PORT OF HOOD RIVER
REGULAR SESSION
Tuesday, July 21, 2026, at 5:15 PM
Port Conference Room
1000 E. Port Marina Drive, Hood River
View the live stream at: https://www.youtube.com/@portofhoodriver2178/streams

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AGENDA

1. **4:00 PM – Call to Order: Commission Work Session**
   a. Strategic Business Plan
   b. Adjourn

2. **5:00 PM (approx.) – Call to Order: Executive Session**
   a. ORS 192.660(2)(e) – Real Property Transactions

   Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on or otherwise disclose any of the deliberations or anything said about these subjects during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. At the conclusion of the executive session, the Board may either return to open session to take further action or adjourn the meeting.

   b. Adjourn

3. **5:15 PM (approx.) – Call to Order: Regular Session**
   a. Modifications, Additions to Agenda
   b. Public Comment (3 minutes per person per subject)

4. **Consent Agenda**
   a. Approve June 16, 2026, Regular Session and July 14, 2026, Special Meeting Minutes *(P. Rosas, Pg. 3)*
   b. Approve Work Order No. 10 w SUM Design for Jensen Roof Project *(A. Rose, Pg. 9)*
   c. Approve Termination of 211-213 N. Wasco Court PSA *(A. Rose, Pg. 19)*
   d. Approve Amendment No. 1 with Points Consulting *(M. Channell, Pg. 21)*
   e. Approve Res. No. 2026-27-1 Adopting the Port Succession Plan *(K. Greenwood, Pg. 27)*
   f. Approve Accounts Payable to Cable Huston LLP *(D. Smith-Wagar, Pg. 41)*

5. **Informational Reports**
   a. Monthly Financial Report *(D. Smith-Wagar, Pg. 45)*

6. **Presentations & Discussion Items**
   a. Commissioner Committee Assignments for FY 26-27 *(P. Rosas, Pg. 57)*
   b. Big 7 Presentation, Intern Porter Haskell *(A. Rose, Pg. 61)*

7. **Executive Director Report** *(K. Greenwood, Pg. 73)*

8. **Commissioner, Committee Reports**

9. **Action Items**
   a. Approve Res. No. 2026-27-2 Adopting Updated Business Matters for FY26-27 *(K. Greenwood, Pg. 93)*
   b. Approve Change Order No. 1 w Gallant Construction for the T-Hangar project *(J. Renard, Pg. 101)*
   c. Approve Res. No. 2026-27-3 Appointing Members to the Airport Advisory Comm. *(J. Renard, Pg. 111)*
   d. Approve Moving Forward with an ENA/MOU with CMLK for Marina East/West *(M. Channell, Pg. 127)*
   e. Approve Lease with DMV *(A. Rose, Pg. 129)*
      1. Approve Work Order No. 9 with SUM Design for the Wasco Building, Contingent on the Outcome of Action Item (f) *(A. Rose, Pg. 233)*
   f. Approve placing Lower Hanel Mill property on market *(A. Rose, Pg. 249)*

10. **Commission Call/Upcoming Meetings**
   a. Upcoming Meetings:
      1. Regular Session – August 18, 2026
      2. Regular Session – September 15, 2026
      3. Regular Session – October 20, 2026

   b. Strategic Business Plan – Important Dates (Tentative):
      1. Survey & Other Progress Presentation – August 18, 2026
      2. Release of Draft SBP - September 8, 2026
      3. Public Open House – September 16, 2026
      4. Final SBP Adoption – October 20, 2026

11. **Recess Regular Session and Convene Executive Session**
   a. ORS 192.660(2)(e) – Real Property Transactions

   Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on or otherwise disclose any of the deliberations or anything said about these subjects during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. At the conclusion of the executive session, the Board may either return to open session to take further action or adjourn the meeting.

12. **Adjourn**

If you have a disability that requires any special materials, services, or assistance, please contact us at (541) 386-1645 so we may arrange for appropriate accommodations.

*The chair reserves the opportunity to change the order of the items if unforeseen circumstances arise. The Commission welcomes public comment on issues not on the agenda during the public comment period. With the exception of factual questions, the Commission does not immediately discuss issues raised during public comment. The Commission will either refer concerns raised during public comment to the Executive Director for a response or will request that the issue be placed on a future meeting agenda. People distributing copies of materials as part of their testimony should bring **10 copies**. Written comment on issues of concern may be submitted to the Port Office at any time.*

Port of Hood River Commission
Meeting Minutes of June 16, 2026, Regular Session
Via Remote Video Conference & Marina Center Boardroom
5:00 p.m.

REGULAR SESSION

PRESENT: Commissioners: Kristi Chapman, Heather Gehring, Kathryn Thomas, Ben Sheppard, and Tor Bieker. **Staff:** Kevin Greenwood, Daryl Stafford, Debbie Smith-Wagar, Amanda Rose, Megan Channell, Emily Curtis, Melissa Manzo, and Patty Rosas. **Guests:** Jeff Renard, Aviation Management Services; Dan Spatz, Columbia Gorge News; Tommy Brooks, Cable Huston; Gretchen Goss; Lach Litwer, Lightwell Hotel; Lewis Moller, Hood River Resident; Wesley Akiyama, Hood River Resident; Ann Frodel, Hood River Resident; Lpaune Hogie, Hood River Resident; Pasquale Barone, Hood River Resident; Jaime Mack, Hood River Resident; Marit Knapp, Hood River Resident; Dan Kmiecik, Ambrose Property Group; Easton Craft, Amazon.

EXCUSED: None.

1. **EXECUTIVE SESSION** – Held prior to the Regular Session, beginning at 4:00 p.m.

2. **EXECUTIVE SESSION** – Adjourned at 5:06 p.m.

3. **CALL TO ORDER:** President Heather Gehring called the meeting to order at 5:11 p.m.
   a. **Modifications, Additions to Agenda:**
      1. Consent Agenda Items 5(b), 5(c), and 5(d) were removed for separate discussion and action.

   b. **Public Comment:**
      1. **Lock Litwer,** owner of the Lightwell Hotel, commented on the proposed Anchor Way leased parking program. He described the hotel's parking constraints and requested that the Port consider a reasonably priced short-term pilot that could support a valet option for hotel guests.
      2. **Lewis Moller,** Hood River resident, shared ideas for the waterfront, including relocating or selling accumulated sand to improve marina access and create a public beach, connecting the Historic Columbia River Highway State Trail to the waterfront, and expanding marina opportunities.
      3. **Ann Frodel**, Hood River resident, encouraged the Commission to preserve public access, recreation space, and community use as it considers future Marina East and West development.
      4. **Pasquale Barone,** a property owner near the Big 7 building, described a proposed redevelopment and requested that the Port consider selling or otherwise making a small portion of adjacent Port property available for parking improvements.
      5. **Jaime Mack,** founder of the sailing program, expressed support for continued consideration of public recreation and water access in the Marina East and West redevelopment process.
      6. **Dan Kmiecik,** Ambrose Property Group, requested that the Commission hold a special meeting before July 20, 2026, to consider a third extension of the Neal Creek Mill Road purchase and sale agreement while land-use approvals remain pending.
      7. **Easton Craft,** Amazon, described the proposed facility's anticipated employment, delivery, environmental, and community benefits and expressed Amazon's commitment to being a community partner.

4. PUBLIC HEARING RE: SPECIAL PROCUREMENT EXEMPTION

a. President Gehring opened the public hearing regarding a special procurement exemption for Aviation Management Services at 5:35 p.m.

b. No public testimony was provided.

c. President Gehring closed the public hearing at 5:36 p.m.

5. CONSENT AGENDA:

a. Approve Minutes: May 5, 2026 Budget Committee; May 19, 2026 Regular Session and Commission Workshop
~~b. Approve Resolution No. 2025-26-25 Accepting Findings for Special Procurement Exemption~~
~~c. Approve Contract with Aviation Management Services for Managing the Airport~~
d. ~~Approve Resolution No. 2025-26-26 Adopting the Port of Hood River Succession Plan~~
e. Approve Resolution No. 2025-26-27 Adopting the Updated Master Fee Schedule
f. Approve Task Order 10, Amendment 6 with HDR for On-Call Services
g. Approve Amendment No. 5 with PAM for Tolling Services
h. Approve President's Signature on Joint 6(f) Letter with Hood River-White Salmon Bridge Authority
i. Approve Notice of Intent to Award to Abhe & Svoboda for Bridge Steel & Coating Maintenance Repairs – NTE $625,885
j. Approve Accounts Payable to Cable Huston LLP

Motion: Move to approve the Consent Agenda, excluding items 5(b), 5(c), 5(d)
Move: Bieker
Second: Chapman
Discussion: None
Vote: **Ayes:** Chapman, Thomas, Gehring, Sheppard, and Bieker
MOTION CARRIED

6. INFORMATIONAL REPORTS:

a. **Monthly Financial Report -** Finance Director Debbie Smith-Wagar reported that no year-end budget adjustment was needed. She reviewed ongoing capital projects and noted a decline in bridge traffic beginning in April and continuing through the first half of June, which appeared related to higher fuel prices. Commissioners also discussed the Port's remaining marina debt, the waterfront foundation license plate program, reimbursement for services provided to the Bridge Authority, and internal fund reconciliations.

7. PRESENTATIONS & DISCUSSION ITEMS:

a. **Hood River Bridge Deck Welding Program Report –** Director of Real Estate and Asset Management Amanda Rose presented an overview of the May bridge deck welding program. She described the use of spot welds and spider welds, a new grate-numbering and tracking system, safety and traffic-control work performed by Port staff, and the number of welds completed.

b. **Define Next Steps for Marina East/West Request for Developer Interest** – Director of Capital Development and Planning Megan Channell reviewed the exploratory RFDI process and options available to the Commission. The Commission discussed the need for broader public engagement before advancing a development concept and directed staff to continue community outreach and refine the process before returning with next steps.

c. **Anchor Way Parking Lot: Rate Setting for Leased Parking Spaces** – Channell reviewed existing parking rates and occupancy at the 59-space Anchor Way lot. The Commission discussed pricing, overnight parking, public availability, seasonal demand, and a potential pilot program.

Motion: Move to authorize staff to enter final negotiations for leased parking spaces at the Anchor Way lot, with no more than 20 spaces included in the program.
Move: Chapman
Second: Bieker
Discussion: None
Vote: **Ayes:** Chapman, Thomas, Gehring, Sheppard, and Bieker
MOTION CARRIED

8. **DIRECTOR REPORT:** Executive Director Kevin Greenwood provided updates on grant funding, the Airport Terminal Building project, ongoing recruitment, and the anticipated DMV relocation. Also discussed was the availability of free parking near the waterfront and possible options for addressing local parking needs. Greenwood referenced public comment concerning the Big 7 property and noted potential redevelopment and parking opportunities in that area. He also recognized Waterfront Manager Daryl Stafford at her final Commission meeting, thanked her for eight years of service, and acknowledged her contributions to the waterfront, marina, and transition of responsibilities.

9. **COMMISSIONER, COMMITTEE REPORTS:**
   a. Commissioner Bieker reported on the recent Washington, D.C., advocacy trip.

10. **ACTION ITEMS:**
    a. Public Hearing on Approved Budget for FY 2026-27 - President Gehring opened the public hearing at 7:01 p.m.
    b. No public testimony was provided.
    c. The hearing was closed at 7:01 p.m.
    d. **Approve Resolution No. 2025-26-28 Adopting the FY26-27 Budget**

Motion: Move to approve Resolution No. 2025-26-28 adopting the FY 2026-27 Budget.
Move: Chapman
Second: Thomas
Discussion: Commissioners asked about the 6(f) research study and contingency appropriations. Staff explained the purpose of the study and how contingency and ending fund balance could be appropriated if needed.
Vote: **Ayes:** Chapman, Thomas, Gehring, Sheppard, and Bieker
MOTION CARRIED

    e. **Approve Resolution No. 2025-26-25 Accepting Findings for a Special Procurement Exemption and Approve the Contract with Aviation Management Services for Managing the Airport.**

Motion: Move to approve Consent Agenda Items 5(b) and 5(c): Resolution No. 2025-26-25 Accepting Findings for a Special Procurement Exemption and the contract with Aviation Management Services for managing the airport.
Move: Bieker
Second: Chapman
Discussion: The Commission discussed the special procurement findings, the value of continuity and airport-specific relationships, and the role Aviation Management Services has played in advancing airport projects.
Vote: **Ayes:** Chapman, Thomas, Gehring, Sheppard, and Bieker
MOTION CARRIED

f. **Approve Resolution No. 2025-26-26 Adopting the Port of Hood River Succession Plan –** Commissioners discussed planning for the simultaneous loss of multiple key employees and the need for clearer accountability and follow-through. Staff agreed to revise the plan and return it for future consideration. No action was taken.

g. **Approve Resolution No. 2025-26-27 Adopting Updated Master Fee Schedule.**

Motion: Move to approve Resolution No. 2025-26-27 adopting the Updated Master Fee Schedule, as amended to increase late fees by the Consumer Price Index and to increase violation penalties to a reasonable amount established by staff.
Move: Bieker
Second: Thomas
Discussion: The Commission discussed the relationship between regular rates and late fees, possible percentage-based late charges, violation penalties, legal limits, and staff discretion in unusual circumstances.
Vote: **Ayes:** Chapman, Thomas, Gehring, Sheppard, and Bieker
MOTION CARRIED

11. COMMISSION CALL: None

12. UPCOMING MEETINGS: No Discussion

13. ADJOURN: The meeting was adjourned at 7:20 p.m.

ATTEST:

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Heather Gehring, President

____
Kristi Chapman, Secretary

Port of Hood River Commission
Meeting Minutes of July 14, 2026, Special Meeting
Via Remote Video Conference & Marina Center Boardroom
4:00 p.m.

SPECIAL MEETING

PRESENT: Commissioners: Kristi Chapman, Heather Gehring, Kathryn Thomas, Ben Sheppard, and Tor Bieker. **Staff:** Kevin Greenwood, Debbie Smith-Wagar, Amanda Rose, Megan Channell, Melissa Manzo, Porter Haskell, and Patty Rosas. **Guests:** Dan Kmiecik, Ambrose Property Group.
EXCUSED: None.

1. **CALL TO ORDER:** President Heather Gehring called the meeting to order at 4:00 p.m.

   a. **Election of Officers:** The Commission considered the annual election of officers and discussed retaining the current slate.

   Motion: Move to appoint Commissioner Heather Gehring as President, Commissioner Tor Bieker as Vice President, Commissioner Kristi Chapman as Secretary, and Commissioner Kathryn Thomas as Treasurer.
   Move: Sheppard
   Second: Bieker
   Discussion: None.
   Vote: **Ayes:** Chapman, Thomas, Gehring, Sheppard, and Bieker
   MOTION CARRIED

   b. **Modifications, Additions to Agenda:** None.

   c. **Public Comment:** None.

2. **ACTION ITEMS:**

   a. **Consideration of Third Extension to Purchase and Sale Agreement with Amazon for Lower Mill –** Executive Director Kevin Greenwood explained that the purpose of the meeting was limited to considering whether extending the inspection period under the existing Purchase and Sale Agreement was in the Port's best interest. He clarified that the Commission was not considering the merits of the proposed distribution facility or the pending land-use appeal, which remain under Hood River County's jurisdiction.

   Director of Real Estate and Asset Management Amanda Rose reviewed Amazon's request for a third 45-day extension through September 3, 2026. The proposed extension would require an additional $15,000 nonrefundable payment, increasing the total non-refundable amount to $80,000. Rose explained that without an extension, Amazon must elect in writing by July 20, 2026, either to proceed to closing or allow the agreement to terminate.

   The Commission discussed the effect of continuing to reserve the property, the timing and uncertainty of the County appeal process, the Port's cash flow and future funding needs, Amazon's investment in due diligence, and the value of allowing the property to return to the market. Commissioners also discussed whether the additional 45 days would provide sufficient certainty and whether further extensions might be requested.

   Motion: Move to authorize a third extension of the Purchase and Sale Agreement with Amazon.com Services LLC through September 3, 2026.
   Move: Bieker
   Second: Chapman
   Discussion: None

Vote: **Ayes:** Chapman, and Gehring
Nays: Thomas, Sheppard, and Bieker
MOTION FAILED

3. ADJOURN: The meeting was adjourned at 4:26 p.m.

ATTEST:

____
Heather Gehring, President

____
Kristi Chapman, Secretary

Commission Memo

Prepared by: Amanda S. Rose, Director of Real Estate
Date: July 21, 2026
Re: SUM Design Studio Proposal –
Jensen Building Roof Replacement

The Port is seeking authorization to engage SUM Design Studio to provide architectural design, bidding, permitting, and construction administration services associated with the planned roof replacement project at the Jensen Building. This work represents a critical next step in advancing the roof replacement from the assessment phase into procurement and construction.

The Jensen Building is one of the Port's largest revenue-generating assets and contains approximately 55,400 square feet of commercial and industrial tenant space. Recent evaluations completed by Coffman Engineers identified the need for significant roof system improvements and provided recommendations regarding the existing structural system. While that preliminary structural evaluation has already been completed under a previous contract, additional professional design work is required before the Port can competitively bid and construct the project.

The proposed SUM Design scope will develop the architectural and technical documents necessary to accurately define the roof replacement project, including replacement roofing specifications, roof access improvements, skylight replacement and modifications, and coordination with Coffman Engineers regarding any required structural improvements. The proposal also includes preparation of construction documents suitable for contractor bidding, permit submittal, and project construction. Throughout the process, SUM will coordinate contractor pricing reviews, assist with permitting, respond to contractor questions during bidding, and provide construction administration services during installation.

The proposal anticipates a 6-to-8-week design schedule and includes support through bidding, permitting, and construction. The total not-to-exceed fee is $37,890, which includes $27,220 for architectural services, $9,700 for structural engineering by Coffman Engineers, and a 10 percent administrative fee associated with consultant coordination. The project would be invoiced on an hourly basis up to the not-to-exceed amount.

RECOMMENDATION:
MOTION to approve Work Order No. 10 with SUM Design for the Jensen Building roof replacement in an amount not to exceed $37,890.

ATTACHMENTS:
Work Order No. 10
Attachment A - Proposal

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Master Personal Services Agreement
Work Order Number Ten

This Work Order Number Ten ("Work Order") is entered between **the Port of Hood River** ("Port") and **SUM Design Studio, LLC** ("Consultant"). This Work Order is issued under the authority of the Master Personal Services Agreement dated **October 23, 2024** between the Port and Consultant (the "Master Agreement") and is subject to all provisions of the Master Agreement, which is incorporated by reference.

1. **Project Background**. The Port has engaged Consultant to design concept for roof replacement on Jensen building

2. **Scope of Services**.
   a. **Services**. Consultant shall perform the following Services:
   Site Verification/ As-built Measurements, schematic design, design development, permit set/construction documents, construction administration

   b. **Deliverables and Delivery Schedule**. Consultant shall provide the following deliverables in accordance with the delivery schedule set forth below:

   Consultant shall provide architectural and structural design services necessary to support the Jensen Building roof replacement project, including site verification, schematic design, design development, permit-ready construction documents, permit assistance, and construction administration services. Deliverables shall include plans, specifications, details, code review, structural coordination, contractor pricing support, permit responses, submittal reviews, construction-phase support, and final project walkthrough services. Consultant shall provide draft deliverables for Port review and comment at each major design phase and incorporate Port feedback into final deliverables. The design and construction document phases are anticipated to be completed within approximately six (6) to eight (8) weeks following Notice to Proceed, with permit assistance and construction administration services continuing through project completion. **To be concluded October 31,2026**

3. **Key Personnel for this Work Order.** The Port is engaging the expertise, experience, judgment and personal attention of the Key Personnel identified below.

Key Personnel	Position/Title	Role on Project
Eric Hoffman	Managing Principal	Executive
Steve Hawk	PE, SE	Managing Principal
Brian Morris	Project Manager	Architect
	CAD Drafter	
	Interior Designer	

4. **Compensation.**

   4.1 **Maximum Not-to-Exceed Amount**. The maximum not-to-exceed compensation payable to Consultant under this Work Order, which includes reimbursable expenses is **$37,890**. If the maximum compensation is increased by amendment of this Work Order, the amendment must be fully effective before Consultant performs the Services subject to the amendment.

   4.2 **Fees**. The Port shall compensate Consultant for the performance of Services on the basis of TIME AND MATERIALS in accordance with the following schedule:

   See Exhibit A – Proposal for professional services

   4.3 **Reimbursable Expenses**. Not to exceed $1,000.00

5. **Effective Date and Term**. This Work Order is effective on the date it has been signed by the Port and Consultant and will expire on **December 31, 2026** unless earlier terminated or extended.

6. **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) the Master Agreement; (b) this Work Oder.

7. **Expiration.** Expiration of this Work Order does not extinguish or prejudice the Port's right to enforce this Work Order with respect to any breach of a Consultant warranty or any default or defect in Consultant performance that has not been cured.

8. **Modification**. No provision of this Work Order may be modified except in a writing signed by the Port and Consultant.

IN WITNESS WHEREOF, the parties hereto have executed this Work Order on the dates set forth below.

Consultant: SUM Design Studio + Architecture		**Port of Hood River**	
Signed:		Signed:	
Name:	Eric Hoffman	Name:	Kevin M. Greenwood
Title:	Principal	Title:	Executive Director
Date:		Date:	
Address:	231 SE 12th Ave., Portland, OR 97214	Address:	1000 E. Port Marina Drive, Hood River, OR 97031
Phone/Email:	(503) 715-5847 eric@sumdesignstudio.com	Phone/Email:	(541) 386-1645 kgreenwood@portofhoodriver.com

June 22, 2026

Amanda Rose
Property Manager / Principal Broker
Port of Hood River
1000 East Port Marina Drive
Hood River, OR 97031

RE: Port of Hood River – Jensen Building

Amanda,

Please see attached proposal for design services related to roof system upgrades at the Jensen Building, located at 400 Portway Avenue in Hood River.

It is based on our conversations and recent walk through of the building.

Following is a defined scope of services with a breakdown of our standard construction phases.

Once reviewed, please do not hesitate to reach out with any questions or concerns.

Sincerely,

Eric Hoffman
Principal
SUM Design Studio + architecture

PROPOSAL FOR PROFESSIONAL SERVICES

STATEMENT OF PROJECT
Roof-level upgrades of existing 55,400sf commercial tilt-up concrete building.

Architectural design scope includes the following:
- Architectural plans sufficient for describing roof replacement scope, new roof access location, and new skylights
- Specifications for replacement roofing system
- Specifications and details for roof access ladder and hatch
- Specifications and details for replacement skylights as required

SUM will coordinate with the Structural Engineering team to provide design scope as outlined above and on the attached proposal from Coffman Engineers.

Additional scope coordinated by SUM with Coffman Engineers includes:
- Structural review and modifications as required for new or modified openings at roof access hatch and skylights
- Structural review and modifications as required for new or relocated rooftop mechanical units as required

PROPOSED PROJECT SCOPE AND PHASES

Preliminary Structural Evaluation of Roof System - COMPLETE
As part of the first phase of work, SUM coordinated with Coffman Engineers
to complete a preliminary structural evaluation of the existing roof system. Coffman's findings and recommendations provided in Memo dated 03/05/26.

As-Built Measurement
SUM to visit the site and complete as-built verifications and measurements as required for project scope.

Schematic Design
Using information gathered from the site visit, coordination with Coffman Engineers, and any additional program needs supplied by the client, SUM will create preliminary plans and outline product specifications. As part of this phase, SUM will also perform an initial review of applicable jurisdictional and code requirements.

This document set will provide the starting point to move forward.

After a final direction has been reached and the client has approved, the final scheme will be ready for progression to Design Development. The Schematic Design documents will include, but not be limited to: demo plan, roof plan, preliminary outline specifications.

Meetings: (1) Total meeting with Client, virtual

Design Development

During this phase, SUM will refine all elements shown and presented as part of the Schematic Design package and product specifications will be initiated.

This phase will include:

- Further review and coordination of jurisdictional requirements and building code
- Plans: demo roof plan, roof plan, floor plan at roof access ladder
- Major details: as required
- Roof access ladder and hatch selections initiated
- Coordination with structural engineer

Document set at the conclusion of this phase to be suitable for preliminary contractor pricing.

Meetings: (1) Total meetings with Client, virtual

Permit Set / Construction Documents

SUM will finish design and documentation of all elements shown and presented as part of the Design Development package. During this phase, the design is completed and product selections are finalized. SUM will meet with the client to review progress and to verify design intent is being met.

This phase will include:

- Review of preliminary contractor pricing in conjunction with the client and coordination of questions and responses
- Design modifications to correspond with changes made as a result of the preliminary pricing effort. Note: modifications requiring significant changes to the design may trigger Additional Services fees, see below.
- Project code summary
- Plans: roof demo plan, roof plan, and floor plan at roof access ladder
- Architectural details: as required to communicate design intent
- Product Specifications
- Coordination with structural engineer

Document set at the conclusion of the phase to be suitable for contractor bidding, permitting, and project construction.

Meetings: (2) Total meetings with Client, (1) in person and (1) virtual

Permit Assistance and City Coordination

SUM will provide responses and additional information regarding the above outlined scope as required by the local jurisdiction for a building permit.

Construction Administration

During the construction phase, SUM will provide responses to RFI (Requests for Information) and review submittals. Submittals scope to include specified products and shop drawings of custom fabricated elements shown in the Construction Documents.

Meetings: We estimate a 4-6 week construction timeframe. We will provide
(2) job site meetings as required and the balance as virtual meetings on alternate weeks. Also included is one final walk-through / punch list of the completed scope.

PROFESSIONAL SERVICES FEE –
Project to be Invoiced Monthly as an ***Hourly Not to Exceed Rate***

Primary Structural Evaluation Completed Under Previous Contract

Site Verification / As-built Measurements	$1,520
Schematic Design	$4,560
Design Development	$6,270
Permit Set / Construction Documents	$6,270
Construction Administration	$7,600
Reimbursable Expenses	$1,000
SUBTOTAL – Architectural Design Fee, Not to Exceed	**$27,220**
Structural Engineering (Coffman)	$9700
10% Administrative Fee	$970
TOTAL FEE, Hourly Not to Exceed	**$37,890**

ADDITIONAL INFORMATION

Schedule
This proposal is based on a 6-8 week design schedule.
Significant changes to the design may require fee adjustments or impact project completion timeline.

Assumptions
No exterior or site work above what is described above.
No Jurisdictional Design Review will be required.

Exclusions
The following items have been excluded from our scope of work, but can be included for an additional fee if the project warrants:

- Mechanical or Plumbing Engineering Design
- Electrical Engineering
- Additional scope incurred during permitting that is dictated by the jurisdiction. The above list of drawings is presumed to be sufficient for building permit.

Additional Services
To the extent SUM and its consultants agree to provide additional services not described herein, including contract administration, testing, changes in the scope of the project, design changes, or other changes to the project, those services shall be agreed to in writing, and shall be paid

to SUM at current hourly rate. If additional services are not agreed to in writing, SUM shall notify Owner prior to providing such services.

SUM shall also be entitled to additional compensation for services required by changes in or the enactment of laws, codes, ordinances or regulations, the contraction of the Project schedule, preparation for and attendance at a public hearing or other proceeding related to the project, or changes necessitated by the action or inaction of Owner or Owner's representatives, agents, contractors or subcontractors.

Hourly Billing Rates

Managing Principal	$236 / hr
Project Manager	$190 / hr
Project Architect	$190 / hr
Interior Designer	$155 / hr
CAD Drafter	$98 / hr

Jurisdictional Fees

The client shall pay for the building permit and all other permits, fees, costs, licenses, and inspections required by applicable federal, state, or local laws, codes, rules, regulations, or ordinances.

Reimbursable Expenses

The client shall reimburse SUM for expenses incurred plus an administrative fee of 10%. Reimbursable expenses shall include, but are not limited to, printing and reproduction, AutoCAD plotting, travel expenses, long distance charges, fees paid to local governmental entities, engineering and consultant fees and expenses, postage, photography, additional renderings, models, mileage at the current amount allowed by the IRS. SUM shall invoice for such expenses of reimbursement, and on larger expenses, SUM may, at its sole option, require the client to directly pay said expense.

____

Client Signature Date

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Commission Memo

Prepared by: Amanda S. Rose, Director of Real Estate
Date: July 21, 2026
Re: Wasco 3 Property Acquisition Update

Staff has completed significant due diligence efforts related to the proposed acquisition of 211-213 N. Wasco Court ("Wasco 3"), which has been under consideration as a potential future location for the Port's Facilities Department.

As part of that process, staff has evaluated a variety of factors associated with the property, including financial, operational, and property-related considerations. Based on information received during due diligence, several matters have been identified that no longer make this transaction feasible.

RECOMMENDATION: MOTION to approve termination of the purchase and sale agreement for 211-213 N Wasco Court.

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Commission Memo

Prepared by:	Megan Channell, Director of Capital Development & Planning
Date:	July 21, 2026
Re:	Approve Amendment No. 1 with Points Consulting: 2026-2032 Strategic Business Plan & Marina Basin Master Plan

On April 9, 2026, the Port entered into a Personal Services Contract with Points Consulting LLC to prepare the Port's 2026-2032 Strategic Business Plan. At the April 21, 2026 Spring Planning Work Session, the Commission directed staff to proceed with development of a Marina Basin Master Plan as a supplemental planning effort to the Strategic Business Plan. This requested contract amendment reflects that direction.

Amendment No. 1 adds a scope of work for the Marina Basin Master Plan. The work will establish a basin-wide vision and planning framework through documentation of existing conditions, development of conceptual alternatives, and preparation of a preferred concept plan. The resulting plan is intended to provide a foundation for future funding opportunities and long-term planning and implementation.

Amendment No. 1 increases the contract amount by $39,300, for a revised not-to-exceed amount of $162,610. The amendment maintains the original contract completion date of December 31, 2026.

RECOMMENDATION: MOTION to approve Amendment No. 1 to the Personal Services Contract with Points Consulting LLC, increasing the contract amount by $39,300 and authorizing the Executive Director to execute the amendment.

ATTACHMENTS:
Points Consulting LLC, Marina Basin Master Plan: Amendment No. 1

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AMENDMENT NO. 1
TO PERSONAL SERVICES CONTRACT

This Amendment No. 1 to the Personal Services Contract ("Contract") is entered into by and between Points Consulting LLC ("Consultant") and the Port of Hood River ("Port"), effective as of the date of the final executed signature below.

RECITALS:

Whereas, the Consultant and the Port entered into a Contract dated April 9, 2026, for the 2026-2032 Strategic Business Plan; and

Whereas, the Port of Hood River Commission directed Port staff to proceed with a Marina Basin Master Plan at its April 21, 2026 Spring Planning Work Session; and

Whereas, the Port seeks additional services from the Consultant for a Marina Basin Master Plan.

NOW, THEREFORE, the parties agree as follows:

1. The Contract shall be amended to include the attached scope of work (Attachment A) for the Marina Basin Master Plan.
2. The maximum consideration under the Contract shall be increased by $39,300, for a revised total not-to-exceed Contract amount of $162,610.
3. The Contract term shall remain unchanged and shall continue through December 31, 2026.

Except as modified by this Amendment No. 1, all other terms and conditions of the original Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 as of the date set forth above.

Points Consulting LLC	**Port of Hood River**
____________________________	____________________________
Brian Points, President	Kevin M. Greenwood, Executive Director
120 N. Line St., PO Box 8487	1000 E Port Marina Dr
Moscow, ID 83843	Hood River, OR 97031
208-596-5809	541.386.1645
brian@points-consulting.com	kgreenwood@portofhoodriver.com

Attachments:

- Attachment A: Marina Basin Master Plan Scope of Work

Marina Basin Master Plan
Strategic Business Plan Supplemental Task – Scope of Work

Purpose: Phase 1 of the Marina Basin Master Plan will focus on documenting existing conditions and infrastructure inventory and developing a concept-level plan for the basin. This initial phase is intended to establish a baseline understanding and a cohesive vision that can support future funding pursuits, guide subsequent phases of master planning, and inform eventual implementation. The resulting concept plan will serve as a flexible foundation that can be refined and expanded as additional analysis, priorities, and resources become available.

Objective:

- Establish a Marina Basin-wide vision and framework
- Define how marina, upland, and public access elements function together
- Identify opportunities to improve layout, circulation, and user experience
- Support economic development and revenue generation
- Maintain and enhance public access and recreation
- Provide a phased, financially grounded implementation strategy
- Align with and inform the Port's Strategic Business Plan and capital planning efforts

Task 0 – Project Management (Budget: $10,100)

- Project setup & administration, including billing and invoicing
- Planning, coordination & QA/QC: Lead project planning and risk assessment, coordinate team, and oversee QA/QC processes with regular meetings.
- Monitoring & communication: Track schedule and budget, provide monthly status reports, and communicate progress and completion with the client and stakeholders.
- Coordination with Points Consulting on the existing body of knowledge related to the Port of Hood River will begin at the project kick-off

Task 1 – Marina Basin Framework & Background Review (Budget: $12,300)

- Document existing Marina Basin uses
  - Define the Marina Basin as an integrated system: water-based marina uses, upland areas, public access areas
- Identify key relationships, conflicts and opportunities across these uses
- Review of prior Port studies and plans:
  - 2007 Marina Basin Planning Study (FlowingSolutions)
  - 2013 Assessment of Recreational Sites on the

- Hood River Waterfront (Port of Hood River)
  - 2015 Port of Hood River Marina Assessment Project (Halgren & Associates)
- Vision and Guiding Principles will be refined and provided by Points Consulting
- Project Kick-Off meeting (virtual attendance)
- Site Visit (in-person)

Deliverables:

- Marina Basin framework diagram and summary memo
- Vision and Guiding Principles

Task 2 – Concept Alternatives (Budget: $6,800)

- Develop two (2) Marina Basin conceptual alternatives, illustrating:
  - Marina layout and organizational needs
  - Relationship between moorage and upland development opportunity
  - Public access and open space (maintaining Section 6(f) / Port Ordinance 27 requirements)
  - Circulation (vehicular, pedestrian, waterfront)
- Identify opportunities, trade-offs, and implications of each alternative

Deliverables:

- Two (2) conceptual master plan alternatives (narrative and graphics)
- Comparison matrix summarizing key considerations and tradeoffs

Assumptions:

- Includes one (1) round of iterations/edits

Task 3 – Preferred Concept Plan (Budget: $10,100)

- Refine the conceptual master plans into a single preferred concept graphic
- Identify overall Marina Basin layout and land/water relationships, key use zones and transitions, and opportunities for reconfiguration or enhancement

Deliverables:

- Preferred master plan concept map/graphic and supporting descriptions
- Attend one (1) Port Commission Meeting (virtual attendance)

Assumptions:

- Includes one (1) round of iterations/edits

Edits made by: J-U-B ENGINEERS, Inc.
Date: June 22, 2026

Task #	Task Name	Cost	Tentative Schedule
0	Project Management	$10,100	Ongoing with project
1	Marina Basin Framework & Background Review	$12,300	Kickoff = Week of July 27 Site Visit = Week of August 17 or 24
2	Concept Alternatives	$6,800	Week of October 5
3	Preferred Concept Plan	$10,100	Week of November 2
	Total	$39,300	

Edits made by: J-U-B ENGINEERS, Inc.
Date: June 22, 2026

Commission Memo

Prepared by: Kevin Greenwood, Executive Director
Date: July 21, 2026
Re: Succession Plan

BACKGROUND:
Last month the Commission asked for clarity on sections of the proposed Succession Plan focusing on (1) multiple resignations, and (2) accountability on follow-through.

Section 7 "Workforce Continuity During Multiple Vacancies" was added and references the use of professional organizations and temporary agencies.

Section 14 "Governance and Oversight" was added and references periodic evaluations and consultation with the Internal Personnel Committee and/or the Port Commission.

Section 15 "Plan Review" was also amended to show progress related to cross training and leadership development.

Exhibit A is included with a redline showing the changes compared to the version included in June's packet.

RECOMMENDATION:
MOTION to adopt Resolution No. 2026-27-1, adopting the Port of Hood River Succession Plan.

ATTACHMENTS:
Resolution No. 2026-27-1
Exhibit A - Succession Plan

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PORT OF HOOD RIVER

Resolution No. 2026-27-1

A RESOLUTION ADOPTING THE PORT OF HOOD RIVER SUCCESSION PLAN

WHEREAS, the Port Commission recognizes the importance of maintaining leadership continuity, preserving institutional knowledge, and supporting stable operations during planned or unplanned staffing transitions; and

WHEREAS, staff has prepared a Succession Plan to provide a flexible framework for organizational continuity, leadership development, and operational preparedness; and

WHEREAS, the Commission reviewed the Plan at their June 16, 2026 Regular Meeting and suggested changes related to multiple resignations and accountability; and

WHEREAS, the Port Commission finds it appropriate and in the best interest of the Port to formally adopt the Succession Plan attached as Exhibit A;

NOW, THEREFORE, THE PORT OF HOOD RIVER BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

> **Section 1.** The Port of Hood River Succession Plan attached hereto as Exhibit A is hereby adopted.
>
> **Section 2.** The Executive Director is authorized to implement and administer the Succession Plan consistent with Port policies and operational needs.
>
> **Section 3.** The Succession Plan is intended to serve as a guiding framework and may be applied with reasonable flexibility based upon operational circumstances and organizational needs.

Adopted by the Board of Commissioners of the Port of Hood River on this 21st day of July 2026.

SIGNED:

____

Heather Gehring, President

ATTEST:

____

Kristi Chapman, Secretary

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Exhibit A

PORT OF HOOD RIVER SUCCESSION PLAN

---

1. Purpose

The purpose of this Succession Plan is to promote leadership continuity, preserve institutional knowledge, and support the development of future leaders within the Port of Hood River.

Succession planning helps ensure the Port can continue fulfilling its mission and maintaining effective operations during leadership transitions, retirements, or unexpected personnel changes. Maintaining continuity in key roles supports the Port's ability to serve the community, implement major infrastructure projects, and responsibly manage public resources.

This plan is intended to provide guidance rather than rigid procedures, allowing the Port Commission and leadership team flexibility to respond to specific circumstances. Nothing in this plan creates a contractual right, expectation of promotion, or guarantee of continued employment.

2. Alignment with Port Governance and Policies

This Succession Plan aligns with the Port of Hood River's governance structure, policies, and strategic direction.

Relevant governing documents include:

- Port of Hood River By-Laws (Ordinance No. 28)
- Mission, Vision, and Values Resolution (2023-24-10)
- Organizational Restructure Resolution (2025-26-12)
- Internal Personnel Committee Resolution (2025-26-19)
- Port of Hood River Employee Handbook (2025-26-8)
- 2021-26 Strategic Business Plan

This plan supports the Port Commission's governance role by providing a structured framework for leadership continuity, ensuring that transitions in key positions occur in a consistent, transparent, and well-managed manner. It also supports the Commission's oversight responsibilities by identifying how critical roles will be maintained during periods of transition.

This plan works in conjunction with the Port of Hood River Employee Handbook and does not replace existing personnel policies. Recruitment, hiring, promotion, and employment practices will continue to follow the procedures outlined in the Employee Handbook and applicable laws.

This plan also supports implementation of the Port's Strategic Business Plan by helping ensure that leadership capacity, institutional knowledge, and staffing continuity are maintained to carry out long-term projects, infrastructure investments, and operational priorities. The plan also supports the organizational objectives established through the Port's Organizational Restructure, including cross-training, reduction of single-position dependencies, and long-term organizational resilience.

