive Director

1000 E. Port Marina Drive,
Hood River, OR 97031

(541) 386-1645

kgreenwood@portofhoodriver.com

Exhibit A
Scope of Work

Broker shall perform the following Services:

1. Properties for Sale:

- a) View subject Properties and comparable sales within appropriate neighborhoods or areas, review information as to the assessed market value of the Properties, market the Properties to potential buyers and facilitate the closing through escrow.
- b) Develop a Property prospectus for each Property listed and marketed for sale.
- c) Maintain a communicative relationship with Port and other parties involved in the transaction to ensure a successful transaction from beginning to end.
- d) Facilitate any necessary documents between the buyer(s) and seller in a timely manner. All offers shall be submitted by Broker to the Port designated representative for review, consideration, and a response.
- e) Market and advertise to potential owner occupants and investors.
- f) Have access to the local MLS in addition to other property marketing websites and platforms.
- g) Install and maintain lockbox, schedule and conduct walkthroughs. Broker is responsible for showing Property.

2. Properties to Purchase:

- a) Represent the Port interests as buyer's agent.
- b) Maintain a communicative relationship with Port and other parties involved in the transaction to ensure a successful transaction from beginning to end.
- c) Research possible targets for acquisition, communicate with the owners as to their desire to sell, present prospective target property to the Port representative to review, develop an offering scenario, present the offer to the sellers, continue negotiations as necessary.
- d) Facilitate any necessary documents between the buyer and seller in a timely manner.
- e) Have access to the local MLS in addition to other property acquisition databases, websites and platforms.

3. Properties to Lease:

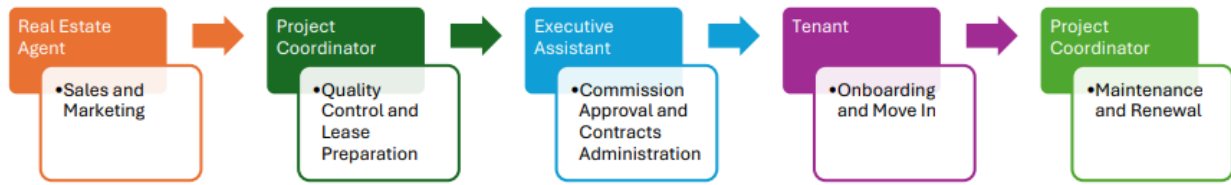
- a) Represent the Port interests as leasing agent.

- b) Maintain a communicative relationship with Port and other parties involved in the transaction to ensure a successful transaction from beginning to end.
- c) Prepare term sheets for Port and potential tenant.
- d) Facilitate any necessary documents between the tenant and landlord in a timely manner.
- e) Have access to the local MLS in addition to other property acquisition databases, websites and platforms.

4. General Provisions

- a) Broker responsible for showing Property including installation and maintenance of lockbox and keys. Port Facilities Manager will have access to code and install keys upon request.
- b) Broker responsible for recommending lease rates and listing prices.
- c) Broker required to provide Port Executive Director with weekly activity reports.
- d) Broker required to provide monthly one-page memo to the Port Commission summarizing activity/progress.
- e) If Port does not have photos of property, Broker is required for acquiring property photos and to share photos with Port staff.
- f) Realtor expected to respond to texts, emails, voice mails within 24 hours. Open communication is important to the Port for information flow.
- g) Broker shall provide Port no less than quarterly report on industry trends, both locally and nationally.
- h) Damage deposits required on leases.
- i) Broker shall comply with the Port Property Management Procedures, attached as Exhibit C, which may be updated from time to time by the Port
- j) Broker responsible for filling out paperwork and forms associated with leases or purchases with state or federal agencies.

**Exhibit B
Port of Hood River
Property Management Procedures**



Sales and Marketing

Task	Assigned To	Timeline
Pricing Analysis	Real Estate Agent	30 days Prior to Vacancy
Pricing Quality Control	Project Coordinator	25-30 days Prior to Vacancy
New Listing Created	Real Estate Agent	20-30 days Prior to Vacancy
Property Tours	Real Estate Agent	1-15 Days After Vacancy

Contracts

Task	Assigned To	Timeline
Submit tenant and lease terms details	Real Estate Agent	60-90 Days Prior to Lease Start
Prepare Lease	Project Coordinator	60-90 Days Prior to Lease Start
Submit Lease to Commission	Executive Assistant	30-90 Days Prior to Lease Start
Send Docusign to Tenant	Executive Assistant	1-2 Days After Approval
Forward Signed Lease to Port Team	Executive Assistant	1-2 Days After Lease is Signed
Upload Lease to Drive, Establish Key Milestones, Create Planner Tasks	Project Coordinator	2-3 Days After Lease is Signed

Onboarding

Task	Assigned To	Timeline
Communicate Onboarding details (payment, maintenance procedure, required documents)	Project Coordinator	2-3 Days After Lease is Signed
Confirm required documents received	Project Coordinator	3-5 Days After Lease is Signed
Confirm payment received	Finance Specialist	3-5 Days After Lease is Signed
Provide Tenant with Property Access	Project Coordinator	Lease Start Date
Walkthrough/Damage Report	Tenant / Project Coordinator	1-3 Days After Lease Start

Renewal Procedures

Task	Assigned To	Timeline
Pricing Analysis	Project Coordinator	120 days prior to lease end date
Pricing Quality Control	Deputy Finance Manager / Project Coordinator	100-120 days prior to lease end
Prepare New Lease or Addendum	Project Coordinator	100-120 days prior to lease end
Communicate Rent Increase	Project Coordinator	90-100 days prior to lease end

Submit Lease to Commission	Executive Assistant	30-90 Days Prior to Lease end
Send Docusign to Tenant	Executive Assistant	30-60 days prior to Lease End
Forward Signed Lease to Port Team	Executive Assistant	1-2 Days After Lease is Signed
Upload Lease to Drive, Establish Key Milestones, Create Planner Tasks	Project Coordinator	2-3 Days After Lease is Signed
Confirm required documents received	Project Coordinator	3-5 Days After Lease is Signed

Move Out Procedures

Task	Assigned To	Timeline
Notice to Vacate	Tenant	30-60 days prior to move out date
Turn in Keys at Port Office	Tenant	Lease end date or first following business day
Property Walkthrough	Project Coordinator	1 st business day after lease end
Deposit returned	Finance Specialist	0-30 days after lease end

EXHIBIT C-1
Master Listing Agreement for Real Estate Services
Work Order Contract

Work Order Contract #1

This Work Order Contract #1 (“Work Order”) is entered between the Port of Hood River (“Owner”) and [REDACTED] (“Broker”). This Work Order is issued under the authority of the Master Listing Agreement for Real Estate Services dated [REDACTED] between Owner and Broker (the “Master Agreement”) and is subject to all provisions of the Master Agreement, which is incorporated by reference.

- 1. Purpose.** This Work Order establishes Broker’s exclusive right to sell the property located at **616 Industrial St., Hood River, OR 97031** (“Property” or “**Big 7 Building**”) and more particularly described in the associated MLS Data Input Form attached as Attachment 1, if applicable. Any sale of the Property is subject to approval by the Port Commission.
- 2. Term.** This Work Order shall commence when signed by all Parties below and expires at 11:59 p.m. on [DATE] (“Term”). If Owner accepts an offer to purchase the Property, the Term extends through the date of closing for that transaction. Upon expiration of the Term, this Work Order terminates except Owner remains obligated under Section 4 below to pay the Brokerage Fee.
- 3. Listing Terms.** Owner agrees to list the Property for \$ [REDACTED] (“Listing Price”). OR
- 4. Payment of Consideration.** Owner agrees to pay Broker commission equal to the brokerage fee set forth in Section 5 and as follows:

Sale of Property. If (1) the designated Property is sold through Broker, prior to the expiration of this Work Order; or (2) a sale is consummated within 90 days after the expiration of this Work Order or any extension thereof with any person or entity with whom Broker has engaged in substantive, documented negotiations or from whom Broker or Owner has received a Letter of Intent to buy the designated Property during the term of this Work Order, Broker is entitled to associated commission payments.
- 5. Brokerage Fee.** The Brokerage Fee shall be equal to 3.25% of the Gross Sales Price. There is no cooperating brokerage fee.
- 6. Early Termination Fee.** In the event this Work Order is terminated without cause by the Port prior to expiration of the Work Order Term, the Port shall pay Broker an early termination fee equal to 10% of the Brokerage Fee set forth in Section 5 above plus any reasonable expenses incurred by Broker through the date of termination.
- 7. Order of Precedence.** If a conflict, inconsistency or ambiguity arises in Work Order interpretation, this Work Order shall be interpreted in the following order of precedence: (a) this Work Order; (b) the Master Agreement.
- 8. Expiration.** Expiration of this Work Order does not extinguish or prejudice Owner’s right to enforce this Work Order with respect to any breach of a Broker warranty or any default or defect in Broker performance that has not been cured.

9. Modification. No provision of this Work Order may be modified except in a writing signed by Owner and Broker.

IN WITNESS WHEREOF, the Parties hereto have executed this Work Order, on _____.

Broker (signing for Broker individually and on behalf of Principal Broker _____)

Port of Hood River

Signed: _____

Name:

Title:

Date:

Address:

Phone/Email:

Signed: _____

Name:

Title:

Date:

Address:

Phone/Email:

Kevin M. Greenwood

Executive Director

1000 E. Port Marina Drive,
Hood River, OR 97031

(541) 386-1645

kgreenwood@portofhoodriver.com

EXHIBIT C-2
Master Listing Agreement for Real Estate Services
Work Order Contract

Work Order Contract #2

This Work Order Contract #2 (“Work Order”) is entered between the Port of Hood River (“Owner”) and [REDACTED] (“Broker”). This Work Order is issued under the authority of the Master Listing Agreement for Real Estate Services dated [REDACTED] between Owner and Broker (the “Master Agreement”) and is subject to all provisions of the Master Agreement, which is incorporated by reference.

1. **Purpose.** This Work Order establishes Broker’s exclusive right to lease the property located at **616 Industrial St., Hood River, OR 97031** (“Property” or “**Big 7 Building**”) and more particularly described in the associated MLS Data Input Form attached as Attachment 1, if applicable. Any lease of the Property is subject to approval by the Port Commission.
2. **Term.** This Work Order shall commence when signed by all Parties below and expires at 11:59 p.m. on [DATE] (“Term”). If Owner accepts an offer to lease the Property, the Term extends through the date of closing for that transaction. Upon expiration of the Term, this Work Order terminates except Owner remains obligated under Section 4 below to pay the Brokerage Fee.
3. **Listing Terms.** Owner agrees to list the Property for lease. Broker will assist in negotiating the terms of the lease. The lease terms will be specified by Owner and must be approved by the Port Commission.
4. **Payment of Consideration.** Owner agrees to pay Broker commission equal to the brokerage fee set forth in Section 5 and as follows:

Lease of Property. If (1) the designated Properties are leased through Broker, prior to the expiration of this Work Order; (2) the prospective tenant is satisfactory to Owner as determined in the sole discretion of Owner; and (3) the lease terms are acceptable to Owner as determined in the sole discretion of Owner, Broker is entitled to associated commission payments.

5. **Brokerage Fee.** The Brokerage Fee shall be equal to **1.25%** of the Base Rent for the initial term of the lease payable as follows: 25% at Lease Execution and 75% at Occupancy. There is no cooperating broker fee requirement.

“Base Rent” means the initial, annual base or fixed rental rate under the lease, excluding expenses, maintenance fees, taxes and other incidental expenses payable by tenant under the lease. No Brokerage Fee is payable for any extensions or renewals of the lease term or for any expansions of the leased property. The Brokerage Fee is payable for leases entered into with new tenants and for renewal of leases entered into with existing tenants.

6. **Early Termination Fee.** In the event this Work Order is terminated without cause by the Port prior to expiration of the Work Order Term, the Port shall pay Broker an early termination fee equal to 10% of the Brokerage Fee set forth in Section 5 above plus any reasonable expenses

incurred by Broker through the date of termination.

7. **Order of Precedence.** If a conflict, inconsistency or ambiguity arises in Work Order interpretation, this Work Order shall be interpreted in the following order of precedence: (a) this Work Order; (b) the Master Agreement.
8. **Expiration.** Expiration of this Work Order does not extinguish or prejudice Owner's right to enforce this Work Order with respect to any breach of a Broker warranty or any default or defect in Broker performance that has not been cured.
9. **Modification.** No provision of this Work Order may be modified except in a writing signed by Owner and Broker.

IN WITNESS WHEREOF, the Parties hereto have executed this Work Order, on _____.

Broker (signing for Broker individually and on behalf of Principal Broker _____)

Port of Hood River

Signed: _____

Name:

Title:

Date:

Address:

Phone/Email:

Signed: _____

Name:

Title:

Date:

Address:

Phone/Email:

Kevin M. Greenwood

Executive Director

1000 E. Port Marina Drive,
Hood River, OR 97031

(541) 386-1645
kgreenwood@portofhoodriver.com

EXHIBIT C-3
Master Listing Agreement for Real Estate Services
Work Order Contract

Work Order Contract #3

This Work Order Contract #3 (“Work Order”) is entered between the Port of Hood River (“Owner”) and [REDACTED] (“Broker”). This Work Order is issued under the authority of the Master Listing Agreement for Real Estate Services dated [REDACTED] between Owner and Broker (the “Master Agreement”) and is subject to all provisions of the Master Agreement, which is incorporated by reference.

1. **Purpose.** This Work Order establishes Broker’s exclusive right to lease the property located at **205 Wasco Loop; 400 Portway Ave.; 600 E. Marina Dr.; and 700 E. Port Marina Dr., Hood River, OR 97031** (“Property” or “Properties”) and more particularly described in the associated MLS Data Input Form attached as Attachment 1, if applicable. Any lease of the Property is subject to approval by the Port Commission.
2. **Term.** This Work Order shall commence when signed by all Parties below and expires at 11:59 p.m. on [DATE] (“Term”). If Owner accepts an offer to lease the Property, the Term extends through the date of closing for that transaction. Upon expiration of the Term, this Work Order terminates except Owner remains obligated under Section 4 below to pay the Brokerage Fee.
3. **Listing Terms.** Owner agrees to list the Property for lease. Broker will assist in negotiating the terms of the lease. The lease terms will be specified by Owner and must be approved by the Port Commission.
4. **Payment of Consideration.** Owner agrees to pay Broker commission equal to the brokerage fee set forth in Section 5 and as follows:

Lease of Property. If (1) the designated Properties are leased through Broker, prior to the expiration of this Work Order; (2) the prospective tenant is satisfactory to Owner as determined in the sole discretion of Owner; and (3) the lease terms are acceptable to Owner as determined in the sole discretion of Owner, Broker is entitled to associated commission payments.

5. **Brokerage Fee.** The Brokerage Fee shall be equal to **1.75%** of the [Base Rent for the initial term of the lease payable as follows: **25%** at Lease Execution and **75%** at Occupancy. There is no cooperating broker fee requirement.

“Base Rent” means the initial, annual base or fixed rental rate under the lease, excluding expenses, maintenance fees, taxes and other incidental expenses payable by tenant under the lease. No Brokerage Fee is payable for any extensions or renewals of the lease term or for any expansions of the leased property. The Brokerage Fee is payable for leases entered into with new tenants and for renewal of leases entered into with existing tenants.

6. **Early Termination Fee.** In the event this Work Order is terminated without cause by the Port prior to expiration of the Work Order Term, the Port shall pay Broker an early termination fee equal to 10% of the Brokerage Fee set forth in Section 5 above plus any reasonable expenses

incurred by Broker through the date of termination.

- 7. Order of Precedence.** If a conflict, inconsistency or ambiguity arises in Work Order interpretation, this Work Order shall be interpreted in the following order of precedence: (a) this Work Order; (b) the Master Agreement.
- 8. Expiration.** Expiration of this Work Order does not extinguish or prejudice Owner's right to enforce this Work Order with respect to any breach of a Broker warranty or any default or defect in Broker performance that has not been cured.
- 9. Modification.** No provision of this Work Order may be modified except in a writing signed by Owner and Broker.

IN WITNESS WHEREOF, the Parties hereto have executed this Work Order, on _____.

Broker (signing for Broker individually and on behalf of Principal Broker _____)

Port of Hood River

Signed: _____

Name:

Title:

Date:

Address:

Phone/Email:

Signed: _____

Name:

Title:

Date:

Address:

Phone/Email:

Kevin M. Greenwood

Executive Director

1000 E. Port Marina Drive,
Hood River, OR 97031

(541) 386-1645
kgreenwood@portofhoodriver.com

Port of Hood River
2019 Lease Policy

The Lease Policy is intended to provide a basis for decisions regarding the Leasing and management of Port owned buildings. Through consistent application, the Port can better meet both business targets and public policy goals as they pertain to Port assets. While the Policy provides a framework, the Port maintains its flexibility to negotiate each deal individually depending on the unique aspects of each deal.

Goals

1. Seek to recover all operating costs as defined in the Lease.
2. Seek to create a reserve account which can cover depreciation as well as future Capital Improvements.
3. Strive to achieve a minimum 4% annual return on cost.
4. Endeavor to fully implement the Policy by 2024 consistent with current Lease expirations.
5. Consider implementing a lease structure for incubating new businesses that will eventually “graduate” to the proposed Lease Template.

Lease Template

For future lease negotiations, staff shall utilize the Lease Template (Attachment ‘A’). Although each lease or renewal will be negotiated individually, all negotiations shall take place within the framework of the Lease Template and shall seek to achieve the terms outlined below:

1. Recovery of Operating Costs
 - a. Clearly define Port and tenant maintenance obligations.
 - b. Clearly define square footage allocations using a load factor.
 - c. Ensure that reconciliations fit current financial process.
 - d. Strive to include all non-reimbursables in the Base rate.
 - e. Include all existing and consider potential operating costs.
2. Recovery of Depreciation
 - a. Ensure that capital improvement replacement responsibilities are clearly outlined.
 - b. Strive for a reserve amount that is sufficient to cover Port capital improvements within 3-year timeframe.
 - c. Create a separate reserve account for all leased buildings (aggregate).