3. Guiding Principles

Succession planning at the Port of Hood River is guided by several key principles.

- **Operational Continuity:** The Port must maintain stable operations even when key leadership positions change.

- **Leadership Development:** The Port encourages professional development and leadership growth among employees to build internal leadership capacity and strengthen the organization over time.

- **Transparency and Fair Hiring Practices:** Leadership positions will be filled using fair and transparent recruitment processes consistent with personnel policies.

- **Institutional Knowledge Preservation:** Maintaining documentation and cross-training helps ensure important operational knowledge is retained.

- **Organizational Flexibility:** Because the Port is a relatively small organization, staffing responsibilities and leadership assignments may be adapted as needed during transitions. Internal candidates may not always be available, and the Port may utilize external recruitment or specialized expertise to meet operational needs.

4. Scope of the Succession Plan

This plan applies to key leadership and operational positions whose responsibilities are essential to the Port's ability to operate effectively.

A critical position is defined as a role whose vacancy could significantly affect the Port's operations, regulatory compliance, financial management, or delivery of services.

Succession planning supports organizational preparedness and leadership development but does not guarantee internal promotion or appointment to any position.

Critical positions will be reviewed periodically, including during organizational changes or updates to the Port's staffing structure, to ensure alignment with operational needs. Department directors and managers may identify additional critical roles within their areas of responsibility as needed.

5. Identification of Critical Positions

Critical positions are those that provide leadership, technical expertise, or operational oversight essential to Port functions.

Examples of positions that may be considered critical include:

- Executive Director
- Director of Capital Development & Planning
- Director of Real Estate & Asset Management
- Director of Finance

- Airport Manager or aviation operational leadership responsible for FAA coordination, compliance, and airport operations
- Marina or operations management roles

These roles involve responsibilities such as financial oversight, infrastructure planning, regulatory compliance, property management, and coordination with external partners.

The list of critical positions may be updated as the Port's organizational structure evolves.

6. Emergency Leadership Succession

Unexpected vacancies may occur due to illness, resignation, retirement, or other circumstances. In these situations, the Port will take steps to ensure continuity of operations.

Temporary leadership assignments may include:

- Designating an interim leader from existing staff
- Temporarily redistributing responsibilities among department leaders
- Utilizing consultants or contract support if specialized expertise is needed
- Temporary delegation of selected operational responsibilities to multiple staff members when appropriate

Interim leadership assignments are intended to maintain operations until a permanent staffing decision is made. Potential interim coverage for key leadership positions is identified in the Leadership Continuity Matrix included as Appendix A.

Interim leadership assignments will be documented as appropriate to ensure clarity of roles, responsibilities, and reporting relationships during the transition period.

Department directors and managers are responsible for maintaining operational documentation and cross-training that support continuity within their respective areas. Temporary leadership assignments should, whenever practical, be supported by documented delegation of authority and communication to affected employees and stakeholders.

7. Workforce Continuity During Multiple Vacancies

The Port recognizes that multiple employee departures, retirements, extended absences, or unexpected vacancies may occur simultaneously. In such situations, the Executive Director may implement temporary workforce continuity measures to maintain essential operations and public services.

Potential measures may include:

- Prioritizing critical operational functions and regulatory responsibilities
- Temporarily reassigning duties among existing staff
- Utilizing cross-trained employees to support essential functions
- Adjusting workloads, project schedules, or service levels as necessary

- Utilizing temporary employees, consultants, contractors, or other external resources, including assistance available through professional organizations such as the Special Districts Association of Oregon (SDAO), the Oregon City/County Management Association (OCCMA), the Oregon Public Ports Association (OPPA), or other professional networks, as appropriate to maintain continuity of operations.~~Engaging temporary employees, consultants, contractors, or other external resources when appropriate~~
- Delaying non-essential projects or initiatives until staffing levels stabilize
- Implementing accelerated recruitment efforts for critical vacancies

The Executive Director, in consultation with department directors and managers, will determine appropriate staffing and operational adjustments based on organizational needs, available resources, and the impact on Port operations.

These measures are intended to support continuity of operations while maintaining flexibility to respond to the specific circumstances of a staffing shortage.

~~7.~~8. Temporary Absences

During temporary absences of the Executive Director, including vacation, professional travel, training, or short-term leave, the Executive Director may designate a qualified employee to serve as Executive Director Pro Tem. The designation shall be communicated to staff and the Port Commission as appropriate and shall remain in effect only for the duration of the absence. The Executive Director Pro Tem shall be authorized to oversee routine operational matters and maintain continuity of Port operations, subject to any limitations established by the Executive Director.

~~8.~~9. Executive Director Succession

The Port Commission retains authority for appointing and evaluating the Executive Director in accordance with the Port's By-Laws.

If the Executive Director becomes temporarily unavailable, the Commission may designate an Interim Executive Director to ensure continued leadership of the organization.
The Commission may select an interim leader from existing staff or consider external candidates depending on the circumstances.

If a permanent vacancy occurs, the Commission will determine the appropriate recruitment process, which may include:

- Establishing a search committee
- Engaging a professional recruitment firm
- Conducting a regional or national recruitment

During this period, the Interim Executive Director will provide operational leadership, ensure continuity of Port operations, and support the transition process.

The Port will ensure appropriate communication with staff, partners, and stakeholders during leadership transitions to maintain transparency and continuity of operations.

~~9.~~10. Key Leadership Functions of the Executive Director

During any temporary or permanent vacancy, the Interim Executive Director will ensure the continuation of the Port's most critical leadership functions.

Key responsibilities include:

- Serving as the Port's chief executive and principal representative to the community, partner agencies, and stakeholders.
- Supporting the Port Commission by maintaining regular communication, preparing Commission reports, and implementing Commission policy direction.
- Providing leadership and coordination across Port departments including infrastructure development, real estate management, airport operations, and financial administration.
- Overseeing implementation of major capital projects, infrastructure planning, and economic development initiatives.
- Maintaining accountability for the Port's annual operating budget, financial reporting, and regulatory compliance.
- Supervising senior staff and ensuring coordination across operational areas of the Port.

These functions represent the minimum responsibilities necessary to maintain continuity of operations until a permanent Executive Director is appointed.

~~10.~~11. Leadership Development

The Port supports employee development and leadership growth as part of its commitment to organizational continuity, operational excellence, and long-term workforce planning.

Consistent with the Port's Employee Handbook and personnel policies, employees are encouraged to pursue professional development opportunities that enhance job performance, expand organizational knowledge, and support the future needs of the Port.

The Port may support employee development through programs and resources such as its Value-Based Compensation Program, employee performance evaluations, professional certifications, continuing education, tuition reimbursement, and other training opportunities approved by management.

Leadership development is an ongoing process that should be evaluated through the Port's annual employee performance evaluation process. Indicators of employee development may include demonstrated job performance, expanded responsibilities, successful completion of training or certifications, participation in professional organizations, cross-training accomplishments, project leadership, mentoring activities, and other achievements that strengthen the employee's ability to assume increased responsibilities.

Leadership development and workforce preparedness may include:

- Cross-training between departments and operational functions
- Professional training, certifications, and continuing education opportunities
- Participation in professional associations, industry organizations, conferences, workshops, committees, and leadership programs that support the employee's

professional responsibilities and organizational development.~~Participation in professional associations, industry organizations, conferences, and workshops~~
- Opportunities to lead projects, initiatives, or cross-functional teams
- Acting assignments or temporary higher-duty assignments during employee absences
- Knowledge sharing, mentoring, and transfer of institutional knowledge

Department directors and managers should identify opportunities to develop employee skills, support cross-training, and reduce reliance on single-position knowledge where practical. Employee development opportunities should be aligned with organizational needs, employee performance evaluations, and anticipated workforce succession requirements whenever practical. These efforts help strengthen organizational resilience, maintain continuity of operations, and prepare employees for increased responsibilities as organizational needs evolve.

~~11.~~12. Knowledge Transfer and Institutional Continuity

Maintaining institutional knowledge is essential to the Port's ability to operate effectively, manage public assets, comply with regulatory requirements, and carry out long-term projects and Commission priorities.

The Port supports knowledge transfer and institutional continuity through:
- Documentation of key procedures, workflows, project histories, and operational practices
- Shared access to project files, contracts, leases, grant records, financial records, regulatory documents, and other operational records
- Cross-training among employees to reduce reliance on single-position knowledge where practical
- Maintaining continuity of access to critical electronic records, operational systems, financial systems, and organizational data
- Maintaining current contact information for key agencies, consultants, tenants, contractors, legal counsel, financial institutions, and other partners
- Transition planning when employees retire, resign, or otherwise leave the organization

The Executive Director, department directors, and managers are responsible for supporting documentation, cross-training, and information-sharing practices within their areas of responsibility.

Maintaining clear documentation and accessible records helps ensure that critical Port functions can continue during staffing changes, leadership transitions, temporary absences, or unexpected vacancies.

~~12.~~13. Recruitment Strategy

When leadership positions become vacant, recruitment practices will follow the procedures outlined in the Port's personnel policies.

Depending on the circumstances, the Port may consider:

- Internal recruitment opportunities for qualified employees

- External recruitment to attract specialized expertise
- Use of recruitment firms for senior leadership positions

Recruitment decisions will consider the qualifications required for the position, the availability of internal candidates, specialized expertise, operational continuity and the long-term needs of the organization.

~~13.~~14. Governance and Oversight

The Port Commission provides governance oversight of the organization and retains authority for appointing, evaluating, and providing policy direction to the Executive Director in accordance with the Port's By-Laws.

The Internal Personnel Committee (IPC) may periodically review succession planning efforts, leadership development initiatives, personnel policies, and organizational continuity strategies. The IPC serves in an advisory capacity and does not alter the authority of the Port Commission or the administrative authority delegated to the Executive Director.

The Executive Director – with support from human resource professionals - is responsible for implementing this Succession Plan, supporting employee development, maintaining organizational documentation, identifying critical positions, and implementing practices that strengthen leadership capacity and organizational continuity. The Executive Director shall periodically evaluate ~~succession planning activities and workforce continuity efforts, including cross-training, knowledge transfer, leadership development opportunities, and~~ employee development activities, cross-training efforts, knowledge transfer, workforce continuity planning, and readiness to address anticipated vacancies in critical positions. ~~critical position readiness~~. Progress may be documented and reported to the Internal Personnel Committee and/or Port Commission as appropriate.~~The Executive Director is responsible for implementing this Succession Plan, supporting employee development, maintaining organizational documentation, identifying critical positions, and implementing practices that strengthen leadership capacity and organizational continuity within the organization.~~

Department directors and managers are responsible for supporting cross-training, maintaining operational documentation, identifying potential future leadership needs within their areas of responsibility, and encouraging employee development opportunities.

The Executive Director may provide periodic updates regarding succession planning activities and recommended updates to this plan.~~The Executive Director may provide periodic updates to the Port Commission or the Internal Personnel Committee regarding leadership development activities, succession planning efforts, organizational continuity initiatives, and recommended updates to this plan.~~

Nothing in this Succession Plan alters the governance responsibilities of the Port Commission or the administrative authority delegated to the Executive Director under the Port's By-Laws.

~~14.~~15. Plan Review

This Succession Plan should be reviewed periodically to ensure it remains aligned with the Port's organizational needs.

The plan may be reviewed:

- At least every two years
- Following significant organizational restructuring
- When major operational responsibilities change
- Following significant staffing transitions or changes in operational responsibilities

Updates to the plan may be recommended by staff to reflect operational or organizational changes. Substantive changes will be subject to review and approval by the Port Commission.

As part of the review process, staff should evaluate progress toward the objectives of this plan. The review may consider:

- completion of employee performance evaluations;
- employee participation in leadership development activities;
- professional certifications, licenses, or continuing education completed;
- participation in professional organizations, conferences, or training programs;
- cross-training accomplishments;
- documentation of critical operational procedures;
- readiness to provide interim coverage for critical positions; and
- workforce continuity planning for anticipated retirements, resignations, or other vacancies.

Opportunities for improvement and recommended updates may be documented and presented to the Internal Personnel Committee and/or Port Commission, as appropriate.
~~As part of the review process, staff should assess progress toward succession planning objectives, including cross-training efforts, maintenance of operational documentation, identification of interim coverage for critical positions, and leadership development activities. Opportunities for improvement and any recommended updates resulting from the review may be documented and presented to the Internal Personnel Committee and/or Port Commission as appropriate.~~

Appendix A: Leadership Continuity Matrix

The following matrix identifies potential interim coverage for key leadership and operational roles in the event of a temporary or unexpected vacancy.

Position	Primary Interim Coverage	Secondary Coverage	Notes
Executive Director	Director of Capital Development & Planning	Director-level member of the management team	Commission designates Interim Executive Director
Director of Capital Development & Planning	Executive Director	Director of Real Estate & Asset Management / External Consultant	May utilize engineering or project consultants
Director of Real Estate & Asset Management	Executive Director	Director of Capital Development & Planning	Responsibilities may be redistributed temporarily
Finance Director	Deputy Finance Manager	Executive Director / External CPA / Contract Financial Services	Ensures financial continuity and compliance
Airport Manager	Director of Real Estate & Asset Management	Executive Director / Contract Aviation Consultant	Supports FAA coordination and compliance
Waterfront / Marina Operations	Director of Capital Development & Planning	Director of Real Estate & Asset Management / Facilities Lead	Operational duties may be shared temporarily
Facilities Operations	Director of Real Estate & Asset Management	Director of Capital Development & Planning / Facilities Lead	Focus on safety and maintenance continuity

Note:
This matrix is intended to support temporary operational continuity and does not represent a permanent reassignment of duties. Interim assignments may be modified by the Executive Director or Port Commission based on operational needs. The matrix is intended as an operational planning tool and does not establish an order of succession or guarantee future appointments.

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Commission Memo

Prepared by: Debbie Smith-Wagar, Finance Director
Date: July 21, 2026
Re: Accounts Payable Requiring Commission Approval

Cable Huston LLP **$7,669.75**

Attorney services per attached summary

TOTAL ACCOUNTS PAYABLE TO APPROVE **$7,669.75**

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PROFESSIONAL SERVICES SUMMARY

Timekeeper	Hours	Rate	Amount
Brooks Tommy	14.55	$355.00	$5,165.25
Armagost, Alex	3.10	$250.00	$775.00
Total Fees & Disbursements			$5,940.25
Current Charges			$5,940.25
Previous balance			$7,678.00
Less Payments			($5,948.50)
Balance due upon receipt			$7,669.75

Total Trust Balance: $0.00

To make a payment via ACH, please visit our secure payment portal at
https://www.cablehuston.com/payments/

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Commission Memo

Prepared by: Debbie Smith-Wagar, Finance Director
Date: July 21, 2026
Re: May Financial Report

The attached report is a packet of activity with the summary reports by fund and then drilling down into more detail for the multiple departments/properties in the General Fund and the multiple departments in the Administration Fund.

This report is through May 31, 2026, which is 91.67% of the way through the fiscal year. The reorganization that Commissioners approved in January are reflected in both the layout and the budget numbers in this report.

All categories are expected to be well within budget for the fiscal year. The June 30, 2026 monthly report will be presented next month and we don't expect any big changes.

Capital outlay for the whole Port as of May 31st was a little more than $5.25M. This is a lot higher than in recent years, therefore a schedule of the expenditures is included. The three largest expenditures are the purchase of property on Wasco Court (the new administration building), the nearly-completed T-hangars at the Airport, and the completion of the two new parking lots on the waterfront. The only additional capital outlay for fiscal year 2025-26 was more work on the T-hangars at the Airport.

Traffic on the bridge in May was down about 7.7% compared to May 2025. Since June is concluded, we also ran reports and determined that traffic for June was down 5.54% compared to June of 2025. July shows a month-to-date decline of about 5.0%. Gas prices remain elevated and are still thought to be the main driver of the lower traffic counts.

RECOMMENDATION: For information only

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PORT OF HOOD RIVER
FY26 FUND ANALYSIS - BUDGET VS ACTUAL
For the period ending May 31, 2026 (91.67%)

	General				Administration				Bridge Operations				Bridge Replacement			HRWSBA			TOTAL		
	BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%
REVENUE																					
Operating	$ 4,071,900	$ 3,699,829	91%		$ 3,759,800	$ 2,834,357	75%		$ 9,515,200	$ 9,963,552	105%								$ 17,346,900	$ 16,497,738	95%
Non-operating:																					
Grants, interest, other income	$ 11,035,860	$ 1,285,856	12%	{1}	$ 900,000	$ 307,226	34%		$ 378,000	$ 316,444	84%		$ 4,502,000	$ 1,020,555	23%	$ 20,000	$ -	0%	$ 16,835,860	$ 2,930,081	17%
Transfers In	$ 2,000,000	$ -	0%	{2}	$ 1,200,000	$ 1,200,000	100%	{7}								$ 3,828,400	$ 3,087,894	81%	$ 7,028,400	$ 4,287,894	61%
TOTAL	**$ 17,107,760**	**$ 4,985,685**	**29%**		**$ 5,859,800**	**$ 4,341,583**	**74%**		**$ 9,893,200**	**$ 10,279,996**	**104%**		**$ 4,502,000**	**$ 1,020,555**	**23%**	**$ 3,848,400**	**$ 3,087,894**	**80%**	**$ 41,211,160**	**$ 23,715,713**	**58%**
EXPENSES																					
Operating																					
Personal Services	$ 392,788	$ 275,974	70%		$ 2,478,950	$ 1,935,480	78%		$ 337,380	$ 232,585	69%								$ 3,209,118	$ 2,444,039	76%
Materials & Services	$ 2,018,600	$ 1,638,046	81%		$ 1,245,850	$ 896,103	72%		$ 1,946,000	$ 1,644,164	84%		$ -	$ -	NA				$ 5,210,450	$ 4,178,313	80%
Internal Services (Admin/OH)	$ 2,679,386	$ 2,181,282	81%						$ 944,556	$ 610,893	65%								$ 3,623,942	$ 2,792,176	77%
Debt Service	$ 95,000	$ 67,580	71%	{3}															$ 95,000	$ 67,580	71%
Subtotal	$ 5,185,774	$ 4,162,882	80%		$ 3,724,800	$ 2,831,583	76%		$ 3,227,936	$ 2,487,643	77%		$ -	$ -		$ -	$ -		$ 12,138,510	$ 9,482,107	78%
Non-Operating																					
Capital Outlay	$ 9,500,000	$ 4,223,431	44%	{4}	$ 95,000	$ 10,000	11%		$ 1,370,000	$ -	0%		$ 4,502,000	$ 1,020,555	23%				$ 15,467,000	$ 5,253,986	34%
Transfers Out	$ 910,800	$ 910,800	100%	{5}					$ 6,117,600	$ 3,092,125	51%								$ 7,028,400	$ 4,002,925	57%
Special	$ 71,000	$ -	0%	{6}												$ 3,848,400	$ 3,087,894	80%	$ 3,919,400	$ 3,087,894	79%
Contingency	$ 8,000,000		NA		$ 540,000		NA		$ 900,000		NA								$ 9,440,000		NA
Other					$ 1,500,000	$ 1,500,000		{8}	$ 600,000	$ 201,397	34%										
Subtotal	$ 18,481,800	$ 5,134,231	28%		$ 2,135,000	$ 1,510,000	71%		$ 8,987,600	$ 3,293,522	37%		$ 4,502,000	$ 1,020,555	23%	$ 3,848,400	$ 3,087,894	80%	$ 35,854,800	$ 12,344,805	34%
TOTAL	**$ 23,667,574**	**$ 9,297,113**	**39%**		**$ 5,859,800**	**$ 4,341,583**	**74%**		**$ 12,215,536**	**$ 5,781,165**	**47%**		**$ 4,502,000**	**$ 1,020,555**	**23%**	**$ 3,848,400**	**$ 3,087,894**	**80%**	**$ 47,993,310**	**$ 21,826,912**	**45%**
NET INCOME																					
Operating	$ (1,113,874)	$ (463,053)			$ 35,000	$ 2,774			$ 6,287,264	$ 7,475,909			$ -	$ -		$ -	$ -		$ 5,208,390	$ 7,015,631	
Non-Operating	$ (5,445,940)	$ (3,848,375)			$ (35,000)	$ (2,774)			$ (8,609,600)	$ (2,977,078)			$ -	$ -		$ -	$ -		$ (11,990,540)	$ (5,126,829)	
TOTAL	**$ (6,559,814)**	**$ (4,311,427)**			**$ -**	**$ -**			**$ (2,322,336)**	**$ 4,498,831**			**$ -**	**$ -**		**$ -**	**$ -**		**$ (6,782,150)**	**$ 1,888,801**	
BEG. FUND BALANCE	$ 13,500,000	$ 13,842,130			$ -	$ -			$ 5,000,000	$ 4,629,712			$ -	$ -		$ -	$ -		$ 18,500,000	$ 18,471,842	
END. FUND BALANCE	$ 6,940,186	$ 9,530,703			$ -	$ -			$ 2,677,664	$ 9,128,543			$ -	$ -		$ -	$ -		$ 11,717,850	$ 20,360,643	

{1} Budget assumed the sale of Big 7 and Lower Hanel Mill property and includes Airport grants; only Airport and Roundabout grant reimbursements are included in actuals.
{2} A transfer-in is budgeted from the Bridge Fund - this will be the final year of this transfer
{3} Debt service is for a low interest loan from 2013 to make improvements to the Marina docks; it will be paid off in 2028.
{4} Capital Outlay is primarily the completion of the parking lots in the waterfront area and the purchase of two properties on Wasco Court for future administration relocations. The roof on the Jensen Building will likely be completed in fiscal year 2027. Other capital that was budgeted and will not be completed includes $750k for storage units at Lower Mill. The projects at the airport are moving forward and have had significant spending.
{5} The General Fund's portion of the "PERS Buydown" that occurred in August 2025.
{6} A transfer is budgeted to help fund the Foundation's plan for launching the license plate program; this project did not advance in fiscal year 2026
{7} Transfers into the Admin Fund are $1.2M for the PERS Buydown; the State of Oregon contributed $300,000 for a total contribution of $1.5M
{8} Actual payment for PERS Buydown

PORT OF HOOD RIVER

FY26 GENERAL FUND ANALYSIS BY DEPARTMENT - BUDGET VS ACTUAL

For the period ending May 31, 2026 (91.67%)

	Industrial Properties				Commercial Buildings				Airport				Marina Basin				Waterfront Recreation				Parking				Non-Departmental				TOTAL GENERAL FUND		
	BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%
REVENUE																															
Operating	$ 2,478,600	$ 2,279,923	92%		$ 269,700	$ 198,729	74%		$ 312,200	$ 195,259	63%	{2}	$ 449,900	$ 521,160	116%	{3}	$ 36,500	$ 60,122	165%	{4}	$ 525,000	$ 444,637	85%						$ 4,071,900	$ 3,699,829	91%
Non-operating:																															
Grants, interest, other income	$ 547,360	$ 223,351	41%	{1}	$ 500,000	$ -	NA		$ 1,330,000	$ 573,686	43%		$ 47,500	$ 1,900	4%		$ 111,000	$ 13,005	12%						$ 8,500,000	$ 473,914	6%		$ 11,035,860	$ 1,285,856	
Transfers In																									$ 2,000,000	$ -	NA		$ 2,000,000	$ -	0%
TOTAL	**$ 3,025,960**	**$ 2,503,274**	**83%**		**$ 769,700**	**$ 198,729**	**26%**		**$ 1,642,200**	**$ 768,945**	**47%**		**$ 497,400**	**$ 523,060**	**105%**		**$ 147,500**	**$ 73,127**	**50%**		**$ 525,000**	**$ 444,637**	**85%**		**$ 10,500,000**	**$ 473,914**	**5%**		**$ 17,107,760**	**$ 4,985,685**	**29%**
EXPENSES																															
Operating																															
Personal Services	$ 42,297	$ 42,086	100%		$ 7,845	$ 7,606	97%		$ 15,060	$ 8,323	55%		$ 145,196	$ 136,268	94%		$ 67,540	$ 49,971	74%		$ 114,850	$ 31,719	28%						$ 392,788	$ 275,974	70%
Materials & Services	$ 1,187,800	$ 1,048,922	88%		$ 135,900	$ 94,148	69%		$ 200,150	$ 205,477	103%		$ 171,250	$ 110,254	64%		$ 184,500	$ 99,165	54%		$ 139,000	$ 80,079	58%						$ 2,018,600	$ 1,638,046	81%
Internal Services (Admin/OH)	$ 856,904	$ 657,369	77%		$ 261,849	$ 267,859	102%		$ 380,826	$ 488,091	128%		$ 543,440	$ 277,209	51%		$ 313,099	$ 344,619	110%		$ 323,268	$ 146,135	45%						$ 2,679,386	$ 2,181,282	81%
Debt Service													$ 95,000	$ 67,580	71%														$ 95,000	$ 67,580	71%
Subtotal	$ 2,087,001	$ 1,748,377	84%		$ 405,594	$ 369,614	91%		$ 596,036	$ 701,891	118%		$ 954,886	$ 591,310	62%		$ 565,139	$ 493,756	87%		$ 577,118	$ 257,934	45%		$ -	$ -	NA		$ 5,185,774	$ 4,162,882	80%
Non-Operating																															
Capital Outlay	$ 5,335,000	$ 1,746,506	33%		$ 530,000	$ 5,314	1%		$ 2,105,000	$ 1,262,071	60%		$ 30,000	$ -	0%		$ 300,000	$ -	0%		$ 1,200,000	$ 1,209,540	101%						$ 9,500,000	$ 4,223,431	44%
Transfers Out	$ -																								$ 910,800	$ 910,800	100%	{5}	$ 910,800	$ 910,800	100%
Special	$ -																								$ 71,000	$ -	0%	{6}	$ 71,000	$ -	0%
Contingency	$ -																								$ 8,000,000		0%		$ 8,000,000	$ -	0%
Other	$ -																												$ -	$ -	
Subtotal	$ 5,335,000	$ 1,746,506	33%		$ 530,000	$ 5,314	1%		$ 2,105,000	$ 1,262,071	60%		$ 30,000	$ -	0%		$ 300,000	$ -	0%		$ 1,200,000	$ 1,209,540	101%		$ 8,981,800	$ 910,800	10%		$ 18,481,800	$ 5,134,231	28%
TOTAL	**$ 7,422,001**	**$ 3,494,883**	**47%**		**$ 935,594**	**$ 374,928**	**40%**		**$ 2,701,036**	**$ 1,963,962**	**73%**		**$ 984,886**	**$ 591,310**	**60%**		**$ 865,139**	**$ 493,756**	**57%**		**$ 1,777,118**	**$ 1,467,474**	**83%**		**$ 8,981,800**	**$ 910,800**	**10%**		**$ 23,667,574**	**$ 9,297,113**	**39%**
NET INCOME																															
Operating	$ 391,599	$ 531,546			$ (135,894)	$ (170,885)			$ (283,836)	$ (506,632)			$ (504,986)	$ (70,150)			$ (528,639)	$ (433,634)			$ (52,118)	$ 186,703			$ -	$ -			$ (1,113,874)	$ (463,053)	
Non-Operating	$ (4,787,640)	$ (1,523,155)			$ (30,000)	$ (5,314)			$ (775,000)	$ (688,385)			$ 17,500	$ 1,900			$ (189,000)	$ 13,005			$ (1,200,000)	$ (1,209,540)			$ 1,518,200	$ (436,886)			$ (5,445,940)	$ (3,848,375)	
TOTAL	**$ (4,396,041)**	**$ (991,609)**			**$ (165,894)**	**$ (176,199)**			**$ (1,058,836)**	**$ (1,195,017)**			**$ (487,486)**	**$ (68,250)**			**$ (717,639)**	**$ (420,629)**			**$ (1,252,118)**	**$ (1,022,837)**			**$ 1,518,200**	**$ (436,886)**			**$ (6,559,814)**	**$ (4,311,427)**	
BEG. FUND BALANCE																									$ 13,500,000	$ -			$ 13,500,000	$ 13,842,130	
END. FUND BALANCE																									$ 15,018,200	$ (436,886)			$ 6,940,186	$ 9,530,703	

{1} The City of Hood River is reimbursing the Port for sewer and/or stormwater easements behind Big 7 - this line also includes the roundabout planning grant

{2} Airport T-hangar income is reported when billed in December/January - This year's billing was for six months as we move the T-Hangars to a fiscal year basis (next billing will be for July 1, 2026 to June 30, 2027)

{3} The majority of Marina Moorage revenue is recognized when billed in December

{4} The majority of Waterfront Recreation revenue is received in late spring/early summer

{5} The General Fund's portion of the "PERS Buydown" that occurred in August 2025

{6} A transfer is budgeted to help fund the Foundation's plan for launching the license plate program, which was not implemented in fiscal year 2026

PORT OF HOOD RIVER

FY26 INDUSTRIAL PROPERTIES DEPT. BY SITE - BUDGET VS ACTUAL

For the period ending May 31, 2026 (91.67%)

	Big 7 Building				Lot 1			Halyard Building		
	BUDGET	YTD	%		BUDGET	YTD	%	BUDGET	YTD	%
REVENUE										
Operating	$ 304,000	$ 271,932	89%		$ -	$ 8,721	NA	$ 935,000	$ 812,542	87%
Non-operating:										
Grants, interest, other income	$ 350,000	$ 55,000	16%	{1}	$ 6,700	$ -	0%			
TOTAL	**$ 654,000**	**$ 326,932**	**50%**		**$ 6,700**	**$ 8,721**	**130%**	**$ 935,000**	**$ 812,542**	**87%**
EXPENSES										
Operating										
Personal Services	$ 7,202	$ 7,099	99%		$ -	$ -		$ 7,202	$ 7,099	99%
Materials & Services	$ 152,000	$ 165,086	109%		$ 21,000	$ 683	3%	$ 520,500	$ 515,491	99%
Internal Services (Admin/OH)	$ 138,410	$ 122,391	88%		$ 15,726	$ 19,206	122%	$ 200,352	$ 63,657	32%
Subtotal	$ 297,612	$ 294,576	99%		$ 36,726	$ 19,889	54%	$ 728,054	$ 586,247	81%
Non-Operating										
Capital Outlay	$ 520,000	$ -	0%		$ -	$ -		$ 80,000	$ 12,917	16%
Subtotal	$ 520,000	$ -	0%		$ -	$ -	NA	$ 80,000	$ 12,917	16%
TOTAL	**$ 817,612**	**$ 294,576**	**36%**		**$ 36,726**	**$ 19,889**	**54%**	**$ 808,054**	**$ 599,164**	**74%**
NET INCOME										
Operating	$ 6,388	$ (22,644)			$ (36,726)	$ (11,168)		$ 206,946	$ 226,295	
Non-Operating	$ (170,000)	$ 55,000			$ 6,700	$ -		$ (80,000)	$ (12,917)	
TOTAL	**$ (163,612)**	**$ 32,356**			**$ (30,026)**	**$ (11,168)**		**$ 126,946**	**$ 213,377**	

	Jensen Building			Maritime Building			Timber Incubator		
	BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%
REVENUE									
Operating	$ 578,000	$ 625,792	108%	$ 420,000	$ 394,387	94%	$ 101,600	$ 104,411	103%
Non-operating:									
Grants, interest, other income									
TOTAL	**$ 578,000**	**$ 625,792**	**108%**	**$ 420,000**	**$ 394,387**	**94%**	**$ 101,600**	**$ 104,411**	**103%**
EXPENSES									
Operating									
Personal Services	$ 5,673	$ 5,578	98%	$ 4,687	$ 4,564	97%	$ 3,058	$ 3,042	99%
Materials & Services	$ 211,000	$ 189,893	90%	$ 76,000	$ 58,826	77%	$ 33,300	$ 18,822	57%
Internal Services (Admin/OH)	$ 138,248	$ 91,216	66%	$ 61,730	$ 27,377	44%	$ 31,048	$ 13,057	42%
Subtotal	$ 354,921	$ 286,686	81%	$ 142,417	$ 90,767	64%	$ 67,406	$ 34,921	52%
Non-Operating									
Capital Outlay	$ 760,000	$ 7,576	1%	$ -	$ -		$ 10,000	$ -	0%
Subtotal	$ 760,000	$ 7,576	1%	$ -	$ -	NA	$ 10,000	$ -	0%
TOTAL	**$ 1,114,921**	**$ 294,262**	**26%**	**$ 142,417**	**$ 90,767**	**64%**	**$ 77,406**	**$ 34,921**	**45%**
NET INCOME									
Operating	$ 223,079	$ 339,106		$ 277,583	$ 303,620		$ 34,194	$ 69,490	
Non-Operating	$ (760,000)	$ (7,576)		$ -	$ -		$ (10,000)	$ -	
TOTAL	**$ (536,921)**	**$ 331,530**		**$ 277,583**	**$ 303,620**		**$ 24,194**	**$ 69,490**	

	Wasco Loop Building			Wasco Court Building (New)				WF Transportation		
	BUDGET	YTD	%	BUDGET	YTD	%		BUDGET	YTD	%
REVENUE										
Operating	$ 140,000	$ 62,138	44%	$ -	$ -	NA				
Non-operating:										
Grants, interest, other income								$ 169,000	$ 146,691	87%
TOTAL	**$ 140,000**	**$ 62,138**	**44%**	**$ -**	**$ -**	**NA**		**$ 169,000**	**$ 146,691**	**87%**
EXPENSES										
Operating										
Personal Services	$ 7,202	$ 7,099	99%	$ -	$ -	NA		$ -	$ 2,028	NA
Materials & Services	$ 102,000	$ 45,478	45%	$ -	$ 14,183	NA		$ -	$ -	NA
Internal Services (Admin/OH)	$ 137,363	$ 65,861	48%	$ -	$ 14,917	NA		$ -	$ 115,205	NA
Subtotal	$ 246,565	$ 118,437	48%	$ -	$ 29,099	NA		$ -	$ 117,233	NA
Non-Operating										
Capital Outlay	$ 15,000	$ -	0%	$ 2,550,000	$ 1,247,874	49%	{2}	$ 650,000	$ 478,139	74%
Subtotal	$ 15,000	$ -	0%	$ 2,550,000	$ 1,247,874	49%		$ 650,000	$ 478,139	74%
TOTAL	**$ 261,565**	**$ 118,437**	**45%**	**$ 2,550,000**	**$ 1,276,973**	**50%**		**$ 650,000**	**$ 595,372**	**92%**
NET INCOME										
Operating	$ (106,565)	$ (56,299)		$ -	$ (29,099)			$ -	$ (117,233)	
Non-Operating	$ (15,000)	$ -		$ (2,550,000)	$ (1,247,874)			$ (481,000)	$ (331,447)	
TOTAL	**$ (121,565)**	**$ (56,299)**		**$ (2,550,000)**	**$ (1,276,973)**			**$ (481,000)**	**$ (448,681)**	

	Lower Hanel Mill			TOTAL INDUSTRIAL PROPERTIES		
	BUDGET	YTD	%	BUDGET	YTD	%
REVENUE						
Operating	$ -	$ -		$ 2,478,600	$ 2,279,923	92%
Non-operating:						
Grants, interest, other income	$ 21,660	$ 21,660	100%	$ 547,360	$ 223,351	41%
TOTAL	**$ 21,660**	**$ 21,660**	**100%**	$ 3,025,960	$ 2,503,274	83%
EXPENSES						
Operating						
Personal Services	$ 7,273	$ 5,578	77%	$ 42,297	$ 42,086	100%
Materials & Services	$ 72,000	$ 40,461	56%	$ 1,187,800	$ 1,048,922	88%
Internal Services (Admin/OH)	$ 134,027	$ 124,483	93%	$ 856,904	$ 657,369	77%
Subtotal	$ 213,300	$ 170,522	80%	$ 2,087,001	$ 1,748,377	84%
Non-Operating						
Capital Outlay	$ 750,000	$ -	0%	$ 5,335,000	$ 1,746,506	33%
Subtotal	$ 750,000	$ -	0%	$ 5,335,000	$ 1,746,506	33%
TOTAL	**$ 963,300**	**$ 170,522**	**18%**	**$ 7,422,001**	**$ 3,494,883**	47%
NET INCOME						
Operating	$ (213,300)	$ (170,522)		$ 391,599	$ 531,546	
Non-Operating	$ (728,340)	$ 21,660		$ (4,787,640)	$ (1,523,155)	
TOTAL	**$ (941,640)**	**$ (148,862)**		$ (4,396,041)	$ (991,609)	

{1} The City of Hood River is reimbursing the Port for sewer and/or stormwater easements behind Big 7.

{2} The Port has one property on Wasco Court and is budgeted to purchase the property across the street. The second property was not purchased in fiscal year 2026.

PORT OF HOOD RIVER

FY26 COMMERCIAL PROPERTIES DEPT. BY BUILDING - BUDGET VS ACTUAL

For the period ending May 31, 2026 (91.67%)

	Marina West			Marina East			Port Office Building			Marina Basin Commercial Redev {1}			TOTAL COMM. PROPERTIES		
	BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%
REVENUE															
Operating	$ 51,000	$ 31,016	61%	$ 52,700	$ 15,546	29%	$ 166,000	$ 152,167	92%	$ -	$ -	NA	$ 269,700	$ 198,729	74%
Non-operating:					$ -										
Grants, interest, other income			NA			NA	$ 500,000		0%	$ -		NA	$ 500,000	$ -	0%
TOTAL	**$ 51,000**	**$ 31,016**	**61%**	**$ 52,700**	**$ 15,546**	**29%**	**$ 666,000**	**$ 152,167**	**23%**	**$ -**	**$ -**	**NA**	**$ 769,700**	**$ 198,729**	26%
EXPENSES															
Operating															
Personal Services	$ 2,615	$ 2,535	97%	$ 2,615	$ 2,535	97%	$ 2,615	$ 2,535	97%	$ -	$ -	NA	$ 7,845	$ 7,606	97%
Materials & Services	$ 50,900	$ 31,699	62%	$ 51,200	$ 26,310	51%	$ 33,800	$ 36,140	107%	$ -	$ -	NA	$ 135,900	$ 94,148	69%
Internal Services (Admin/OH)	$ 65,653	$ 46,559	71%	$ 49,429	$ 38,114	77%	$ 146,767	$ 174,339	119%	$ -	$ 8,848	NA	$ 261,849	$ 267,859	102%
Subtotal	$ 119,168	$ 80,792	68%	$ 103,244	$ 66,959	65%	$ 183,182	$ 213,014	116%	$ -	$ 8,848	NA	$ 405,594	$ 369,614	91%
Non-Operating															
Capital Outlay	$ 20,000	$ -	0%	$ 10,000	$ -	0%	$ 500,000	$ -	0%	$ -	$ 5,314	NA	$ 530,000	$ 5,314	1%
Subtotal	$ 20,000	$ -	0%	$ 10,000	$ -	0%	$ 500,000	$ -	0%	$ -	$ 5,314	NA	$ 530,000	$ 5,314	1%
TOTAL	**$ 139,168**	**$ 80,792**	**58%**	**$ 113,244**	**$ 66,959**	**59%**	**$ 683,182**	**$ 213,014**	**31%**	**$ -**	**$ 14,162**	**NA**	**$ 935,594**	**$ 374,928**	40%
NET INCOME															
Operating	$ (68,168)	$ (49,776)		$ (50,544)	$ (51,413)		$ (17,182)	$ (60,848)		$ -	$ (8,848)		$ (135,894)	$ (170,885)	
Non-Operating	$ (20,000)	$ -		$ (10,000)	$ -		$ -	$ -		$ -	$ (5,314)		$ (30,000)	$ (5,314)	
TOTAL	**$ (88,168)**	**$ (49,776)**		**$ (60,544)**	**$ (51,413)**		**$ (17,182)**	**$ (60,848)**		**$ -**	**$ (14,162)**		**$ (165,894)**	**$ (176,199)**	

{1} This is a new department to track redevelopment of the property under the Marina East & West buildings.

PORT OF HOOD RIVER

FY26 MARINA BASIN DEPT. BY AREA - BUDGET VS ACTUAL

For the period ending May 31, 2026 (91.67%)

	Marina Moorage				Boat Launch			Jetty Cruise Ship Dock			Seasonal Dock			Marina Green			TOTAL MARINA BASIN		
	BUDGET	YTD	%		BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%
REVENUE																			
Operating	$ 409,500	$ 455,484	111%	{1}	$ -	$ 5,572	NA	$ 19,700	$ 30,087	153%				$ 20,700	$ 30,017	145%	$ 449,900	$ 521,160	116%
Non-operating																			
Grants, interest, other income	$ 20,000	$ 1,900	10%		$ 7,000	$ -	0%				$ 20,500	$ -	0%			NA	$ 47,500	$ 1,900	4%
TOTAL	**$ 429,500**	**$ 457,384**	**106%**		**$ 7,000**	**$ 5,572**	**80%**	**$ 19,700**	**$ 30,087**	**153%**	**$ 20,500**	**$ -**	**0%**	**$ 20,700**	**$ 30,017**	**145%**	**$ 497,400**	**$ 523,060**	105%
EXPENSES																			
Operating																			
Personal Services	$ 80,000	$ 93,637	117%											$ 65,196	$ 42,631	65%	$ 145,196	$ 136,268	94%
Materials & Services	$ 111,000	$ 67,692	61%		$ 6,000	$ 3,894	65%	$ 5,500	$ 8,343	152%	$ 2,000	$ -	0%	$ 46,750	$ 30,325	65%	$ 171,250	$ 110,254	64%
Internal Services (Admin/OH)	$ 169,333	$ 163,656	97%		$ 673	$ 572	85%	$ 261	$ 227	87%	$ -	$ -		$ 373,173	$ 112,754	30%	$ 543,440	$ 277,209	51%
Debt Service	$ 95,000	$ 67,580	71%													NA	$ 95,000	$ 67,580	71%
Subtotal	$ 455,333	$ 392,565	86%		$ 6,673	$ 4,466	67%	$ 5,761	$ 8,569	149%	$ 2,000	$ -	0%	$ 485,119	$ 185,710	38%	$ 954,886	$ 591,310	62%
Non-Operating																			
Capital Outlay	$ 20,000	$ -	0%											$ 10,000	$ -	0%	$ 30,000	$ -	0%
Subtotal	$ 20,000	$ -	0%		$ -	$ -	NA	$ -	$ -	NA	$ -	$ -		$ 10,000	$ -	0%	$ 30,000	$ -	0%
TOTAL	**$ 475,333**	**$ 392,565**	**83%**		**$ 6,673**	**$ 4,466**	**67%**	**$ 5,761**	**$ 8,569**	**149%**	**$ 2,000**	**$ -**	**0%**	**$ 495,119**	**$ 185,710**	**38%**	**$ 984,886**	**$ 591,310**	60%
NET INCOME																			
Operating	$ (45,833)	$ 62,919			$ (6,673)	$ 1,106		$ 13,939	$ 21,518		$ (2,000)	$ -		$ (464,419)	$ (155,693)		$ (504,986)	$ (70,150)	
Non-Operating	$ -	$ 1,900			$ 7,000	$ -		$ -	$ -		$ 20,500	$ -		$ (10,000)	$ -		$ 17,500	$ 1,900	
TOTAL	**$ (45,833)**	**$ 64,819**			**$ 327**	**$ 1,106**		**$ 13,939**	**$ 21,518**		**$ 18,500**	**$ -**		**$ (474,419)**	**$ (155,693)**		**$ (487,486)**	**$ (68,250)**	

{1} The majority of Marina Moorage revenue is recognized when billed in December

PORT OF HOOD RIVER
FY26 WATERFRONT RECREATION DEPT. BY SITE - BUDGET VS ACTUAL
For the period ending May 31, 2026 (91.67%)

	Event Site				Nichols Basin				Hook				Spit				Trails & Footbridge				Total Waterfront Properties			
	BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%		BUDGET	YTD	%	
REVENUE																								
Operating	$ 20,000	$ 40,818	204%		$ 5,000	$ 6,736	135%		$ 8,000	$ 8,472	106%		$ 3,500	$ 4,096	117%						$ 36,500	$ 60,122	165%	
Non-operating:																								
Grants, interest, other income	$ 91,000	$ 3,000	3%		$ 20,000	$ -	0%				NA						$ -	$ 10,005			$ 111,000	$ 13,005	12%	
TOTAL	**$ 111,000**	**$ 43,818**	**39%**		**$ 25,000**	**$ 6,736**	**27%**		**$ 8,000**	**$ 8,472**	**106%**		**$ 3,500**	**$ 4,096**	**117%**		**$ -**	**$ 10,005**	NA		**$ 147,500**	**$ 73,127**	**50%**	
EXPENSES																								
Operating																								
Personal Services	$ 42,460	$ 37,455	88%		$ 8,360	$ 4,162	50%		$ 8,360	$ 4,193	50%		$ 8,360	$ 4,162	50%		$ -	$ -			$ 67,540	$ 49,971	74%	
Materials & Services	$ 114,000	$ 56,259	49%		$ 27,000	$ 19,562	72%		$ 15,500	$ 5,524	36%		$ 22,500	$ 6,211	28%		$ 5,500	$ 11,609	211%	{1}	$ 184,500	$ 99,165	54%	
Internal Services (Admin/OH)	$ 164,984	$ 223,636	136%		$ 71,362	$ 39,302	55%		$ 37,928	$ 38,638	102%		$ 38,825	$ 43,043	111%						$ 313,099	$ 344,619	110%	{2}
Subtotal	$ 321,444	$ 317,350	99%		$ 106,722	$ 63,026	59%		$ 61,788	$ 48,355	78%		$ 69,685	$ 53,416	77%		$ 5,500	$ 11,609	211%		$ 565,139	$ 493,756	87%	
Non-Operating																								
Capital Outlay	$ 115,000	$ -	0%		$ 120,000	$ -	0%		$ -	$ -	NA		$ -	$ -			$ 65,000	$ -	0%		$ 300,000	$ -	0%	
Subtotal	$ 115,000	$ -	0%		$ 120,000	$ -	0%		$ -	$ -	NA						$ 65,000	$ -	0%		$ 300,000	$ -	0%	
TOTAL	**$ 436,444**	**$ 317,350**	**73%**		**$ 226,722**	**$ 63,026**	**28%**		**$ 61,788**	**$ 48,355**	**78%**		**$ 69,685**	**$ 53,416**	**77%**		**$ 70,500**	**$ 11,609**	**16%**		**$ 865,139**	**$ 493,756**	57%	
NET INCOME																								
Operating	$ (301,444)	$ (276,532)			$ (101,722)	$ (56,290)			$ (53,788)	$ (39,883)			$ (66,185)	$ (49,320)			$ (5,500)	$ (11,609)			$ (528,639)	$ (433,634)		
Non-Operating	$ (24,000)	$ 3,000			$ (100,000)	$ -			$ -	$ -			$ -	$ -			$ (65,000)	$ 10,005			$ (189,000)	$ 13,005		
TOTAL	**$ (325,444)**	**$ (273,532)**			**$ (201,722)**	**$ (56,290)**			**$ (53,788)**	**$ (39,883)**			**$ (66,185)**	**$ (49,320)**			**$ (70,500)**	**$ (1,605)**			**$ (717,639)**	**$ (420,629)**		

{1} This includes cleanup on the Indian Creek Trail. Although it is overbudget for the line item it does not affect the overall General Fund budget because the amount is so small compared to other operational budgets.
{2} Significant effort has gone into keeping the waterfront maintained. The Director of the Asset Management Department has contracted with a landscaping company that will hopefully save the Port some money.

PORT OF HOOD RIVER

FY26 ADMINISTRATION FUND ANALYSIS BY DEPARTMENT - BUDGET VS ACTUAL

For the period ending May 31, 2026 (91.67%)

	Executive/Contracting			Communications/IT			Finance/General Office			Human Resources/Payroll			
	BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%	
REVENUE													
Operating	$ 668,822	$ 457,060	68%	$ 221,450	$ 146,304	66%	$ 858,578	$ 845,323	98%	$ 252,650	$ 150,541	60%	
Non-operating:													
Grants, interest, other income	$ 50,000	$ -	0%						NA	$ 300,000	$ 300,000	NA	{2}
Transfers In	$ -		NA						NA	$ 1,200,000	$ 1,200,000	100%	{3}
TOTAL	**$ 718,822**	**$ 457,060**	**64%**	**$ 221,450**	**$ 146,304**	**66%**	**$ 858,578**	**$ 845,323**	**98%**	**$ 1,752,650**	**$ 1,650,541**	**94%**	
EXPENSES													
Operating													
Personal Services	$ 398,100	$ 346,598	87%	$ 39,050	$ 26,237	67%	$ 555,150	$ 503,802	91%	$ 179,650	$ 101,604	57%	
Materials & Services	$ 340,150	$ 132,873	39%	$ 182,400	$ 120,066	66%	$ 339,000	$ 353,732	104%	$ 73,000	$ 48,937	67%	
Subtotal	$ 738,250	$ 479,471	65%	$ 221,450	$ 146,304	66%	$ 894,150	$ 857,534	96%	$ 252,650	$ 150,541	60%	
Non-Operating													
Capital Outlay							$ 10,000	$ 10,000	100%				
Contingency													
Other										$ 1,500,000	$ 1,500,000	100%	{4}
Subtotal	$ -	$ -	NA	$ -	$ -	NA	$ 10,000	$ 10,000	NA	$ 1,500,000	$ 1,500,000	100%	
TOTAL	**$ 738,250**	**$ 479,471**	**65%**	**$ 221,450**	**$ 146,304**	**66%**	**$ 904,150**	**$ 867,534**	**96%**	**$ 1,752,650**	**$ 1,650,541**	**94%**	
NET INCOME													
Operating	$ (69,428)	$ (22,411)		$ -	$ 0		$ (35,572)	$ (12,211)		$ -	$ 0		
Non-Operating	$ 50,000	$ -		$ -	$ -		$ (10,000)	$ (10,000)		$ -	$ -		
TOTAL	**$ (19,428)**	**$ (22,411)**		**$ -**	**$ 0**		**$ (45,572)**	**$ (22,211)**		**$ -**	**$ 0**		

	Insurance/Risk/Safety			Asset Management/Maint			Capital Development			Non-Departmental				TOTAL ADMINISTRATION FUND		
	BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%	BUDGET	YTD	%		BUDGET	YTD	%
REVENUE																
Operating	$ 193,000	$ 161,337	84%	$ 1,344,580	$ 964,887	72%	$ 165,720	$ 65,070	39%	$ 55,000	$ 43,835	80%	{1}	$ 3,759,800	$ 2,834,357	75%
Non-operating:																
Grants, interest, other income				$ -	$ 6,440	NA	$ -	$ -	NA	$ 550,000	$ 787	0%		$ 900,000	$ 307,226	34%
Transfers In														$ 1,200,000	$ 1,200,000	100%
TOTAL	**$ 193,000**	**$ 161,337**	**84%**	**$ 1,344,580**	**$ 971,327**	**72%**	**$ 165,720**	**$ 65,070**	**39%**	**$ 605,000**	**$ 44,621**	**7%**		$ 5,859,800	$ 4,341,583	74%
EXPENSES																
Operating																
Personal Services	$ -	$ -	NA	$ 1,151,280	$ 892,169	77%	$ 155,720	$ 65,070	42%					$ 2,478,950	$ 1,935,480	78%
Materials & Services	$ 193,000	$ 161,337	84%	$ 108,300	$ 79,157	73%	$ 10,000	$ -	0%					$ 1,245,850	$ 896,103	72%
Subtotal	$ 193,000	$ 161,337	84%	$ 1,259,580	$ 971,326	77%	$ 165,720	$ 65,070	39%	$ -	$ -	NA		$ 3,724,800	$ 2,831,583	76%
Non-Operating																
Capital Outlay			NA	$ 85,000	$ -	0%	$ -	$ -	NA					$ 95,000	$ 10,000	11%
Contingency			NA				$ -	$ -		$ 540,000	$ -	0%		$ 540,000	$ -	0%
Other			NA											$ 1,500,000	$ 1,500,000	100%
Subtotal	$ -	$ -	NA	$ 85,000	$ -	0%	$ -	$ -	#DIV/0!	$ 540,000	$ -	NA		$ 2,135,000	$ 1,510,000	71%
TOTAL	**$ 193,000**	**$ 161,337**	**84%**	**$ 1,344,580**	**$ 971,326**	**72%**	**$ 165,720**	**$ 65,070**	**39%**	**$ 540,000**	**$ -**	NA		**$ 5,859,800**	**$ 4,341,583**	74%
NET INCOME																
Operating	$ -	$ (0)		$ 85,000	$ (6,439)		$ -	$ 0		$ 55,000	$ 43,835			$ 35,000	$ 2,774	
Non-Operating	$ -	$ -		$ (85,000)	$ 6,440		$ -	$ -		$ 10,000	$ 787			$ (35,000)	$ (2,774)	
TOTAL	**$ -**	**$ (0)**		**$ -**	**$ 0**		**$ -**	**$ 0**		**$ 65,000**	**$ 44,621**			**$ -**	**$ 0**	

{1} This is for payments received from the Bridge Authority for administrative services

{2} State contribution for PERS side account

{3} Port contribution for PERS side account; transfers in from General Fund and Bridge Operations Fund

{4} Actual payment to PERS

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Port of Hood River
Capital Outlay
Fiscal year to date 5/31/2026

10-3110-58001	**Halyard Capital Outlay**	
Post Date	**Description**	**Amount**
01/21/2026	Port Paid for 1/2 of New Door	12,917.45
10-3120-58001	**Jensen Capital Outlay**	
Post Date	**Description**	**Amount**
01/07/2026	Jensen Roof - Planning	7,576.00
10-3160-58001	**Wasco Court Capital Outlay**	
Post Date	**Description**	**Amount**
Various	200 Wasco Court Purchase	1,247,873.76
10-3210-58001	**Waterfront Trans-Dev Capital Outlay**	
Post Date	**Description**	**Amount**
Various	Roundabout Project	478,138.81
10-3330-58001	**Marina Basin Comm Prop Capital Outlay**	
Post Date	**Description**	**Amount**
02/12/2026	RFDI Development	5,314.00
10-4100-58001	**Airport Capital Outlay**	
Post Date	**Description**	**Amount**
Various	Airport Hangars	1,085,645.16
Various	Turf Taxilane	169,002.61
Various	AWOS	4,232.50
Various	Terminal Building Design	3,190.72
10-8000-58001	**Parking Capital Outlay**	
Post Date	**Description**	**Amount**
Various	New Parking Lots	1,209,539.84
Total Fund: 10 - General Fund:		**4,223,430.85**
Fund: 20 - Bridge Operations & Repair Fund		
20-2500-58001	**Bridge Replacement**	
Post Date	**Description**	**Amount**
Various	Deck Welding	32,680.00
Total Fund: 21 - Bridge Replacement Fund:		**32,680.00**
Fund: 21 - Bridge Replacement Fund		
21-2800-58001	**Bridge Replacement**	
Post Date	**Description**	**Amount**
Various	ARPA Expenditures	1,020,555.00
Total Fund: 21 - Bridge Replacement Fund:		**1,020,555.00**
Fund: 60 - Admin Fund		
60-1300-58001	**Finance Department**	
Post Date	**Description**	**Amount**
02/12/2026	Office New Printer	10,000.00
Total Fund: 60 - Admin Fund:		**10,000.00**
	Total Capital Outlay	**5,253,985.85**

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Commission Memo

Prepared by: Kevin Greenwood, Executive Director
Date: July 21, 2026
Re: Commissioner Committee Assignments

Each Port Commissioner has the opportunity to serve as the Commission's representative on various internal and external committees and organizations.

Section 4(K) of the By-laws states that the Commission "shall annually review organizational memberships and assign liaisons to represent the Port's interests to and participation in those organizations."

The Commission should finalize assignments with associations, committees and agencies which will then be an exhibit to the annual business matters resolution to be adopted later this evening.

RECOMMENDATION: Discussion.

ATTACHMENTS:
Committee Assignment Chart FY 26-27

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COMMITTEE & ORGANIZATIONAL LIAISONS
FOR FISCAL YEAR 2026-27

Officer elections held annually at the first meeting in July

COMMITTEE APPOINTMENTS				
Committee	**Staff**	**Commissioners**	**Public - Term expiration in ()**	**Term**
Airport Advisory Committee	Airport Manager, Director of Real Estate	Tor Bieker & Kathryn Thomas	P1: TBD P2: Ken Musser (28) P3: TBD P4: Andreas Von Flowtow (28) P5: TBD P6: Matt Swihart (28) P7: TBD John Benton (WAAAM) Brook Beilin (FBO)	4 years
Budget Committee	Executive Director, Finance Director	ALL	P1: Larry Brown (26) P2: John Benton (26) P3: Bonifacio Romero (27) P4: Jonathan Tillman (28) P5: Judy Newman (28)	3 years staggered
Finance (Internal)	Executive Director, Finance Director	Secretary & Treasurer	N/A	1 year
Personnel (Internal)	Executive Director	President & Vice President	N/A	1 year
Bridge (Internal)	Executive Director, Director of Real Estate, Director of Capital Dev.	Tor Bieker & Kathryn Thomas	As Needed	1 Year
Property (Internal)	Director of Real Estate	Kristi Chapman & Ben Sheppard	As Needed	1 Year

ORGANIZATIONAL APPOINTMENTS				
Organization	**Staff**	**Commissioners**	**Other Members**	**Term**
Hood River County Energy Council	No longer member, but their charter has spot for Port)	N/A	8 municipal representatives	2 years
Hood River County Economic Development Group	Executive Director	Any Commissioner can attend	Cascade Locks and Hood River City and Port Executive Directors, facilitated by MCEDD staff	
Hood River County Chamber of		Any Commissioner can attend	15 Member board, Port member is ex-officio	N/A

Commerce and Visit Hood River				
Oregon Public Ports Association (OPPA)	Executive Director	President	Large roster of Ports throughout Oregon	N/A
Oregon Airport Managers Association	Airport Manager	Tor Bieker	Large roster of GA airports throughout Oregon	N/A
Hood River Rotary Club International	Kevin Greenwood	Ben Sheppard	Large roster of community business leaders	N/A

Commission Memo

Prepared by: Amanda S. Rose, Director of Real Estate
Date: July 21, 2026
Re: Big 7 Building Discussion and Strategic Direction

As part of the Port's ongoing Strategic Business Planning process and broader review of our real estate portfolio, staff has invited Porter Haskell, the Port's Real Estate Intern, to provide a presentation regarding the Big 7 Building. The purpose of this presentation is to help the Commission better understand the building's current financial performance, market position, occupancy trends, and long-term opportunities and challenges. Given the importance of the Big 7 Building within the Port's real estate portfolio, staff believes it is valuable for the Commission to have an objective overview of the asset before considering future policy or strategic decisions related to the property.

Operationally, the building is performing well. Staff has made significant progress toward backfilling vacancies and is currently on track to potentially have the building fully occupied by October. However, it is important to recognize that many of the building's lease rates are intentionally below prevailing market rates. This has been a deliberate strategy by the Port to support economic development and provide affordable space for small businesses that may not otherwise have access to commercial space within the Hood River market. While this approach advances important community objectives, it does not necessarily maximize the financial performance or market value of the asset.

As the Commission considers the long-term future of the Big 7 Building, staff believes it is important to evaluate the asset through both an economic development lens and an asset management lens. From a market valuation perspective, the highest and best value of the building would likely be achieved through sustained full occupancy and rents that more closely align with market conditions. Understanding this balance between community benefit and financial performance will be important as future decisions are considered.

Adding to this discussion, the Port recently received an unsolicited inquiry from a local community member expressing interest in purchasing land adjacent to the Big 7 Building for employee parking associated with their business. While staff appreciates the creativity of the proposal and the interest in Port property, staff does not currently recommend pursuing the sale of any land associated with the Big 7 Building. The parking areas surrounding the building are an important component of the overall property, support tenant operations, and contribute to the functionality and value of the asset. Separating parking from the building without a comprehensive evaluation of the property's future could inadvertently diminish the building's value and limit future options available to the Port.

As the Commission considers the long-term future of the Big 7 Building, staff believes it is important to revisit the conclusions and policy framework established in the Port's 2018 Real Estate Asset Strategy. That analysis identified the Big 7 Building as a "Remodel" asset, recognizing both its strong market demand and cash flow potential, while also acknowledging the significant capital investment required to maintain and modernize the facility over time. The strategy further emphasized the importance of evaluating assets based on financial sustainability, future capital needs, marketability, and alignment with the Port's mission. Today, many of those same considerations remain relevant. While the building continues to provide substantial economic development value and staff is optimistic about achieving full occupancy, the building's deferred maintenance obligations and future capital requirements will continue to grow as the asset ages. At the same time, the Port has intentionally maintained lease rates below market in support of local business development. This creates an opportunity for the Commission to discuss whether the current operating model remains the preferred long-term strategy, whether future rent structures should be reconsidered, or whether other ownership and asset management approaches should be evaluated as part of the Port's broader real estate portfolio strategy.

RECOMMENDATION: Discussion.

ATTACHMENTS:
Proposed Options 1 & 2
Presentation

Option 1 Purchase the approximately 30' × 80' upper portion of Lot 101 (outlined in red) at fair market value. Buyer to cover all survey, property line adjustment, and recording costs.

Option 2 Purchase the same approximately 30' × 80' portion of Lot 101 at fair market value, less the cost of designing, permitting, and constructing approximately 15-20 new parking spaces for the Port in the lower portion of Lot 101. A parking plan and net purchase price would be developed and presented for Port approval. If approved, both the upper and lower lot improvements would be designed and constructed concurrently.

Port of Hood River ■ Property Evaluation

Presentation

Big 7 Building

616 Industrial Street · Hood River, OR 97031

INDUSTRIAL
42,103 SF

1

Port of Hood River

■ INTRODUCTION

Porter Haskell

Finance Student · Washington State University

WASHINGTON STATE UNIVERSITY

Background

- Started with the Port at 16, working the Event Site booth
- Graduated from Columbia High School in White Salmon in 2023
- Now supporting Amanda Rose as an intern helping manage the Port's commercial property portfolio
- Recently passed the Oregon real estate licensing exam and am planning on becoming a Commercial Real Estate Broker

BIG 7 BUILDING · PROPERTY EVALUATION

2

Purpose of Presentation

- The Port received an unsolicited offer from a community member to purchase a section of the land surrounding the Big 7 Building
- Provide the commission with an informative report on the current and future value of the property

3

Executive Summary

- 42,103 SF historic industrial building in Hood River, built in 1910
- Acquired in 1984 from Diamond Fruit Growers as part of large portfolio acquisition
- Leased to a diverse mix of local businesses serving the community
- Currently 79% occupied and generating ongoing rental income
- Delivers economic development for the community and long-term revenue for the Port

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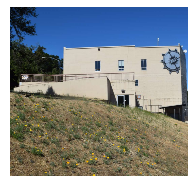
02 · PROPERTY OVERVIEW

Property Overview

Property Name	**Big 7 Building**
Address	**616 Industrial Street, Hood River, OR 97031**
Asset Type	**Industrial**
Rentable Area	**42,103 SF**
Lot Size	**2.13 Acres**
Stories	**4**
Opportunity Zone	**Yes**
Parking	**Street + On Site**
Zoning	**Light Industrial**
Occupancy	**79%**



BIG 7 BUILDING · PROPERTY EVALUATION

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02 · PROPERTY OVERVIEW

Site Aerial

BIG 7 BUILDING · PROPERTY EVALUATION

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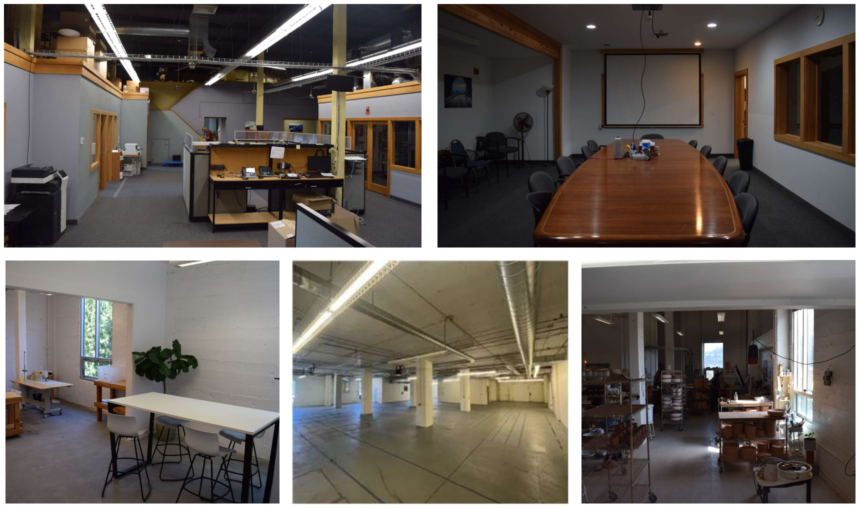
02 · PROPERTY OVERVIEW

Interior Property Photos



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03 · FINANCIAL OVERVIEW

Income Based Property Valuation – As Is

2,791,456
ESTIMATED VALUE

199,589
NET OPERATING INCOME
** Overhead costs not included in NOI calculation*

7.15%
CAPITALIZATION RATE

Income & Expense Summary	Annual
Gross Potential Income	406,606
Less: Vacancy & Credit Loss (22.5%)	91,746
Effective Gross Income	314,860
Less: Operating Expenses	115,271
Deferred Maintenance Expense*	-
Net Operating Income	**199,589**

** deferred maintenance in the property has been identified and* should be considered in making decisions regarding the property.

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03 · FINANCIAL OVERVIEW

Income Based Property Valuation – Stabilized

4,032,033	288,290	7.15%
ESTIMATED VALUE	NET OPERATING INCOME	CAPITALIZATION RATE

Income & Expense Summary	Annual
Gross Potential Income	460,087
Less: Vacancy & Credit Loss (10%)	46,009
Effective Gross Income	414,078
Less: Operating Expenses	125,788
Net Operating Income	**288,290**

03 · FINANCIAL OVERVIEW

The Value Spread: As-Is vs. Stabilized

Both valuations use the same 7.15% cap rate — the entire gap comes from occupancy and rents.

$2,791,456	$4,032,033	$1,240,577
CURRENT AS-IS VALUE	STABILIZED VALUE	VALUE SPREAD

Explaining the Gap In Value

- In-place rents sit below market levels
- Vacancy currently is at 21% compared to market average of ≈ 8% for this asset class
- Both factors drastically reduce net operating income

04 · COMMUNITY & ECONOMIC IMPACT

Why the Big 7 Building Matters

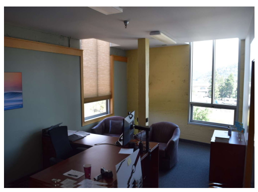
More than an asset — a lasting investment in Hood River and the Port.

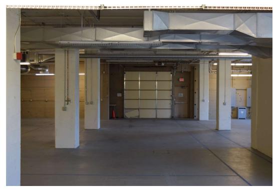
Lasting Value for the Port

- Durable, long-term revenue supporting Port operations

Local Jobs & Small Business

- Accessible, community-friendly lease rates that help local enterprises thrive
- Supports jobs and entrepreneurship across the Hood River area





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05 · SURROUNDING AREA

Surrounding Area

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Disclaimer & Contact

Porter Haskell
Intern
PorterHaskell@portofhoodriver.com

Amanda Rose
Director of Real Estate
Amanda.Rose@portofhoodriver.com

Disclaimer

This property evaluation has been prepared by The Port of Hood River for the purpose of assessing the subject property and is provided for general informational purposes only.

The information contained herein has been obtained from sources deemed reliable; however, no warranty, representation, or guarantee, express or implied, is made as to the accuracy or completeness of the information provided. All property information, dimensions, descriptions, projections, and other matters are subject to change without notice. Outside parties interested in the subject property should conduct their own investigations before making decisions.

Any financial information contained herein is provided for informational purposes only and should be independently verified before any decision is made regarding the property.

Recipients acknowledge that they are responsible for independently verifying all information and assumptions upon which any decision regarding the future use of the property may be based.

Information may be incorrect.

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Executive Director's Report
July 21, 2026

EXECUTIVE – KEVIN GREENWOOD

- *Indian Creek Trail Update*
  - *City and Port are reviewing legal exhibits for the Indian Creek Trail property transfer as part of the Fall/Spring Planning goal setting. Action will likely come to Commission in September or October to transfer the trail property to the City.*
  - *Ex-Hood River Mayor, Kate McBride, continues to work with the State Fire Marshal to coordinate fire breaks along the Indian Creek Trail. Antfarm Youth Services will be doing much of the work that will take place later this fall, November 9-13th.*
- *Strategic Business Plan Update*
  - *Staff has been working with tenants and concessionaires on the economic impact survey*
  - *Collaborating with Points Consulting (PC) on Goals>Objectives>Action Items*
  - *The Port is 40% through the process*
  - *Are any Commissioners available to be filmed for a 60-second promotional video on August 4-7, and/or 19. Kayaking, piloting, operating farm equipment?*
  - *Thank you to the Commission for participation in additional work sessions!*
- *Bridge Replacement / Hood River White Salmon Bridge Authority (HRWSBA or BA)*
  - *Amanda Rose, Scott Reynier and Kevin Greenwood met with the HRWSBA/Kiewit/HNTB team to discuss risk associated with the bridge monitoring program on July 20th*
  - *Commissioner Bieker and Director Rose will meet with Oregon Parks and Recreation/National Park Service on July 27th to better understand issues related to the 6(f) designation on Port property.*
- *Airport Terminal Project*
  - *Staff/consultants submitted most of the curing documents to EDA on July 10*
  - *Last open item remains a Phase 1 Environmental Site Assessment (ESA) which will be submitted August 24th*
  - *Met with MCEDD Exec. Dir. to discuss EDA application process. Director Metta shared that conversations with EDA staff continue to be supportive.*
  - *Staff and SUM Design continue to work with Mayfield on the Resiliency Feasibility Study being funded by the Oregon Energy Trust.*
  - *Commissioner Bieker, Director Greenwood, and Manager Renard presented to the Oregon Aviation Board on July 9. Of the 13 aviation projects, the terminal building ranked 7th. The Connect Oregon (CO) process now goes to ODOT staff and ultimately the Oregon Transportation Commission later this fall. There are a total of 35 applicants requesting over $78M in projects for the $30M program.*
  - *If the Port's EDA application is successful but the CO application is not, ODOT has a separate state program to help local projects that have received significant federal funding with match.*
- *Port will continue to be a non-sponsor partner of the US Army Corps of Engineers (USACE) fish habitat feasibility study of the mouth of the Hood River. The Hood River Watershed Group and treaty tribes will be serving as co-sponsors.*
- *Met the new Hood River County Emergency Manager, Katie Skakel. She will be reviewing the draft plan that Charles Young had started regarding a comprehensive traffic plan during highway closures. This is in response to the massive traffic jams that took place during the Rowena fire.*
- *Monitoring public record requests.*

- *Airport Management Report - see Attachment A*
- *Meetings Attended/Scheduled*
    - *KIHR, Jul 20*
    - *Bridge Monitoring, Jul 20*
    - *SBP Planning, Jul 21*
    - *6(f) Planning, Jul 21*
    - *Staff Mtg, Jul 21*
    - *Commission Mtg, Jul 21*
    - *OPPA Business, Jul 23*
    - *Rotary Lunch, Jul 23*
    - *MCEDD CEDS, Jul 23*
    - *HR EDGE, Jul 23*
    - *MCHA Annual, Jul 27*
    - *City/HRVP&R ICT, Jul 27*
    - *HRWSBA, Jul 27*
    - *Staff, Jul 28*
    - *PTO, Jul 30-31*
    - *Airport Lunch, Aug 3*
    - *Rotary Planning, Aug 3*
    - *Staff, Aug 4*
    - *SBP Planning, Aug 4*
    - *Staff, Aug 4*
    - *pFriem Check In, Aug 4*
    - *Klickitat Trans., Aug 5*
    - *Rotary Lunch, Aug 6*
    - *Rotary Programs, Aug 6*
    - *HRWSBA, Aug 10*
    - *Staff, Aug 11*
    - *WF Infra, Aug 12*
    - *Rotary Board, Aug 12*
    - *Bi-State Rec. Aug 13*
    - *Rotary Lunch, Aug 13*
    - *KIHR, Aug 17*
    - *SBP Planning, Aug 18*
    - *Staff, Aug 18*
    - *Commission, Aug 18*

ADMINISTRATION – PATTY ROSAS

- ***Action Required:*** *All Board members must complete the Public Meetings Training for the Port to receive the 10% insurance credit through the 2027 SDIS Best Practices Program. Some members still need to complete the training. Please do so as soon as possible. Contact Patty if you need help accessing the training.*
- *The newsletter has been finalized and is in the process of being printed and mailed. The newsletter has been finalized and is being printed and mailed. Thank you to Gretchen Goss for her work on this edition. Going forward, routine communications and newsletter work will be handled in-house, while Gretchen's contract will remain available for special projects as needed. Communications/Special Projects Report - see Attachment B*
- *Successfully completed recruitment for the Finance Specialist, Seasonal Overnight Port Monitor and Seasonal Facilities Worker positions. Recruitment for an Office Specialist is nearing completion following Tia Kendall's promotion to Finance Specialist. Congratulations, Tia!*
- *Port staff completed harassment awareness training, followed by more in-depth training for managers on how to respond to harassment concerns.*
- *Social Media Posts for June:*
    - *6/29/26 - 4th of July Info & Safety Reminders*
    - *6/25/26 - E.coli Alert! (shared post)*
    - *6/16/26 - AAC Meeting*
    - *6/16/26 - Board Meeting*
    - *6/10/26 - Share your Feeback*
    - *6/9/26 - Bridge Lift*
    - *6/4/26 - Join our Team*
    - *6/3/26 - Bridge Closure*

FINANCE – DEBBIE SMITH-WAGAR

- ***Hood River White Salmon Bridge Authority***
    - *Discussions are continuing regarding the impact construction will have on the toll booth facility. The Bridge Authority is continuing to prepare itself for the announcement of the Bridge Improvement Program (BIP) grant awards. If the Bridge Authority is successful and gets full*

funding it wants to be ready to move forward rapidly to avoid any additional delays in the project. Debbie participates in the meetings to stay informed regarding the status of the current bridge tolling facilities.

- ***Promotion***
  - *The Finance Department interviewed for the new Finance Specialist position. We selected an internal candidate, Tia Kendall, who has also attended Commission Meetings as Patty Rosas' backup. We are excited to welcome Tia to her new position. It does mean we now need to fill her old position in the front office. We received nearly 70 applications for that position.*
- ***Training***
  - *Assistant Finance Manager Jana Scoggins and Finance Director Debbie Smith-Wagar attended the annual Government Finance Officers Association Conference in Chicago at the end of June/first of July. They attended classes aimed at making audits more efficient, updates on new accounting standards the Port is required to follow, cyber security and fraud alerts, and more. It is a good conference for both education and networking.*

REAL ESTATE/ASSET MANAGEMENT – AMANDA ROSE

- ***Big 7 Building***
  - *Port staff continues to market the remaining 11,000sf of space located at the Big 7 building*
- ***Jensen Building***
  - *Procurement of the Roof Project is beginning its final stages*
  - *Staff is still awaiting the property inspection report*
- ***Wasco Loop Building***
  - *Active lease negotiations and ongoing tours are taking place to fill the vacant space in the building*
- ***Marina East***
  - *Columbia River Acupuncture continues to be stable and thriving*
- ***Marina West***
  - *Discussions with the DMV are moving forward as we work toward its relocation to the Wasco Building*
- ***Airport***
  - *New 2026 T-Hangar Leases have been executed by tenants and began July 1, 2026*
- ***Maritime Building***
  - *Hood River Distillers continues to perform well and remains stable*
- ***Halyard Building***
  - *Facilities staff has completed ongoing capital projects for the Halyard building including new man doors for the south entrance to the building*
- ***Timber Incubator Building***
  - *JVC LLC has successfully negotiated a new lease with Staff and it is expected to be executed by the end of the month*
- ***Hood River Museum***
  - *Staff worked closely with Museum staff this past month to successfully support the install of a "little library" on museum property*
- ***Facility Department:***
  - *The facilities department continues to grow through challenges while managing ongoing waterfront, grounds and buildings needs.*
  - *The Port has added an overnight facilities monitor to the team to help facilitate overnight support and monitoring of Port property during the evening hours. Scheduling meeting with law enforcement for introductions.*
- ***Wasco Court 1:***
  - *SUM Design and Port staff continue to move forward on the design phase of the building for Port relocation efforts*
- ***Bridge:***
  - *ODOT Bi-Annual Bridge Inspection is occurring from July 13th-17th and July 20th -24th*

- *Bridge Steel & Coating Maintenance Repairs is underway with notice to proceed being sent out on July 8th, 2026*
- *Staff is working closely with HRWSBA to schedule overnight closures to assist with geotechnical exploration near the Washington river coastline*

CAPITAL DEVELOPMENT/PLANNING - MEGAN CHANNELL

- ***Waterfront Transportation Improvements:***
    - *The Port was not awarded the FY26 BUILD funding for Phase I (Capital Construction Grant, $3.8M request) or Phase II (Planning Grant, $950k request). The program received more than 1,200 applications requesting over $14 billion, with only $1.73 billion available. USDOT will begin debriefs in August.*
    - *The FY27 Congressionally Directed Spending request ($1M for Phase I construction) is pending. Announcements on next steps are expected this month.*
    - *Held Phase I pre-application meeting with City of Hood River on June 25, 2026.*
    - *Staff submitted the Phase I 60% design plans to ODOT and the City on July 1; comments are due August 3.*
    - *The ODOT STIP amendment and Immediate Opportunity Fund grant amendment are still in process. Business Oregon is processing the required support letter.*
    - *The Port continues to work with EDA on the grant amendment and the updated Section 106 consultation letters reflecting the updated project scope.*
    - *Ongoing coordination with CAT on their transit hub plans. CAT has selected a consultant team to plan and design the transit hub, including coordination with the Port. CAT will be seeking Port input and direction on the transit hub location in the near future.*
    - *Continued assessment of roadway ownership and required right-of-way processes. Terra Surveying completed its initial survey review.*
    - *Waterfront Infrastructure Progress Report, WSP - see Attachment C*
- ***Parking Program:***
    - *Following June 16 Commission direction, staff negotiated a draft pilot agreement with the Lightwell Hotel for use of up to 15 Anchor Way parking spaces from July through October at $50 per space per month. The agreement is under hotel review.*
    - *Staff will continue to need guidance from the Commission on how local eligibility should be defined for a potential local discount/waiver at the Anchor Way Parking Lot. For added waterfront parking context, the Port currently provides free parking in the waterfront area. Of the Port's ~865 waterfront parking spaces, 175 (20%) are free. The free parking is concentrated at the Marina Beach, the Marina and the Spit areas. The City adds ~120 more free spaces adjacent to Port waterfront areas. When viewed together with the Port's free parking areas, nearly 300 spaces across the waterfront are available at no cost.*
- ***Marina East and West Redevelopment Opportunity:***
    - *Per Commission direction, staff created a website for the Request for Developer Interest (RFDI), available here: https://www.portofhoodriver.com/marina-east-and-west-request-for-developer-interest. This website includes a way for the public to submit comments and questions. See "Action Items" for more information regarding the RFDI and next steps.*
- ***Port of Hood River Foundation:***
    - *The second meeting of the Foundation Board was held on June 23, 2026. The Board identified priority projects and discussed additional projects requiring further evaluation. The Foundation's donation forms were reviewed, with final edits being completed by Port staff. The next Foundation Board meeting is expected in late August or early September.*
- ***Port Admin Building:***
    - *Staff is amending SUM Design Work Order 8 (Wasco Admin Building Remodel) to add constructability review and cost estimating during design while removing AV, acoustical, and mechanical engineering tasks that can be completed by the future contractor. The total cost of*

the work order will be reduced and remains within the Commission-approved not-to-exceed amount of $166,050.