- d. Analyze large capital improvements on a cost/benefits basis and ability to recoup costs through rate escalations.
3. Achieve 4% return on all costs, excluding capital
- a. Strive to include all costs are accounted for in initial rate set.
 - b. Base 4% profit on Gross rents and maintain it through annual CPI base rent adjustments
 - c. Strive to have rates that are consistent with market comparables.
4. Update standard clauses regularly to allow for longevity of the Lease document.
- a. Ensure insurance coverages are adequate and flexible.
 - b. Strive to have standard lease clauses conform with industry standards.
 - c. The standard lease term will be 5 years with up to 5 years of renewal options.
 - d. At each renewal, an in-house market rate comparison shall be conducted to ensure rates are consistent with the Market. If required by the tenant a third party study will be carried out with no less than 3 comparable properties supporting the rate.

Staff shall consider utilization of the Lease Template attached as Exhibit 'A'.

Lease Negotiations

Staff shall take the following steps in negotiating new leases:

1. Expiring Leases.
 - a. Provide tenant with new Lease Template prior to lease expiration.
 - b. Implement new rates immediately for tenants experiencing a less than 10% total annual increase, including CPI.
 - c. Rates for those with over a 10%, including CPI, increase will be phased in based on tenant needs and staff recommendations.
2. New Leases
 - a. The new lease will be fully implemented for new tenants and/or new buildings.
3. Missed Lease Renewal Notification Periods
 - a. If one renewal option exists when notification period is missed, Tenant will be allowed to continue under the existing lease until such time as that lease expires. When that lease expires, tenant will go directly to full implementation of the new Lease with no rate phasing.
 - b. If more than one renewal option exists, then at the time of expiration, the Tenant will sign a new lease with the Port. The first term will equal the existing renewal option length and rate total. Any additional renewal terms will be at

the new lease rate. Or the Tenant can choose to not include additional renewal terms.

4. Staff shall consider utilization of the Lease Rate Methodology attached as **Exhibit 'B'**.

Exhibits:

- A. Lease Template
- B. Lease Rate Methodology

LEASE

THIS LEASE is entered into at Hood River, Oregon by and between PORT OF HOOD RIVER, an Oregon municipal corporation, hereinafter referred to as "Lessor," and _____, an Oregon _____ [sole proprietorship; partnership; corporation; limited liability company], hereinafter referred to as "Lessee." Lessor and Lessee may hereafter be referred to individually as a "party" or collectively as the "parties".

1. **Leased Premises Description.** In consideration of the covenants of the parties, Lessor Leases to Lessee approximately _____ square feet of space in Lessor's building commonly known as the _____ Building ("Building") located at _____, Oregon ("Leased Premises"). The Leased Premises are identified in the attached "Exhibit A."

- Building Name:
- Building Address:
- Lessee Suite/Description:
- Leased Area:
- Rentable Area:

Lessor also grants Lessee a nonexclusive license to use, in common with others, the Common Area as further described on Section 6 of this Lease.

2. **Term.** The Lease shall be binding when both parties sign the Lease. The Lease Term shall be for the period effective on _____ and continuing through _____. Lessee has the option to extend the Lease for _____ extension term(s) of _____ year(s) each, through _____, provided that (i) Lessee gives Lessor written notice of Lessee's intent to renew the Lease for the additional term while the Lease is in effect(ii) the Lease is in full force and effect, (iii) Lessee has not been in Default beyond any applicable cure periods more than two times in the last year of the initial term of the Lease, (iv) the creditworthiness of Lessee, as revealed by its most current financial statements, is materially the same as or better than on the date of the Lease, and (v) the current use of the Leased Premises is consistent with the Permitted Use or other use approved by Lessor. To be effective, Lessee's notice to renew must be received by Lessor no later than ninety (90) calendar days prior to the Lease termination date.

- Effective Date:
- Lease Expiration Date:
- Renewal Options:
- Renewal Notice Requirement:

3. **Allowed Use.** Lessee shall use the Leased Premises for _____. The Leased Premises shall not be used for any other purposes without the written consent of Lessor, which may be granted or denied in Lessor's discretion.

4. **Rentable Area Load Factor.** Each Building tenant, including Lessee, is responsible to pay for their share of Building Operating Expenses related to "Building Common Areas" consisting of interior Building space which is not available for lease to a third party and that is shared by Building tenants and shall include, but is not limited to: entry areas, hallways, stairwells, mechanical, IT, electrical and janitorial closets, shared restrooms and elevators. A "Load Factor"

is calculated to determine Rentable Area Square Footage for Base Rent and payments owed for Operating Expenses, which is in addition to Base Rent.

Load Factor Formula: The total Building square footage is _____ SF. The Building Common Area square footage is _____ SF. The total Building square footage divided by the total Building square footage minus the Building Common Area square footage equals the Load Factor. The (Building Name) Load Factor is ____%.

Rentable "Area square footage" is the Leased Premises square footage (____ SF) times the Load Factor (____%). ____ SF * ____% = _____. The Rentable Area square footage used to calculate Rent as defined below, is _____ SF.

5. Rent

The rents Lessee owes Lessor shall be and consist of Base Rent ("Base Rent"), plus Additional Rent ("Additional Rent"). For purposes of this Lease, Base Rent and Additional Rent are referred to collectively as "Rent".

5.1 Base Rent. Beginning on the Effective Date, Base Rent shown below shall be payable in equal monthly installments in advance on the first day of each calendar month during the Term of this Lease, except to the extent otherwise specifically provided elsewhere in this Lease. However, if the Lease does not begin on the first day of a month rental for the first month shall be prorated to reflect the actual number of days in that month that the Lease is in effect and shall be payable immediately.

<u>Suite #</u>	<u>Rentable Area Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rent</u>
	SF	\$	\$

5.1.1 Consumer Price Index (CPI). Starting on the first anniversary of the Effective Date, and occurring annually thereafter, including any extensions of this Lease, Base Rent will be adjusted by adding to the monthly Base Rent amount payable during the previous 12-month period a percentage increase equal to the previous twelve months Base Rent amount times the percentage change in the Consumer Price Index for the Western Region Class BC, or a similar U.S. Government inflation index selected by Lessor ("CPI") for the most recent 12-month period for which a published CPI is available. However, in no event will the annual increase be less than one (1) percent.

5.2 Additional Rent. Additional Rent shall be all other sums of money that shall become due from and payable by Lessee to Lessor under this Lease, including without limitations, Operating Expenses as defined in Section 5.3.1 and Taxes and Assessments as defined in Section 5.3.2. Additional Rent shall be payable by Lessee to Lessor on the first calendar day of each month.

5.3 Additional Rent Calculation.

<u>Rentable Area (Square Footage)</u>	<u>Estimated rate per s.f. per month</u>	<u>Monthly Estimated Additional Rent</u>
---------------------------------------	--	--

	\$	\$
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5.3.1 Operating Expenses. Operating Expenses shall include all costs for the operation, repair and maintenance of the Building, Building Common Areas, and “Building Exterior Areas” which are located on Lessor property adjacent and related to the Building, whether designated for a particular Building tenant or which benefit some or all Building tenants. Operating expenses may include but are not limited to:

5.3.1.1 All costs and expenses incurred by Lessor in maintaining and repairing the Building, the Building Common Areas and Building Exterior Areas, including but not limited to:

5.3.1.1.1 General Building Exterior Areas maintenance and repairs of paved areas including; resurfacing, painting, restriping, cleaning, sidewalks, curbs, snow removal, storm systems, drainage systems and sweeping;

5.3.1.1.2 Maintenance and repair of landscaping including plantings, irrigation and sprinkler systems, general landscaping maintenance;

5.3.1.1.3 Services for Building Common Areas such as janitorial, fire suppression, security and door locking system, elevator and HVAC maintenance;

5.3.1.1.4 General maintenance and repair of Building systems including plumbing, lighting and fixtures, siding and trim, flooring, HVAC, roof and fixtures and garbage service.

5.3.1.1.5 Property management and administration fees required to enable the Building to be used by tenants and maintained.

5.3.1.2 All costs and expenses incurred by Lessor for utility usage that is not separately metered and payable by Lessee or another Building tenant, including but not limited to: electricity, gas, water, telecommunications and internet provided in suite, as well as Building Exterior Areas, and Building Common Areas.

5.3.1.3 Operating Expenses shall not include (a) Lessor’s capital expenditures, determined pursuant to Generally Accepted Accounting Principles as interpreted by Lessor, consistently applied, made in connection with Building, Building Common Areas or Building Exterior Areas or any equipment therein or thereon, except for those (i) required to comply with laws enacted after the date of this Lease, or (ii) made for the primary purpose of reducing Operating Expenses (b) attorneys’ fees incurred in enforcing the terms of any Building lease; (c) any amount paid to an entity or individual affiliated with or otherwise related to Lessor which exceeds the amount which would be paid for similar goods or services on an arms-length basis between unrelated parties; (d) any cost of selling, exchanging or refinancing the Building and Building Common Areas and any tax increase caused by their revaluation by virtue of a sale by Lessor; (e) Lessor’s general administrative overhead not directly attributable to management or operation of the Building, Building Common Areas and Building Exterior Areas and (f) costs for services normally provided by a property manager where the Operating Expenses already include a management fee.

5.3.2 Taxes and Assessments. Lessee shall pay its proportionate share of all actual assessments, real estate taxes, other taxes, fees and other charges levied or imposed by any governmental body against the Leased Premises, the Building, Building Common Areas and Building Exterior Areas and the property on which those sit, whether or not now customary or within the contemplation of the parties. Payment of the taxes shall be made as an Additional Rent charge. Lessee's proportionate share of any taxes shall be based only on that portion of the taxes which is allocated to the Leased Premises including the Load Factor during the Lease Term. Lessee shall directly pay all taxes levied on or with respect to Lessee's personal property located on the Leased Premises.

5.3.3 Annual Adjustment/Reconciliations. Within a reasonable time following the end of each Lessor fiscal year ending June 30 ("Fiscal Year") during the Term, Lessor shall furnish to Lessee an itemized statement prepared by Lessor setting forth Lessee's total Rent, including Additional Rent, for the preceding Fiscal Year, the estimated amount of Lessee's share of future Additional Rent for the upcoming Fiscal Year, and the Rent payments made by Lessee, including Additional Rent, during the prior Fiscal Year ("Itemized Statement"). Should Lessee's prior Fiscal Year Additional Rent payments exceed the actual Additional Rent owed, provided Lessee is not in default of the Lease, Lessor shall credit Lessee that over payment amount to apply to the next Fiscal Year Additional Rent amount. Or where the Term of the Lease has expired, refund the amount of overpayment to Lessee. Should Lessee's prior Fiscal Year Additional Rent payments be less than actual Additional Rent owed, Lessee shall pay Lessor for such deficiency in a lump sum within thirty (30) calendar days after receipt of the Itemized Statement.

The upcoming Fiscal Year Additional Rent payable by Lessee will be based on the preceding Fiscal Year actual expenses allocated to Lessee and any new or higher costs or expenses allocated to Lessee which Lessee will owe based on Lessor's estimated forecast of the future Fiscal Year expenses, which shall be reflected in the Itemized Statement. The new monthly Additional Rent amount will be sent to Lessee by Lessor in the annual Itemized Statement. Lessor shall adjust the Additional Rent monthly payment amount accordingly beginning every July 1 of the Term, which Lessee shall pay monthly in advance on the first day of each month during the Fiscal Year. The updated Additional Rent payment payable by Lessee for July and any other month that begins after the Itemized Statement is sent by Lessor to Lessee shall be due within ten (10) days after the date Lessor sends the Itemized Statement to Lessee.

The provisions of this Section 5.3. shall survive the termination of this Lease.

5.3.4 Market Rent Payable If Lease Option Is Exercised. If the Lease is in effect one hundred eighty (180) calendar days prior to its renewal term, then not more than one hundred eighty (180) days from such renewal term, Lessor will notify Lessee in writing what the monthly estimated Rent amount for the Leased Premises will be on the date of the renewal term, if Lessee properly exercises Lessee's option to renew the Lease. The renewal term Base Rent amount will be based on Lessor's good faith estimate of the fair market monthly rental rate for the Leased Premises upon the

start of the renewal term including a CPI adjustment, provided however, the Base Rent amount will not be less than the most recent monthly Base Rent amount payable by Lessee prior to the renewal term. When Lessor notifies Lessee what the estimated renewal term monthly Base Rent amount will be, Lessor will provide Lessee with information Lessor has used to determine the fair market monthly Base Rent amount, in Lessor's opinion. If Lessee exercises Lessee's option to renew the Lease the fair market monthly Base Rent amount established by Lessor will be payable by Lessee beginning on the first day of the renewal term. The foregoing notwithstanding, if Lessee is dissatisfied with or has questions about the fair market monthly Base Rent amount Lessor will charge Lessee beginning at the renewal term, Lessee may discuss the matter with Lessor prior to exercising Lessee's option to renew the Lease. Lessor may agree to change the monthly Base Rent amount payable beginning of the renewal term, or not, in Lessor's discretion. If Lessor agrees to change the monthly Base Rent amount beginning at the renewal term, that agreement must be in writing signed by Lessee and Lessor.

5.3.5 **Late Charge; Interest.** Rent not paid when due shall bear interest until paid the rate of twelve percent (12%) per annum from the due date until paid. Lessor may impose a late charge of five percent (5%) of the overdue payment (the "Late Charge"). Lessee agrees that late payment by Lessee to Lessor of any Rent or other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, that the exact amount of such costs are extremely difficult and impracticable to ascertain, and that the Late Charge is not a penalty but represents a fair and reasonable estimate of the costs that Lessor will incur by reason of any such late payment. The imposition or collection or failure to impose or collect such a Late Charge shall not be deemed a waiver by Lessor of any other remedies available for Lessee's default of this Lease.

6. **Building Common Areas and Building Exterior Areas.** Building Common Areas and Building Exterior Areas are provided by Lessor for the joint use and benefit of Building tenants, including Lessee, their employees, customers, suppliers and other invitees. Building Common Areas and Building Exterior Areas are identified in the attached "Exhibit A". Use of available Building Common Areas and Building Exterior Areas shall be subject to compatible, non-exclusive use on the part of other Building tenants. Lessee agrees that its usage of such Building Common Areas and Exterior Building Areas shall not interfere or be inconsistent with the similar rights of other Building tenants. All Building Common Areas and Exterior Building Areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all Building Common Areas and Building Exterior Areas, which Lessee agrees to abide by. Lessee understands and agrees that other tenants may occupy the Building.

6.1 **Building Exterior Areas.** Include: public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by particular Building tenants as shown in the attached Exhibit B.

6.2 **Building Common Areas.** Include: interior Building space which is not available for lease to a third party and that is shared by Building tenants and shall include, but is not limited to:

entry areas, hallways, stairwells, mechanical, IT, electrical and janitorial closets, shared restrooms and elevators.

- 7. Parking.** Lessee may park vehicles in Building Exterior Areas designated by Lessor for vehicle parking when parking spaces are available. As part of this Lease Lessee may also park vehicles in ten (10) designated parking spaces located North of the building. Lessor shall have no obligation to monitor parking or enforce parking restrictions associated with Lessee's designated parking spaces.
- 8. Maintenance and Repair.** Expenses of any maintenance or repair activity that is not considered a Capital Expenditure is an Operating Expense described in section 5.3.1 of this Lease. Lessee shall pay a proportional share (based on its Rentable Area square footage) share of the cost of Lessor maintenance and repair activities as Additional Rent.

8.1 Lessor Obligations. Lessor shall maintain the Building except for the Leased Premises and other tenant occupied leased areas which are the responsibility of Building tenants, and shall maintain the Building Exterior Areas, and Building Common Areas, including stairs, corridors, restrooms, exterior and interior windows, plumbing and electrical equipment serving the Building, roof and elevators, except for equipment owned or leased by Lessee and other building tenants, in reasonably good order and condition except for damage occasioned by the Lessee or Lessee's licensees or invitees, which damage Lessee shall promptly repair or may be repaired by Lessor at Lessee's expense in Lessor's discretion, in which case Lessee shall promptly reimburse Lessor. Lessor shall cause water and electric services to be provided to the Building. However, in no event shall Lessor be responsible or liable for an interruption or failure in the supply of any utilities to the Building or Leased Premises or for inconvenience or costs incurred by Lessee resulting from Lessor maintenance.

8.2 Lessee Obligations. During the Lease Term Lessee shall at Lessee's sole cost and expense keep the Leased Premises in good order, condition and repair to the reasonable satisfaction of Lessor and shall cause or permit any waste thereto. This obligation shall include, without limitation, the obligation to maintain and repair when damaged, not functioning or worn beyond ordinary wear and tear: floor coverings, wall coverings and paint, casework, ceiling tiles, HVAC exclusively serving the Leased Premises, window coverings, light bulbs, ballasts and fixtures, locks and hardware and all tenant improvements. Lessee shall promptly pay bills for Lessee's utility services provided directly to Lessee and shall reimburse Lessor for utilities services paid for by Lessor as Operating Expenses. Notwithstanding, Lessee shall promptly report to Lessor damage or any and all injury occurring in or to the Property.

All Lessee maintenance and repair work shall be performed only by a licensed contractor meeting, at a minimum, Lessee's standard services procurement standards both historically established for the Property and presently maintained for the Property. Lessor shall not be responsible for the cost of any alterations of or repairs to the Property of any nature whatsoever, structural or otherwise, whether or not now in the contemplation of the Parties. If Lessee fails to repair and maintain the Property in good operating order, Lessor reserves the right in its sole discretion to perform the necessary repairs and maintenance of the Property subject to reimbursement from Lessee for the full cost of such repairs and maintenance. Upon written notice from Lessor, Lessee shall reimburse Lessor for the full

cost of Lessor's repairs and maintenance, which shall be considered Additional Rent. Lessee shall hold Lessor harmless from any liens that may be placed on the Property. If a lien is filed, Lessee must discharge the lien within twenty (20) days after receiving it. If Lessee fails to discharge the lien, Lessor may procure a discharge at Lessee's expense, which Lessor must immediately pay on demand and may declare a default by Lessee.