- ***Marina Master Planning:***
  - *The Port has coordinated with Points Consulting to finalize a scope of work for the Marina Master Plan. See the "Consent Agenda" for more information.*
- ***Commercial Dock Repairs:***
  - *Staff requested repair quotes from eight marine contractors but has received limited interest. One contractor expects to submit a quote by the end of July. Once received, staff will seek Commission approval for the repair contract as needed and will follow the required insurance claim process. The commercial dock remains closed until the repairs are complete.*
- ***General Waterfront & Marina Related Activities:***
  - *Nichols Basin e-Foil Operations: The Port has received public comment expressing concerns about e-foil activity and potential conflicts with swimmers and other recreational users in Nichols Basin. Boating operations within Nichols Basin are governed by Oregon Administrative Rule, which designates the area as Slow–No Wake for motorboats (the slowest speed necessary to maintain steerage and safe operation). Under Oregon State Marine Board (OSMB) regulations, e-foils are classified as personal watercraft and are subject to all applicable personal watercraft operating requirements, including Slow–No Wake speed restrictions and separation distances from swimmers and other water users. This includes having valid registration stickers displayed, as well as operating at Slow–No Wake speed within 200 feet of swimmers, docks, and the shoreline, and within 100 feet of anchored or non-motorized vessels. Staff will continue coordinating with the Hood River County Sheriff's Marine Patrol on public education regarding the applicable boating rules and safe shared use of Nichols Basin. The Port's Ordinance No. 30, which governs conduct on Port property, does not include provisions specific to e-foil operations in Nichols Basin; therefore, state boating regulations currently provide the applicable operational requirements.*
  - *The annual 4th of July Fireworks celebration and the KB4C event (July 11–12) were successfully held at the Waterfront.*
  - *The second Event Site Host arrived on July 2, 2026. Volunteer agreements for both Event Site Hosts have been completed and signed for the 2026 season.*
  - *Kite launching on the Event Site lawn was closed down late June.*
  - *Emily coordinated the Event Site Jetty buoy replacement; installation with support of the County Marine Sheriff is underway. CGW2 generously donated two replacement buoys to support this effort.*
  - *Megan joined Commissioner Bieker for meetings with the County's Emergency Program Manager and MCEDD's Executive Director (June 24 & 25, 2026).*
  - *Megan & Emily met with Matt Steinwurtzel of the Confederated Tribes of Warm Springs to discuss the use of Unmanned Aerial Systems (UAS) on Port property for fish habitat assessments in the Hood River Basin (July 8, 2026). Assessments are expected in mid to late August.*
  - *Staff is preparing for the Gorge Downwind Paddle Championships (July 17-19) and Marina Meltdown (August 1-2) events.*
  - *The Hood River Soil and Water Conservation District and Rotary and are organizing (separately) volunteer waterfront clean ups, planned for late July and mid August.*
  - *Continued education about the Marina Guest Dock mooring time limits. Per Oregon State Marine Board and Port policy, guest moorage is limited to 10 days within a 30 day period.*
  - *Ongoing participation in the Bridge Authority's Action Plan for multimodal infrastructure.*
  - *Continued coordination with slip holders regarding vessel registration as Hood River County Sheriff marine enforcement increases.*
  - *Axios Marine will anchor a construction barge in the marina beginning July 20 for approximately 10 days to support PGE work at Chicken Charlie's Island.*
  - *Ongoing meetings with waterfront concessionaires.*
- *Commissioner Sheppard and Megan will be presenting a Waterfront overview at the July 23 Rotary lunch*

-###-

AVIATION MANAGMENT SERVICES

AMS

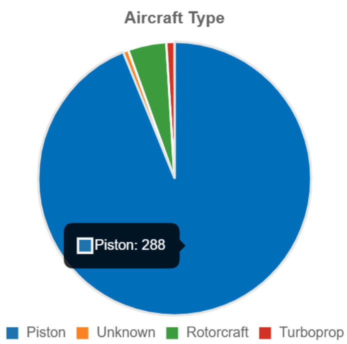
Ken Jernstedt Airfield Monthly Report

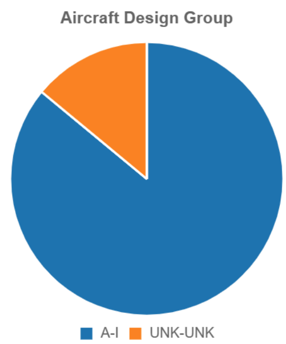
July 2026

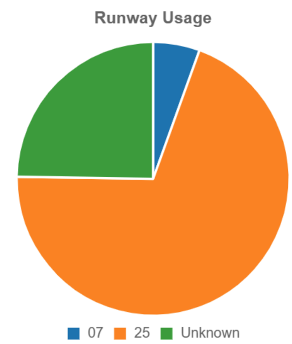
Prepared by: Jeff Renard, Airport Manager, Aviation Management Services (AMS)
Submitted to: Kevin Greenwood
Date: July 21, 2026

Aircraft Traffic Count

- **July to date** **595**
- **2026 to date** **5349** flight operations
- **2025** 10,869 flight operations
- **2024** 10,328 flight operations





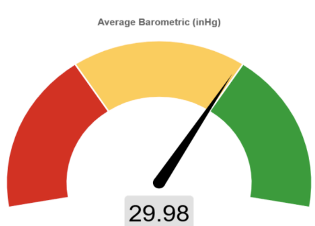


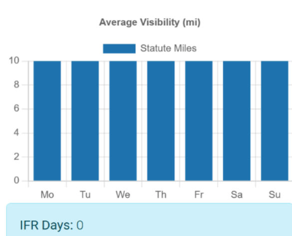
Operational Updates

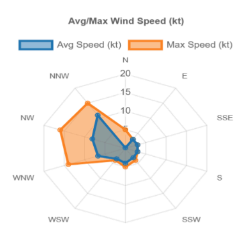
NOTE: Data sourced from K4S2 METAR reports

PRINT EXCEL EXPORT

Avg Temp (F)	Max Temp (F)	Min Temp (F)	Avg Dewpoint (F)	Max Dewpoint (F)	Min Dewpoint (F)	Avg Wind (kt)	Max Wind (kt)	Max Gust (kt)
70.2	89.6	46.4	47.7	55.4	33.8	4.3	16	25





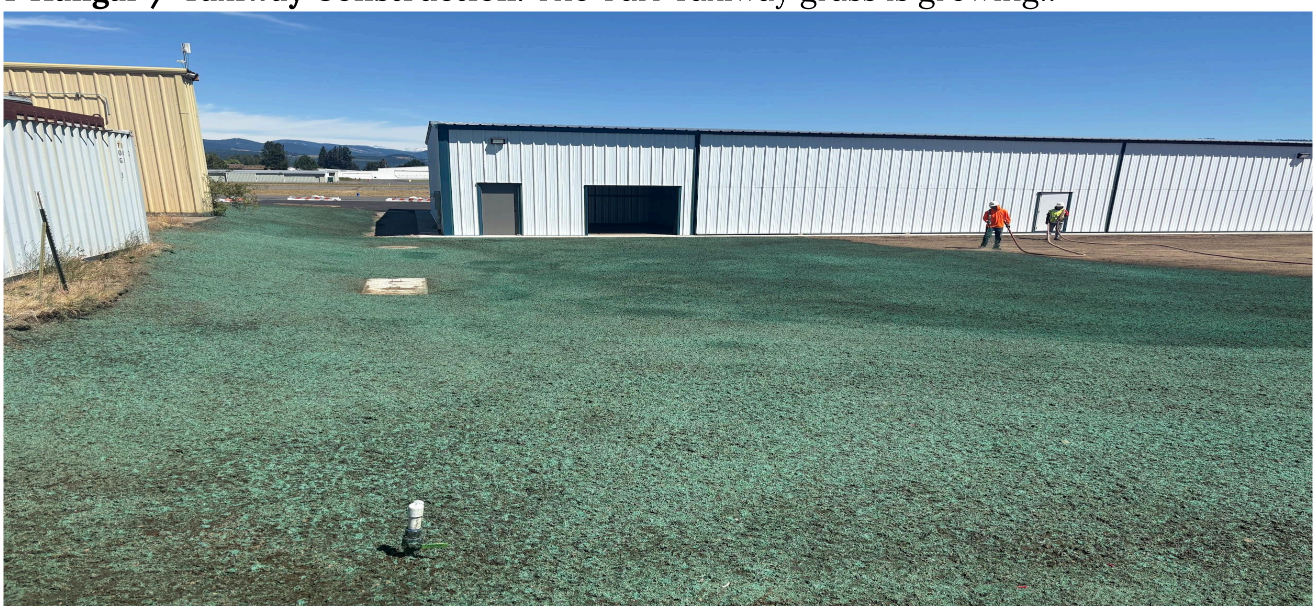


Direction	Avg	Max	Min
N	0.131147540984	5	0
E	3	3	3
SSE	3	3	3
S	3	3	3
SSW	3.125	4	3
SW	4	5	3
Total	**5.19050773788**	**12**	**0**

2026 Total Fuel sales 18,576 gallons YTD.

4S2						Amount	Date
				Flow Fee			
Month	100LL Island	100LL Truck	Totals	$0.10		Paid	Paid
January	2125	515	2640	$264.00		$264.00	2/6
February	1260	627	1887	$188.70		$188.70	3/6
March	1926	681	2607	$260.70		$260.70	4/10
April	3319	755	4074	$407.40		$407.40	5/15
May	4568	1030	5598	$559.80		$559.80	6/12
June	5083	1499	6582	$658.20		$658.20	7/10
July	1536	249	1785	$178.50			
August	0	0	0	$0.00			
September	0	0	0	$0.00			
October	0	0	0	$0.00			
November	0	0	0	$0.00			
December	0	0	0	$0.00			
	19817	5356	25173	$2,517.30			
	$0.10	$0.10	0				
	$1,981.70	$535.60	25173				

T Hangar / Taxiway Construction: The Turf Taxiway grass is growing!!



The hangar project will have its first of our punch list walk through inspections of the required elements. We have had to add 3 days of work time to the project to be completed 8/3/2026. Amanda and Mellisa are putting the leases in place with the very excited hangar waiting list customers! (We may have to have a celebration BBQ when completed)

Facilities: The landscape / mowing contractor continues to make the rotations thru the airport property, we mowed the AGLA again this week and took care of the weeds coming up throughout the paved surfaces.

Grants : We continue to submit the invoices and work reports to the FAA for comment and payment.

FBO: The FBO negotiations have continued and we have an agreement being presented to the Port Commission for review and approval.

AAC: We have 4 positions open on our Airport Advisory Committee, 5 applicants. Airport Management has put a recommendation to amend the AAC resolution to focus on aviation and economic development.

Tree Removal: The tree contractor has had an equipment repair required, we have scheduled the tree removal to be completed in the weeks to come.

Complaints/Issues: None to report this month.

Meetings attended: Port Meeting (online) Executive Director update, Oregon Department of Aviation State Board Meeting. Connect Oregon Board Review (Salem) Hangar inspections and grounds keeping. PAE & Gallant Construction Meeting

AMS

4S2 Master Planning Data — 2026

Calendar Year 2026 | Generated July 14, 2026 | For FAA master planning (AC 150/5070-6B), Part 150, and pavement management use

5,349	2,999 / 2,350	June	41.6	126	A-I
Annual Operations	Itinerant / Local (est.)	Peak Month	Avg Day, Peak Month	Night Ops (10pm–7am)	Critical / Design ARC

Critical Aircraft by Type — 500 Annual Regular-Use Ops Threshold (AC 150/5000-17)

Type	Manufacturer	AAC	ADG	Regular Use	Total
C172	CESSNA	A	I	**409**	598
C206	CESSNA	A	I	**288**	328
C182	Cessna	A	I	**263**	349
PA18	PIPER	A	I	**193**	418
C150	CESSNA	A	I	**172**	399
C180	Cessna	A	I	**172**	226
C152	CESSNA	A	I	**130**	148
FOX	Tom Hamilton	UNK	UNK	**127**	167
PA24	PIPER	A	I	**110**	151
B407	Bell Helicopter	A	I	**108**	113
UNKNOWN	UNKNOWN	UNK	UNK	**98**	155
C337	Cessna	A	I	**97**	115
P28A	PIPER	A	I	**78**	89
SAKO	Stemme Gmbh & Co	UNK	UNK	**56**	58
SR22	CIRRUS	A	I	**51**	59
BE36	Beech	A	I	**50**	54
C170	CESSNA	A	I	**49**	127
GLID	Alisport Srl	UNK	UNK	**49**	67
C185	Cessna	A	I	**47**	57
PA12	Piper	A	I	**45**	69
BE35	Beech	A	I	**44**	48
PA22	PIPER	A	I	**43**	136
C175	CESSNA	A	I	**41**	46
A119	Agustawestland Philadelphia Co	A	I	**36**	42
C310	Cessna	A	I	**35**	35
CH7A	Bellanca	A	I	**33**	46
RV6	Haan Robert A	A	I	**27**	31
BE33	Beech	A	I	**26**	28
RV6A	Lane Kevin J	UNK	UNK	**23**	28
PA23	PIPER	A	I	**23**	25

Regular Use = annual operations excluding touch-and-go (1,758 T&G ops airport-wide in 2026); the 500 threshold is applied to Regular Use. Unidentified aircraft are never flagged. Top 30 types shown plus all flagged types; the CSV export contains all 133 types.

Operations by Month — 2026

Month	Operations
January	549
February	475
March	604
April	893
May	982
June (peak)	**1,249**

Runway Utilization — 2026

Runway	Arrivals	Departures	% of Attributed
07	496	643	31.3%
25	1,335	1,160	68.7%

Runway attribution available for 67.9% of operations; percentages are of runway-attributed operations.

Approach Category & Design Group (ARC)

July	597

5-Year Operations Trend

Year	Total	Itinerant	Local	Night
2022	4,304	2,724	1,580	80
2023	9,011	5,419	3,592	142
2024	10,328	5,394	4,934	200
2025	10,870	5,966	4,904	219
2026	**5,349**	2,999	2,350	126

Day / Night Split (Part 150 window)

Day operations (7:00am–9:59pm)	5,223
Night operations (10:00pm–6:59am)	126

AAC	ADG	Regular Use	Total
A •	**I**	**3,025**	4,496
UNK	UNK	**520**	800
A	II	**18**	18
B	II	**12**	12
B	I	**7**	7
D	I	**5**	12
C	I	**4**	4

• = group in regular use (500+ annual ops excl. touch-and-go). Composite of most demanding flagged AAC + ADG = Critical ARC.

Operations by Weight Class

Weight Class	Operations
CLASS 1	4,320
Unknown	703
Small	249
Small Eqpt	62
0	13
Large	2

Data Source & Methodology

Operations counts are derived from ADS-B and ATC surveillance data collected by on-field MotionInfo receivers. Aircraft not equipped with ADS-B Out may be undercounted; ADS-B is not mandated outside 14 CFR 91.225 rule airspace. Local operations are estimated from paired same-aircraft departure–arrival cycles within 60 minutes (touch-and-go and pattern work) and are a conservative estimate. Night operations use the 10:00pm–6:59am local window consistent with Part 150 DNL modeling. Aircraft operating under FAA Privacy ICAO Address (PIA) assignments or third-party call signs may appear with limited identity information; their operations are still counted. Full methodology and limitations: https://aero.motioninfo.com/methodology.cfm

4S2 Operations Summary

July 1, 2026 – July 13, 2026 | Generated July 14, 2026

595	0	595
Total Operations	Based Aircraft Ops	Itinerant Aircraft Ops

Aircraft Counts

Metric	Count
Based Aircraft Operations:	0
Itinerant Aircraft Operations:	595

Operations Per Year

Year	Total
2026	**597**

Operations by Category

Category	2022	2023	2024	2025	2026
Itinerant GA	0	0	0	0	583
Air Taxi	0	0	0	0	14

Aircraft Approach Category & Design Group

Category & Group	Total
A-I	483
UNK-UNK	112

Aircraft Type

Type	Total
Piston	544
Turbo	13
Helicopter	30
Unknown	8

Operations Per Month

Month	Total
July 2026	**597**

Top Manufacturers & Models

Manufacturer	Model	Total
CESSNA	C172	104
CESSNA	C150	89
Bellanca	CH7A	24
CESSNA	C182	24
Van Oosten Slingeland Daniel A	FOX	24
Cessna	C180	22
CESSNA	C206	22
Bell Helicopter	B407	20
R Paul Markt	CRER	16
PIPER	PA24	16
Cessna	C185	14
CESSNA	C152	14
Cub Crafters	PA18	12
CIRRUS	S22T	10
Stemme Gmbh & Co	SAKO	9
CIRRUS	SR22	9
Alisport Srl	GLID	8
Werner Russell D	HROC	8
Beech	BE35	8
Epic Aircraft Llc	E1000	7
Cessna	C337	6
Grumman American Avn. Corp.	AA5	6
Quest Aircraft Company Llc	KODI	6
CESSNA	C170	6
Grumman	G44	6
Piper	PA18	6
Vans Aircraft Inc	RV12	6
PIPER	PA22	6
Dustin Morantes/Mark Morantes	FOX	6
Hostetler Jerry	GLST	4
Tom Hamilton	FOX	4
Agustawestland Philadelphia Co	A119	4
Daher-Socata	TB21	4
Cub Crafters Inc	PA11	4

Cessna	C310	4
Beech	BE36	4
Maule	MXT7	4
CESSNA	C175	3
Stearman	ZZZZ	3
PIPER	PA46	2
Eric R Rushing	RV10	2
Cub Crafters Inc	CC19	2
Bell Textron Canada Ltd	B429	2
CESSNA	C177	2
Cessna	C210	2
Gulfstream American Corp	AA5	2
John Rosen	H800	2
Bell Helicopter	B06T	2
MOONEY	MO20	2
Raytheon Aircraft Company	BE36	2

Engine Type

Type	Total
4 Cycle	103
Reciprocating	443
Turbo-shaft	28
Electric	8
Turbo-prop	13

Airline Code

Code	Total
GA	550
UNKNOWN	45

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July 14, 2026

Memo: Updates from Gretchen Goss

Social Media

- Social media is being handled by Port staff, with Mrs. Goss handling posts on a special request basis.

Newsletter

- July Newsletter finalized
- Moving forward, Port staff will be creating the newsletter.

Port of Hood River Foundation

- Continued consultation with Foundation as needed on special projects.

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Memorandum

Date: July 16, 2026

Subject: Waterfront Development Progress Report – July 2026

From: Scott Keillor; Jodi Mescher

To: Megan Channell; Kevin Greenwood
Port of Hood River Commissioners

WATERFRONT DEVELOPMENT PROGRESS REPORT

Deliverables Status

Key tasks and deliverables completed through June 2026 include:

- Submitted the 60% design package to ODOT for review.
- Met with the City of Hood River to discuss local permitting requirements and anticipated right-of-way constraints.
- Continued coordination with ODOT to support project development and review.
- Met with Terra Survey to kick-off right-of-way survey. Terra completed the initial right-of-way survey to identify property ownership within the project area; survey efforts are ongoing to resolve outstanding questions.

Upcoming Deliverables and Milestones

- Ongoing coordination with the City of Hood River regarding local permitting requirements. Upon confirmation of right-of-way ownership, the project team will prepare a memorandum outlining any required right-of-way vacations or dedications and identifying recommended next steps for project implementation.
- Coordination with ODOT through agency review of 60% design.
- IOF Grant Amendment (approval/signature by Business Oregon in progress).
- The EDA grant amendment is awaiting EDA review. The project team has contacted EDA multiple times to coordinate next steps and will keep following up to establish regular communication and discuss any outstanding grant amendment needs.
- STIP Amendment (to be initiated following approval of the IOF Grant Amendment).
- Pending BUILD Grant notification, originally expected by late June, is now delayed but anticipated soon.

Budget Summaries

WSP Owner's Representative (O/R) Contract amount spent is estimated at $332,788 on non-contingent tasks (41%) through May 29, 2026.

Task Number	Task Name	Contract Value	Previous Billed	Total Billed to Date	Contract Balance	Percent Invoiced	Current Invoice
1.0	Project Management	132,280.94	61,922.01	64,358.40	67,922.54	48.65%	2,436.39
2.0	Grant Writing	206,637.39	128,554.92	128,554.92	78,082.47	62.21%	0.00
3.0	Grant Management	40,890.40	19,765.55	20,454.22	20,436.18	50.02%	688.67
4.0	Due Diligence	62,443.84	8,275.95	9,899.76	52,544.08	15.85%	1,623.81
5.0	Port and Agency Coordination	301,363.27	90,230.34	98,014.56	203,348.71	32.52%	7,784.22
6.0	Communications Materials	10,461.89	4,425.77	5,058.62	5,403.27	48.35%	632.85
7.0	YE Documents	10,205.07	4,490.41	4,490.41	5,714.66	44.00%	0.00
8.0	NEPA Docs	25,037.98	0.00	0.00	25,037.98	0.00%	0.00
Expenses	Expenses	2,998.20	0.00	0.00	2,998.20	0.00%	0.00
Sub_Sprout	Sprout	15,000.00	1,282.50	1,957.50	13,042.50	13.05%	675.00
Total		**807,318.98**	**318,947.45**	**332,788.39**	**474,530.59**	**41.22%**	**13,840.94**

KPFF/DKS/Walker Macy Design Contract: Est. $559,821.41 of $944,840 budget (59%) through May 31, 2026.

			Invoice		
	Fee	% Complete	To Date	Previous	Current
Project Management (includes ASR 1)	64,893.45	100.00	64,893.45	64,893.45	0.00
Site Evaluation and Data Collection (includes ASR 1)	69,367.86	100.00	69,367.86	69,367.86	0.00
ICE Revision (Reallocation of ASR 1 Contingency)	30,898.68	100.00	30,898.68	30,898.68	0.00
Design Engineering (includes ASR 1)	232,843.73	100.00	232,843.73	232,843.73	0.00
Stormwater Analysis (includes ASR 1)	10,550.00	100.00	10,550.00	10,550.00	0.00
Prime Project Management (ASR 2)	60,420.00	21.36	12,905.71	0.00	12,905.71
Civil Design Services (ASR 2)	228,345.58	25.74	58,776.15	0.00	58,776.15
Traffic Engineering Services (ASR 2)	133,255.75	24.88	33,154.03	0.00	33,154.03
includes $6,336.75 in sub markup					
Landscaping Design Services (ASR 2)	44,714.25	5.07	2,267.01	0.00	2,267.01
includes $2,129.25 in sub markup					
Geotechnical Engineering Design Services (ASR 2)	69,550.85	63.50	44,164.79	18,590.94	25,573.85
includes $3,138.85 in sub markup					
Total:	944,840.15	59.25	559,821.41	427,144.66	132,676.75

Risks and Mitigations

1. BUILD grant not obtained, or delayed, by readiness/funding approval issues. If delayed or not approved, this could cause a project pause and/or delay construction.
    a. Contingency Action: Seek new funding mechanism or resubmit for next BUILD grant opportunity.
2. Environmental approvals, particularly Section 106 and NEPA compliance. If FHWA needs more environmental documentation, it could delay the Categorical Exclusion (CatEx) determination and delay when federal grants are ready to be obligated. Additionally, if SHPO or other consulting parties dispute the current No Adverse Effect decision, this could push back EDA grant obligations and potentially require changes to the project's design.
    a. Mitigation: Coordinate early with FHWA on CatEx adoption expectations. Ongoing coordination with EDA and/or FHWA to determine next steps (depending on funding partners).
    b. Mitigation: Ongoing coordination with EDA and/or FHWA to determine next steps (depending on funding partners).
3. ODOT ROW / third-party approval delays and resulting cost escalation
    a. Mitigation: Continue to engage ODOT ROW early and confirm conveyance pathway (easement vs. transfer vs. permit); build ROW milestones into schedule.

NEXT STEPS

The project team will continue coordinating with ODOT through agency review of the 60% design submittal and advancement of project design. Coordination with Business Oregon, ODOT, and EDA will also continue to support review and approval of the pending IOF and EDA grant amendments, as well as the subsequent STIP amendment. The team will maintain coordination with the City of Hood River regarding local permitting and right-of-way needs. Upon completion of the ongoing right-of-way ownership verification effort, the team will prepare a memo to the City identifying any required right-of-way vacations or dedications and outlining recommended next steps to support project implementation and permitting.

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Commission Memo

Prepared by: Kevin Greenwood, Executive Director
Date: July 21, 2026
Re: Resolution Authorizing Business Matters

The Port By-laws require certain business matters of the Port to be reviewed annually. The Commission last adopted a resolution authorizing business matters on July 15, 2025. With the fiscal year starting July 1, the first regular meeting in July is the appropriate time to annually review business matters.

The Commission positions and committee assignments will be updated based on discussions earlier in the agenda.

This resolution will next be reviewed in July 2027 unless a change in business occurs before then.

RECOMMENDATION:
MOTION to adopt Resolution No. 2026-27-2 Authorizing Business Matters for the 2026-27 Fiscal Year.

ATTACHMENTS:
Resolution No. 2026-27-2

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PORT OF HOOD RIVER
Resolution No. 2026-27-2

A RESOLUTION AUTHORIZING UPDATED BUSINESS MATTERS FOR THE 2026-27 FISCAL YEAR

WHEREAS, the Port of Hood River Commission adopted Res. No. 2024-25-5 on Sept. 17, 2024 establishing business matters for the Commission; AND

WHEREAS; By-laws for the Port of Hood River Board of Commissioners were adopted via Ordinance No. 28 on May 20, 2025 and requires an Annual Business Matters resolution, AND

WHEREAS, the Business Matters resolution should be reviewed and updated annually in July and whenever necessary;

NOW THEREFORE, THE PORT OF HOOD RIVER BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

TITLE I. DEFINITIONS.

"Board" means the Board of Commissioners for the Port of Hood River.
"Executive Director" means Kevin Greenwood.
"Finance Director" means Debbie Smith-Wagar.
"Executive Assistant" means Patty Rosas.
"Fiscal year" means fiscal year 2026-27.
"Port Contracting Rules" means those rules set forth in Resolution No. 2024-25-4.
"Port" means the Port of Hood River.

TITLE II. COMMISSION OFFICERS.

Section 1. Officers of the Board for the fiscal year:

- **A.** Commissioner, Ben Sheppard, Pos. 1
- **B.** President, Heather Gehring, Pos. 2
- **C.** Treasurer, Kathryn Thomas, Pos. 3
- **D.** Secretary, Kristi Chapman, Pos. 4
- **E.** Vice President, Tor Bieker, Pos. 5

Section 2. Committee and organizational liaisons for the year are attached in Exhibit A.

TITLE III. FINANCIAL POSITIONS.

Section 1. Auditor. The auditor for the fiscal year is Clear Trails CPAs, 2850 SW Cedar Hills Blvd #2074, Beaverton, Oregon 97005.

Section 2. Municipal Financial Advisor. The Municipal Financial Advisor for the fiscal year is PFM Financial Advisor, LLC, 650 NE Holladay Street, Suite 1600, Portland, Ore. 97232.

Section 3. Budget Officer. The Budget Officer for the fiscal year is the Executive Director.

Section 4. Custodian of Funds. The Custodian of Funds for the fiscal year is the Commission

Treasurer, Executive Director and Finance Director.

TITLE IV. FINANCIAL AUTHORITIES.

Section 1. Procurement Authority. The Executive Director has full power and authority to conduct intermediate and small solicitations in accordance with the Port Contracting Rules without Board approval. The Executive Director shall receive Board approval of all formal procurement documents required in connection with all formal solicitations conducted in accordance with the Port Contracting Rules.

Section 2. Public Contracting Authority. The Executive Director has full power and authority to execute contracts for goods, services, personal services, construction-related personal services, and public improvements, as those terms are defined in the Port Contracting Rules, with an estimated value of equal to or less than $25,000 without Board approval. For clarity's sake, The Board shall approve all such contracts with an estimated value of greater than $25,000. The finance department shall have full authority to procure budgeted vehicle purchases.

Section 3. Change Orders and Amendments. The Board shall approve all change orders and amendments to contracts for goods, services, personal services, construction-related personal services, and public improvements, regardless of value.

Section 4. Surplus Property Disposal. The Executive Director has full power and authority to dispose of all surplus property with an estimated value of equal to or less than $20,000 without Board approval, provided the disposal is conducted in accordance with the Port Contracting Rules. For clarity's sake, The Board shall approve all such surplus property disposals with an estimated value of greater than $20,000.

Section 5. Lease Authority. The Executive Director has full power and authority to seek, negotiate, and execute all leases of real property owned by the Port valued at less than $75,000 per year without Board approval. For clarity's sake, The Board shall approve all leases valued at equal to or greater than $75,000 per year and all lease amendments. Executive Director has full power and authority to execute renewal extensions per the terms of the fully executed lease without Board approval.

Section 6. Loans. The Board must approve all loans received or administered by the Port prior to execution of a loan agreement.

Section 7. Grants. All grant agreements requiring matching funds are to be brought before the Commission for review, approval, and execution by the Executive Director, unless the Commission designates an alternate signatory. Grants may be applied for without board approval, for timing reasons, but details will be provided to the Commission at the next available regular meeting.

Section 8. Custodian of Other Funds. The Custodian of Other Funds provided to the Port from the State or Federal level, whether through loans or grants, and authority to apply for, receive, and extend the same rests with the Commission Treasurer and Finance Director.

Section 9. Surplus Funds Investment Authority. The Investment Authority for Surplus Funds is the Custodian of other Funds.

Section 10. Expenditures.

A. Authorized Signors. The following individuals are authorized to sign checks on behalf of the Port:
    a. Commission President
    b. Commission Treasurer
    c. Executive Director
    d. Finance Director
B. The Finance Director is authorized to sign for and manage the Port's purchasing card/credit card program with Umpqua Bank.

Section 11. Revenue Facilities.

A. Umpqua Bank (Hood River, Ore. Branch): Business checking account and money market fund.
B. Investment Pool: Local Government Investment Pool (LGIP) for the State of Oregon: To invest surplus funds.
C. Hood River County Treasurer: To receive property taxes imposed by Hood River County for disbursement to the Port of Hood River.
D. Piper Sandler & Co. and Stifel Investments as safekeeping investment companies for investments allowed under Oregon law.

TITLE V. LEGAL/PUBLIC NOTICE DESIGNATIONS (ORS 192.640).

Section 1. Commission Meeting Notice Posting Sites. Commission meeting notice and posting sites are the Port's website (www.portofhoodriver.com) and notice boards in main office.

Section 2. Newspaper of Record.

A. The newspaper of record is *Columbia Gorge News*.
B. For legal notices required for public improvement contracts valued over $125,000, and for all other public contracts valued over $250,000, the Port shall publish notice in the Daily Journal of Commerce as the trade newspaper of general statewide circulation.
C. The Port may also publish notice on the state of Oregon, Department of Administrative Services procurement website portal (currently, OregonBuys), as it sees fit.

Section 3. Commission Meeting Location. The commission meeting location is 1000 E. Port Marina Way, Hood River, Ore.

Section 4. Commission Meeting Day and Time. The Commission meets on the third Tuesday of each month at 5:00pm.

Section 5. Meeting minutes. Meeting minutes will be prepared and retained by staff and presented to the Board for review prior to the next board meeting where they will be subject to approval by the Board on the consent agenda.

TITLE VI. OTHER ADMINISTRATIVE PROVISIONS.

Section 1. Election Officer. The Election Officer for the fiscal year is the Executive Assistant.

Section 2. Filing of Bonds. Executive Director files bonds.

Section 3. Legal Counsel. Tommy Brooks, Cable Huston LLP, Suite 1500, 1455 SW Broadway, Portland, Ore. 97201, is legal counsel for the fiscal year.

Section 4. Health Insurance Agent of Record. Health insurance agent of record is Olson Insurance Group, 115 McNary Estates Dr. N, Suite A, Keizer, Ore. 97303 for the fiscal year.

Section 5. General Liability Insurance Agent of Record. The general liability insurance agent of record is Scott Reynier, Columbia Insurance Group, Hood River, Ore for the fiscal year.

Section 6. Registered Agent (ORS 198.340). The registered agent for the fiscal year is the Executive Director.

Section 7. Registered Office. The registered office is 1000 E Port Marina Dr, Hood River, Ore. 97031.

Section 8. Purchasing Manager. The purchasing manager is the Executive Director**.**

Section 9. Clerk of the Board. The Clerk of the Board for the fiscal year is the Executive Assistant**.**

Section 10. Airport Engineer of Record. The airport engineer of record for the fiscal year is Precision Approach Engineering, 5125 SW Hout Street, Corvalis, Ore. 97333.

Section 11. Structural Bridge Engineer of Record. The structural bridge engineer of record for the fiscal year is HDR Engineering, Inc. 1050 SW 6th Ave Suite 1800, Portland, Ore. 97204.

Section 12. Electrical/Mechanical Bridge Engineer of Record. The electrical/mechanical bridge engineer of record for the fiscal year is Wiss, Janney, Elstner Associates, INC., 800 Hyde Park, Doylestown, PA 18902.

Section 13. Equal Opportunity Employer. The Port of Hood River is an equal opportunity employer.

TITLE VII. MISCELLANEOUS

Section 1. Repeal. Res. No. 2025-26-1 is hereby repealed and this Resolution fully and entirely replaces it.

Section 2. Severability. If any provision, section, phrase, or word of this resolution or its application to any circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

Section 3. Codify. Staff is directed to organize these rules and potential future amendments to these rules into a generally accepted professional format for public use and viewing.

Section 4. Recitals. The recitals of this resolution are incorporated herein by reference and adopted as findings in support of this resolution.

Section 5. Scrivener's Errors. A scrivener's error in any portion of this resolution may be corrected by the Executive Director during codification.

Section 6. Effective Date. The effective date of the Resolution is the date upon which it is adopted.

Adopted by the Board of Commissioners of the Port of Hood River on this 21st day of July, 2026.

SIGNED	**ATTEST**
____	____
Heather Gehring, President	Kristi Chapman, Secretary

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Commission Memo

Prepared by: Jeff Renard, Airport Manager
Date: July 21, 2026
Re: Gallant Change Order on T-hangar Project

BACKGROUND

The Port is party to a construction contract with Gallant Construction, Inc. for the New T-Hangar, Turf Taxilane and Site Improvements project at Ken Jernstedt Airfield (AIP No. 3-41-0026-020-2025 – Taxilane; IIJA No. 3-41-0026-021-2025 – T-Hangar). The original contract sum was $1,895,563.58, with a completion date of July 31, 2026. Staff is presenting Contract Change Order No. 1 for the Board's consideration at the July 21, 2026 meeting.

REASON FOR CHANGE ORDER

Change Order No. 1 addresses two items of unforeseen work that arose after the irrigation and utility plans were finalized. Both items were reviewed by the project engineer, Precision Approach Engineering, Inc., and are reflected on Sheet 28 (Irrigation Plan, Change Order No. 1 Notes).

1. Irrigation Mainline Extension (Base Bid Schedule B). The local water district does not allow domestic water service to be used for irrigation purposes. As a result, a new irrigation mainline is required, running approximately 820 linear feet of 2-inch Schedule 80 PVC pipe with tracer wire from the nearest available irrigation tie-in point, near the intersection of Airport Dr. and Tucker Rd., to the project's irrigation valve box. This item adds $23,331.03 to the contract. It is partially offset by a $218.59 credit for an owner-supplied irrigation controller, for a net increase of $23,112.44 to Base Bid Schedule B.

2. Water Meter Location Change (Additive Bid Schedule C). The location of the water district's line and the corresponding new water meter differs from what was anticipated in the original design. The original plan assumed approximately 110 linear feet of water line from the meter to the hangar building; the revised meter location requires approximately 124 additional linear feet, for a total of approximately 234 linear feet. This item adds $6,376.70 to the contract under Additive Bid Schedule C, which covers non-AIP/IIJA eligible utility improvements.

FINANCIAL AND SCHEDULE IMPACT

Original Contract Amount		$1,895,563.58
Previous Change Order Total		$0.00
CO#1 – Irrigation Mainline Extension (net)	$23,112.44	
CO#1 – Water Meter Location Change	$6,376.70	
Change Order No. 1 Total		$29,489.14
Revised Contract Total		**$1,925,052.72**

The Change Order also extends the contract completion date by 3 calendar days, from July 31, 2026 to August 3, 2026, to account for the additional trenching, piping, and inspection work.

FEDERAL PARTICIPATION

Per FAA policy, approval of this Change Order will be provided separately from the change order document. This work was discussed with FAA Seattle ADO 4S2 Project Manager Chelsea Branchcomb during the June 10, 2026 project meeting. Federal participation remains subject to availability of federal funds and FAA eligibility determination; the Port may not seek AIP reimbursement for change order items until the FAA has approved participation. Oregon State Aeronautics concurrence is not applicable to this Change Order.

RECOMMENDATION:

MOTION to approve Contract Change Order No. 1 with Gallant Construction in an amount not to exceed $29,490 and the associated three calendar day extension of the contract completion date to August 3, 2026.

ATTACHMENTS:

Contract Change Order No. 1

CONTRACT CHANGE ORDER NO. 1

AIRPORT:	KEN JERNSTEDT AIRFIELD - PORT OF HOOD RIVER
LOCATION:	HOOD RIVER, OREGON
PROJECT NAME:	NEW T-HANGAR, TURF TAXILANE AND SITE IMPROVEMENTS
PROJECT NO:	AIP: 3-41-0026-020-2025 (TAXILANE) IIJA: 3-41-0026-021-2025 (T-HANGAR)
CONTRACTOR:	GALLANT CONSTRUCTION, INC.
DATE:	June 24, 2026

You are requested to perform the following described work upon receipt of an approved copy of this document or as described by the Engineer.