9. Indemnification and Insurance

9.1 Lessee Hold Harmless Agreement. Lessee agrees to indemnify and hold Lessor, Lessor's Port Commissioners, officers, employees and agents harmless from any claims by any persons, firms, or corporations relating to the Leased Premises or from anything done by Lessee at the Leased Premises, and will further indemnify and hold Lessor, Lessor's Port Commissioners, officers, employees and agents, harmless from all claims arising as a result of any breach or default on the part of Lessee under the terms of this Lease, or arising from any willful or negligent act or omission of Lessee, Lessee's agents, contractors, employees, or licensees in or about the Leased Premises, and from all costs, attorney fees, and liabilities incurred in any action or proceeding brought thereon; and in case any action or proceeding is brought against Lessor, Lessor's Port Commissioners, officers, employees or agents by reason of any such claim, Lessee, upon notice from Lessor covenants to resist and defend such action or proceeding with the assistance of qualified legal counsel.

9.2 Lessee Insurance. On or before the effective date of the Lease and thereafter during the Lease Term, Lessee shall maintain insurance and provide Lessor with current certificates of insurance, including an additional insured endorsement, ensuring coverage of:

(a). Commercial General Liability insurance covering the insured against claims arising out of Lessee's operations, assumed liabilities under this Lease and use of the Leased Premises, including without limitation all common areas. The combined single limit shall not be less than Two Million Dollars (\$2,000,000) per occurrence with a Four Million Dollar (\$4,000,000) aggregate limit. Lessee agrees to keep the policy in effect for the duration of the Lease Term. The policy shall name Lessor as additional insured, and expressly include Lessor's Port Commissioners, officers, employees, and agents as additional named insured. The policy shall state that the coverage is primary and will not seek any contribution from any insurance or self-insurance carried by Lessor and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor at least fourteen (14) calendar days prior written notice. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by Lessor.

(b). Property Damage insurance covering (a) all furniture, trade fixtures, equipment, merchandise and all other items of Lessee's property on the Leased Premises and all alterations and other improvements and additions to the Leased Premises whether owned or constructed by Lessee or Lessor pursuant to the Lease. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the guaranteed replacement costs new value without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies.

(c) Lessee shall also immediately obtain and keep in force during the remaining Term of Lease workers' compensation insurance in full compliance with applicable state or

jurisdictional statutory requirements. Lessee will provide Lessor with a copy of a certificate evidencing such insurance.

9.3 Waiver of Claims and Subrogation. Lessor and Lessee each hereby releases and waives any and all rights to recover from or proceed against the other Party and its employees, agents and contractors, for loss or damage to any property of the releasing Party or any person claiming through the releasing Party arising from any of the risks covered by property insurance maintained or required under this Lease to be maintained by the releasing Party under this Lease. Lessor and Lessee shall each cause their insurance policies to contain a waiver of subrogation provision consistent with the foregoing. The above waiver of claims and subrogation applies whether or not there are any deductibles or self-insurance.

9.4 Building Damage or Destruction. Lessor shall maintain property insurance covering the Building, Exterior Building Areas and Building Common Areas providing protection against "all risk of physical loss". If the Leased Premises or Building are partially destroyed (more than 25%) by fire or other casualty, Lessor may decide to repair the Leased Premises or Building, or not, in Lessor's sole discretion. Lessor shall notify Lessee in writing of Lessor's intent regarding repair within thirty (30) calendar days after the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the Lease shall terminate effectively at the date of the damage. If Lessor notifies Lessee that Lessor intends to repair the damage the Lease shall continue and Lessor shall return the Leased Premises or Building to as good a condition as existed prior to the damage, in a prompt manner reasonable under the circumstances. If Lessee's use of the Leased Premises is disrupted during Lessor's repairs a reasonable portion of the Rent shall be abated during the disruption. In no event shall Lessor be required to repair or replace Lessee's property including Lessee's fixtures, furniture, floor coverings or equipment. In no event shall Lessee be entitled to recover damages from Lessor related to destruction of the Leased Premises or Building or related to repairs undertaken by Lessor.

9.5 Eminent Domain. If more than twenty- five percent (25%) of the Leased Premises and/or Building shall be taken or appropriated under the power of eminent domain or conveyed in lieu thereof, Lessor shall have the right to terminate this Lease. If the Lease is terminated, Lessor shall receive all income, rent award or any interest thereon which may be paid or owed in connection with the exercise of such power of eminent domain or convey in lieu thereof, and Lessee shall have no claim against Lessor or the agency exercising such power or receiving such conveyance for any part of such payments. If Lessor elects not to terminate the Lease, Lessor shall receive any and all income, rent award or any interest thereon paid or owed in connection with such taking, appropriation or condemnation.

10. Lessor Funded Lessee Improvements. If Lessor has agreed to make or pay for tenant improvements to the Leased Premises prior to or during the Lease Term, a description of the improvements, costs and Lessee's obligation to pay for such improvements shall be set forth in a separate written agreement that will be an amendment to and become part of this Lease.

11. Lessee Alterations. Lessee shall not make any alterations, additions, or improvements ("Alterations") in, on or to the Leased Premises or any part thereof without the prior written consent of Lessor which Lessor may agree to, with or without conditions, or deny in Lessor's discretion. After receiving a Lessee request to make Alterations Lessor will consider the

following, among other issues: (i) the Alterations are nonstructural, do not impair the strength of the Building or any part thereof, and are not visible from the exterior of the Leased Premises; (ii) the Alterations do not affect the proper functioning of the Building heating, ventilation and air conditioning, mechanical, electrical, sanitary or other utilities systems and services of the Building; (iii) Lessor shall have reviewed and approved the final plans and specifications for the Alterations; (iv) Lessee pays Lessor a fee for Lessor's indirect costs, field supervision or coordination in connection with the Alterations equal to five percent (5%) of the actual cost of such Alterations or such other sum as Lessor determines if Lessee agrees; (v) materials used are consistent with existing materials in the Leased Premises and Building and comply with Lessor's Building standards; and (vi) before proceeding with any Alteration, which will cost more than \$10,000, Lessee obtains and delivers to Lessor a performance bond and a labor and materials payment bond for the benefit of Lessor, issued by a corporate surety licensed to do business in Oregon each in an amount equal to one hundred twenty five percent (125%) of the estimated cost of the Alterations and in form satisfactory to Lessor, or such other security as shall be satisfactory to Lessor. Under any circumstance, Lessee agrees to only contract with a Lessor-approved contractor for the performance of such alterations and obtain all necessary governmental permits and approvals and deliver copies thereof to Lessor and pay the full cost for such alterations, additions, or improvements. Lessor may, in its sole discretion, require that Lessee remove any such alterations, wiring, cables or conduit installed by or for Lessee after the Lease Commencement Date and restore the Property to good condition and repair upon expiration or earlier termination of this Lease. All work in the Property by or at Lessee's request must comply with all applicable Laws. Lessee shall not permit any liens to attach to the Property or Lessee's interest in the Property as a result of any work performed by or at Lessee's request. Lessee shall promptly notify Lessor of, and shall defend, indemnify and save harmless, Lessor from and against any and all construction and other liens and encumbrances filed in connection with Alterations, or any other work, labor, services or materials done for or supplied to Lessee.

12. Fixtures and Personal Property. At the expiration or earlier termination of the Lease Term Lessee shall remove all furnishings, furniture, equipment, other personal property and trade fixtures from the Leased Premises in a way that does not cause damage to the Leased Premises. If Lessee fails to remove any personal property, this shall be an abandonment of such property, and Lessor may retain Lessee's abandoned property and all rights of Lessee with respect to it shall cease; provided however, that Lessor may give Lessee written notice within 30 days after the Lease expiration or termination date electing to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove personal property and Lessee fails to promptly do so, Lessor may affect a removal and place the property in storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, storage, disposal, and other costs incurred by Lessor with regard to such personal property.

13. Signs. Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the Leased Premises or visible from the Building Common Areas or Exterior Common Areas without the prior written consent of Lessor, which Lessor may grant or deny in Lessor's discretion. Lessee agrees to maintain in good condition any signs or displays which are allowed.

14. Leased Premises Condition; Lessor Access. Lessee has inspected the Leased Premises and accepts them in AS IS condition. Lessee shall return the Leased Premises to Lessor in the condition when leased or as improved in good, broom clean condition except for ordinary wear

and tear at the termination of this Lease. Any cost to bring the Leased Premises back to an acceptable condition shall be the sole responsibility of Lessee.

Upon termination or expiration of this Lease, Lessor shall inspect the Leased Premises and shall either accept the condition AS IS or require Lessee to remove personal property and/or repair the Leased Premises to a condition that is acceptable including reasonable wear and tear. Any cost to bring the Leased Premises back to an acceptable condition shall be the sole responsibility of Lessee.

Lessor shall have the right to enter upon the Leased Premises at all reasonable hours after twenty-four (24) hours oral notice (without notice to protect public health and safety in an emergency) to inspect it or to make repairs, additions or Alterations to the Leased Premises or any property owned or controlled by Lessor. E-mail from Lessor to Lessee (or Lessee's on-site manager if any) may serve as notice of inspection of the Leased Premises. If Lessor deems any repairs reasonably required to be made by Lessee to be necessary, Lessor may give notice that Lessee shall make the same pursuant to Section 8 of this Lease within thirty (30) calendar days (immediately in an emergency involving public health and safety), and if Lessee refuses or neglects to commence such repairs and complete the same satisfactory to Lessor in a timely manner, Lessor may make or cause such repairs to be made. If Lessor makes or causes such repairs to be made Lessee agrees that it will, within 30 days, pay to Lessor the cost thereof and pay Lessor's related costs.