BASE BID SCHEDULE B (AIP 020-2025) New Turf Taxilane

Change Order Item #	Description	Unit	Unit Price	Quantity	Amount
CO1-1-B-23	Irrigation Supply Line Modifications	LS	$ 23,331.03	1	$ 23,331.03
CO1-2-B-23	Owner-Supplied Irrigation Controller	LS	$ (218.59)	1	$ (218.59)
					$ -
Base Bid Schedule B: Change Order Subtotal					$ 23,112.44
Previous Base Bid Schedule B: Change Order(s) Total					$ -
Base Bid Schedule B: Original Contract Amount					$ 376,489.40
Base Bid Schedule B: Revised Contract Total					**$ 399,601.84**

ADDITIVE BID SCHEDULE C (Non-AIP or IIJA) Utility Improvement

Change Order Item #	Description	Unit	Unit Price	Quantity	Amount
CO1-1-C-1	Hangar Water Connection Modifications	LS	$ 6,376.70	1	$ 6,376.70
					$ -
Base Bid Schedule C: Change Order Subtotal					$ 6,376.70
Previous Base Bid Schedule C: Change Order(s) Total					$ -
Base Bid Schedule C: Original Contract Amount					$ 6,160.00
Base Bid Schedule C: Revised Contract Total					**$ 12,536.70**

This Change Order Total	**$ 29,489.14**
Previous Change Order(s) Total	$ -
Original Contract Amount	$ 1,895,563.58
Revised Contract Total	**$ 1,925,052.72**

The time provided for completion of the contract is increased by 3 calendar days.

This document shall become an amendment to the contract and all provisions of the contract will apply.

ORIGINAL CONTRACT COMPLETION DATE: July 31, 2026

REVISED CONTRACT COMPLETION DATE: August 3, 2026

Recommended by: Digitally signed by Tracy L May, PE Date: 2026.06.26 07:05:06-07'00' Date: 6/26/26
Engineer

Approved by: Josh Shroyer Date: 6/26/26
Contractor

Accepted by: Date:
Owner

Concurred by: N/A Date: N/A
State Aeronautics (if applicable)

NOTE:

Federal Aviation Administration Approval - Per FAA policy, approval will be provided separately from this form. This Change Order work was discussed during a 6/10/2026 project meeting with FAA Seattle ADO 4S2 PM Chelsea Branchcomb.

Federal participation is subject to the availability of federal funds, and eligibility and justification. Sponsors may not request reimbursement under the AIP for any Change Order work items unless FAA has approved AIP participation for the Change Order work items. The sponsor may need to coordinate State Aeronautics concurrence when state participation is anticipated.

CONTRACT CHANGE ORDER NO. 1
(Continued)

AIRPORT:	KEN JERNSTEDT AIRFIELD - PORT OF HOOD RIVER
LOCATION:	HOOD RIVER, OREGON
PROJECT NAME:	NEW T-HANGAR, TURF TAXILANE AND SITE IMPROVEMENTS
PROJECT NO:	AIP: 3-41-0026-020-2025 (TAXILANE)IIJA: 3-41-0026-021-2025 (T-HANGAR)
CONTRACTOR:	GALLANT CONSTRUCTION, INC.
DATE:	June 24, 2026

JUSTIFICATION FOR CHANGE

1. ***Brief description of the proposed contract change(s) and location(s).***

CO1-1-B-23: Installation of additional water supply line (approx. 820') to provide irrigation district water to the project site.

CO1-2-B-23: Owner supplied irrigation controller (new), cost includes the new controller and cost of shipping to the project site.

CO1-1-C-1: Installation of additional water supply line for the potable water connection to the new hangar (approx. 124').

2. ***Reason(s) for the change(s).***

CO1-1-B-23: Additional irrigation supply line is required to bring water to the project site for turf taxilane irrigation.

The end of the irrigation line differs from what was originally shown on the Project Drawings. After construction started it was determined that the existing water adjacent to the project site was not available for irrigation purposes (potable water only due to multiple water districts present at the airport). The closest water available for irrigation purposes was located approximately 820 feet away at the intersection of Tucker Rd. and Airport Rd. directly west of the project site. Therefore, an additional 820 feet of additional waterline installation was required to complete this item.

CO1-2-B-23: The Owner was able to furnish an irrigation controller that met project specifications. This item credits back the cost to the project.

CO1-1-C-1: There are multiple water districts suppling water to the airport. One provides irrigation water, and a separate district provides potable water. It was determined during construction that the water district providing potable water to the airport (needed for the new water connection to the hangar) is located approximately 124'

3. ***Sponsor's statement for justification of costs.***

CO1-1-B-23: The contractors costs has been reviewed and determined to be reasonable. The proposed material, labor, equipment, and markup costs are consistent with current industry standards and are considered acceptable for the scope of work provided.

CO1-2-B-23: Cost credit tot he project represents actual cost of the controller plus shipping costs to the project.

CO1-1-C-1: The contractors costs has been reviewed and determined to be reasonable. The proposed material, labor, equipment, and markup costs are consistent with current industry standards and are considered acceptable for the scope of work provided.

4. ***The sponsor's share of this cost is available from:***

Own funds.

CONTRACT CHANGE ORDER NO. 1
(Continued)

AIRPORT: KEN JERNSTEDT AIRFIELD - PORT OF HOOD RIVER

LOCATION: HOOD RIVER, OREGON

PROJECT NAME: NEW T-HANGAR, TURF TAXILANE AND SITE IMPROVEMENTS

PROJECT NO: AIP: 3-41-0026-020-2025 (TAXILANE)IIJA: 3-41-0026-021-2025 (T-HANGAR)

CONTRACTOR: GALLANT CONSTRUCTION, INC.

DATE: June 24, 2026

JUSTIFICATION FOR CHANGE

5. If this is a supplemental agreement involving more than $2,000, is the cost estimate based on the latest wage rate decision?

__✓_ Yes
____ No
____ N/A

6. Has consent of surety been obtained?

__✓_ Yes
____ No
____ N/A

7. Will this change affect the insurance coverage?

_✓_ Yes
____ No

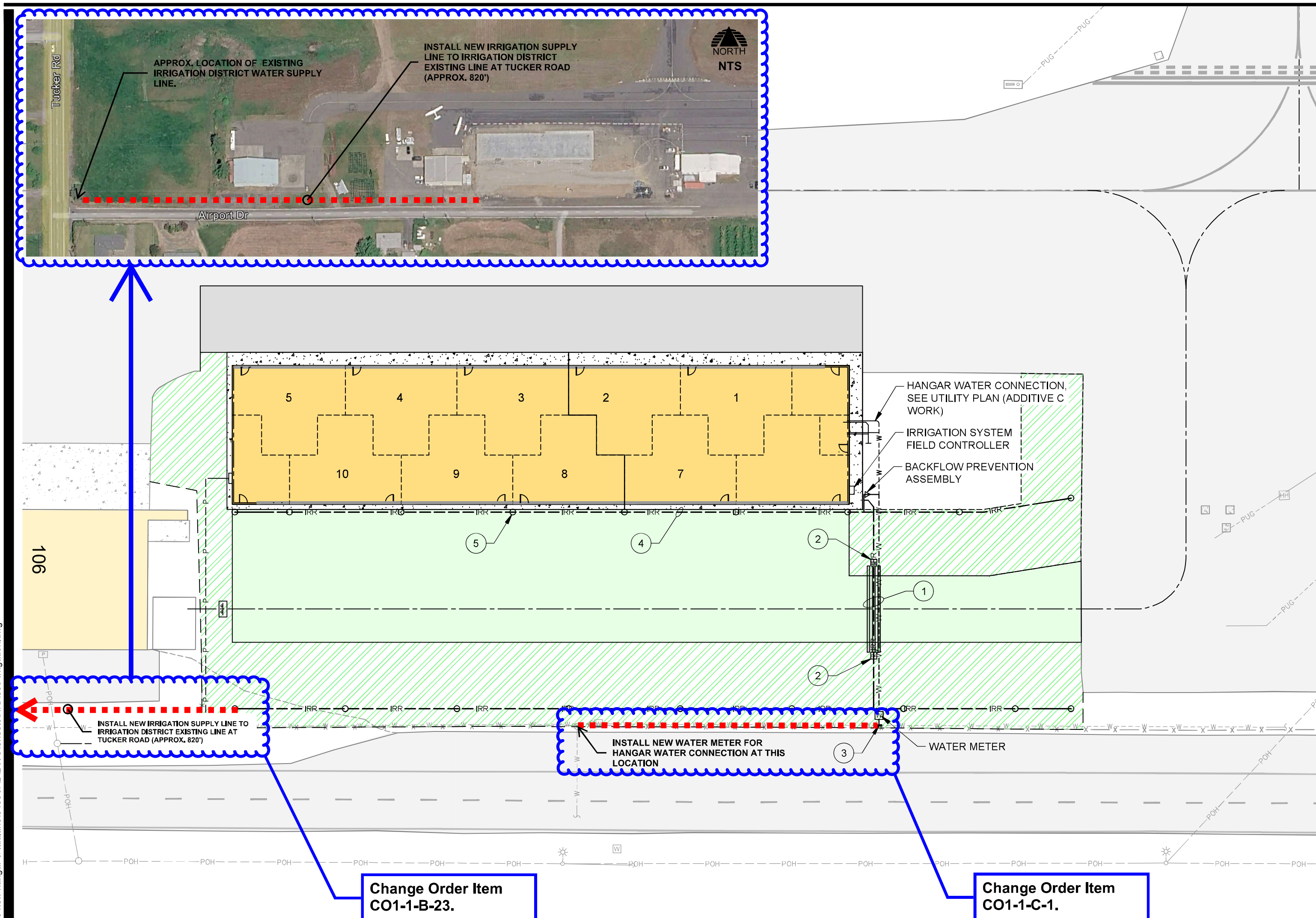
8. If yes, will the policies be extended?

__✓_ Yes
____ No
____ N/A

9. Has this Change Order been discussed with FAA officials?

_✓_ Yes When: 6/10/26
____ No With Whom: Seattle ADO DLS PM Chelsea Branchcomb

Comments:



NORTH

0 10 20 40
SCALE IN FEET

LEGEND

- NEW TURF TAXILANE TO BE IRRIGATED, SEE NOTE 5
- NEW TURF PARKING AREA TO BE IRRIGATED, SEE NOTE 5
- (1) 3 - 6" SCH 80 PVC PIPES, SEE UTILITY PLAN
- (2) SPARE CONDUIT MARKER, SEE UTILITY PLAN
- (3) PROVIDE WATER SERVICE TO MAINLINE, MEETING LOCAL SERVICE PROVIDER STANDARDS, WATER SERVICE INCIDENTAL TO IRRIGATION SYSTEM BID ITEM
- (4) INSTALL SCH 40 PVC IRRIGATION LINE MEETING LOCAL STANDARDS AND REQUIREMENTS
- (5) SPRINKLER HEAD 4" POP-UP WITH FACTORY INSTALLED CHECK VALVE, PRESSURE REGULATED TO 40 PSI, ROTATOR NOZZLE, SEE NOTES 1 AND 2

NOTES

1. SPRINKLER HEAD LOCATIONS MAY BE ADJUSTED TO ACHIEVE HEAD-TO-HEAD COVERAGE AND MINIMIZE OVER SPRAY. SPRINKLER HEADS MUST NOT BE LOCATED WITHIN AIRCRAFT WHEEL PATHS. VERIFY SPRINKLER HEAD LOCATIONS WITH RPR.
2. THE LANDSCAPE IRRIGATION SYSTEM SHALL NOT DIRECT WATER ONTO BUILDING EXTERIOR SURFACES, FOUNDATIONS OR EXTERIOR PAVED SURFACES. SYSTEMS SHALL NOT GENERATE RUNOFF.
3. CONTRACTOR TO COORDINATE POWER TO IRRIGATION CONTROLLER WITH ELECTRICAL CONTRACTOR.
4. IRRIGATION SYSTEM CONTROLLER SHALL BE MOUNTED AT MANUFACTURER'S RECOMMENDED HEIGHT AND ENCLOSED IN LOCKABLE, WEATHERPROOF BOX.
5. IN TURF TAXILANE AND TURF SITE GRADING AREAS THE CONTRACTOR MUST ESTABLISH A GOOD STAND OF GRASS OF UNIFORM COLOR AND DENSITY TO THE SATISFACTION OF THE RPR PRIOR TO BUILDING OCCUPANCY. A GRASS STAND SHALL BE CONSIDERED ADEQUATE WHEN BARE SPOTS ARE ONE SQUARE FOOT OR LESS, RANDOMLY DISPERSED, AND DO NOT EXCEED 3% OF THE TURF AREA.

PRINT IN COLOR
THIS DRAWING IS INTENDED TO BE PRINTED IN COLOR. PRINTING IN BLACK AND WHITE MAY REDUCE READABILITY AND ALTER ENTITY DEFINITION OR REPRESENTATION.

PRECISION APPROACH ENGINEERING
5125 Southwest Hout Street
Corvallis, OR 97333
541•754•0043

REVISIONS: DATE APPD.

DATE:	MAY 2025
DESIGN:	KJK
DRAWN:	JAW
CHECKED:	TLM
REVISION NUMBER:	0
SCALE: AS SHOWN	

HOOD RIVER - KEN JERNSTEDT AIRFIELD - 4S2
NEW T-HANGAR, TURF TAXILANE AND SITE IMPROVEMENTS

IRRIGATION PLAN
CHANGE ORDER NO. 1 NOTES
PRECISION APPROACH ENGINEERING, INC.
AIP NO. 3-41-0026-020-2025 AND IIJA NO. 3-41-0026-021-2025

PROJECT NUMBER: HRX005
SHEET NO. 28 OF 28

05/21/25 - 4:38pm - jwade - P:\H\hrx005 new hangar & taxilane\0400CAD\DWG\Sheets\HRX005-Irrigation.dwg

KEN JERNSTEDT AIRFIELD - PORT OF HOOD RIVER
NEW T-HANGAR, TURF TAXILANE AND SITE IMPROVEMENTS

Change Order 1 – Irrigation Mainline Installation

This change order includes extending the irrigation mainline to the building site from Tucker Rd.

The nearest available irrigation water tie-in point is located near the intersection of Airport Dr. and Tucker Rd. Because the water district does not allow the use of domestic water for irrigation purposes, a new irrigation mainline is required from the existing tie-in location to the proposed irrigation valve box within the project area, a distance of approximately 820 linear feet.

Scope of Work:
Provide all labor, equipment, and materials necessary to install approximately 820 LF of 2-inch Schedule 80 PVC irrigation mainline with blue tracer wire from the existing utility connection near the intersection of Airport Dr. and Tucker Rd. to the proposed project irrigation valve box location.

Work includes:

- Saw cutting and removal of existing asphalt as required for trenching operations.
- Digging and backfill of irrigation trench.
- Installation of irrigation plumbing
- Areas of asphalt removal to be removed to be replaced with rock repurposed from the building site.

Total Change Order Amount: $23,112.44

Based on an approximate installation length of 820 LF, the unit cost equates to approximately $28.19 per linear foot.

CCB License #: 202513
PO Box 181
Banks, OR 97106
Office: 503-773-5077
gogallant.com

Change Order 1 - Irrigation Mainline Install

Customer:	Port of Hood River	**Date:**	5/18/2026
Project:	Ken Jernstedt Airfield	**Contact:**	Jeff Renard
Address:	3608 Airport Drive, Hood River, OR 97031	**Phone**	(541) 288-6766

Materials Description	Quantity	Unit	Unit Price	Subtotal	Mark Up	Total Amount
(M) 2" Schedule 80 PVC and Accessories	820	LF	$ 3.50	$ 2,870.00	$ 287.00	$ 3,157.00
(M) Double Check Valve and Associated Piping **(Credit)**	-1	Lsum	$ 556.85	$ (556.85)	$ (55.69)	$ (612.54)
(M) Owner-supplied Irrigation Controller including S&H **(Credit)**	-1	Lsum	$ 198.72	$ (198.72)	$ (19.87)	$ (218.59)

Included as Change Order Item # CO1-2-B-23

Labor Description	Quantity	Unit	Unit Price	Subtotal	Mark Up	Total Amount
(L) PM Site Visit and Coordination	8	Hour	$ 105.00	$ 840.00	$ 84.00	$ 924.00
(L) Excavation Laborer	30	Hour	$ 58.41	$ 1,752.30	$ 175.23	$ 1,927.53
(L) Site Supervisor	40	Hour	$ 96.00	$ 3,840.00	$ 384.00	$ 4,224.00
(L) Excavator Operator	30	Hour	$ 74.46	$ 2,233.80	$ 223.38	$ 2,457.18
(L) Dump Truck Driver	8	Hour	$ 50.67	$ 405.36	$ 40.54	$ 445.90

Equipment Description	Quantity	Unit	Unit Price	Subtotal	Mark Up	Total Amount
(E) Excavator	30	Hour	$ 95.01	$ 2,850.30	$ 285.03	$ 3,135.33
(E) Vibratory Rammer Compactor	20	Hour	$ 15.52	$ 310.40	$ 31.04	$ 341.44
(E) Dump Truck	8	Hour	$ 122.94	$ 983.52	$ 98.35	$ 1,081.87

Other Description	Quantity	Unit	Unit Price	Subtotal	Mark Up	Total Amount
Mobilization	1	Lsum	$ 1,500.00	$ 1,500.00	$ 150.00	$ 1,650.00
Driveway section grading/compaction	1	Lsum	$ 967.40	$ 967.40	$ 96.74	$ 1,064.14
Utility potholing	10	Hour	$ 227.88	$ 2,278.80	$ 227.88	$ 2,506.68
AC saw cutting	1	Lsum	$ 560.00	$ 560.00	$ 56.00	$ 616.00
Bond	1	Lsum	$ 375.00	$ 375.00	$ 37.50	$ 412.50
Change Order Total:						**$ 23,112.44**

The Original Contract Sum was:	$1,895,563.58
Net Change by previously authorized Change Order:	$0.00
The Contract Sum prior to this Change Order was:	$1,895,563.58
The Contract Sum will be increased by this Change Order in the amount of:	$23,112.44 + $218.59 = $23,331.03
The new Contract Sum Including this Change Order will be:	$1,918,676.02
The Contract Time will be increased by the following amount of calendar days:	2

Contractor

By (Signature)

Josh Shroyer
Print Name

President
Title Date

Customer

By (Signature)

Print Name

Title Date

CCB License #: 202513
PO Box 181
Banks, OR 97106
Office: 503-773-5077
gogallant.com

Change Order 2 - Water meter location change

Customer:	Port of Hood River	**Date:**	5/29/2026
Project:	Ken Jernstedt Airfield	**Contact:**	Jeff Renard
Address:	3608 Airport Drive, Hood River, OR	**Phone**	(541) 288-6766

	Due to the location of the end of the water district's line and the corresponding new water meter, additional length is required to bring water service to the building site. The original plan anticipated approximately 110 LF of water line from the meter to the building; however, with the revised meter location, an additional approximate 124 LF is required, bringing the total water line length to approximately 234 LF. Based on the original cost of $6,160.00 for the initial 110 LF, less $1,017.50 allocated for connections at building and water meter, the remaining unit cost for pipe installation is approximately $46.75 per LF. **The additional 124 LF of water line results in an added cost of $5,797.00**	$ 5,797.00
	Subtotal:	**$ 5,797.00**
	Overhead/Profit:	**$ 579.70**
	Change Order Total:	**$ 6,376.70**

The Original Contract Sum was:	$1,895,563.58
Net Change by previously authorized Change Order:	$23,112.44
The Contract Sum prior to this Change Order was:	$1,918,676.02
The Contract Sum will be increased by this Change Order in the amount of:	$6,376.70
The new Contract Sum Including this Change Order will be:	$1,925,052.72
The Contract Time will be increased by the following amount of calendar days:	~~2~~ 1

Contractor

By (Signature)

Josh Shroyer
Print Name

President 6/2/2025
Title Date

Customer

By (Signature)

Print Name

Title Date

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Commission Memo

Prepared by: Jeff Renard, Airport Manager
Date: July 21, 2026
Re: Resolution Modifying Airport Advisory Committee (AAC)

PURPOSE

The purpose of this memorandum is to:

1. Present Airport Management's recommendations for appointments to four expiring Airport Advisory Committee (AAC) positions; and
2. Request Commission consideration of a proposed amendment to Resolution No. 2025-26-16 regarding future membership criteria for appointed AAC members.

These are separate policy questions. The Commission may choose to act on either, both, or neither recommendation.

BACKGROUND

On February 17, 2026, the Board adopted Resolution No. 2025-26-16, formally codifying the Airport Advisory Committee pursuant to the Port's By-Laws. The Resolution established the AAC as a permanent advisory committee consisting of:

- Seven appointed voting members serving staggered four-year terms;
- Two permanent voting members representing WAAAM and the Fixed Base Operator (FBO); and
- Two non-voting Port Commissioner liaisons.

Resolution No. 2025-26-16 built upon Resolution No. 2024-25-2, adopted on August 20, 2024, which established staggered four-year terms and authorized appointment of non-electors of the district when no qualified electors are willing to serve.

Terms for Positions 1, 3, 5, and 7 expired on June 30, 2026. Five applications were received for the four vacancies:

- Dave Koebel (incumbent)
- Margo Dameier (incumbent)
- Doug Knight (incumbent)
- Tad McGeer (incumbent)
- Dustin Morantes (new applicant)

DISCUSSION

Resolution No. 2025-26-16 presently establishes appointment procedures and eligibility but does not identify the desired experience or qualifications of appointed AAC members beyond residency eligibility.

As Airport Management has continued to work with the Committee, a policy question has emerged regarding the intended role of the AAC.

One approach is to continue the current structure, allowing the Commission broad discretion to appoint individuals with a variety of backgrounds and perspectives.

An alternative approach is to emphasize aviation experience by establishing, as Commission policy, that appointed AAC members should generally possess direct knowledge or involvement in aviation operations, airport businesses, flight instruction, aircraft ownership, or other aeronautical activities. Airport Management believes such experience may enhance the Committee's ability to provide technically informed recommendations regarding airport operations, safety, planning, and development.

Should the Commission desire broader participation by neighboring property owners or other interested community members, it may also wish to consider establishing a separate advisory committee or other public engagement process dedicated to community issues. Such a committee would require separate Commission action under the Port By-Laws.

AIRPORT MANAGEMENT RECOMMENDATION

If the Commission elects to adopt aviation involvement as a guiding criterion for future appointed AAC positions, Airport Management recommends the following appointments:

- Position 1: Dave Koebel (reappointment)
- Position 3: Dustin Morantes
- Position 5: Doug Knight (reappointment)
- Position 7: Tad McGeer (reappointment)

Airport Management recognizes and appreciates Ms. Dameier's years of service on the AAC and believes her continued interest in airport issues would be valuable through future public participation opportunities or any community advisory process the Commission may establish. Applicant Morantes has an extensive aeronautical background that would helpful with the AAC. All five applications are included with this report.

Alternatively, if the Commission elects to retain the current membership criteria under Resolution No. 2025-26-16, it may make appointments from the applicant pool using its existing discretion.

PROPOSED RESOLUTION AMENDMENT

Airport Management has attached a draft amendment to Resolution No. 2025-26-16 for the Commission's consideration. The proposed amendment would establish aviation-community involvement as the preferred criterion for future appointed AAC positions while leaving all other provisions of the Resolution unchanged.

FISCAL IMPACT

There is no direct fiscal impact associated with the proposed amendment. If the Commission later elects to establish a separate community advisory committee, any associated administrative costs would be addressed at that time.

RECOMMENDATION

MOTION to adopt a resolution modifying rules of the Airport Advisory Committee.

ATTACHMENTS:

Resolution No. 2026-27-3
AAC Membership Applications

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PORT OF HOOD RIVER
Resolution No. 2026-27-3

A RESOLUTION MODIFYING THE AIRPORT ADVISORY COMMITTEE (AAC)

WHEREAS, the By-Laws for the Port of Hood River Board of Commissioners were adopted on May 20, 2025, via Ordinance No. 28 and went into effect 30 days later; AND

WHEREAS, the By-Laws authorize the Board of Commissioners to establish committees to assist the Commission in carrying out its duties (By-Laws, Section 4(G)); and

WHEREAS, the Commission last modified the rules of the Airport Advisory Committee ("AAC") via Res. No. 2025-26-16 on February 17, 2026; and

WHEREAS, the contract Airport Manager is recommending adjustments to the AAC rules; NOW THEREFORE

THE PORT OF HOOD RIVER BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Membership and quorum requirements.

A. There shall be nine voting members on the AAC
B. Appointed Positions:
   1. Position 1. Dave Koebel, through June 30, 2030
   2. Position 2. Ken Musser, through June 30, 2028
   3. Position 3. Dustin Morantes, through June 30, 2030
   4. Position 4. Andreas von Flotow, through June 30, 2028
   5. Position 5. Doug Knight, through June 30, 2030
   6. Position 6. Matt Swihart, through June 30, 2028
   7. Position 7. Tad McGeer, through June 30, 2030
C. Permanent Positions:
   1. Western Antique Aeroplane & Automobile Museum (WAAAM)
   2. Fixed Base Operator (FBO)
D. Liaisons: Two Port Commissioners serve as non-voting liaisons to the AAC.
E. Future members may be appointed by majority vote of the Commission during an open meeting and not necessarily by resolution.

Section 2. Appointing Requirements.

A. Recruitment process can be found in the Port By-laws Section 4(G)(4).
B. Permanent positions are appointed by WAAAM and the FBO and ratified by the Port Commission as part of the annual business resolution each July.
C. Commissioner liaisons will be appointed as part of the annual business resolution each July.

Section 3. Criteria for Membership.

A. Appointed and Permanent positions may include non-electors of the district.
B. AAC membership should be filled by individuals who are directly involved in the aviation community – pilots, aircraft owners, aviation businesses, flight instruction, or other aeronautical users of the airfield – so that the Committee's advice to the Commission reflects working knowledge of airport operations, safety, and the needs of the aviation tenants and users it serves.

Section 4. Meeting Frequency. The AAC meets not less than once a quarter based upon the availability of members, or as otherwise determined by the Airport Manager. Meetings shall be noticed following public meeting rules.

Section 5. Staff person assignment. The Port's Airport Manager shall serve as the staff liaison to the AAC and shall provide administrative, technical, and procedural support of the committee. The Port's Director of Real Estate & Asset Management (or similar) is the alternate staff liaison.

Section 6. Length of membership terms. Positions on the AAC are for four years; Permanent positions have no term limitations; Liaisons are appointed annually.

Section 7. Committee category: Permanent.

Section 8. Purpose, scope and authority. The purpose of the AAC is to provide advisory input to Port staff and the Port Commission on matters related to airport planning, development, operations, policies, and community interface. The AAC serves in a recommendatory capacity only and has no independent decision-making authority. All final decisions remain with the Port Commission.

Section 9. Budget for carrying out purpose. Staff/contractor time and printed materials.

Section 10. Acknowledgement of budgetary impacts to the port. The AAC may propose policy considerations to the full Commission that will need budget authority. Potential projects and initiatives will be shared by staff with the Commission for formal budget and procurement authorities.

Adopted by the Board of Commissioners of the Port of Hood River on this 21st day of July 2026.

SIGNED	**ATTEST**
____	____
Heather Gehring, President	Kristi Chapman, Secretary

Port of
HOOD RIVER

Airport Advisory Committee (AAC) Application

Thank you for your interest in serving on the Airport Advisory Committee (AAC). The AAC advises the Port Commission on airport-related matters including airport planning, development, operations, and community interests associated with the Ken Jernstedt Airfield. Please complete this application and return it to the Port of Hood River.

Full Name: DAVID KOEBEL Date: 6/17/26

Mailing Address: [redacted]

Phone Number: [redacted] Email Address: [redacted]

---

1. Applicants must be registered voters residing within the Port District. Are you a registered voter residing within the Port District? ☒ Yes ☐ No

2. Do you currently use or have an interest in the airport?
   - ☒ Pilot
   - ☒ Aircraft Owner
   - ☐ Business Owner
   - ☒ Airport Tenant
   - ☐ Recreational User
   - ☒ Community Member
   - ☐ Other: ____________

3. Please describe any experience, knowledge, interests, or community involvement relevant to serving on the Airport Advisory Committee, including any service on government boards, commissions, committees, civic organizations, service organizations, or other community groups.

LOCAL PILOT 36 YRS
LOCAL FLIGHT INSTRUCTOR 20 YRS
LOCAL DPE 8 YRS
GORGE RESIDENT 40 YRS
HOOD RIVER RESIDENT 20 YRS
AAC MEMBER 6(?) YRS

4. Why are you interested in serving on the Airport Advisory Committee?

CONTINUING CONTINUITY REGARDING ALL THINGS AIRPORT IN HOOD RIVER

5. I certify that the information provided in this application is true and complete to the best of my knowledge.

Signature: ____________ Date: 6/17/26

Applications may be submitted by:

Email: info@portofhoodriver.com

Mail or In-Person:

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

For questions, please call 541-386-1645.

Port of
HOOD RIVER

Airport Advisory Committee (AAC) Application

Thank you for your interest in serving on the Airport Advisory Committee (AAC). The AAC advises the Port Commission on airport-related matters including airport planning, development, operations, and community interests associated with the Ken Jernstedt Airfield. Please complete this application and return it to the Port of Hood River.

Full Name: Doug Knight Date: 6/22/2026

Mailing Address: ______

Phone Number: [redacted] ______ Email Address: [redacted]

---

1. Applicants must be registered voters residing within the Port District. Are you a registered voter residing within the Port District? ☒ Yes ☐ No

2. Do you currently use or have an interest in the airport?
   - ☒ Pilot
   - ☒ Aircraft Owner
   - ☑ Business Owner
   - ☒ Airport Tenant
   - ☒ Recreational User
   - X☐ Community Member
   - ☐ Other: ______

3. Please describe any experience, knowledge, interests, or community involvement relevant to serving on the Airport Advisory Committee, including any service on government boards, commissions, committees, civic organizations, service organizations, or other community groups.

4. Why are you interested in serving on the Airport Advisory Committee?

5. I certify that the information provided in this application is true and complete to the best of my knowledge.

Signature: ______________________ Date: 6/22/26

Per Dougs email requesting the proxy signature.

Applications may be submitted by:

Email: info@portofhoodriver.com
Mail or In-Person:
Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031

For questions, please call 541-386-1645.

Port of
HOOD RIVER

Airport Advisory Committee (AAC) Application

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Full Name: Dustin Morantes Date: 6/23/26

Mailing Address: [redacted]

Phone Number: [redacted] Email Address: [redacted]

---

1. Applicants must be registered voters residing within the Port District. Are you a registered voter residing within the Port District? ☑ Yes ☐ No

2. Do you currently use or have an interest in the airport?
   - ☑ Pilot
   - ☑ Aircraft Owner
   - ☐ Business Owner
   - ☑ Airport Tenant
   - ☐ Recreational User
   - ☑ Community Member
   - ☐ Other: ____________

3. Please describe any experience, knowledge, interests, or community involvement relevant to serving on the Airport Advisory Committee, including any service on government boards, commissions, committees, civic organizations, service organizations, or other community groups.

25+ years in aviation. USAF, maintenance & flight operations. 14+ years with Life Flight Network. DLS hanger tennant from 2013-2021. Hood River hanger tennant from 2020-present. Safety Committee board member. EAA & AOPA member, WAAAM member.

4. Why are you interested in serving on the Airport Advisory Committee?

To be involved with the growth & sustainability of our airport.

5. I certify that the information provided in this application is true and complete to the best of my knowledge.

Signature: [signature] Date: 6/24/2026

Applications may be submitted by:

Email: info@portofhoodriver.com
Mail or In-Person:
Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031

For questions, please call 541-386-1645.

Port of
HOOD RIVER

Airport Advisory Committee (AAC) Application

Thank you for your interest in serving on the Airport Advisory Committee (AAC). The AAC advises the Port Commission on airport-related matters including airport planning, development, operations, and community interests associated with the Ken Jernstedt Airfield. Please complete this application and return it to the Port of Hood River.

Full Name: Margo Elaine Dameier Date: 6/21/26

Mailing Address: [redacted]

Phone Number: [redacted] Email Address: [redacted]

---

1. Applicants must be registered voters residing within the Port District. Are you a registered voter residing within the Port District? ☑ Yes ☐ No

2. Do you currently use or have an interest in the airport?
   - ☐ Pilot
   - ☐ Aircraft Owner
   - ☐ Business Owner
   - ☐ Airport Tenant
   - ☐ Recreational User
   - ☑ Community Member
   - ☐ Other: ____________________

3. Please describe any experience, knowledge, interests, or community involvement relevant to serving on the Airport Advisory Committee, including any service on government boards, commissions, committees, civic organizations, service organizations, or other community groups.

4S2 has been my neighbor since 1992. I've learned a lot by watching airport activity & asking questions. I currently serve as Vice-chair on the ATL, have been a Central Gorge Master Gardener volunteer since 2005 and am a member of the Capital Funds Campaign Committee for the Hood River Valley Adult Center.

4. Why are you interested in serving on the Airport Advisory Committee?

The airport is my neighbor. I want to help guide its growth, see it thrive and serve our community.

5. I certify that the information provided in this application is true and complete to the best of my knowledge.

Signature: Date: 6/21/26

Applications may be submitted by:

Email: info@portofhoodriver.com

Mail or In-Person:

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

For questions, please call 541-386-1645.

Port of
HOOD RIVER

Airport Advisory Committee (AAC) Application

Thank you for your interest in serving on the Airport Advisory Committee (AAC). The AAC advises the Port Commission on airport-related matters including airport planning, development, operations, and community interests associated with the Ken Jernstedt Airfield. Please complete this application and return it to the Port of Hood River.

Full Name: Tad McGeer Date: 22 Jun 26

Mailing Address: [redacted]

Phone Number: [redacted] Email Address: [redacted]

---

1. Applicants must be registered voters residing within the Port District. Are you a registered voter residing within the Port District? ☒ Yes ☐ No

2. Do you currently use or have an interest in the airport?
   - ☒ Pilot
   - ☒ Aircraft Owner
   - ☒ Business Owner
   - ☒ Airport Tenant
   - ☐ Recreational User
   - ☐ Community Member
   - ☐ Other: ______

3. Please describe any experience, knowledge, interests, or community involvement relevant to serving on the Airport Advisory Committee, including any service on government boards, commissions, committees, civic organizations, service organizations, or other community groups.

AAC member since 2024

4. Why are you interested in serving on the Airport Advisory Committee?

reasons unchanged since my service began

5. I certify that the information provided in this application is true and complete to the best of my knowledge.

Signature: ______________________ Date: 22 Jun 26

Applications may be submitted by:

Email: info@portofhoodriver.com
Mail or In-Person:
Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031

For questions, please call 541-386-1645.

Commission Memo

Prepared by:	Megan Channell, Director of Capital Development & Planning
Date:	July 21, 2026
Re:	Marina East & West RFDI - Next Steps

The Port issued a Request for Developer Interest (RFDI) for the Marina East and Marina West properties on February 19, 2026, to better understand market interest and potential redevelopment concepts for the sites.

The Port received one response by the April 23, 2026 submission deadline from CMLK Development and GBD Architects. The submittal was provided to the Commission as part of the June 16, 2026 Commission meeting materials.

Consistent with Commission direction, the interview committee consisting of Commissioner Sheppard and Commissioner Chapman, with support from Port staff, met with the respondent on June 30, 2026 to discuss the submittal and ask follow-up questions.

RECOMMENDATION: Commission discussion and direction regarding whether to authorize Port staff to proceed with the respondent as the next step to the RFDI process.

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Commission Memo

Prepared by: Amanda S. Rose, Director of Real Estate
Date: July 21, 2026
Re: DMV Lease Options

The Oregon Department of Motor Vehicles has operated from the Port's Marina West property for many years under a lease structure that has been amended multiple times over the life of the tenancy. While DMV has been a valued long-term tenant, the historical lease structure has not been financially advantageous to the Port.

Historically, Marina West has operated at a loss, with annual deficits in some years approaching or exceeding $100,000. As the Port has undertaken broader strategic planning efforts and comprehensive reviews of its real estate portfolio, staff has identified Marina East and Marina West as some of the Port's most significant long-term redevelopment opportunities.

These waterfront properties occupy a strategic location within the Port's marina district and have the potential to support future economic development initiatives, commercial redevelopment, and increased revenue generation. As a result, staff has intentionally avoided entering into another long-term lease commitment that could limit the Port's ability to redevelop these properties in the future.

With the current DMV lease expiring December 31, 2026, staff began discussions with DMV regarding a potential relocation to another Port-owned asset at 205 N. Wasco Loop.

Over the last six months, Port staff and DMV representatives have worked collaboratively to evaluate relocation opportunities, lease terms, operational requirements, and facility needs associated with moving DMV operations to the Wasco Building.

More recently, DMV submitted an alternative lease proposal that would allow them to remain at Marina West under a significantly revised lease structure. This proposal presents the Commission with two viable options for consideration.

Over the last six months, DMV and Port staff have negotiated a draft lease for relocation of DMV operations to the Wasco Building located at 205 N. Wasco Loop.

Under the proposed lease, DMV would occupy approximately 4,417 rentable square feet within the Wasco Building under an initial term extending through November 2046. The proposed lease includes approximately $441,700 in tenant improvements, which would be reimbursed through the lease payment structure over the term of the lease. The draft lease provides for annual rent escalations of 2 percent and generates approximately $102,803 in revenue during the first year of the lease. Total revenue generated during the initial term (19

Years, 11 months) is projected to exceed $2.29 million including the tenant improvement reimbursement payments.

Relocating DMV to the Wasco Building would allow the Port to preserve Marina East and Marina West for future redevelopment opportunities while continuing to retain DMV as a tenant within the Port's real estate portfolio.

A key operational requirement identified by DMV is the need for a dedicated oversized vehicle inspection area for VIN inspections.

To evaluate this requirement, the Port engaged SUM Design Studio and its engineering consultants to analyze multiple conceptual configurations for VIN inspection lanes, oversized vehicle parking stalls, circulation routes, and customer access at the Wasco properties. Several alternatives have been evaluated, including modifications to parking layouts, dedicated inspection stalls, and alternative ingress and egress configurations.

Additional engineering and design work is necessary before a final VIN inspection solution can be selected.

Relocating DMV to 205 N. Wasco Loop would also require approval of a Conditional Use Permit (CUP) from the City of Hood River. This process would be similar to the land use process undertaken by the Port for the proposed administrative office relocation to 200 N. Wasco Court.

Prior to submitting a CUP application, the Port must first determine the location and design of the required oversized VIN inspection parking stall and associated circulation improvements. Because the stall location directly impacts parking counts, traffic circulation, site access, and overall site functionality, the engineering analysis must be completed before a CUP application can be prepared and submitted.

Accordingly, completion of the VIN inspection design work is a necessary first step before the City entitlement process can begin.

While relocation discussions were ongoing, DMV submitted a new draft lease proposal for Commission consideration that would allow DMV to remain at Marina West.

Under the proposed lease, DMV would expand its existing footprint from approximately 1,200 square feet to approximately 2,400 rentable square feet and enter into a new ten-year lease beginning in 2027. The proposed lease includes annual rent escalations of 2 percent and would generate approximately $68,844 in revenue during the first lease year, with average annual revenue of approximately $72,289 per year and total lease revenue of approximately $722,887 over the initial ten-year term.

The proposal also includes DMV-funded expansion and modernization of the facility, including acquisition of adjacent space and significant tenant improvements to support current operational needs. Planned improvements include interior renovations, accessibility upgrades, customer service improvements, mechanical and electrical modifications, and expansion of public service areas.

From a financial standpoint, this lease proposal is substantially different from the historical lease structure that has contributed to Marina West operating at a loss. Based on preliminary review, the proposed lease would make Marina West financially viable and profitable for the Port for the first time in many years.

However, approval of a new ten-year lease at Marina West would likely delay or limit redevelopment opportunities for Marina East and Marina West during the lease term.

RECOMMENDATION: Staff is requesting Commission discussion and direction regarding:

1. Whether preservation of Marina East and Marina West for future redevelopment remains a Commission priority;
2. Whether staff should continue pursuing the relocation of DMV to 205 N. Wasco Loop, including completion of VIN inspection design work and eventual Conditional Use Permit applications; and
3. Whether staff should further evaluate and negotiate the newly submitted Marina West lease proposal as an alternative to relocation.

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DRAFT

STATE OF OREGON LEASE

THIS STATE OF OREGON LEASE (this "**Lease**") is made and entered into as of the ____ day of ____________, 2026 (the "**Lease Effective Date**"), by and between Landlord and Tenant (each a "**Party**" and together the "**Parties**"), as set forth below.

Pursuant to that certain Lease dated December 3, 2002, as amended on November 23, 2004, November 7, 2008, December 14, 2010, December 27, 2012, November 8, 2013, October 22, 2014, December 14, 2015, December 29, 2016, December 19, 2018, December 21, 2023 and December 22, 2025 (as so amended, the "**Existing Lease**"), Tenant has been leasing from Landlord, the Premises defined as 1,200 rentable square feet and is expanding the Premises to 2,400 rentable square feet (*as revised below*). The Existing Lease expires December 31, 2026.

The Parties acknowledge and agree that they are entering into this new Lease in order to simplify and update the documentation of their agreements concerning the Premises going forward. As of the Rental Commencement Date (as defined below), this Lease supersedes and cancels the Existing Lease in its entirety.

SECTION 1: BASIC LEASE PROVISIONS

1.1	**Landlord**	Port of Hood River, a municipal corporation of the State of Oregon
1.2	**Tenant**	The State of Oregon, acting by and through its Department of Transportation, Driver and Motor Vehicle Services Division
1.3	**Premises** Building: Street: City, State, ZIP: County: *(Section 2)*	 Port Marina Park 610 E. Port Marina Drive Hood River, Oregon 97031 Hood River
1.4	**Property Tax Lot** Map & Tax Lot No.: Tax Account No.: *(Section 2)*	 03N10E2500100 8606
1.5	**Premises Square Footage** *(Section 2)*	2,400 rsf
1.6	**Tenant's Proportionate Share** *(Section 2)*	100%
1.7	**Estimated Commencement Date** **Estimated Expiration Date** *(Section 3)*	April 1, 2027 March 31, 2037

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1.8	**Initial Term** *(Section 4)*	ten (10) years
1.9	**Monthly TI Payment** *(Section 5)*	*Intentionally Omitted*
1.10	**Amortization Information** *(Section 5)*	*Intentionally Omitted*
1.11	**Monthly Rent Table** *(Section 5)*	The Monthly Base Rent commences at $1.20/per rentable square foot, and escalates two percent (2%) every Lease Year.

Lease Year		Months	Monthly Base Rent	+ Monthly Operating Expenses	= Monthly Rent
1.	04/01/2027 - 03/31/2028	01 - 12	$2,880.00	$2,856.98	$5,736.98
2.	04/01/2028 - 03/31/2029	13 - 24	$2,937.60	$2,856.98	$5,794.58
3.	04/01/2029 - 03/31/2030	25 - 36	$2,996.35	$2,856.98	$5,853.33
4.	04/01/2030 - 03/31/2031	37 - 48	$3,056.28	$2,856.98	$5,913.26
5.	04/01/2031 - 03/31/2032	49 - 60	$3,117.40	$2,856.98	$5,974.38
6.	04/01/2032 - 03/31/2033	61 - 72	$3,179.75	$2,856.98	$6,036.73
7.	04/01/2033 - 03/31/2034	73 - 84	$3,243.35	$2,856.98	$6,100.33
8.	04/01/2034 - 03/31/2035	85 - 96	$3,308.21	$2,856.98	$6,165.19
9.	04/01/2035 - 03/31/2036	97 - 108	$3,374.38	$2,856.98	$6,231.36
10.	04/01/2036 - 03/31/2037	109 - 120	$3,441.87	$2,856.98	$6,298.85

1.12	**Improvement Allowance** **Tenant's Share of Improvement Costs** *(Section 5)*	$0.00 all of the Improvement Costs
1.13	**Moving Allowance** *(Section 5)*	*Intentionally Omitted*
1.14	**Expansion Space** *(Section 6)*	*Intentionally Omitted*
1.15	**Extension Option** *(Section 7)*	one (1) Extension Option for five (5) years, with 120 days' notice
1.16	**Use** *(Section 11)*	the general purposes of government office use and client services
1.17	**Parking** *(Section 12)*	All of the parking spaces on the Property
1.18	**Utilities and Services**	

(Section 13)

Utility/Service	Included in Operating Expenses	Paid directly by Tenant
Water	X	
Sewer	X	
Electricity	X	
Gas	X	
Trash removal	X	
Recycling	X	
Janitorial services and supplies	X	
Window washing	X	
Snow and ice removal	X	
Security	X	
Pest control	X	

1.19	**Minimum Carpet/Floor Covering Replacement Interval**	every ten (10) years
	Minimum Repainting Interval *(Section 14)*	touch-up painting every five (5) years; full repainting every ten (10) years
1.20	**Property Manager** *(Section 35)*	*Intentionally Omitted*
1.21	**Brokers** *(Section 36)*	*Intentionally Omitted*

SECTION 2: PREMISES

2.1 Generally.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises (the "**Premises**"), being the "**Building**" shown on Exhibit A and the real property (the "**Property**") shown on Exhibits A and C.

The Premises address is:

Building:	Port Marina Park
Street:	610 E. Port Marina Drive
City, State, ZIP:	Hood River, Oregon 97031
County:	Hood River

(b) As shown on Exhibit C, the Premises is comprised of the following "**Property Tax Lot**": Map & Tax Lot No. 03N10E2500100; Tax Account No. 8606.

(c) The Premises are 2,400 rentable square feet (the "**Premises Square Footage**"). The square footage amount set forth in this Section 2.1(c) is based on Landlord's knowledge and information as of the Lease Effective Date.

2.2 Tenant's Proportionate Share. Tenant occupies 100% of the Building and the Property ("**Tenant's Proportionate Share**").

2.3 Commencement Amendment. The Commencement Amendment (as defined in Section 3.4(b) below) shall include, at Landlord's sole cost and expense, a certification to both Parties, by the **Architect** (as defined in the Work Letter attached as Exhibit D), setting forth the actual rentable square footage of the Premises (the "**Actual Premises Square Footage**"), as measured in accordance with current Building Owners and Managers Association (BOMA) standards. If the Actual Premises Square Footage is different from the Premises Square Footage, such square footage correction shall be included in the Commencement Amendment.

SECTION 3: COMMENCEMENT DATE; IMPROVEMENTS

3.1 Estimated Commencement Date and Estimated Expiration Date; Improvements. On or around April 1, 2027 (the "**Estimated Commencement Date**"), Landlord shall have completed construction of the **Improvements** (as defined and set forth in the Work Letter). The "**Estimated Expiration Date**" is March 31, 2037, which is ten (10) years (the length of the Initial Term, as defined in Section 4 below) after the Estimated Commencement Date. The Parties' respective obligations for the **Improvement Costs** (as defined in the Work Letter) are set forth in Section 5.6 below and more completely in the Work Letter.

3.2 Actual Commencement Date.

(a) The "**Actual Commencement Date**" means the date the Improvements are **Substantially Complete** (as defined in the Work Letter), and **Complete Delivery** (as defined in the Work Letter) of the Premises is made. Notwithstanding the foregoing, if the Actual Commencement Date falls on a Friday, Saturday, Sunday or a federal or State of Oregon holiday, then the Actual Commencement Date shall be deemed to be the following business day.

(b) If the Actual Commencement Date is delayed beyond the Estimated Commencement Date for more than thirty (30) days of delay that are not due to **Tenant Delay** (as defined in the Work Letter) or a Force Majeure Event (as defined in Section 36.11 below), then Tenant shall receive as liquidated damages for any such additional delay an abatement of Monthly Base Rent (as defined in Section 5.1(a) below) equal to one (1) day of Monthly Base Rent for each such additional day of the delay following the thirty (30) –day period.

(c) If the Actual Commencement Date is delayed beyond the Estimated Commencement Date for more than one hundred twenty (120) days that are not due to Tenant Delay (the "**Commencement Delay Deadline**") or a Force Majeure Event, then Tenant may terminate this Lease by delivering to Landlord notice of such termination at any time after the Commencement Delay Deadline.

3.3 Commencement Date. The Initial Term begins on the later of the Estimated

Commencement Date and the Actual Commencement Date (the "**Commencement Date**").

3.4 Commencement Amendment.

(a) *Information from Landlord*. Within sixty (60) days after the Commencement Date, Landlord shall deliver to Tenant the **Final Accounting** (as defined in the Work Letter).

(b) *Amendment*. Within sixty (60) days after Landlord's delivery of the information set forth in Section 3.4(a) above, Tenant shall deliver to Landlord a "**Commencement Amendment**" that sets forth:

(i) the Key Dates ("**Key Dates**" means the Commencement Date and the expiration date of the Initial Term, being the length of the Initial Term from the Commencement Date (the "**Expiration Date**");

(ii) the Improvement Costs;

(iii) any of the Actual Square Footages that are different from the square footages set forth in Section 2.1(c) above (based on the Architect's certification described in Section 2.3 above);

(iv) any adjustments to the Monthly Rent Table arising from adjustments of square footages; and

(v) any related matters as may be necessary and proper.

(c) *Delivery and Execution*. Within fifteen (15) business days after delivery of the Commencement Amendment, Landlord shall either execute it to indicate Landlord's acceptance or give notice to Tenant that Landlord disputes it. Landlord's failure to timely execute the Commencement Amendment shall be deemed acceptance thereof. If Landlord gives notice to Tenant that it disputes the Commencement Amendment, the Parties shall attempt in good faith to resolve the dispute within ten (10) business days after such notice. If the Parties do not timely resolve the dispute, it shall be deemed a Buildout Dispute and resolved pursuant to Section 21 below.

(d) *Effectiveness*. Any correction to any square footage arising from the Architect's certification described in Section 2.3 above are effective as of the Commencement Date, regardless of when or whether the Parties execute the Commencement Amendment.

SECTION 4: TERM

The "**Initial Term**" of this Lease is ten (10) years, beginning on the Commencement Date and expiring on the Expiration Date, unless sooner terminated as provided herein. The word "**Term**" is used in this Lease to describe the Initial Term, as it may be extended in connection with a short-term extension pursuant to Section 27.2 below, and the Extension Term (as defined in Section 7.1 below).

SECTION 5: RENT AND ALLOWANCES

5.1 Monthly Base Rent; Monthly Operating Expenses.

(a) *Monthly Base Rent*. "**Monthly Base Rent**" means the amounts set forth in the "**Monthly Rent Table**" in Section 1.11 above or the Monthly Base Extension Rent (as defined in Section 7.2(a) below), for the periods of this Lease (the "**Lease Years**").

(b) *Monthly Operating Expenses*. Monthly Operating Expenses (as defined in Section 8.1 below) means the amount set forth in the Monthly Rent Table.

(c) *Monthly Taxes*. *Intentionally Omitted*

(d) *Monthly TI Payments*. *Intentionally Omitted*

5.2 Monthly Rent. "**Monthly Rent**" means the sum of the Monthly Base Rent (from the applicable Lease Year) and the Monthly Operating Expenses (as may be adjusted pursuant to Section 9 below).

5.3 Additional Rent. "**Additional Rent**" means Monthly Operating Expenses; and all other costs, fees, charges, expenses, reimbursements and obligations of every kind and nature whatsoever payable by Tenant under this Lease, except for Monthly Base Rent.

5.4 Payment of Monthly Rent. From and after the Commencement Date, and throughout the Term of this Lease, Tenant shall pay Monthly Rent to Landlord, in advance, on or before the fifth (5th) day of each month, without notice or demand and without offset or deduction except as specifically provided in this Lease, and at Landlord's Address (as defined in Section 35.1 below). Notwithstanding the foregoing, if the Commencement Date is disputed, Tenant shall pay the first Monthly Rent payment within five (5) business days after the Commencement Date is determined pursuant to Section 3.4 above; and if the Commencement Date is not disputed and is other than the first day of a calendar month, Tenant shall pay the first Monthly Rent payment on such date. Monthly Rent for any partial calendar month shall be prorated on a per diem basis, based on a 365-day calendar year.

5.5 Monthly Rent Table. As set forth in Section 1.11 above, the Monthly Base Rent commences at $1.20/per rentable square foot and escalates two percent (2%) every Lease Year.

5.6 Improvement Allowance; Tenant's Share of Improvement Costs. As set forth in more detail in the Work Letter, the Parties shall bear the Improvement Costs as follows:

(a) the "**Improvement Allowance**," which is the amount of the Improvement Costs that Landlord will bear, is $0.00; and

(b) "**Tenant's Share**" of the Improvement Costs, which is the amount of the Improvement Costs that Tenant will bear, is all of the Improvement Costs. As of the Lease Effective Date, the

Parties estimate that the total Improvement Costs will be $_________________.

5.7 Moving Allowance. *Intentionally Omitted*

SECTION 6: OPTION TO EXPAND PREMISES *Intentionally Omitted*

SECTION 7: OPTION TO EXTEND TERM

7.1 Generally. So long as there is not then any material Tenant Default under this Lease, Tenant has one (1) option to extend this Lease for a term of five (5) years (the "**Extension Option**"). With the exception of the amount of Monthly Base Rent and any terms or conditions that the Parties modify in writing, all terms and conditions of this Lease shall apply during any such extension term (the "**Extension Term**"). To exercise the Extension Option, Tenant shall deliver notice to Landlord of such exercise (an "**Extension Exercise Notice**") at least one hundred twenty (120) days prior to the Expiration Date or the expiration of the then-current Extension Term, as the case may be (the "**Applicable Expiration Date**"). The date of Tenant's delivery of the Extension Exercise Notice is the "**Extension Exercise Date**." The Extension Term shall commence on the day following the Applicable Expiration Date.

7.2 Monthly Base Extension Rent.

(a) Monthly Base Rent for the Extension Term (the "**Monthly Base Extension Rent**") shall be either: an amount agreed upon by the Parties pursuant to Section 7.2(b) below; or equal to the Fair Market Value Rent for the Premises, as determined by the Parties pursuant to Section 7.2(c) below. "**Fair Market Value Rent**" means the monthly base rent that a tenant of comparable creditworthiness would pay in an arms-length transaction for a term the same length as the Extension Term and, except for the Monthly Base Rent, on the same terms and conditions as set forth herein, for a comparable space and use in the metropolitan area in which the Property is located, taking into account, without limitation: the Premises' location, condition, age, identity, services, amenities, improvements, and view; and other pertinent considerations.

(b) The Parties shall attempt in good faith to agree on the Monthly Base Extension Rent at least ninety (90) days before the Applicable Expiration Date.

(c) If the Parties do not timely agree on the Monthly Base Extension Rent pursuant to Section 7.2(b) above, the Monthly Base Extension Rent shall be based on the Fair Market Value Rent, to be determined as follows:

(i) At least seventy-five (75) days before the Applicable Expiration Date, each Party shall submit to the other its final proposal for the Monthly Base Extension Rent (an "**Extension Proposal**"). If one Party fails to timely provide the other Party with its Extension Proposal, then the other Party's Extension Proposal shall be deemed to be the Monthly Base Extension Rent. If the difference between the Parties' Extension Proposals is five percent (5%) or less, the Monthly Base Extension Rent shall be the average of the two Extension Proposals.

(ii) If the difference between the Parties' Extension Proposals is greater than five percent (5%), then the Parties shall select an appraiser (the "**Appraiser**") to determine the Monthly Base Extension Rent. The Appraiser shall be chosen as follows: at least sixty (60) days before the Applicable Expiration Date, Landlord shall deliver to Tenant a list of at least three (3) independent Oregon State Certified General Appraisers who have at least ten (10) years of experience in commercial real estate in the metropolitan area in which the Property is located, and at least forty-five (45) days before the Applicable Expiration Date, Tenant shall notify Landlord of its choice of the Appraiser from said list. Notwithstanding the foregoing, if Landlord fails to timely deliver the list to Tenant, then Tenant's choice of an appraiser meeting the foregoing criteria shall be deemed the Appraiser; and if Landlord does timely deliver the list to Tenant, and Tenant fails to timely respond, then Landlord's choice of an appraiser from the list shall be deemed the Appraiser.

(iii) At least thirty (30) days before the Applicable Expiration Date, both Parties shall submit their Extension Proposals to the Appraiser, and on or before the Applicable Expiration Date, the Appraiser shall choose one of the Parties' Extension Proposals as the Monthly Base Extension Rent. If the Appraiser does not timely determine the Monthly Base Extension Rent, then the Monthly Base Extension Rent shall temporarily be determined pursuant to Section 7.2(d) below. The Party whose Extension Proposal is not selected by the Appraiser shall pay the Appraiser's costs and fees.

(d) If, as of the commencement of the Extension Term, the Monthly Base Extension Rent has not yet been determined pursuant to Section 7.2(b) or (c) above, then until the Monthly Base Extension Rent is so determined, Tenant shall continue to pay the same Monthly Base Rent as in the immediately preceding month. If the Monthly Base Extension Rent is determined to be more than such Monthly Base Rent, then Tenant shall, in its discretion, either pay to Landlord the full amount of the resulting underpayment within thirty (30) days after the determination of the Monthly Base Extension Rent, or increase the next twelve (12) Monthly Rent payments by an amount equal to 1/12 of the underpayment. If the Monthly Base Extension Rent is determined to be less than such Monthly Base Rent, then Landlord shall, in its discretion, either refund to Tenant the full amount of the resulting overpayment within thirty (30) days after the determination of the Monthly Base Extension Rent, or credit the full amount of the overpayment to Tenant against the next Monthly Rent due until paid in full.

7.3 <u>Extension Amendment</u>.

(a) *Amendment*. If Tenant exercises the Extension Option pursuant to Section 7.1 above, then within sixty (60) days after the Monthly Base Extension Rent is determined pursuant to Section 7.2 above, Tenant shall deliver to Landlord the "**Extension Amendment**" that sets forth:

(i) the commencement date and the expiration date of the Extension Term (which expiration date shall thereafter be the Expiration Date);

(ii) the Monthly Base Extension Rent as determined pursuant to Section 7.2 above;

(iii) any Minimum Carpet/Floor Covering Replacement Interval and Minimum Repainting Interval (as defined in Sections 14.1(b) and (c) below respectively) that are applicable to the Extension Term; and

(iv) any related matters as may be necessary and proper.

(b) *Delivery and Execution*. Within fifteen (15) business days after delivery of the Extension Amendment, Landlord shall either execute the Extension Amendment to indicate Landlord's acceptance, or give notice to Tenant that Landlord disputes it. Landlord's failure to timely execute or dispute the Extension Amendment shall be deemed acceptance thereof. If Landlord gives notice to Tenant that it disputes the Extension Amendment, the Parties shall attempt in good faith to resolve the dispute within ten (10) business days after such notice. The Parties may resolve any remaining dispute in a court, subject to Section 36.9 below.

(c) *Effectiveness*. The Extension Option, if exercised by Tenant in accordance with the requirements of this Lease, is effective on the terms and conditions set forth in this Section 7 as of the Extension Exercise Date, regardless of when or whether the Parties execute the Extension Amendment.

SECTION 8: MONTHLY OPERATING EXPENSES

8.1 Definitions.

(a) *Operating Expenses*. "**Operating Expenses**" means all of Landlord's reasonable, actual out-of-pocket costs and expenses of operating, managing, maintaining and repairing the Premises, as determined in accordance with real estate accounting principles generally applied by real estate property managers in the metropolitan area in which the Property is located, consistently applied. Operating Expenses include the costs of the utilities and services in the Utilities and Services Table in Section 1.18 above as "Included in Operating Expenses."

(b) *Monthly Operating Expenses*. "**Monthly Operating Expenses**" means the Operating Expenses for any given calendar year, divided by twelve (12) (or prorated for any partial calendar year) The Monthly Operating Expenses are subject to increase or decrease pursuant to Section 9 below.

8.2 Operating Expense Statements. Landlord understands and acknowledges that, in order to comply with regulatory or funding requirements, Tenant may require periodic and specific itemization of certain Operating Expenses. At any time and from time to time during the Term of this Lease, Tenant may request statements from Landlord in a format and detail to show such necessary or desirable itemization of Operating Expenses ("**Operating Expense Statements**"), and Landlord shall promptly deliver such Operating Expense Statements to Tenant.

8.3 Exclusions. Notwithstanding any other provision of this Lease, Operating Expenses do not include:

(a) Any ground lease rental;

(b) Costs of capital improvements and equipment, except for:

(i) costs of capital improvements and equipment acquired to reduce Operating Expenses amortized at an annual rate reasonably calculated to equal the amount of Operating Expenses to be saved in each calendar year of the Term of this Lease throughout the "useful life" of the improvement(s) or equipment item(s) as that term is interpreted in accordance with real estate accounting principles generally applied by real estate property managers in the metropolitan area in which the Property is located, consistently applied (as determined at the time Landlord elected to proceed with the capital improvement or acquisition of the capital equipment to reduce Operating Expenses), together with interest at the actual interest rate incurred by Landlord;

(ii) costs of capital tools not in excess of Ten Thousand Dollars ($10,000.00) in a twelve (12) -month period; or

(iii) costs of capital improvements and equipment required to comply with applicable federal, state and local laws, ordinances, codes, regulations and rules ("**Laws and Ordinances**") adopted, enacted or enforced from and after the Commencement Date, including, for Laws and Ordinances existing prior to the Commencement Date, amendments, revisions, modifications or changes in interpretation that were adopted, enacted or enforced from and after the Commencement Date;

(c) Rentals for items (except when needed in connection with normal repairs and maintenance of permanent systems) which, if purchased rather than rented, would constitute a capital improvement that is specifically excluded in Section 8.3(b) above (excluding, however, equipment not affixed to the Building that is used in providing utilities or services set forth in the Utilities and Services Table in Section 1.18 above as "Included in Operating Expenses");

(d) Costs of Landlord's Insurance Coverage (as defined in Section 18.1(a) below) or costs incurred by Landlord for the repair of damage to the Property, to the extent that Landlord is or should be reimbursed by insurance proceeds;

(e) *Intentionally Omitted*

(f) Depreciation, amortization and interest payments, except as provided herein and except on materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services that Landlord might otherwise contract for with a third party, where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services, all as determined in accordance with real estate accounting principles generally applied by real estate property managers in the metropolitan area in which the Property is located, consistently applied, and when depreciation or amortization is permitted or required, the time shall be amortized over its reasonably anticipated useful life;

(g) Marketing costs including leasing commissions, attorneys' fees and expenses incurred in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with prospective tenants or occupants of the Premises;

(h) Costs incurred by Landlord for alterations that are considered capital improvements and replacements in accordance with real estate accounting principles generally applied by real estate property managers in the metropolitan area in which the Property is located, consistently applied, except as permitted in Sections 8.3(b) and (c) above;

(i) Costs of a capital nature, including, without limitation, capital improvements, capital repairs, capital equipment and capital tools, all as determined in accordance with real estate accounting principles generally applied by real estate property managers in the metropolitan area in which the Property is located, consistently applied, except as permitted in Sections 8.3(b) and (c) above;

(j) *Intentionally Omitted*

(k) Costs incurred by Landlord due to the violation by Landlord of the terms and conditions of this Lease;

(l) Overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services on the Premises, to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(m) Interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the Premises;

(n) Landlord’s general corporate overhead and general and administrative expenses;

(o) Any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord or in the parking garage of the Premises, or wherever Tenant is granted its parking privileges and/or all fees paid to any parking facility operating (on or off site) (provided, however, that if Landlord provides such parking free of charge to Tenant, such expenses may be included as Operating Expenses);

(p) Rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature (except as arising from making repairs or keeping permanent systems in operation while repairs are being made, or from equipment not affixed to the Building that is used in providing janitorial or similar services);

(q) Advertising and promotional expenditures and costs of signs in or on the Premises identifying the owner of the Premises, excluding directory boards and directional signs and graphics that include the Building or the Property name;

(r) Utilities and services costs for which any tenant directly contracts with the utility or service provider, including all such costs that Tenant pays directly to such provider pursuant to Section 13.1 below;

(s) Services provided, taxes attributable to and costs incurred in connection with the operation of the retail, restaurant and garage operations on the Premises, and any replacement garages or parking facilities and any shuttle services;

(t) Costs incurred in connection with upgrading the Premises to comply with life, fire and safety codes in effect prior to the Lease Effective Date;

(u) Any other expenses which, in accordance with real estate accounting principles generally applied by real estate property managers in the metropolitan area in which the Property is located, consistently applied, would not normally be treated as Operating Expenses by Landlord or the landlord of comparable buildings;

(v) Penalties or fines incurred or amounts arising as a result of Landlord's failure to timely pay any Tax; to pay any Tax on a discounted basis as described in Section 10.1(a) below so that the benefit of the discount is attained; and/or to file any Tax or information returns when due;

(w) Costs for which Landlord has been compensated by any management or administrative fee;

(x) Management or administrative fees in total in excess of 5% of Tenant's Monthly Base Rent per month for each Lease Year;

(y) Costs arising from the gross negligence or fault of Landlord or Landlord's agents, or of any vendors, contractors or providers of materials or services selected, hired or engaged by Landlord or its agents;

(z) Notwithstanding any contrary provision of this Lease (including, without limitation, any provision relating to capital expenditure), any costs arising from the presence of Hazardous Materials (as defined in Section 30.2(d) below) in or about the Premises, including, without limitation, costs arising from Hazardous Materials in the groundwater or soil;

(aa) Costs arising from Landlord's charitable or political contributions;

(bb) Costs arising from latent defects in the base, shell or core of the Building or other parts of the Premises, or improvements installed by Landlord or repair thereof;

(cc) Costs for sculpture, paintings or other objects of art;

(dd) Costs (including in connection therewith all attorneys' fees and expenses and costs of settlement judgments and payments in lieu thereof) arising from Claims (as defined in Section 19.1 below), disputes or potential disputes in connection with potential or actual Claims, litigations or arbitrations pertaining to Landlord or the Premises;

(ee) Gifts or gratuities paid by Landlord, including gifts to law enforcement or gifts to Landlord's employees, contractors or representatives;

(ff) Costs arising from contractor or tenant relation events, including, without limitation, holiday or other special events;

(gg) Any costs, penalties or fines assessed against Landlord, the Premises, the Building or the Property by third parties, including governmental entities, for late payments;

(hh) Expenses for buildings or property other than the Premises, the Building or the Property;

(ii) Costs associated with training Landlord's employees, agents, contractors or representatives (including travel and per diem expenses);

(jj) Costs or fees for legal services;

(kk) License or permit fees for any property manager; or

(ll) Commissions or fees for real estate brokers.

SECTION 9: ADJUSTMENTS TO MONTHLY OPERATING EXPENSES

9.1 Operating Expense Itemization.

(a) For every calendar year during which this Lease has been in effect, including any partial calendar year, Landlord shall, on or before March 31 of the following year or as soon thereafter as practicable, deliver to Tenant an itemization (the "**Operating Expense Itemization**") with reasonable supporting documentation (including receipts and invoices from service and materials providers), in sufficient detail to be substantively reviewed by Tenant, showing the amount of Monthly Operating Expenses for the previous calendar year (the "**Adjusted Monthly Operating Expenses**"). If the Operating Expense Itemization does not include sufficient detail, in Tenant's reasonable opinion, to enable Tenant to ascertain the accuracy of the Adjusted Monthly Operating Expenses, then Landlord shall, within ten (10) business days after Tenant's request and at Landlord's sole cost and expense, provide such requested additional information or documentation to Tenant. The "**Operating Expense Itemization Delivery Date**" means the date Landlord delivers the Operating Expense Itemization to Tenant. The Adjusted Monthly Operating Expenses shall be binding on Tenant unless Tenant timely disputes them pursuant to Section 9.4 below.

(b) If Landlord fails to deliver the Operating Expense Itemization for any previous calendar year on or before May 31, then the Adjusted Monthly Operating Expenses shall be deemed the same as for the previous year. If the actual Monthly Operating Expenses for the previous year are later determined to be less than the Adjusted Monthly Operating Expenses for the previous year, then Landlord shall refund to Tenant the full amount of the difference within sixty (60) days after such determination.

(c) Within ten (10) business days after Tenant's request, Landlord shall provide to Tenant, for Tenant's review and at Landlord's sole cost and expense, copies of all of Landlord's records pertaining to the Operating Expense Itemization, and Tenant shall, if so required by Landlord, execute a reasonable agreement regarding the confidentiality of such records, subject to all applicable State of Oregon public records laws.

9.2 Increase in Monthly Operating Expenses. If the Adjusted Monthly Operating Expenses are more than the Monthly Operating Expenses, and Tenant has not disputed the Operating Expense Itemization pursuant to Section 9.4 below, then Tenant shall, in its discretion, either pay to Landlord the full amount of the increase within sixty (60) days after the Operating Expense Itemization Delivery Date, or (if this Lease has not expired or otherwise been terminated) increase the next twelve (12) Monthly Rent payments by an amount equal to 1/12 of the increase.

9.3 Decrease in Monthly Operating Expenses. If the Adjusted Monthly Operating Expenses are less than the Monthly Operating Expenses, and Tenant has not disputed the Operating Expense Itemization pursuant to Section 9.4 below, then Landlord shall, in its discretion, either refund to Tenant the full amount of the decrease within sixty (60) days after the Operating Expense Itemization Delivery Date, or (if this Lease has not expired or otherwise been terminated) credit the full amount of the decrease to Tenant against the next Monthly Rent due until paid in full.

9.4 Disputes.

(a) If Tenant disputes an Operating Expense Itemization, Tenant shall provide notice to Landlord of such dispute (the "**Dispute Notice**") within sixty (60) days after the Operating Expense Itemization Delivery Date. The date of Tenant's delivery of the Dispute Notice to Landlord is the "**Dispute Notice Date**." Tenant's right to dispute the Operating Expense Itemization within such 60-day period shall survive the expiration or earlier termination of this Lease.

(b) The Parties shall attempt in good faith to resolve the dispute over the Operating Expense Itemization within thirty (30) days after the Dispute Notice Date.

(c) If the Parties do not timely resolve the dispute over the Operating Expense Itemization, they shall select a certified public accountant (the "**CPA**") to determine the Adjusted Monthly Operating Expenses. The CPA shall be chosen as follows: within thirty (30) days after the Dispute Notice Date, Landlord shall deliver to Tenant a list of at least three (3) qualified and independent certified public accountants, and within thirty (30) days after Landlord delivers said list, Tenant shall notify Landlord of its choice of the CPA from the list. Notwithstanding the foregoing, if Landlord fails to timely deliver the list, then Tenant's choice of a certified public accountant meeting the foregoing criteria shall be deemed the CPA; and if Tenant fails to timely respond to the list, then Landlord's choice of a certified public accountant from the list shall be deemed the CPA. The CPA shall determine the Adjusted Monthly Operating Expenses by examining Landlord's books and records relating to Operating Expenses and by reference to this Lease's definition of Monthly Operating Expenses. The CPA's determination of the Adjusted Monthly Operating Expenses shall be binding on the Parties. Landlord shall reasonably cooperate with the CPA in the CPA's examination of Landlord's books and records. Landlord may require Tenant and the CPA to execute a reasonable agreement regarding the confidentiality of its books and records; provided, however, that Tenant's obligations under such a confidentiality agreement shall be subject to all applicable State of Oregon public records laws.

(d) (i) Increase in Monthly Operating Expenses. If the CPA determines that the Adjusted Monthly Operating Expenses are, for the first calendar year during which this Lease is in effect, more than the Monthly Operating Expenses, or, for every subsequent calendar year during which this Lease is in effect, more than the previous calendar year's Adjusted Monthly Operating Expenses, then Tenant shall pay to Landlord the difference between the two amounts, pursuant to Section 9.2 above.

(ii) Decrease in Monthly Operating Expenses. If the CPA determines that the Adjusted Monthly Operating Expenses are, for the first calendar year during which this Lease is in effect, less than the Monthly Operating Expenses, or, for every subsequent calendar year during which this Lease is in effect, less than the previous calendar year's Adjusted Monthly Operating Expenses, then Landlord shall either credit or refund to Tenant the difference between the two amounts, pursuant to Section 9.3 above.

(iii) CPA's Costs and Fees. If the CPA determines that the Adjusted Monthly Operating Expenses are less than the amount of Adjusted Monthly Operating Expenses shown on Landlord's Operating Expense Itemization, then Landlord shall pay all of the CPA's costs and fees. If the CPA determines that the Adjusted Monthly Operating Expenses are more than the amount of Adjusted Monthly Operating Expenses shown on Landlord's Operating Expense Itemization, then Tenant shall pay all of the CPA's costs and fees.

SECTION 10: EXEMPTION FROM REAL PROPERTY TAXES

10.1 Generally. "**Taxes**" means: (a) all property taxes and assessments of any public authority against the Building and the portion of the Property upon which the Building is located, and the ownership, management or operation thereof; (b) any rent tax, local improvement district tax, gross receipts tax and tax on Landlord's interest under this Lease; and (c) any tax in lieu of or in addition to the foregoing, whether such tax is now in effect.

10.2 Exemption from Real Property Taxes. The Property is exempt from Taxes pursuant to ORS 307.090. The Monthly Rent payable by Tenant under this Lease reflects the savings resulting from such exemption of the Property from Taxes.

SECTION 11: USE

Tenant may use the Premises for all purposes related to the conduct of its business as an agency of the State of Oregon and related ancillary purposes, and for the general purposes of government office use and client services.

SECTION 12: PARKING

The Premises includes all of the parking spaces on the Property.

SECTION 13: UTILITIES AND SERVICES

13.1 Availability. Landlord shall ensure that the utilities and services listed in the "**Utilities and Services Table**" in Section 1.18 above are provided to the Premises, and, in the event of any disruption due to any acts or omissions by Landlord or any matter within Landlord's control, shall restore such utilities or services as promptly as possible, and if any such disruption continues for more than twenty-four (24) hours, then Monthly Rent shall be abated in proportion to the interference due to such disruption. If any such disruption continues for more than seventy-two (72) consecutive hours, regardless of fault, then Monthly Rent shall be abated in proportion to the interference with Tenant's use of the Premises due to such disruption.

13.2 Costs and Payment. Landlord shall timely pay the providers for all utilities and services listed in the Utilities and Services Table as "Included in Operating Expenses," and those costs may be included in Operating Expenses. Tenant shall timely pay the providers for all utilities and services listed in the Utilities and Services Table as "Paid directly by Tenant."

13.3 Janitorial Services and Supplies.

(a) Landlord shall provide or contract for janitorial services and supplies that comply with the requirements of the "Janitorial Services Agreement" attached as Exhibit F; provided, however, that whenever reasonably possible, Landlord shall contract for such janitorial services and supplies to be provided by a qualified nonprofit agency for individuals with disabilities, as defined in ORS 279.835, in order to support the policy of the State of Oregon of encouraging independence in individuals with disabilities, as set forth in ORS 279.840. At Tenant's request, Landlord shall provide additional janitorial services and supplies for the Premises, at a market rate charge no greater than Landlord's cost.

(b) Tenant may, in its sole discretion, elect to be directly responsible for the provision of janitorial services and supplies for the Premises, upon thirty (30) days' prior notice to Landlord (in which event janitorial services and supplies shall not be included as Operating Expenses).

13.4 Other Utilities and Services. Tenant may, at its sole cost and expense, obtain any utilities and services for the Premises necessary or desirable to Tenant that are not listed in the Utilities and Services Table in Section 1.18 above, and Landlord shall reasonably cooperate therewith, including by granting access to the roof of the Building, as necessary or appropriate for the installation or provision of such utilities and services.

SECTION 14: MAINTENANCE, REPAIR AND REPLACEMENT

14.1 Landlord's Responsibilities.

(a) *Generally*. Landlord shall, at its sole cost and expense (subject to Section 14.1(f) below), perform all maintenance, repair and replacement that are necessary or appropriate to operate and keep the Premises in a first-class manner and condition, including, without limitation, the following:

(i) maintenance, repair and replacement of the Building's structural elements, foundation, roof, floors, carpets and other floor coverings (including those in the Premises, as set forth in Section 14.1(b) below);

(ii) interior and exterior walls (including painting the interior walls of the Premises, as set forth in Section 14.1(c) below), doors, windows, window treatments and elevators;

(iii) parking areas;

(iv) outdoor areas, landscaping, irrigation systems and backflow testing;

(v) interior and exterior lighting and lighting systems (including bulbs, ballasts, LED fixtures, sensors and diodes);

(vi) electrical, plumbing and sewer systems;

(vii) heating, ventilation and air conditioning systems (collectively the "**HVAC System**"), as set forth more completely in Section 14.1(d) below;

(viii) fire alarms, fire suppression systems, sprinkler systems and fire extinguishers; and

(ix) Landlord-provided appliances and replacement parts and systems therefor (such as filters), including automated external defibrillators as required by ORS 431A.455.

Landlord's obligations under this Section 14.1 do not include any maintenance, repair or replacement that Tenant is obligated to perform pursuant to Section 14.2 below.

Landlord shall perform all such maintenance, repair and replacement work promptly; ensure that such work is performed in a first-class and workmanlike manner and in accordance with all applicable Laws and Ordinances; and obtain all required permits and inspections for such work. Upon Tenant's request, Landlord shall provide Tenant with reasonable supporting documentation relating to such maintenance, repair and replacement work.

(b) *Carpets and Floor Coverings in Premises*. Landlord shall maintain, repair and replace the carpets and other floor coverings in the Premises so as to keep them in a first-class condition, subject to normal wear and tear for the number of years estimated by the manufacturer for heavy office use, and shall lift, move, disassemble and reassemble any and all furniture or units in the Premises (with the exception of computers and other electronic equipment as Tenant may designate) in connection with such maintenance, repair and replacement. (Landlord and Tenant shall each bear fifty percent (50%) of the cost of such lifting, moving, disassembling and reassembling furniture in connection with Landlord's maintenance, repair, and replacement obligation.) Landlord's obligations under this Section 14.1(b) include replacing the carpets or other floor coverings no less than every ten (10) years since the carpets or other floor covering were last installed or replaced (the "**Minimum Carpet/Floor Covering Replacement Interval**"), such that the carpets or floor coverings are not a hazard and not unduly worn. Such replacement carpet or floor covering shall be Tenant's choice from:

(i) Tenant's standard facility carpet and floor covering options; or

(ii) if no such Tenant standard options exist, then from Landlord's standard options for the Premises that are of equal or better quality than the carpet or floor covering being replaced; or

(iii) if no such standard options exist, then other replacement carpet or floor covering acceptable to Tenant, of equal or better quality than the carpet or floor covering being replaced.

(c) *Painting Walls in Premises*. Landlord shall provide touch-up painting of the interior walls in the Premises no less than every five (5) years, and full repainting every ten (10) years, since the interior walls were last painted (the "**Minimum Repainting Interval**"). Such paint shall be Tenant's choice from:

(i) Tenant's standard facility paint options; or

(ii) if no such Tenant standard options exist, then from Landlord's standard options for the Premises that are of equal or better quality than the paint being replaced; or

(iii) if no such standard options exist, then other paint acceptable to Tenant, of equal or better quality than the paint being replaced.

(d) *HVAC System*.

(i) Landlord shall ensure that the HVAC System provides comfortable conditions with respect to cooling, heating and fresh air in the Building, as follows:

<u>Normal Business Hours</u> (Monday through Friday, excluding federal or State of Oregon holidays, 7:00 a.m. to 6:00 p.m., PT): temperature ranges in the Premises shall be between 68°F and 74°F, except on days of extreme outside temperature swings.