15. Compliance with Laws. As of the Lease Commencement Date and throughout the Term of Lease, Lessee shall at its sole expense promptly comply and cause the Property to comply with all Laws applicable to the Property, including but not limited to the ADA and environmental laws ("Legal Requirements"). Lessee shall indemnify and hold harmless Lessor and Lessor's Commissioners, officers, agents and employees for, regarding from and against any and all claims and losses arising from or in connection with the violation of Legal Requirements occurring in, at or about the Property; together with all costs, expenses and liabilities incurred or in connection with each such claim, action, proceeding or appeal, including, without limitation, all attorneys' fees and expenses.

16. Hazardous Materials. Neither Lessee nor Lessee's agents or employees shall cause or permit any Hazardous Material, as hereinafter defined, to be brought upon, stored, used, generated, released into the environment, or disposed of on, in, under, or about the Property, except reasonable quantities of cleaning supplies and office supplies necessary to or required as part of Lessee's Courthouse operations and maintenance that are generated, used, kept, stored, or disposed of in a manner that complies with all laws regulating any such Hazardous Materials and with good environmental practices. Lessee covenants to remove from the Property, upon the expiration or sooner termination of this Lease and at Lessee's sole cost and expense, any and all Hazardous Materials brought upon, stored, used, generated, or released into the environment by Lessee, its agents, employees or invitees during the Term of Lease. To the fullest extent permitted by law, Lessee hereby agrees to indemnify, defend, protect, and hold harmless Lessor, Lessor's Commissioners, officers, agents and employees, and their respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities, and losses that arise during or after the term directly or indirectly from the use, storage, disposal, release or presence of Hazardous Materials on, in, or about the Property which occurs during the Term of Lease. Lessor hereby agrees to indemnify, defend, protect and hold harmless

Lessee, and its agents and employees and its respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses that arise during or after the term directly from the use, storage, disposal, release or presence of Hazardous Materials by Lessor, its agents, employees, or contractors on, in or about the Property. Lessee shall promptly notify Lessor of any release of Hazardous Materials in, on, or about the Property that Lessee, or Lessee's agents or employees, becomes aware of during the Term of Lease, whether caused by Lessee, Lessee's agents or employees, or any other persons or entities. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the state of Oregon or the United States government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance," "hazardous material," or "waste" under any federal, state or local law, (ii) petroleum, and (iii) asbestos. The provisions of this Section, including, without limitation, the indemnification provisions set forth herein, shall survive any termination of this Lease.

17. Entire Agreement; Amendments. This Lease contains the entire agreement of the parties with respect to the Leased Premises. No prior agreement, statement, or promise made by any party to the other not contained herein shall be valid or binding. This Lease may not be modified, supplemented or amended in any manner except by written instrument signed by both parties.

18. Quiet Enjoyment. From the date the Lease commences Lessee will have the right to use the Leased Premises consistent with this Lease without hindrance or interruption by Lessor or any other persons claiming by, through or under Lessor, subject, however, to the terms and conditions of this Lease. The foregoing notwithstanding, Lessee agrees that Lessor may make improvements to the Building and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises.

19. Waiver. One or more waivers of any covenants or conditions by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to any act by Lessee requiring Lessor's consent or approval shall not be construed as consent or approval to any subsequent similar act by Lessee.

20. Assignment. Lessee agrees not to assign or in any manner transfer this Lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet the Leased Premises or part or parts thereof without like consent. Lessor will not unreasonably withhold its consent. Sublease rate shall not exceed the base rate of the Master Lease.

21. Bankruptcy. Subject to Section 23, the Lease shall not be assigned or transferred voluntarily or involuntarily by operation of law. It may, at the option of Landlord, be terminated, if Tenant is adjudged bankrupt or insolvent, or makes an assignment for the benefit of creditors, or files or is a party to the filing of a petition in bankruptcy, or in case a receiver or trustee is appointed to take charge of any of the assets of Tenant or sublessees or assignees in or on the Premises, and such receiver or trustee is not removed within thirty (30) days after the date of his appointment, or in the event of judicial sale of the personal property in or on the Premises upon judgment against Tenant or any sublessees or assignee hereunder, unless such property or reasonable replacement therefor be installed on the Premises. To the extent permitted by law, this Lease

or any sublease hereunder shall not be considered as an asset of a debtor-in-possession, or an asset in bankruptcy, insolvency, receivership, or other judicial proceedings.

22. Default. Time is of the essence of performance of all the requirements of this Lease. If any Rent or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) calendar days after the same are due and payable, or if Lessee shall fail to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of Rent or other charges) within fourteen (14) calendar days after written notice to Lessee specifying the nature of the default with reasonable particularity, or if Lessee shall declare bankruptcy or be insolvent according to law or if an assignment of Lessee's property shall be made for the benefit of creditors or if Lessee shall abandon the Leased Premises, then in any of said events Lessee shall be deemed in default hereunder.

23. Remedies on Default.

23.1 Termination. In the event of default, the lease by be terminated at the option of Lessor by written notice to Lessee. Whether or not the Lease is terminated by the election of Lessor, Lessor shall be entitled to recover damages from Lessee for the default and Lessor may reenter, take possession of the Property and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.

23.2 Reletting. Following reentry or abandonment, Lessor may relet the Property and, in that connection, may make any suitable alterations or change the character of the use of the Property, but Lessor shall not be required to relet for an use or purpose other than specified in the Lease or which Lessor may reasonably consider injurious to the Property, or any tenant Lessor may reasonably consider objectionable.

23.3 Damages. Upon the occurrence of an Event of Default, Lessor's remedies shall be the right to recover: unpaid Rent and amounts owing pursuant to this Lease; all costs incurred by Lessor in restoring the Property to good order and condition to the extent the need for such restoration arises as a direct consequence of an Event of Default; reasonable costs of reentry and reletting without limitation the cost of cleanup, refurbishing, removal of Lessee's property and fixtures, and all actual damages caused by the default, including attorneys' fees and costs. Lessor may periodically sue Lessee to recover damages as they accrue, and no action therefor shall bar a later action for damages accruing thereafter. Notwithstanding any limitation on Lessor's remedies under this Lease, in the event of a breach or threatened breach by Lessee of any of its obligations under this Lease, Lessor shall also have the right to file a claim for specific performance and/or obtain an injunction.

23.4 Survival. If the Lease is terminated, Lessee's liability to Lessor for Rent and damages shall survive such termination. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.

23.5 Lessor's Right To Cure Default. If Lessee fails to perform any obligation under this Lease, Lessor shall have the option to do so after 30 days' written notice to Lessee. All of Lessor's expenditures to correct the default shall be reimbursed by Lessee on demand with interest at the rate of twelve percent (12%) per annum from the date of expenditure by Lessor. Such action by Lessor shall not waive any other available remedy.

24. Landlord's Lien. In addition to any statutory landlord's lien and in order to secure payment of the Rent and all other sums payable hereunder by Lessor, and to secure payment of any loss, cost or damage which Lessor may suffer by reason of Lessee's breach of this Agreement, Lessee hereby grants unto Lessor, to the maximum extent permitted by Applicable Law, a security interest in and an express contractual lien upon Lessee's Personal Property (except motor vehicles); and such Lessee's Personal Property shall not be removed from the Property at any time when an Event of Default has occurred and is continuing. The security interest herein granted is in addition to any statutory lien for the Rent.

Subordination, Attornment and Non-Disturbance. Without further documentation, this Lease shall be subject and subordinate to any deeds of trust, mortgages, ground lease, or land sale contracts and any amendment or modification thereof, now existing or hereafter recorded against the Property (collectively, the "Encumbrances"). Lessee shall execute all documents requested by Lessor or the holder of an Encumbrance to confirm such subordination within ten (10) days after request therefor provided the holder of that Encumbrance recognizes Lessee's rights under this Lease unless Lessee is in default beyond any applicable cure period and provided that all such documents are provided both to Lessee's Notice Address.

25. Surrender/Holdover. Upon expiration or earlier termination of this Lease, Lessee shall surrender the Property, peaceably, quietly, and in as good order and condition, reasonable use and wear thereof excepted, as the same existed on the Lease Commencement Date. If Lessee does not vacate the Leased Premises when the Lease Term expires, Lessor shall have the option to treat Lessee as a month to month tenant, subject to all the provisions of this Lease except the provisions for term and renewal, and at a rental rate equal to one hundred and fifty percent (150%) of the daily prorated amount of the Rent for the last period prior to the date of expiration. Failure by Lessee to remove fixtures, furnishings, trade fixtures, or other personal property which Lessee is required to remove under this Lease shall constitute a failure to vacate to which this paragraph shall apply. If a month-to-month tenancy results from holdover by Lessee under this paragraph, the tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given to Lessee not less than ten (10) calendar days prior to the termination date specified in Lessor's notice. Lessee waives any notice which would otherwise be required by this Lease or by law with respect to month-to-month tenancy.

26. Notices. Whenever under this Lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee's registered agent if any, to the person signing the Lease, or to Lessee's on site manager if any who at the date of this Lease is Charlie Cannon, or sent by certified mail with postage prepaid to the address indicated on the signature page of this Lease; and if such notice is to Lessor, delivered personally to the Executive Director of the Port of Hood River at the Port of Hood River's office located at, 1000 E. Port Marina Drive, Hood River, OR 97031 or sent by certified mail with postage prepaid to the address indicated on the signature page of this Lease. Notice shall be deemed given on the date of personal delivery or if mailed, two business days after the date of mailing.