<u>Outside of Normal Business Hours</u>: temperature ranges in the Premises shall be between 55°F and 85°F.

(ii) Landlord shall maintain a regularly scheduled maintenance and service contract for the HVAC System with an HVAC maintenance company that regularly provides such contracts to similar properties, and shall otherwise maintain and repair the HVAC System as frequently as necessary or appropriate to keep the HVAC System in first-class operating condition and providing the level of service described above.

(e) *Building Defects*. The Premises shall be free at all times during the Term of this Lease from inadequate ventilation, poor indoor air quality, chemical contaminants (from indoor or outdoor sources) that can potentially harm the health of humans, and biological contaminants (such as mold, mildew and bacteria) (any such defect a "**Building Defect**"). If any part of the Premises is determined in a written report by a qualified independent third-party environmental consultant hired by Tenant ("**Tenant's Consultant**") to have a Building Defect (an "**Alleged Building Defect**"), then:

(i) *Tenant's Notice*. Tenant shall give notice of the Alleged Building Defect to Landlord ("**Tenant's Building Defect Notice**"), along with a complete copy of the report by Tenant's Consultant.

(ii) *Landlord's Response*. After delivery of Tenant's Building Defect Notice, Landlord shall hire its own qualified independent third-party environmental consultant ("**Landlord's Consultant**") to evaluate the Alleged Building Defect and the report by Tenant's Consultant, to determine whether Landlord agrees or disputes that the Alleged Building Defect is a Building Defect. Within thirty (30) days after delivery of Tenant's Building Defect Notice, Landlord shall give notice to Tenant specifying whether Landlord agrees or disputes that the Alleged Building Defect is a Building Defect ("**Landlord's Building Defect Response**"), along with a complete copy of the written report prepared by Landlord's Consultant. The date Landlord delivers Landlord's Building Defect Response to Tenant is "**Landlord's Building Defect Response Date**."

(iii) *Agreement regarding Alleged Building Defect*. If Landlord's Building Defect Response agrees that the Alleged Building Defect is a Building Defect, Landlord shall remediate the Building Defect pursuant to Section 14.1(e)(viii) below, and abate Tenant's Monthly Rent and pay its costs and expenses pursuant to Section 14.1(e)(x) below.

(iv) *Dispute regarding Alleged Building Defect*. If Landlord's Building Defect Response disputes that the Alleged Building Defect is a Building Defect, the Parties shall attempt in good faith to resolve the dispute within fifteen (15) business days after Landlord's Building Defect Response Date. If the Parties do not timely resolve the dispute, then Tenant's Consultant and Landlord's Consultant (together the "**Parties' Consultants**") shall together select a qualified independent third-party environmental consultant (the "**Joint Consultant**") to determine whether the Alleged Building Defect is a Building Defect.

(v) *Environmental Consultant*.

(1) The Joint Consultant shall be chosen as follows: within thirty (30) days after Landlord's Building Defect Response Date, Landlord shall deliver to Tenant a list, prepared by Landlord's Consultant, of three (3) qualified independent environmental consultants; and Tenant shall deliver to Landlord a list, prepared by Tenant's Consultant, of three (3) qualified independent environmental consultants. Within forty-five (45) days after Landlord's Building Defect Response Date, each Party may strike one candidate from such list delivered by the other Party. Notwithstanding the foregoing, if Landlord fails to timely deliver its list of qualified independent environmental consultants, then Tenant's Consultant's

choice of an environmental consultant from Tenant's list shall be deemed the Joint Consultant; and if Tenant fails to timely deliver its list of qualified environmental consultants, then Landlord's Consultant's choice of an independent qualified environmental consultant from Landlord's list shall be deemed the Joint Consultant.

(2) The Parties' Consultants shall meet within sixty (60) days after Landlord's Building Defect Response Date and choose the Joint Consultant from the remaining names of qualified independent environmental consultants on such lists; provided that if the Parties' Consultants do not agree on the choice of the Joint Consultant, then at the meeting of the Parties' Consultants, the remaining names of qualified independent environmental consultant shall be placed in an opaque vessel by Landlord's Consultant, and Tenant's Consultant shall select one name, at random, by blind drawing from the vessel, to be the Joint Consultant. Notwithstanding the foregoing, if either Landlord's Consultant or Tenant's Consultant refuses or fails to meet to select the Joint Consultant, then the choice made by the other Party's Consultant from the remaining names shall be the Joint Consultant.

(vi) *Determination by Environmental Consultant*. The Joint Consultant shall determine whether the Alleged Building Defect is a Building Defect, by reviewing the reports prepared by the Parties' Consultants; interviewing the Parties' Consultants' and conducting its own tests, samples and reviews. The Parties shall reasonably cooperate with the Joint Consultant, including by allowing reasonable access to the Premises. The Joint Consultant shall deliver its determination to the Parties in a written report. The Joint Consultant's determination of whether the Alleged Building Defect is a Building Defect shall be binding on the Parties.

(vii) *Environmental Consultant's Costs and Expenses*. All of the costs and expenses of the Joint Consultant shall be paid by Landlord, if the Joint Consultant determines that the Alleged Building Defect is a Building Defect; and all of the costs and expenses of the Joint Consultant shall be paid by Tenant if the Joint Consultant determines that a Building Defect does not exist.

(viii) *Remediation*. If Landlord agrees, or the Joint Consultant determines, that the Alleged Building Defect is a Building Defect pursuant to Section 14.1(e)(iii) or (vi) above, respectively, then Landlord shall immediately, at Landlord's sole cost and expense, commence and diligently pursue to completion any and all actions necessary to completely remedy the Building Defect, including, without limitation, complying with any and all regulations and requirements of OSHA (Occupational Safety and Health Administration).

(ix) *Termination*.

(1) If the Building Defect interferes with Tenant's use of the Premises by affecting at least twenty-five percent (25%) of the Premises, either Party may

terminate this Lease with at least thirty (30) days' notice to the other Party.

(2) If either Party determines in good faith that the Building Defect cannot be remedied within sixty (60) days after Landlord's Building Defect Response Date or the date of the Joint Consultant's determination of its existence, as applicable, either Party shall promptly notify the other Party, and either Party may terminate this Lease with at least thirty (30) days' prior notice to the other Party.

(x) *Abatement of Monthly Rent; Tenant's Costs and Expenses*. If Landlord agrees, or the Joint Consultant determines, that the Alleged Building Defect is a Building Defect pursuant to Section 14.1(e)(iii) or (vi) above, respectively, then:

(1) Monthly Rent shall be abated, in proportion to the area of the Premises not usable by Tenant due to such Building Defect, until it is remedied pursuant to Section 14.1(e)(viii) above;

(2) Landlord shall immediately reimburse Tenant for any and all of Tenant's costs and expenses for Tenant's Consultant; and

(3) Landlord shall pay any and all costs arising from the disruption of Tenant's use of the Premises due to the Building Defect, including moving and storage costs for Tenant to relocate to a different location while the Building Defect is being remedied or if this Lease is terminated pursuant to Section 14.1(e)(ix) above.

(f) *Operating Expenses*. Landlord's costs and expenses relating to its maintenance, repair and replacement obligations under this Section 14.1 may be included in Operating Expenses, except for any such costs and expenses that:

(i) relate to Landlord's obligations under Section 14.1(b) or (c) above or Building Defects, as described in Section 14.1(e) above;

(ii) arise from Landlord's breach of this Lease; or

(iii) are otherwise excluded from Operating Expenses pursuant to Section 8.3 above, such as capital expenditures.

(g) *Landlord's Entry*. In order to perform necessary or appropriate maintenance, repair or replacement pursuant to this Section 14.1, Landlord, its agents and employees may enter the Premises with at least two (2) business days' prior notice or, in the event of an emergency, at any time with no prior notice. Landlord shall use its reasonable best efforts to coordinate the scheduling of any non-emergency maintenance, repair or replacement with Tenant in order to minimize interference with Tenant's use of the Premises.

14.2 <u>Tenant's Responsibilities</u>. Except for any maintenance, repair or replacement that Landlord is obligated to perform pursuant to Section 14.1 above, Tenant shall, at its sole cost and expense, perform all maintenance, repair and replacement necessary to keep the interior of the Premises in a presentable and safe condition. Tenant shall perform all such maintenance, repair and replacement work promptly; ensure that such work is performed in a first-class and workmanlike manner and in accordance with all applicable Laws and Ordinances; and obtain all required permits and inspections for such work. Upon Landlord's request, Tenant shall provide Landlord with reasonable supporting documentation relating to such maintenance, repair or replacement work.

SECTION 15: IMPROVEMENTS AND ALTERATIONS

15.1 Improvements and Alterations to Premises.

(a) *Nonstructural*. From and after the Commencement Date, Tenant may, at its sole cost and expense:

(i) without Landlord's consent (but after notice thereof is given to Landlord), make nonstructural improvements and alterations to the Premises; and

(ii) without notice to Landlord or Landlord's consent, place partitions, personal property, trade fixtures and the like in and on the Premises. Tenant shall retain ownership of all such partitions, personal property, trade fixtures and the like.

(b) *Structural*. Tenant shall not make any improvements or alterations to the Premises that modify or affect the Building structure or the proper operation of a mechanical system, without Landlord's prior consent, which Landlord may withhold in its sole discretion. Tenant shall make any such permitted improvements or alterations at its sole cost and expense and using a contractor of its own choosing. Any such improvements or alterations shall become part of the Premises, and shall be surrendered with the Premises upon the expiration or earlier termination of this Lease.

15.2 Structural Improvements and Alterations to Building. Landlord shall not make any structural improvements or alterations to the Building that interfere with Tenant's use or enjoyment of the Premises.

15.3 Performance of Work. Any improvements or alterations that a Party makes to the Premises shall be made in a first-class and workmanlike manner and in accordance with all applicable Laws and Ordinances and with all required permits and inspections for such work. Upon one Party's request, the other Party shall provide it with reasonable supporting documentation relating to such work.

SECTION 16: RULES AND REGULATIONS

Tenant shall materially comply with any rules and regulations for the Premises, provided that: (1) such rules and regulations have been properly adopted or promulgated by Landlord; (2) Landlord has provided Tenant with a written copy of such rules and regulations, at least thirty (30) days in advance of their effectiveness and in accordance with the notice provisions of this Lease; and (3) the rules and regulations are reasonable and do not conflict with any of the express provisions of this Lease.

SECTION 17: SIGNAGE

17.1 Landlord's Signage Obligations and Rights.

(a) *Directories and Suite Signage*. Promptly at any time and from time to time during the Term of this Lease, Landlord shall, at its sole cost and expense, add Tenant's name to any and all Premises directories and monument signs.

(b) *Lease and Sale Signage*. Landlord may post the following signage on the Premises, at its sole cost and expense:

(i) at any time and from time to time during the Term of this Lease, signs advertising that the Premises are for sale; and

(ii) during the last one hundred twenty (120) days of the Term of this Lease, if Tenant has not exercised an Extension Option pursuant to Section 7.1 above, signs advertising that the Premises are for lease.

17.2 Tenant's Signage Obligations and Rights. Notwithstanding any signage that Landlord is required to install on the Premises pursuant to Section 17.1 above, Tenant may, at its sole cost and expense, install signage on the Premises consistent with all applicable Laws and Ordinances and Landlord's signage rules or policies, if any. Subject to the foregoing, for up to one hundred eighty (180) days after the expiration or earlier termination of this Lease, Tenant may post a sign on the exterior of the Premises in order to notify interested persons of Tenant's new location.

SECTION 18: INSURANCE

18.1 Landlord's Insurance Coverage. Landlord is self-insured for its property and liability exposures, pursuant and subject to the Oregon Constitution and the Oregon Tort Claims Act ("**Landlord's Insurance Coverage**"). Landlord shall provide a current "**Certificate of Insurance**" for Landlord's Insurance Coverage upon request.

18.2 Tenant's Insurance Coverage. Tenant is self-insured for its property and liability exposures, pursuant and subject to the Oregon Constitution and the Oregon Tort Claims Act ("**Tenant's Insurance Coverage**"). A current Certificate of Insurance for Tenant's Insurance Coverage is available at http://www.oregon.gov/das/Risk/Pages/CertCovRequest.aspx.

SECTION 19: CONTRIBUTION

19.1 Other Party Notification. If any third party makes any claim or brings any action, suit or proceeding relating to this Lease, the Premises, the Building or the Property and alleging a tort as now or hereafter defined in ORS 30.260 (a "**Third-Party Claim**") against a Party (the "**Notified Party**") with respect to which the other Party (the "**Other Party**") may have liability, the

Notified Party shall promptly notify the Other Party of the Third-Party Claim and deliver to the Other Party a copy of the claim, process, and all legal pleadings with respect to the Third-Party Claim. Either Party is entitled to participate in the defense of a Third-Party Claim, and to defend a Third-Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this Section 19.1 and meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third-Party Claim with counsel of its own choosing are conditions precedent to the Other Party's liability with respect to the Third-Party Claim.

19.2 Tenant Jointly Liable with Landlord. With respect to a Third-Party Claim for which Tenant is jointly liable with Landlord (or would be if joined in the Third-Party Claim), Tenant shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Landlord in such proportion as is appropriate to reflect the relative fault of Tenant on the one hand and of Landlord on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Tenant on the one hand and of Landlord on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Tenant's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if Tenant had sole liability in the proceeding.

19.3 Landlord Jointly Liable with Tenant. With respect to a Third-Party Claim for which Landlord is jointly liable with Tenant (or would be if joined in the Third-Party Claim), Landlord shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Tenant in such proportion as is appropriate to reflect the relative fault of Landlord on the one hand and of Tenant on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Landlord on the one hand and of Tenant on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Landlord's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

SECTION 20: CASUALTY DAMAGE AND EMINENT DOMAIN

20.1 Casualty Damage.

(a) *Definitions.*

(i) "**Casualty**" means floods, hurricanes, tornados, storms, fires, explosions, lightning, earthquakes or other perils.

(ii) "**Major Damage**" means damage by Casualty to the Premises that:

(1) causes any substantial portion of the Premises to be unusable; and

(2) will likely cost at least twenty-five percent (25%) of the pre-damage value of the Premises, or will likely take at least one hundred eighty (180) days, beginning on the date of the Casualty, for complete restoration of the Premises.

(iii) "**Minor Damage**" means damage by Casualty to the Premises that:

(1) causes any substantial portion of the Premises to be unusable; and

(2) is not Major Damage.

(b) *Termination, Restoration and Abatement*. In the event of Major Damage, either Party may terminate this Lease by notice to the other Party with at least thirty (30) days' notice, given within thirty (30) days after the date of the Casualty, and Monthly Rent shall be abated, in proportion to the area of the Premises not usable by Tenant, from the date of the Casualty until the date of termination. If this Lease is not so terminated as a result of Major Damage, or in the event of Minor Damage, Landlord shall promptly and diligently restore the Premises to the condition existing just prior to the Casualty, regardless of whether Landlord has received any insurance proceeds for the Casualty; and Monthly Rent shall be abated, in proportion to the area of the Premises not usable by Tenant, from the date of the Casualty until the date Landlord's restoration work is Substantially Complete. Notwithstanding the foregoing: (i) if the Major Damage or Minor Damage occurs any time in the last two (2) years of the Term, then either Party may terminate this Lease, effective as of the date of the Casualty; and (ii) if, in the event of Minor Damage, actual restoration such that Tenant can fully resume its use of the Premises takes longer than three hundred sixty-five (365) days, beginning on the date of the Casualty, then Tenant may terminate this Lease at any time after such 365-day period.

20.2 Eminent Domain. If a condemning authority takes title by eminent domain or by agreement in lieu thereof to the Premises, or any portion thereof, sufficient to render the Premises unsuitable for Tenant's use, then either Party may terminate this Lease effective on the date that possession is taken by the condemning authority. If this Lease is not so terminated, then Monthly Rent shall be abated, in an amount proportionate to the reduction caused by the condemnation in area of the Premises, for the remainder of the Term. All condemnation proceeds shall belong to Landlord; provided, however, that Tenant may make a separate claim for its lost trade fixtures, moving expenses and damages for interruption of business.

20.3 Abatement Disputes. If one Party gives notice to the other Party of a dispute regarding the abatement of Monthly Rent pursuant to Section 20.1 or 20.2 above, the Parties shall attempt in good faith to resolve such dispute within fifteen (15) business days after such notice. If the Parties do not timely resolve the dispute, it shall be resolved in the same manner as a Buildout Dispute pursuant to Section 21 below.

SECTION 21: RESOLUTION OF BUILDOUT DISPUTES

21.1 Dispute Statements; Architect. Any Buildout Dispute under this Lease shall be resolved as follows: within ten (10) business days after the Parties have failed to timely resolve the Buildout Dispute through their good faith attempts as required herein, either Party shall deliver to the other Party and the Architect a notice of the Buildout Dispute. Within fifteen (15) business days after notice of the Buildout Dispute, each Party shall submit to the Architect a detailed statement setting forth its position on the Buildout Dispute (a "**Dispute Statement**"). If one Party fails to timely submit a Dispute Statement to the Architect, then the other Party's Dispute Statement shall govern the Buildout Dispute. For the purposes of a Buildout Dispute arising under Section 20 above, the Architect shall be the architect responsible for any restoration work arising from a Casualty.

21.2 Decision by Architect. Within thirty (30) days after delivery of the Parties' Dispute Statements, the Architect shall select one of the Parties' Dispute Statements to govern the dispute, and the Architect's decision shall be binding on the Parties. The Architect shall resolve the Buildout Dispute using its reasonable professional judgment and by reference to the Parties' Dispute Statements and the provisions of this Lease. The Party whose Dispute Statement is not selected by the Architect to govern the Buildout Dispute shall pay the Architect's costs and fees.

21.3 Buildout Dispute Resolution Amendment.

(a) *Amendment*. Within sixty (60) days after the Architect's decision regarding the resolution of the Buildout Dispute pursuant to Section 21.2 above, Tenant shall deliver to Landlord a "**Buildout Dispute Resolution Amendment**" that sets forth:

(i) the Architect's decision; and

(ii) any related matters as may be necessary and proper.

(b) *Delivery and Execution*. Within fifteen (15) business days after delivery of the Buildout Dispute Resolution Amendment, Landlord shall either execute it to indicate its acceptance, or give notice to Tenant that Landlord disputes it. Landlord's failure to timely execute or dispute the Buildout Dispute Resolution Amendment shall be deemed acceptance thereof. If Landlord gives notice to Tenant that it disputes the Buildout Dispute Resolution Amendment, the Parties shall attempt in good faith to resolve the dispute within ten (10) business days after such notice. The Parties may resolve any remaining dispute in a court, subject to Section 36.9 below.

(c) *Effectiveness*. The Architect's decision regarding the resolution of the Buildout Dispute is effective as of the date of the Architect's selection of one of the Parties' Dispute Statement to govern the dispute pursuant to Section 21.2 above, regardless of when or whether the Parties execute the Buildout Dispute Resolution Amendment.

SECTION 22: ASSIGNMENT AND SUBLETTING

22.1 By Tenant.

(a) *To Another State of Oregon Agency*. Pursuant to ORS 276.428 and OAR 125-120-0080(2), Tenant may, at any time and from time to time during the Term of this Lease and in the sole discretion of either Tenant or the Oregon Department of Administrative Services (DAS), determine that it does not need all or any portion of the Premises for its use, and, without Landlord's consent, assign this Lease or sublet all or any part of the Premises to, or share the use or occupancy of all or any part of the Premises with, another agency or division of the State of Oregon.

(b) *To Other Parties*. Subject to Section 22.1(a) above, Tenant shall not voluntarily or by operation of law assign this Lease or sublet any portion of the Premises without Landlord's prior consent. Any assignment or sublet in contravention of this Section 22.1(b) shall be deemed null and void. Tenant's Termination Option (as defined in Section 25.1 below) shall not survive any assignment of this Lease in accordance with this Section 22.1(b), except for an assignment to a public corporation performing State of Oregon governmental functions.

22.2 By Landlord.

(a) *Notice*. If a party becomes Landlord's successor-in-interest under this Lease (a "**Successor Landlord**"), Landlord shall promptly provide advance notice to Tenant of such Successor Landlord (a "**Notice of Successor Landlord**"). The Notice of Successor Landlord shall contain the Successor Landlord's name, address and other contact information and a copy of the document vesting ownership of the Premises in the Successor Landlord. The Notice of Successor Landlord shall be executed by both Landlord and Successor Landlord in any voluntary situation. If a lender or other third party acting through such lender becomes successor-in-interest to Landlord, such notice shall be promptly made by such third party.

(b) *Ongoing Liability*. The existence of a Successor Landlord shall not release or discharge Landlord from the performance of any or all of its obligations under this Lease.

SECTION 23: SUBORDINATION, NONDISTURBANCE AND ATTORNMENT; ESTOPPEL CERTIFICATE

23.1 Subordination, Nondisturbance and Attornment.

(a) *Subordination*. Subject to the conditions set forth in Section 23.1(c) below, and unless otherwise requested by Landlord, this Lease shall be subordinate to the lien of any mortgage or deed of trust or the lien resulting from any other method of financing or refinancing now or hereafter in force against the Premises, and to any and all advances made upon such mortgages or deeds of trust.

(b) *Attornment*. Subject to the conditions set forth in Section 23.1(c) below, Tenant shall attorn and be bound to any Successor Landlord.

(c) *Conditions*. Tenant's subordination and attornment obligations set forth in Sections 23.1(a) and (b) above are conditioned on the following:

(i) this Lease shall continue in full force and effect;

(ii) any Successor Landlord shall assume and perform all of Landlord's responsibilities and obligations under this Lease, and, provided that there is not then any material Tenant Default hereunder, shall not disturb Tenant's use or enjoyment of the Premises; and

(iii) Tenant shall not save, hold harmless or indemnify a lender or any other third party from or for any matter arising from this Lease; grant to any Successor Landlord any rights beyond what Landlord has under this Lease; or agree to hold any Successor Landlord harmless for any acts or omission of Landlord.

23.2 Forms of SNDA and Estoppel Certificate.

(a) *Forms*. Within fifteen (15) business days after Landlord's request, Tenant shall execute and deliver to Landlord, as applicable:

(i) a subordination, nondisturbance and attornment agreement in the form attached as Form 1 (the "**SNDA Form**"), completed by the insertion of factual information only, and with no substantive modifications to any of the operative terms and no additional terms without prior written approval by the Oregon Department of Justice ("**DOJ**"); or

(ii) an Estoppel Certificate in the form attached as Form 2 (the "**Estoppel Certificate Form**"), completed by the insertion of factual information only, with no modifications as to the nature of the certifications and no additional terms without prior written approval by DOJ.

(b) *DOJ Review*.

(i) If Landlord requests any modification of the SNDA Form or the Estoppel Certificate Form requiring DOJ approval pursuant to Section 23.1(a) above, or if Landlord requests that Tenant execute an alternate form of a subordination, nondisturbance and attornment agreement or a tenant estoppel certificate, Landlord shall pay Tenant in advance a basic review fee of $1,000.00 for Tenant to engage DOJ to consider such modified SNDA Form, modified Estoppel Certificate Form or such alternate subordination, nondisturbance and attornment agreement or tenant estoppel certificate. Such initial consideration by DOJ will result in DOJ providing Landlord with a revised draft of the applicable document that DOJ is willing to approve without further negotiation.

(ii) If Landlord seeks further negotiation of the terms of the applicable document, Tenant will require advance payment from Landlord in an amount sufficient, in Tenant's discretion, to engage DOJ on Tenant's behalf to cover Tenant's costs of counsel for any further work on the applicable document (regardless of whether such work by DOJ results in a DOJ-approved document that is acceptable to Landlord).

SECTION 24: LIENS

Tenant shall pay when due all claims for work performed on the Premises by or through Tenant or for services rendered or materials furnished to the Premises for Tenant, and shall keep the Premises free from any liens arising by or through Tenant. If any such lien shall at any time be filed against the Premises, or any portion thereof, Tenant shall cause the same to be discharged of record or bonded off, as permitted by statute, within thirty (30) days after Tenant's receipt of written notice of same.

SECTION 25: TENANT'S TERMINATION OPTION

25.1 Termination Option. Tenant has the option to terminate this Lease (the "**Termination Option**") in the event of the following:

(a) *Lack of Funding*. Landlord understands and acknowledges that the tenant hereunder is the State of Oregon, acting by and through the agency that is the Tenant under this Lease, and that Tenant's payment obligations under this Lease are conditioned upon Tenant receiving sufficient funding, appropriations, limitations, allotments or other expenditure authority. Tenant may exercise the Termination Option if, in Tenant's objectively reasonable determination, it does not have sufficient funding, appropriations, limitations, allotments or other expenditure authority sufficient to permit continuation of this Lease. Landlord is not entitled to receive payment under this Lease from any agency or other division of the State of Oregon other than the agency that is the Tenant under this Lease. Nothing in this Lease shall be construed as permitting any violation of Article XI, Section 7 of the Oregon Constitution or any other applicable Law or Ordinance regulating liabilities or monetary obligations of the State of Oregon.

(b) *Abolition*. Tenant may exercise the Termination Option if, by a specific legislative act, Tenant is abolished or its functions are absorbed into another agency or division of the State of Oregon.

25.2 Exercise of Termination Option.

(a) To exercise the Termination Option, Tenant shall deliver to Landlord a notice of such election (the "**Termination Option Notice**") that specifies the date of termination (the "**Termination Date**"). The Termination Date shall be at least one hundred twenty (120) days after the delivery of the Termination Option Notice.

(b) If Tenant properly exercises the Termination Option as provided in Section 25.2(a) above, all obligations under this Lease shall continue through the Termination Date, at which time all unaccrued rights and obligations of the Parties under this Lease shall cease and terminate, except to the extent such obligations specifically survive termination of this Lease. If Tenant does not properly exercise the Termination Option as provided in Section 25.2(a) above, this Lease shall remain in full force and effect in accordance with its terms.

25.3 Termination Fee.

(a) *Calculation*. If Tenant exercises the Termination Option pursuant to Section 25.2 above, then on or before the Termination Date, Tenant shall deliver to Landlord a termination fee (the "**Termination Fee**") in the sum of the following applicable amounts:

(i) Initial Term: Improvement Allowance and Brokers' Fees: if the Termination Date is during the Initial Term:

the portion of any Improvement Allowance, plus any fees or commissions of Brokers (as defined in Section 36.12 below), paid by Landlord, related to the Initial Term of this Lease, that the length of Tenant's lease of the Premises, from the Termination Date through the Expiration Date, bears to the length of the Initial Term

(ii) Expansion Space: Expansion Improvement Allowance and Brokers' Fees: *Intentionally Omitted*

(iii) Extension Term: Improvement Allowance and Brokers' Fees: if the Termination Date is during an Extension Term:

the portion of any improvement allowance specifically for the Extension Term, plus any brokers' fees or commissions paid by Landlord related to the Extension Term, that the length of Tenant's lease of the Premises, from the Termination Date through the expiration date of the Extension Term, bears to the length of the Extension Term.

(b) *Survival of Obligation to Pay*. Once Tenant has delivered the Termination Notice, its obligation to pay the Termination Fee shall survive any termination of this Lease earlier than the Termination Date.

SECTION 26: CONFIDENTIAL BUSINESS INFORMATION

Landlord understands and acknowledges that Tenant's use of the Premises may include the creation, management and retention of business information of a personal or confidential nature ("**Confidential Information**"), and that the unauthorized acquisition or disclosure of Confidential Information may be grounds for civil and criminal liability. Landlord shall reasonably cooperate with Tenant in protecting the confidentiality of all information that Tenant notifies Landlord is Confidential Information, and shall ensure that its agents and employees do not, through any acts or omissions, jeopardize the confidentiality of such Confidential Information or disclose it to any unauthorized parties.

SECTION 27: SURRENDER, SHORT-TERM EXTENSION AND HOLDOVER

27.1 Surrender. Tenant shall, upon the expiration or earlier termination of this Lease, surrender the Premises to Landlord broom clean, in first-class condition and repair, except for ordinary wear and tear and damage from any Casualty, Building Defect or Force Majeure Event.

27.2 Short-Term Extension. With thirty (30) days' prior notice to Landlord and without Landlord's consent, Tenant may extend the Term for a period not to exceed sixty (60) days, with Monthly Base Rent to be the same amount as the immediately preceding month. Such short-term extension shall not be construed as an exercise of any Extension Option.

27.3 Holdover. If Tenant fails to vacate the Premises after the expiration or earlier termination of the Term, and Landlord does not, within ten (10) business days after such expiration or termination, deliver to Tenant a notice of eviction, such holding over by Tenant shall create a tenancy from month to month, with Monthly Base Rent to be one hundred ten percent (110%) of the Monthly Base Rent for the immediately preceding month. Such holdover shall not be construed as an exercise of any Extension Option.

SECTION 28: QUIET ENJOYMENT

Subject to the terms and conditions of this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises during the Term, without any interruption or disturbance from Landlord or any party claiming by, through or under Landlord.

SECTION 29: INTEREST RATE

Except as otherwise specifically provided in this Lease, any payment due hereunder by one Party to the other Party shall accrue interest at the maximum rate permitted under ORS 293.462, as it may be amended or replaced from time to time, from the date the payment is past due until the past-due payment and all interest thereon are paid in full.

SECTION 30: LANDLORD'S REPRESENTATIONS, WARRANTIES AND COVENANTS

30.1 Authority. Landlord represents and warrants to Tenant that Landlord is an Oregon public body, duly organized and validly existing; that Landlord has the power and authority to enter into and perform under this Lease; and that the person signing this Lease on behalf of Landlord is authorized by Landlord to bind Landlord to this Lease. Upon Tenant's request, Landlord shall provide Tenant with evidence reasonably satisfactory to Tenant confirming the foregoing.

30.2 Ownership and Condition of Premises. Landlord represents, warrants and covenants, as applicable, that:

(a) Landlord is the fee simple owner of the Premises;

(b) Landlord shall deliver possession of the Premises to Tenant free and clear of other tenants and of any claims that conflict with Tenant's rights under this Lease;

(c) the Premises are safe and inhabitable;

(d) as of the Commencement Date, there are no Hazardous Materials on the Premises, except for amounts normal and appropriate for the standard use and operation of a commercial property, stored, used and disposed of in strict compliance with all applicable Laws and Ordinances; and any Hazardous Materials removed by Landlord from the Premises prior to the Commencement Date were removed in strict compliance with all applicable Laws and Ordinances. "**Hazardous Materials**" includes, without limitation, any and all substances, pollutants, contaminants, materials or products defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials, or any other similar term in or under any applicable Law or Ordinance. Hazardous Materials also includes, without limitation, fuels, petroleum and petroleum-derived products;

(e) as of the Commencement Date, there is no asbestos or asbestos-containing material on the Premises; and any asbestos or asbestos-containing material removed by Landlord from the Premises prior to the Commencement Date was removed in accordance with all applicable Laws and Ordinances;

(f) the Premises are in compliance with any and all applicable Laws and Ordinances, including the acknowledged comprehensive plans and land use regulations of the city or county in which the Premises are located; and

(g) the Premises, after the Improvements are Substantially Complete pursuant to the Work Letter, are or shall be as of the Commencement Date in compliance with all applicable provisions of the Americans with Disabilities Act.

30.3 Parking Rights. *Intentionally Omitted*

30.4 Tax Laws. *Intentionally Omitted.*

SECTION 31: TENANT'S REPRESENTATIONS, WARRANTIES AND COVENANTS

31.1 Authority. Tenant represents and warrants to Landlord that Tenant is a State of Oregon agency, duly organized and validly existing; that Tenant has the power and authority to enter into and perform under this Lease; and that the person signing this Lease on behalf of Tenant is authorized by Tenant to bind Tenant to this Lease. Upon Landlord's request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing.

31.2 Condition of Premises. Tenant covenants that:

(a) Tenant shall not use, place or allow any Hazardous Materials on the Premises, except for amounts normal and appropriate for Tenant's use of the Premises, stored, used and disposed of in strict compliance with all applicable Laws and Ordinances;

(b) Tenant shall use the Premises in compliance with any and all applicable Laws and Ordinances; and

(c) Tenant shall keep the interior of the Premises in compliance with all applicable provisions of the Americans with Disabilities Act.

SECTION 32: SUSTAINABILITY PRACTICES

In all of their activities in, on or related to the Premises, the Parties shall: (1) use their reasonable best efforts to maximize energy efficiency and use environmentally sustainable products and materials; and (2) use their reasonable best efforts to reduce nonessential water consumption.

SECTION 33: TENANT DEFAULT

33.1 Default. The following shall be events of default by Tenant ("**Tenant Default**"):

(a) *Nonpayment of Base or Additional Rent*. Tenant's failure to pay Landlord any Monthly Base Rent or Additional Rent within fifteen (15) business days after notice from Landlord specifying the nonpayment.

(b) *Other Nonperformance.* Other than a nonpayment described in Section 33.1(a) above, Tenant's failure to comply with or fulfill any term, condition or obligation of this Lease within thirty (30) days after notice from Landlord specifying the nature of the failure with reasonable particularity; or, if Tenant cannot reasonably cure such failure within such thirty (30) -day period, then within such time as Tenant can cure the failure with reasonable good faith and diligence; provided, however, that such cure period shall not exceed one hundred eighty (180) days.

33.2 Remedies. Upon any Tenant Default, Landlord may exercise any one or more of the following remedies:

(a) *Cure*. At Tenant's cost and expense, Landlord may perform Tenant's unperformed obligations that gave rise to the Tenant Default, and charge all such costs and expenses to Tenant pursuant to this Lease, which Tenant shall pay within thirty (30) days after Landlord delivers an invoice therefor, together with reasonable supporting documentation (including receipts and invoices from service and materials providers) of such costs and expenses.

(b) *Termination*. Landlord may terminate this Lease, re-enter and take possession of the Premises and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages to Tenant, its property, any other persons or their property.

(c) *Reletting*. Landlord may relet the Premises, and in connection therewith may make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises. Landlord shall not be required to relet the Premises for any use or purpose that Landlord may reasonably consider injurious to the Premises, or to any tenant that Landlord may reasonably consider objectionable. Landlord may relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the Term of this Lease, and upon any reasonable terms and conditions, including the granting of rent-free occupancy or other rent concessions.

(d) *Right to Sue*. Landlord may sue periodically to recover damages as they accrue without barring a later action for further damages.

(e) *Damages.* Landlord shall be entitled to recover from Tenant any and all damages arising from a Tenant Default, including the following:

(i) all costs and expenses of curing the Tenant Default;

(ii) the reasonable costs of reentry and reletting, including, without limitation, the costs of any clean up, refurbishing, removal of Tenant's property and fixtures and any other expense arising from Tenant's failure to surrender the Premises in the condition required by Section 27.1 above; remodeling costs; and broker fees and commissions and advertising costs; and

(iii) the loss of Monthly Base Rent and Additional Rent for the Premises from the date of the Tenant Default until a new tenant for the Premises has been, or with the exercise of reasonable efforts could have been, secured.

(f) *Other.* The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Landlord in law or equity.

SECTION 34: LANDLORD DEFAULT

34.1 Default. The following shall be events of default by Landlord ("**Landlord Default**"):

(a) *Nonpayment of Money Due*. Landlord's failure to pay Tenant any money due under this Lease within fifteen (15) business days after notice from Tenant specifying the nonpayment.

(b) *Other Nonperformance.* Other than a nonpayment described in Section 34.1(a) above:

(i) Landlord's failure to comply with or fulfill any term, condition or obligation of this Lease within thirty (30) days after notice from Tenant specifying the nature of the failure with reasonable particularity; provided, however, that if Landlord cannot reasonably cure such failure within such thirty (30) -day period, then within such time as Landlord can cure the failure with reasonable good faith and diligence, provided that such cure period shall not exceed one hundred eighty (180) days; or

(ii) if Tenant notifies Landlord of an emergency condition in the Premises (such emergency condition being one that presents an immediate risk of substantial harm to the Premises or any contents therein, or to any of Tenant's agents, employees or invitees), Landlord's failure to immediately commence and diligently pursue to completion a cure of such emergency condition.

34.2 Remedies. Upon any Landlord Default, Tenant may exercise any one or more of the following remedies:

(a) *Cure*. At Landlord's cost and expense, Tenant may perform Landlord's unperformed obligations that gave rise to the Landlord Default, and charge all such costs and expenses to

Landlord pursuant to this Lease, which Landlord shall pay within thirty (30) days after Tenant delivers an invoice therefor, together with reasonable supporting documentation (including receipts and invoices from service and materials providers) of such costs and expenses.

(b) *Offset*. Tenant may deduct from any future Monthly Rent due any and all of its costs and expenses relating to curing the Landlord Default pursuant to Section 34.2(a) above. Such offset right shall begin immediately upon Tenant's performance of Landlord's unperformed obligations pursuant to Section 34.2(a) above.

(c) *Other*. Tenant may exercise any other remedy available in law or equity and is entitled to recover from Landlord any and all damages arising from a Landlord Default, including any and all costs and expenses of performing Landlord's unperformed obligations that gave rise to the Landlord Default.

SECTION 35: NOTICES

35.1 Addresses; General Notice Requirements.

(a) *Landlord's Address*. "**Landlord's Address**" means the address set forth beneath Landlord's signature on this Lease. Landlord may notify Tenant of a different address for payments of any Monthly Base Rent, Additional Rent or other amounts due to Landlord under this Lease.

(b) *Tenant's Address*. "**Tenant's Address**" means the address set forth beneath Tenant's signature on this Lease.

(c) *General Notice Requirements*. Any notices, demands, deliveries or other communications required under this Lease shall be made in writing and delivered by one of the methods set forth in Section 35.2 below to Landlord's Address or Tenant's Address, as the case may be, unless one Party modifies its Address by notice to the other Party, given in accordance with Section 35.2 below.

35.2 Delivery.

Method of delivery	**When notice deemed delivered**
In person (including by messenger service)	the day delivered, as evidenced by signed receipt
Email or Fax	the day sent (unless sent after 5:00 p.m., P.T., in which case the email or fax shall be deemed sent the following business day)
US Mail (postage prepaid, registered or certified, return receipt requested)	the day received, as evidenced by signed return receipt
Courier delivery (by reputable commercial courier)	the day received, as evidenced by signed receipt

If the deadline under this Lease for delivery of a notice is a Saturday, Sunday or federal or State of Oregon holiday, such deadline shall be deemed extended to the next business day.

35.3 Property Manager. *Intentionally Omitted*

SECTION 36: MISCELLANEOUS

36.1 Time is of the Essence. Time is of the essence in relation to the Parties' performance of any and all of their obligations under this Lease.

36.2 Calculation of Days. Any reference in this Lease to "days" shall mean calendar days, unless specified as "business days." A business day is any day that is not a Saturday, Sunday or a federal or State of Oregon holiday.

36.3 Consent. Unless otherwise specifically stated herein, any consent by a Party shall not be unreasonably withheld, conditioned or delayed.

36.4 Integration. This Lease constitutes the entire agreement between the Parties on the subject matter hereof. The Parties have no understandings, agreements or representations, oral or written, regarding this Lease that are not specified herein.

36.5 Amendments. This Lease may be amended or modified only by a written instrument signed by both Parties.

36.6 No Waiver of Performance. No waiver by a Party of performance of any provision of this Lease by the other Party shall be deemed a waiver of nor prejudice the other Party's right to otherwise require performance of the same provision, or any other provision.