27. Governing Law and Dispute Resolution. This Lease shall be governed by and construed in accordance with the laws of the State of Oregon. Any claim, suit, action, counterclaim, or other proceeding ("Claim"), including any bankruptcy proceeding, instituted by either Party against the other in connection with any controversy arising out of this Lease or the Property shall be

brought and conducted within the Circuit Court of Hood River County for the State of Oregon. Any dispute involving this Lease may be resolved by court action or, in the alternative, mediation if both parties agree to mediation. If the parties agree to use a mediator, they will each pay one half the costs of mediation. If mediation does not occur or does not result in a resolution satisfactory to both parties, the dispute shall be resolved by arbitration. Any arbitration shall be in accordance with the rules of the Arbitration Service of Portland then in effect. The parties shall use a single arbitrator mutually agreeable to them. If they are unable to agree on an arbitrator, or a process to select one, either party may apply to the Hood River County Circuit Court to appoint an arbitrator. The award rendered by an arbitrator shall be binding on the parties and may be entered in the Hood River County Circuit Court. The prevailing party in court action, or arbitration proceeding, including any appeal therefrom or enforcement action, shall be entitled to recover their reasonable attorney’s fees and costs and disbursements incident thereto. If either Party engages a collection agency to pursue any delinquent amounts owed by the other Party, whether under the terms of this Lease or pursuant to a court judgment or other decree, the owing Party shall pay, in addition to all amounts payable under this Lease or pursuant to the court judgment or other decree, all collection agency fees charged to the collecting Party and all attorney fees incurred by the collecting Party in performance of such collection.

28. Limitation of Liability. No Personal Liability-Notwithstanding anything to the contrary in this Lease, except to the extent damages are caused by the negligence of Lessor and its agents and employees, Lessee hereby releases Lessor, its agents and employees from (i) damage to Lessee's property, (ii) damage arising out of the acts, including criminal acts, of third parties, (iii) consequential damages, and (iv) any damage, cause or matter that exceeds the value of Lessor’s interest in the Property. Lessee agrees that, in the event of any actual or alleged Lessor Default of this Lease or in the event of any other claim or cause of action by Lessee, the recourse of Lessee against Lessor for any damages (over and above damages actually paid by available insurance, if any) will be limited to, and any judgment against Lessor shall be satisfied only out of, the Property; no other assets of Lessor shall be subject to levy, execution or other enforcement procedure for the satisfaction of any judgment in favor of Lessee against Lessor. There shall be no personal liability of the Lessor. Any claims by Lessee against Lessor will be limited to actual damages only and will not, under any circumstances, include consequential damages or punitive damages. In no event shall Lessee have the right to terminate this Lease nor to offset payments due hereunder by reason of a Lessor Default.

29. Authority to Execute. The persons executing this Lease on behalf of Lessee and Lessor warrant that they have the authority to do so.

DATED this ____ day of _____, 2023.

Lessee:	Lessor:	Port of Hood River
Signed: _____	Signed: _____	
By:	By:	
Its:	Its:	
Address:	Address:	
Email/phone:	Email/phone:	

Exhibit A
LEASED PREMISES AND COMMON AREAS

Exhibit B
BUILDING EXTERIOR AREAS

Lease Rate Methodology

June 18, 2019

The Lease Rate Methodology is the component of the Lease Policy that outlines a lease rate selection method for current and future Port leases. While each lease is a negotiation, this methodology provides a frame work that is consistent between property assets.

1. Keep current with Market rates

- a. Port Staff will have up to date knowledge of and track market rates for each property type.
- b. Every 3 years or during or after market shifts, the Port will undertake a third-party market rate study to evaluate the current rates.

2. Evaluate Condition and Amenities

Port buildings will be evaluated regarding where they should be in the market i.e. above, below or level. The following factors will be evaluated in the analysis:

- a. Building Condition- based on standard appraisal methods, interior and exterior: Poor, Fair, Good, excellent
- b. Exterior Building Amenities- parking, landscaping, loading docks, bays or doors, building material and type
- c. Interior Amenities- ceiling height, elevator, windows, utility capacity and efficiency, HVAC type
- d. Use type- industrial vs office ratios, Warehouse vs production space (i.e. floor drains)

3. Rate Setting

Based on the evaluation of the above factors, each building will be given a rate that is reasonable in comparison with the market. That rate can go up or down depending on the space and its specific build out and negotiations with the tenant. Additional factors that will be considered in the rate shift are:

- a. Operating expenses- building with high operating expenses will either cap the operating expense OR reduce the base rental rate to compensate in order to keep the building within a reasonable market range.
- b. Large, scheduled improvements- if a large remodel is anticipated, then that should be reflected in the lease rate structure, i.e. utility efficiency which lowers operating costs, amenity improvement or condition improvement.

PORT OF HOOD RIVER BUILDING & PROPERTY NAMES

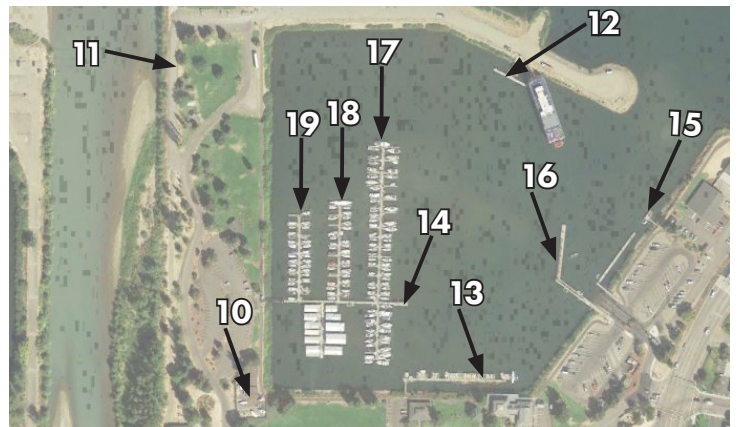
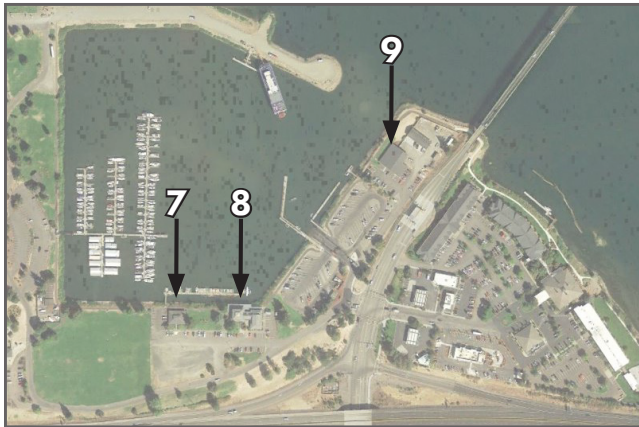
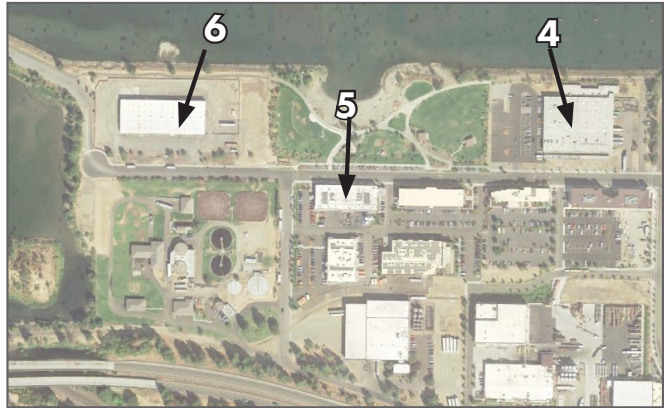
APRIL 17, 2019

NAME / ADDRESS	MAJOR TENANTS	SQUARE FOOTAGE
HOOD RIVER:		
1. Big 7 Building , 616 Industrial Avenue	Electronics Assemblers, GorgeNet	42,103
2. Wasco Building , 205 Wasco Loop	Cloud Cap Technology, PacificSource	14,650
ODELL:		
3. Timber Incubator , 3872 Heron Drive	Wy'East Laboratories, Oregon Brine Works	10,000
WATERFRONT INDUSTRIAL AREA:		
4. Jensen Building , 400 Portway Avenue	Turtle Island Foods (Tofurky), ServePro	54,962
5. Halyard Building , 707 Portway Avenue	pFriem Brewing, LLC	19,846
6. Maritime Building , 910 Portway Avenue	Hood River Distillers	38,474
WATERFRONT EAST:		
7. DMV Building , 600 E. Port Marina Drive	DMV, Walden for Congress	2,320
8. Marina Office Building , 720 E. Port Marina Dr.	Hood River County Chamber	5,757
9. Port OfficeS , 1000 E. Port Marina Drive	Port of Hood River	2,320
MARINA / BOAT BASIN FACILITIES:		
10. Hood River Yacht Club Building	Hood River Yacht Club	839
11. Marina Park Sheds	Various (storage)	Various
12. Cruise Ship Dock		
13. South Basin Dock		
14. Shell Dock		
15. Fuel Dock		
16. Guest Dock		
17. A Dock		
18. B Dock		
19. C Dock		
KEN JERNSTEDT AIRFIELD:		
18. FBO Building , 3608 Airport Drive	TacAero	
19. Maintenance Hangar , "White Hangar"	TacAero	4,000
20. Yellow Hangar	TacAero	3,900
21. Blue Hangar	Russ Werner	29,420
22. Helicopter Hangar	Cloud Cap Technology	

FOR MORE INFORMATION:

Anne Medenbach, Development & Property Manager
Port of Hood River

(541) 386-5116 • amedenbach@portofhoodriver.com • <http://portofhoodriver.com>



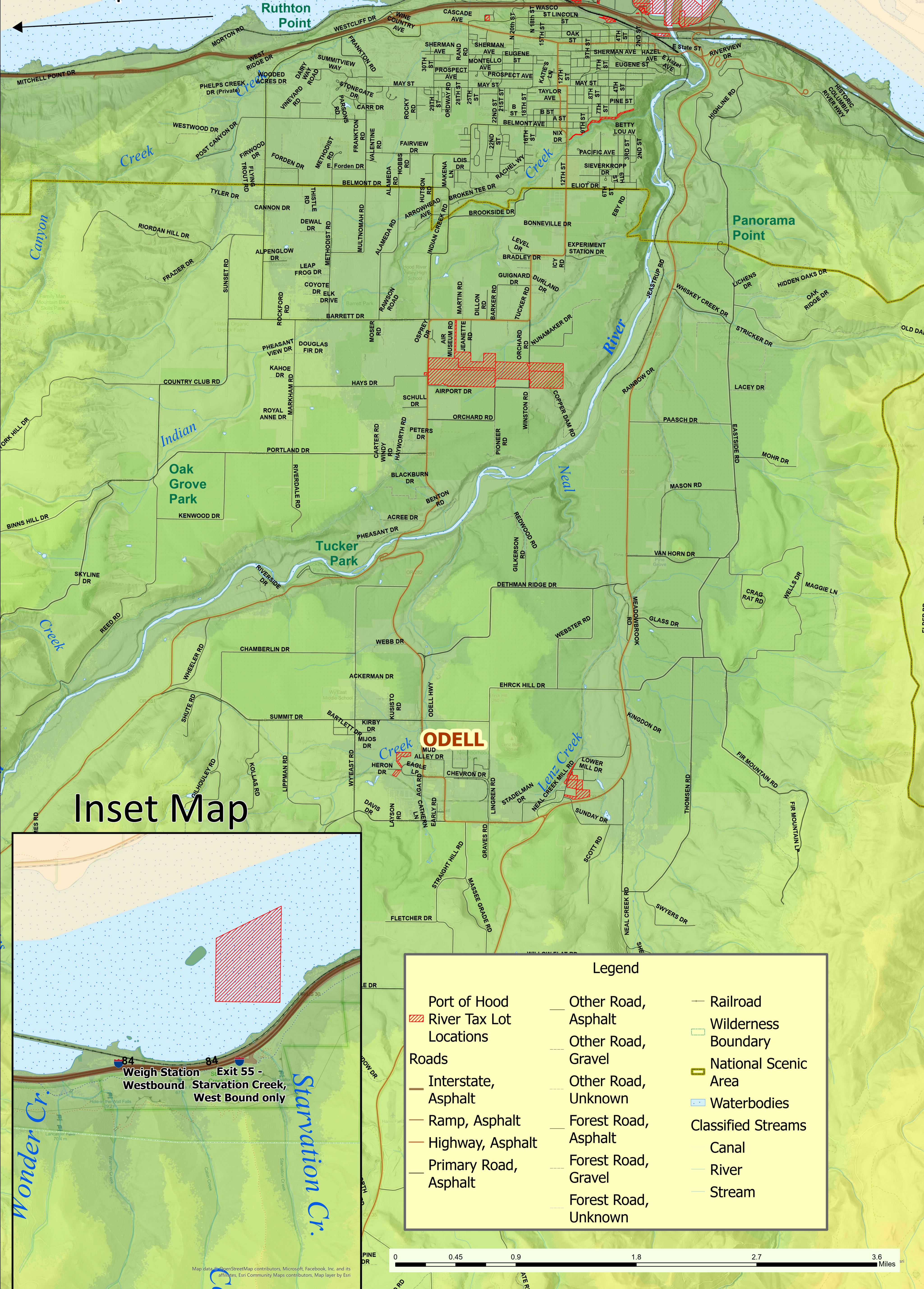
Port of Hood River Property Locations

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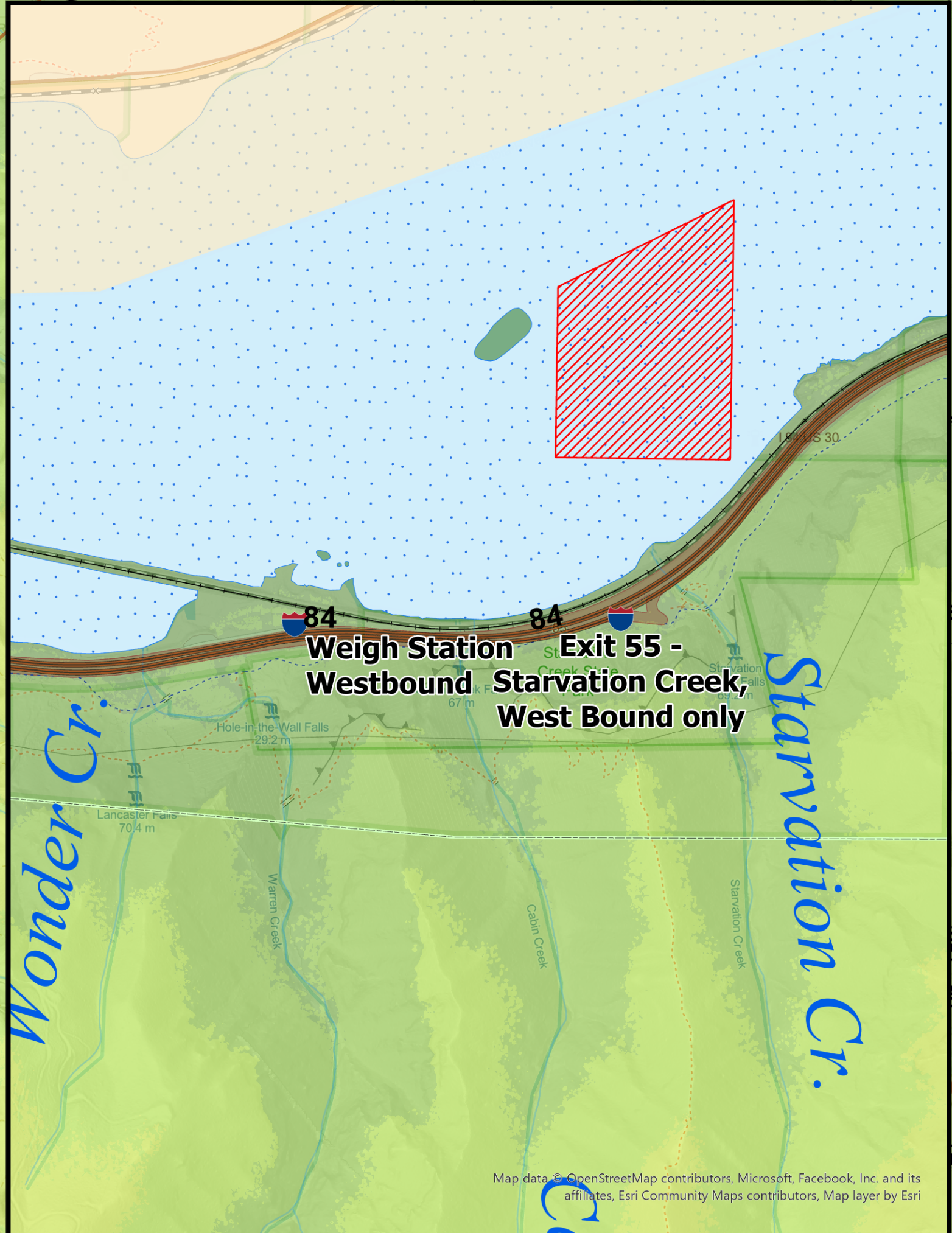


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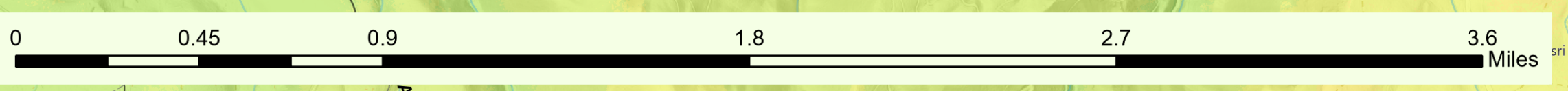
Inset Map Location



Inset Map



Legend			
	Port of Hood River Tax Lot Locations		Railroad
	Other Road, Asphalt		Wilderness Boundary
	Other Road, Gravel		National Scenic Area
	Interstate, Asphalt		Waterbodies
	Ramp, Asphalt		Classified Streams
	Highway, Asphalt		Canal
	Primary Road, Asphalt		River
	Forest Road, Asphalt		Stream
	Forest Road, Gravel		
	Forest Road, Unknown		



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