36.7 Severability. If any term or provision of this Lease is declared by a court of competent jurisdiction to be illegal or in conflict with any Law or Ordinance, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Lease did not contain the particular term or provision held to be invalid.

36.8 Counterparts. This Lease and any amendments hereto may be executed in two or more counterparts, each of which is an original, and all of which together are deemed one and the same document, notwithstanding that both Parties are not signatories to the same counterpart.

36.9 Governing Law; Consent to Jurisdiction. This Lease is governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any Claim between Tenant (or any other agency or department of the State of Oregon) and Landlord that arises from or relates to this Lease shall be brought and conducted solely and exclusively within the jurisdiction of the Circuit Court of Marion County in the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. Each Party, by execution of this Lease, hereby consents to the in personam jurisdiction of the foregoing courts, waives any objection to venue and waives any claim that such forums are an inconvenient forum. In no event shall this Section 36.9 or any other provision of this Lease be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, or consent by the State of Oregon to the jurisdiction of any court. The Parties acknowledge that this Lease is a binding and enforceable agreement and, to the extent permitted by law, expressly waive any defense alleging that either party does not have the right to seek judicial enforcement of this Lease.

36.10 No Presumption against Drafter. No inference, presumption or conclusion shall be drawn against either Party by virtue of that Party having drafted this Lease or any portion thereof.

36.11 Force Majeure. A Party shall not be liable for any delay in performance under this Lease, other than payment of any money to the other Party, if such delay is caused by Casualties, strikes, lockouts, riots, wars, acts of public enemies, insurrections, acts of God, shortages of labor or materials or any other such causes not within the control of the first Party (any such event being a "**Force Majeure Event**").

36.12 Brokers. *Intentionally Omitted*

36.13 Exhibits and Forms. The Exhibits and Forms listed below are incorporated as part of this Lease:

Exhibit A:	Premises
Exhibit B:	*Intentionally Omitted*
Exhibit C:	Property
Exhibit D:	Work Letter
Exhibit E:	*Intentionally Omitted*
Exhibit F:	Janitorial Services Agreement
Exhibit G:	*Intentionally Omitted*
Exhibit H:	*Intentionally Omitted*
Exhibit I-1:	Contractor's Insurance Requirements (Landlord's Contractors)
Exhibit I-2:	Contractor's Insurance Requirements (Tenant's Contractors)
Form 1:	SNDA Form
Form 2:	Estoppel Certificate Form

[remainder of this page intentionally left blank]

DRAFT

Each person signing this Lease below on behalf of a Party represents and warrants that such person is duly authorized by that Party and has legal capacity to do so.

LANDLORD:

Port of Hood River, a municipal corporation of the State of Oregon

Signature	______________________________________	__________________, 2026
Name	Kevin Greenwood	Date
Title	Executive Director	

Landlord's Address

Address:	PO Box 239, Port Marina Park
City, State, ZIP:	Hood River, Oregon 97031
ATTN:	Amanda Rose, or successor
Phone Number:	541-386-5116
Email Address:	Amanda.rose@portofhoodriver.com

DRAFT

TENANT:

The State of Oregon, acting by and through its Department of Transportation, Driver and Motor Vehicle Services Division

Signature ______________________________________ ________________, 2026
Name David McKay Date
Title Facilities Leasing & Project Manager

APPROVED BY OREGON DEPARTMENT OF ADMINISTRATIVE SERVICES

Signature ______________________________________ ________________, 2026
Name Brady Ricks Date
Title Manager, Real Estate Services

Tenant's Address

Address:	885 Airport Rd SE, Building X
City, State, ZIP:	Salem, Oregon 97301
ATTN:	Christina Cobb, or successor
Phone Number:	971-209-9434
Email Address:	christina.cobb@odot.oregon.gov
cc:	res.info@das.oregon.gov

Template: NNN/ST/Newlocation/WLoffice client

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Exhibit D

WORK LETTER

THIS WORK LETTER (this "**Work Letter**") is attached to and part of the State of Oregon Lease (the "**Lease**") of the same Lease Effective Date. Capitalized terms used but not defined in this Work Letter shall have the same definition as set forth in the Lease, as amended.

Landlord	Port of Hood River, a municipal corporation of the State of Oregon
Tenant	The State of Oregon, acting by and through its Department of Transportation, Driver and Motor Vehicle Services Division
Lease Effective Date	____________, 2026
Estimated Commencement Date	April 1, 2027
Estimated Completion Date for Improvements	March 31, 2027
Premises	
Building:	Port Marina Park
Street:	610 E. Port Marina Drive
City, State, Zip:	Hood River, Oregon 97031
County:	Hood River
Improvement Allowance *(Section 4.2(a))*	$0.00
Tenant's Share *(Section 4.2(b))*	all of the Improvement Costs
Landlord's Designated Representative	Amanda Rose, or successor
Tenant's Designated Representative *(Section 11.1)*	Christina Cobb, or successor

1. IMPROVEMENTS

Pursuant to the terms and conditions of this Work Letter, Landlord shall construct or arrange for the construction on the Premises of the improvements designated in the Improvement Specifications attached as Exhibit D-1 (the "**Improvements**"). The work under this Work Letter on the Improvements is the "**Improvement Work**." The Improvements shall become the property of Landlord and a part of the Premises upon construction on the Premises. The Improvements shall be Substantially Complete (as defined in Section 7.1 below) on or before the Estimated Commencement Date.

2. IMPROVEMENT PLANS

2.1 Preliminary Plans.

(a) *Preparation and Delivery*. Within forty-five (45) days after the Lease Effective Date, Landlord shall deliver to Tenant the Space Plan and the Construction Drawings (together the "**Preliminary Plans**"), as defined and set forth in Sections 2.1(b) and 2.1(c) below. The Preliminary Plans shall be based on the Improvement Specifications and shall be prepared by ____________________, an architect licensed in the State of Oregon (the "**Architect**"). The Parties shall promptly cooperate with the Architect and provide any reasonable information that the Architect requests for the preparation of the Preliminary Plans.

(b) *Space Plan*. The "**Space Plan**" shall be a fully dimensional, detailed floor plan sufficient to convey the architectural design of the Premises, showing the layout and relationship of all rooms, partitions and doors; electrical, data and telephone outlets; any equipment requiring special electrical, mechanical, plumbing, HVAC or other systems; any areas subject to above-normal loads; any special openings in the floors, ceilings or walls; and any other major or special features set forth in the Improvement Specifications.

(c) *Construction Drawings*. The "**Construction Drawings**" shall show all electrical, mechanical, plumbing, HVAC and other systems necessary for the construction and operation of the Improvements.

2.2 Tenant Review.

(a) *Requested Revisions*. Within five (5) business days after delivery of the Preliminary Plans to Tenant, Tenant shall deliver to Landlord either:

(i) notice that it approves the Preliminary Plans; or

(ii) requested revisions to the Preliminary Plans, consistent with the Improvement Specifications and in sufficient detail for the Architect to make such changes ("**Requested Plan Revisions**"). In such event, Landlord shall, within five (5) business days after Tenant's delivery of the Requested Plan Revisions, cause the Architect to make all of the Requested Plan Revisions and then shall return the revised Preliminary Plans to Tenant; and Tenant shall again have five (5) business days to deliver to Landlord notice that it approves the revised Preliminary Plans, or request revisions to same. The procedure set forth in this Section 2.2(a)(ii) shall continue until Tenant gives Landlord notice that it approves the Preliminary Plans. Notwithstanding any other provision in this Work Letter, Tenant's approval of the Preliminary Plans shall not be unreasonably withheld.

(b) *Failure to Approve.*

(i) If Tenant does not timely respond to Landlord either with approval of, or Requested Plan Revisions to, the Preliminary Plans or revised Preliminary Plans, as the case may be, then the Preliminary Plans shall be deemed approved by Tenant.

(ii) In the event that the Preliminary Plans have not been approved within ninety (90) days after the Lease Effective Date, then either Party may terminate the Lease by notice to the other Party of such termination at any time after such 90-day period, in which event each Party shall pay one half (1/2) of the Architect's costs and fees in connection with preparing the Preliminary Plans, and the Parties shall have no further obligations under the Lease.

2.3 Final Plans. Within five (5) business days after Tenant's approval of the Preliminary Plans pursuant to Section 2.2 above, Landlord shall deliver to Tenant the approved Preliminary Plans, prepared by the Architect in final form and sufficient detail to obtain all necessary permits and to be used by the Contractor (as defined in Section 3.1 below) in constructing the Improvements (the "**Final Plans**").

3. CONTRACTOR'S BID

3.1 Contractor. Landlord shall choose a licensed general contractor in the State of Oregon (the "**Contractor**") to construct the Improvements, as follows: within ten (10) business days after the Lease Effective Date, Landlord shall deliver to Tenant a list of at least three (3) qualified general contractors licensed in the State of Oregon, and within five (5) business days after Landlord delivers said list, Tenant shall notify Landlord of its choice of the Contractor from the list. Notwithstanding the foregoing, if Landlord fails to timely deliver the list, then Tenant's choice of a contractor shall be deemed the Contractor; and if Tenant fails to timely respond to the list, then Landlord's choice of a contractor shall be the Contractor.

3.2 Contractor's Bid. Landlord shall cause the Contractor to prepare, within five (5) business days after Landlord's delivery of the Final Plans to Tenant pursuant to Section 2.3 above, a bid (the "**Contractor's Bid**") for the construction of the Improvements, based on the Final Plans. Landlord shall immediately deliver the Contractor's Bid to Tenant upon Landlord's receipt of same.

3.3 Review and Approval. Within ten (10) business days after delivery of the Contractor's Bid to Tenant, the Parties shall use their reasonable best efforts to work with the Contractor in order to approve the Contractor's Bid. If the Parties do not timely approve the Contractor's Bid in writing, then either Party may terminate the Lease by notice to the other Party of such termination at any time after such 10-day period, in which event each Party shall pay one half (1/2) of the Architect's costs and fees in connection with preparing the Preliminary Plans and the Final Plans, and the Parties shall have no further obligations under the Lease.

4. IMPROVEMENT COSTS

4.1 Improvement Costs.

(a) *Generally*. The "**Improvement Costs**" means Landlord's actual and reasonable costs and expenses incurred for the following:

(i) the Architect's costs and fees in connection with the preparation of the Preliminary Plans and Final Plans;

(ii) the costs of the Contractor's labor and materials for constructing the Improvements pursuant to the Contractor's Bid and the Final Plans and any necessary further related work, including any Change Orders (as defined in Section 6.1 below), as such costs are set forth in the Final Accounting (as defined in Section 10.2(a) below); and

(iii) any fees or permits for the Improvements, payable to the applicable governing authorities.

(b) *Exclusions*. The Improvement Costs will not include any of the following, which shall be done at Landlord's sole cost and expense:

(i) any costs or expenses relating to the construction of the core and shell of the Improvements, i.e., foundations, structural walls, floors and roof; or

(ii) the costs of any capital improvements or equipment, as determined in accordance with real estate accounting principles generally applied by real estate property managers in the metropolitan area in which the Property is located, consistently applied, that Landlord claims as depreciation for tax purposes.

4.2 Improvement Allowance; Tenant's Share.

(a) *Improvement Allowance*. Landlord shall bear $0.00 (such amount being the Improvement Allowance). Landlord shall pay the Improvement Costs as set forth in Section 4.3(b) below.

(b) *Tenant's Share*. Tenant shall bear all of the Improvement Costs (such amount being Tenant's Share). As of the Lease Effective Date, the Parties estimate that Tenant's Share will be $_______________ ("**Tenant's Estimated Share**"). Tenant shall pay Tenant's Share as set forth in Section 4.3(c) below.

4.3 Payment of Improvement Costs.

(a) *Determination of Improvement Costs*. The Commencement Amendment, which Tenant shall deliver to Landlord within sixty (60) days after Landlord's delivery of the Final Accounting and other documentation set forth in Section 10.2(a) below, shall include and define the Improvement Costs. Within sixty (60) days after the Rental Commencement Date, Landlord shall deliver to Tenant the Final Accounting and other documentation set forth in Section 10.2(a) below, which shall include and define the Improvement Costs. Any disputes regarding the Final Accounting shall be resolved pursuant to Section 3.4 of the Lease.

(b) *Payment by Landlord*. Landlord shall pay all of the Improvement Costs directly to the Architect, the Contractor and the governing authorities, as the case may be, and Tenant shall reimburse Landlord for Tenant's Share pursuant to Section 4.3(c) below.

(c) *Reimbursement of Tenant's Share*. Tenant shall reimburse Landlord for Tenant's Share as follows:

Tenant shall pay Tenant's Share to Landlord in a lump sum, with no interest, within sixty (60) days after Landlord's delivery of the Final Accounting; provided, however, that in the event of a dispute regarding the Final Accounting pursuant to Section 4.3(a) above, such 60-day period shall be extended accordingly.

Landlord understands, acknowledges and agrees that the funds for the Tenant's Share of the Improvement Costs are available only through the last day of the current 2025-2027 State of Oregon legislative biennium, specifically June 30, 2027, and that Landlord shall timely deliver the Final Accounting in order to facilitate Tenant's payment of the Improvement Costs.

(d) *Monthly Rent Credit*. In the event the Improvement Costs are less than the Improvement Allowance, then Landlord shall credit the difference to Tenant against Monthly Rent, beginning the month after the Commencement Date and continuing until paid in full.

5. CONSTRUCTION OF IMPROVEMENTS

5.1 Construction Contract. The Improvements shall be constructed by the Contractor pursuant to a construction contract to be entered into by Landlord and the Contractor (the "**Construction Contract**") within five (5) business days after the Parties' approval of the Contractor's Bid pursuant to Section 3.3 above. The Construction Contract shall require the Contractor to construct the Improvements with all due diligence, beginning promptly after the execution of the Construction Contract and continuing until completion on or before the Estimated Commencement Date.

5.2 Warranty. Landlord shall warrant all of the Improvement Work for at least one (1) year, beginning on the Commencement Date.

5.3 Public Works. *Intentionally Omitted*

6. CHANGE ORDERS

6.1 Change Order. A "**Change Order**" is a change to the Final Plans, requested and approved by Tenant pursuant to Section 6.2 below.

6.2 Change Order Requests. If Tenant requests any change, alteration or addition to the Final Plans, such request (a "**Change Order Request**") shall be in writing and accompanied by all plans and specifications necessary to show and explain the requested change. Within three (3) business days after receiving the Change Order Request, Landlord shall give Tenant a written estimate of the price and additional time, if any, for the Contractor to incorporate the requested change to the Final Plans (a "**Change Order Response**"). The price of incorporating the requested change to the Final Plans shall not include any administrative or management fee by Landlord. If Tenant wishes to proceed with the change, Tenant shall so notify Landlord within three (3) business days after delivery of the Change Order Response. Tenant shall have no obligation to pay for any additional work that is not requested by Tenant and documented by a Change Order signed by Tenant's Designated Representative and Landlord's Designated Representative. Any delay in the Improvement Work that results from a Change Order shall be a Tenant Delay (as defined in Section 7.2 below).

7. COMPLETION AND DELIVERY

7.1 Substantially Complete. "**Substantially Complete**" means:

(a) the Improvements have been completed in accordance with the Final Plans, except for the Punch List Items (as defined in Section 7.1(b) below);

(b) the Parties have conducted a joint walk-through of the Premises and prepared and signed a list of minor items relating to the Improvements that require additional work by Landlord but do not materially interfere with Tenant's access to or use of the Premises (the "**Punch List Items**"); and

(c) Landlord has either:

(i) obtained a certificate of occupancy or the equivalent for the Premises; or

(ii) notified Tenant that the Premises are ready for the installation of any of Tenant's furniture or fixtures, if such installation is the sole impediment to obtaining a certificate of occupancy or the equivalent for the Premises.

7.2 Delay. Any delay in the completion of the Improvements beyond the Estimated Commencement Date shall be governed by Section 3.2 of the Lease. For the purposes of Section 3.2 of the Lease, a "**Tenant Delay**" means a delay in the Estimated Commencement Date caused by any of the following:

(a) Tenant's failure to timely perform any of its duties or obligations pursuant to the Lease or this Work Letter;

(b) a Change Order; or

(c) the postponement of any Improvement Work at Tenant's request.

7.3 Complete Delivery. Landlord's "**Complete Delivery**" of the Premises shall occur when Landlord delivers to Tenant:

(a) actual physical possession of the Premises, in broom clean condition, free and clear of all personal property of Landlord and any other parties;

(b) all keys and access cards for the Premises; and

(c) the certificate of occupancy or the equivalent for the Premises.

7.4 Completion of Punch List Items. Within thirty (30) days after the Rental Commencement Date, Landlord shall complete all of the Punch List Items. Notwithstanding any other provision in the Lease, Tenant may withhold its payments of Monthly Rent under the Lease until Landlord has completed the Punch List Items to Tenant's reasonable satisfaction.

8. TENANT'S ENTRY

8.1 Entry for Tenant's Installations. Beginning thirty (30) days immediately prior to the Estimated Commencement Date, Tenant may, at no extra cost to Tenant, enter upon the Premises in order to install its alterations, furnishings, fixtures and equipment, so long as Tenant schedules such entry with Landlord and complies with all reasonable directions from the Contractor.

8.2 Entry Subject to Lease. Prior to the Actual Commencement Date, the entry onto the Premises of Tenant and its employees, agents, contractors and licensees for any purpose, including, without limitation, inspection or performance of the Improvement Work, shall be subject to all the terms and conditions of the Lease, including, without limitation, the provisions of the Lease relating to indemnification and the maintenance of insurance by Tenant, but excluding, however, the provisions of the Lease relating to the payment of Monthly Rent.

9. BUILDOUT DISPUTES

In the event one Party gives notice to the other Party that it disputes any matter relating to or arising from the Improvement Work, the Parties shall attempt in good faith to resolve the dispute within thirty (30) days after such notice. If the Parties do not timely resolve the dispute, it shall be deemed a Buildout Dispute and resolved pursuant to Section 21 of the Lease. Notwithstanding the foregoing, any dispute between the Parties regarding the Final Accounting shall be governed pursuant to Section 4.3(a) above.

10. LANDLORD'S COVENANTS

10.1 Construction of Improvements. Landlord covenants as follows:

(a) *Workmanship*. The Improvements shall be constructed in a first-class and workmanlike manner.

(b) *Compliance with Laws*. The Improvement Work shall be performed, and the Improvements shall be constructed, in compliance with all applicable Laws and Ordinances.

10.2 Documentation to Tenant. Landlord covenants that within sixty (60) days after the Rental Commencement Date, it shall deliver to Tenant:

(a) a statement of final accounting of the actual Improvement Costs (the "**Final Accounting**") with reasonable supporting documentation (including receipts ad invoices from service and materials providers), in sufficient detail to be substantively reviewed by Tenant;

(b) a set of as-built plans for the Premises;

(c) operation and maintenance manuals for any and all systems and equipment installed on the Premises as part of the Improvement Work;

(d) the originals or copies of all guarantees and warranties obtained by Landlord in connection with the Improvements; and

(e) a list of the names and contact information for the Contractor and any subcontractors who have supplied labor or materials for the Improvements.

10.3 Documentation to DAS. Landlord covenants that within sixty (60) days after the Rental Commencement Date, it shall deliver to the DAS Real Estate Services Division at res.info@das.oregon.gov:

(a) the Final Accounting; and

(b) a set of as-built plans for the Premises.

11. DESIGNATED REPRESENTATIVES AND NOTICES

11.1 Designated Representative. A "**Designated Representative**" is the following person, who is authorized to speak and act on behalf of a Party for the purposes of this Work Letter, as set forth in Section 11.2 below:

Landlord's Designated Representative:	Kevin Greenwood, or successor
Tenant's Designated Representative:	Christina Cobb, or successor

11.2 Reliance; Change. Either Party may fully and unconditionally rely on the other Party's Designated Representative for any and all purposes of this Work Letter, until such appointment is revoked or altered as set forth in this Section 11.2. Either Party may change its Designated Representative by notice to the other Party, but no such change or revocation of the power of a Designated Representative shall affect any approval or consent given by a Designated Representative prior to delivery to the other Party of notice of revocation of such Designated Representative's appointment.

11.3 Notices. The Parties shall deliver any notice under this Work Letter in accordance with any and all notice requirements set forth in Section 35 of the Lease.

12. MISCELLANEOUS

12.1 Time is of the Essence. Time is of the essence in relation to the Parties' performance of any and all of their obligations under this Work Letter.

12.2 Cooperation. The Parties shall reasonably cooperate with each other, the Architect and the Contractor, and shall cause their respective agents and employees to reasonably cooperate with one another, the Architect and the Contractor, in order to coordinate the Improvement Work and to avoid unnecessary interference and delays with the completion of the Improvement Work.

12.3 Breach of Work Letter. Any failure by either Party to comply with any portion of this Work Letter shall be deemed a breach of the Lease for which Landlord and Tenant shall have all rights and remedies as in the case of a breach of the Lease by the other Party.

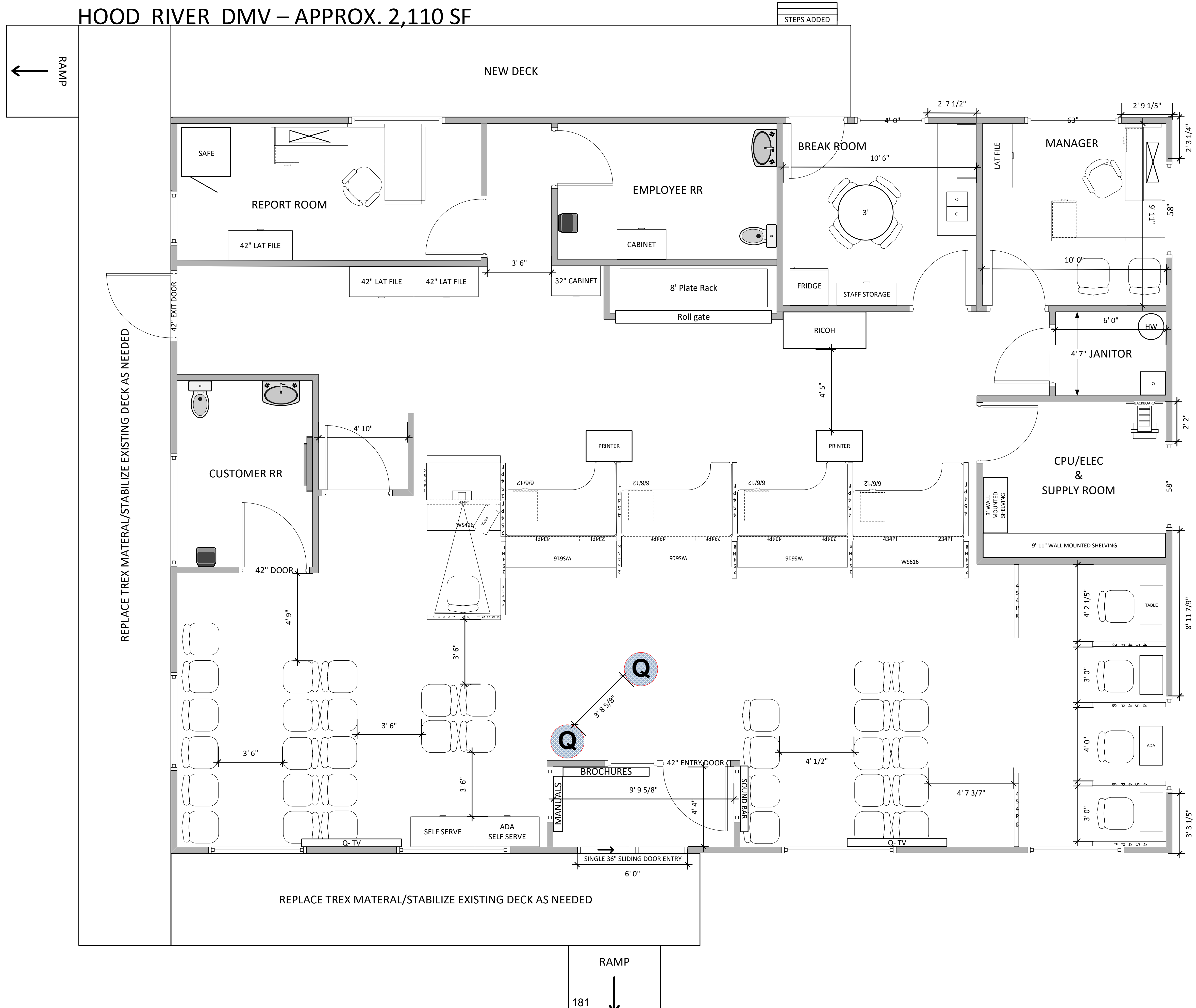
12.4 Exhibits. The Exhibits listed below are incorporated as part of this Work Letter:

Exhibit D-1: Improvement Specifications

#5917236v1
Rev. 6.24.24

0280DMVHood RiverHDAdvanceWorkLetterLIZ BEATY/Liz Beaty_06/24/26

HOOD RIVER DMV – APPROX. 2,110 SF



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STATE OF OREGON LEASE

THIS STATE OF OREGON LEASE (this "**Lease**") is made and entered into as of the ____ day of ____________, 2026 (the "**Lease Effective Date**"), by and between Landlord and Tenant (each a "**Party**" and together the "**Parties**"), as set forth below.

SECTION 1: BASIC LEASE PROVISIONS

1.1	**Landlord**	Port of Hood River, a municipal corporation of the State of Oregon
1.2	**Tenant**	The State of Oregon, acting by and through its Department of Transportation, Driver and Motor Vehicle Services Division
1.3	**Premises**	
	Building:	Wasco Building
	Street:	205 Wasco Loop
	City, State, ZIP:	Hood River, Oregon 97031
	County:	Hood River
	(Section 2)	
1.4	**Property Tax Lot**	
	Map & Tax Lot No.:	3N10E26CA02700
	Tax Account No.:	13518
	(Section 2)	
1.5	**Premises Square Footage**	4,417 rsf
	Building Square Footage	14,650 rsf
	Total Buildings Square Footage	14,650 rsf
	(Section 2)	
1.6	**Tenant's Building Proportionate Share**	30%
	Tenant's Property Proportionate Share	30%
	(Section 2)	
1.7	**Estimated Commencement Date**	January 1, 2027
	Estimated Expiration Date	November 30, 2046
	(Section 3)	
1.8	**Initial Term** *(Section 4)*	Nineteen (19) years and eleven (11) months
1.9	**Monthly TI Payment** *(Section 5)*	$3,299.93
1.10	**Amortization Information** *(Section 5)*	Nineteen (19) years and eleven (11) months at six and one-half percent (6.5%) interest
1.11	**Monthly Rent Table**	The Monthly Base Rent commences at

(Section 5)

$1.05/per rentable square foot, and escalates two percent (2%) every Lease Year

Lease Year		Months	Monthly Base Rent	+ Monthly Operating Expenses	+ Monthly Taxes	+ Monthly TI Payments	= Monthly Rent
1.	01/01/2027 - 12/31/2027	01 - 12	$4,637.85	$368.11	$261.02	$3,299.93	$8,566.91
2.	01/01/2028 - 12/31/2028	13 - 24	$4,730.61	$368.11	$261.02	$3,299.93	$8,659.67
3.	01/01/2029 - 12/31/2029	25 - 36	$4,825.22	$368.11	$261.02	$3,299.93	$8,754.28
4.	01/01/2030 - 12/31/2030	37 - 48	$4,921.72	$368.11	$261.02	$3,299.93	$8,850.78
5.	01/01/2031 - 12/31/2031	49 - 60	$5,020.16	$368.11	$261.02	$3,299.93	$8,949.22
6.	01/01/2032 - 12/31/2032	61 - 72	$5,120.56	$368.11	$261.02	$3,299.93	$9,049.62
7.	01/01/2033 - 12/31/2033	73 - 84	$5,222.97	$368.11	$261.02	$3,299.93	$9,152.03
8.	01/01/2034 - 12/31/2034	85 - 96	$5,327.43	$368.11	$261.02	$3,299.93	$9,256.49
9.	01/01/2035 - 12/31/2035	97 - 108	$5,433.98	$368.11	$261.02	$3,299.93	$9,363.04
10.	01/01/2036 - 12/31/2036	109 - 120	$5,542.66	$368.11	$261.02	$3,299.93	$9,471.72
11.	01/01/2037 - 12/31/2037	121 - 132	$5,653.51	$368.11	$261.02	$3,299.93	$9,582.57
12.	01/01/2038 - 12/31/2038	133 - 144	$5,766.58	$368.11	$261.02	$3,299.93	$9,695.64
13.	01/01/2039 - 12/31/2039	145 - 156	$5,881.92	$368.11	$261.02	$3,299.93	$9,810.98
14.	01/01/2040 - 12/31/2040	157 - 168	$5,999.55	$368.11	$261.02	$3,299.93	$9,928.61
15.	01/01/2041 - 12/31/2041	169 - 180	$6,119.54	$368.11	$261.02	$3,299.93	$10,048.60
16.	01/01/2042 - 12/31/2042	181 - 192	$6,241.93	$368.11	$261.02	$3,299.93	$10,170.99
17.	01/01/2043 - 12/31/2043	193 - 204	$6,366.77	$368.11	$261.02	$3,299.93	$10,295.83
18.	01/01/2044 - 12/31/2044	205 - 216	$6,494.10	$368.11	$261.02	$3,299.93	$10,423.16
19.	01/01/2045 - 12/31/2045	217 - 228	$6,623.98	$368.11	$261.02	$3,299.93	$10,553.04

	01/01/2046 - 11/30/2046	229 - 239	$6,756.47	$368.11	$261.02	$3,299.93	$10,685.53

1.12 **Improvement Allowance** — $441,700.00
Tenant's Share of Improvement Costs — All Improvement Costs exceeding the Improvement Allowance
(Section 5)

1.13 **Moving Allowance** — *Intentionally Omitted*
(Section 5)

1.14 **Expansion Space** — *Intentionally Omitted*
(Section 6)

1.15 **Extension Option** — two (2) Extension Options for consecutive terms of five (5) years each, with 120 days' notice
(Section 7)

1.16 **Use** — the general purposes of government office use and client services
(Section 11)

1.17 **Parking Rights** — seven (7) reserved parking spaces:
(Section 12)
4 DMV Employee Only
1 DMV Test Only
1 DMV VIN Inspection Only
1 DMV Large Vehicle Only
unreserved parking on all unreserved parking areas of the Property

1.18 **Utilities and Services**
(Section 13)

Utility/Service	Included in Operating Expenses	Paid directly by Tenant
Water	X	
Sewer	X	
Electricity	X	
Gas	X	
Trash removal	X	
Recycling	X	
Janitorial services and supplies	X	
Window washing	X	
Snow and ice removal	X	
Security	X	
Pest control	X	

1.19 **Minimum Carpet/Floor Covering Replacement Interval** — every ten (10) years

	Minimum Repainting Interval *(Section 14)*	touch-up painting every five (5) years; full repainting every ten (10) years
1.20	**Property Manager** *(Section 35)*	*Intentionally Omitted*
1.21	**Brokers** *(Section 36)*	*Intentionally Omitted*

SECTION 2: PREMISES

2.1 Generally.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises (the "**Premises**") shown on Exhibit A, located in the building or project (the "**Building**") shown on Exhibit B and on the real property (the "**Property**") shown on Exhibit C. Any reference in this Lease to the "Property" shall mean the Premises, the Building and the Property, as the context so requires.

The Premises address is:

Building:	Wasco Building
Street:	205 Wasco Loop
City, State, ZIP:	Hood River, Oregon 97031
County:	Hood River

(b) As shown on Exhibit C, the Property is comprised of the following "**Property Tax Lot**": Map & Tax Lot No. 3N10E26CA02700; Tax Account No. 13518.

(c) The Premises are 4,417 rentable square feet (the "**Premises Square Footage**"). The Building is 14,650 rentable square feet (the "**Building Square Footage**"). All of the buildings on the Property, including the Building, constitute 14,650 rentable square feet (the "**Total Buildings Square Footage**"). All square footage amounts set forth in this Section 2.1(c) are based on Landlord's knowledge and information as of the Lease Effective Date.

2.2 Tenant's Proportionate Shares.

(a) *Calculation of Tenant's Proportionate Shares*. Tenant's Proportionate Shares are calculated as follows:

(i) "**Tenant's Building Proportionate Share**," which represents that portion of the whole that the Premises Square Footage bears to the Building Square Footage, is 30%. "**Tenant's Property Proportionate Share**," which represents that portion of the whole that the Premises Square Footage bears to the Total Buildings Square Footage, is 30%. Tenant's Building Proportionate Share and Tenant's Property Proportionate Share are together "**Tenant's Proportionate Shares**."

(ii) If any Common Areas (as defined in Section 2.4 below) or parking spaces or areas related to the Parking Rights (as defined in Section 12.1 below) are used by parties who are not tenants of the Building or the Property, such as tenants of adjacent buildings or properties (the square footage of such Common Areas or parking spaces or areas collectively being the "**Shared Area Square Footage**"), then the Building Square Footage or the Total Buildings Square Footage, as the case may be, shall be deemed to include the Shared Area Square Footage, for the purposes of calculating Operating Expenses and Taxes (as defined and set forth in Sections 8.1 and 10.1 below, respectively). Such modified Building Square Footage or modified Total Buildings Square Footage shall be the "**Increased Building Square Footage**" or the "**Increased Total Buildings Square Footage**."

For example, the Premises Square Footage for the space that Tenant leases in Building A is 25,000 rentable square feet, and the Building Square Footage for Building A is 100,000 rentable square feet. Tenant's Building Proportionate Share is 25% (100,000 ÷ 25,000). If the Common Areas for Building A are also used by tenants of Building B, then the Building Square Footage shall be adjusted to include such Shared Area Square Footage. The Shared Area Square Footage for the Common Areas is 25,000 square feet. Thus, the Increased Building Square Footage is 125,000 (100,000 Building Square Footage + 25,000 Shared Area Square Footage). Then, Tenant's Building Proportionate Share is 20% (125,000 ÷ 25,000), for the purposes of calculating Operating Expenses and Taxes relating to the Shared Area Square Footage, as set forth in Sections 8.1 and 10.1 below respectively.

(b) *Actual Square Footage*. The Commencement Amendment (as defined in Section 3.4(b) below) shall include, at Landlord's sole cost and expense, a certification to both Parties by the **Architect** (as defined in the Work Letter attached as <u>Exhibit D</u>), setting forth the actual rentable square footage of the Premises (the "**Actual Premises Square Footage**"), the actual rentable square footage of the Building (the "**Actual Building Square Footage**") and the actual rentable square footage of all of the buildings on the Property, including the Building (the "**Actual Total Buildings Square Footage**"), as measured in accordance with current Building Owners and Managers Association ("**BOMA**") standards. If any of such actual square footages (the "**Actual Square Footages**") is different from the applicable square footage set forth in Section 2.1(c) above, such square footage correction shall be included in the Commencement Amendment.

2.3 <u>Proportionate Share Amendment</u>.

(a) *Information from Landlord*. If Landlord modifies the rentable square footage of the Building or any other buildings on the Property after the Rental Commencement Date (as defined in Section 3.3 below), Landlord shall promptly and at its sole cost and expense deliver to Tenant a certification to both Parties by an independent architect setting forth the modified Building Square Footage or modified Total Buildings Square Footage, as measured in accordance with current BOMA standards.

(b) *Amendment*. Within sixty (60) days after Landlord's delivery of the information set forth in Section 2.3(a) above, Tenant shall deliver to Landlord a "**Proportionate Share Amendment**" that sets forth:

(i) the adjusted Tenant's Proportionate Shares;

(ii) as applicable, the adjusted Monthly Rent Table (as defined in Section 5.1 below); and

(iii) any related matters as may be necessary and proper.

(c) *Delivery and Execution*. Within fifteen (15) business days after delivery of the Proportionate Share Amendment, Landlord shall either execute it to indicate Landlord's acceptance, or give notice to Tenant that Landlord disputes it. Landlord's failure to timely execute or dispute the Proportionate Share Amendment shall be deemed acceptance thereof. If Landlord gives notice to Tenant that it disputes the Proportionate Share Amendment, the Parties shall attempt in good faith to resolve the dispute within ten (10) business days after such notice. The Parties may resolve any remaining dispute in a court, subject to Section 36.9 below.

(d) *Effectiveness*. Any adjustment pursuant to this Section 2.3 to Tenant's Proportionate Shares and the Monthly Rent Table are effective as of the date of the modification of the rentable square footage of the Building or the other buildings on the Property, regardless of when or whether the Parties execute a Proportionate Share Amendment.

2.4 Common Areas. Tenant's lease of the Premises includes the appurtenant, nonexclusive right to use, in common with other authorized users, all areas and facilities outside the Premises, in the Building, on the Property or otherwise under Landlord's control, that are provided by Landlord for the appurtenant, nonexclusive use of Landlord, Tenant and other tenants of the Property and their respective agents, employees and invitees (the "**Common Areas**"), including any such areas shown on Exhibits A, B and C. Landlord shall not alter any portion of the Common Areas in any manner that materially reduces Tenant's access to or use of the Premises, the Building or any parking spaces or areas related to the Parking Rights without Tenant's prior consent.

SECTION 3: RENTAL COMMENCEMENT DATE; IMPROVEMENTS

3.1 Estimated Commencement Date and Estimated Expiration Date; Improvements. On or around January 1, 2027 (the "**Estimated Commencement Date**"), Landlord shall have completed construction of the **Improvements** (as defined and set forth in the Work Letter). The "**Estimated Expiration Date**" is November 30, 2046, which is nineteen (19) years and eleven (11) months (the length of the Initial Term, as defined in Section 4 below) after the Estimated Commencement Date. The Parties' respective obligations for the **Improvement Costs** (as defined in the Work Letter) are set forth in Section 5.6 below and more completely in the Work Letter.

3.2 Actual Commencement Date.

(a) The "**Actual Commencement Date**" means the date the Improvements are **Substantially Complete** (as defined in the Work Letter), and **Complete Delivery** (as defined in the Work Letter) of the Premises is made. Notwithstanding the foregoing, if the Actual Commencement Date falls on a Friday, Saturday, Sunday or a federal or State of Oregon holiday, then the Actual Commencement Date shall be deemed to be the following business day.

(b) If the Actual Commencement Date is delayed beyond the Estimated Commencement Date for more than thirty (30) days of delay that are not due to **Tenant Delay** (as defined in the Work Letter) or a Force Majeure Event (as defined in Section 36.11 below), then Tenant shall receive as liquidated damages for any such additional delay an abatement of Monthly Base Rent (as defined in Section 5.1(a) below) equal to one (1) day of Monthly Base Rent for each such additional day of the delay following the thirty (30) –day period.

(c) If the Actual Commencement Date is delayed beyond the Estimated Commencement Date for more than one hundred twenty (120) days that are not due to Tenant Delay (the "**Commencement Delay Deadline**") or a Force Majeure Event, then Tenant may terminate this Lease by delivering to Landlord notice of such termination at any time after the Commencement Delay Deadline.

3.3 Rental Commencement Date. The Initial Term begins on the later of the Estimated Commencement Date and the Actual Commencement Date (the "**Rental Commencement Date**").

3.4 Commencement Amendment.

(a) *Information from Landlord*. Within sixty (60) days after the Rental Commencement Date, Landlord shall deliver to Tenant the following documents:

(i) the **Final Accounting** (as defined in the Work Letter); and

(ii) the Architect's certification described in Section 2.2(b) above.

(b) *Amendment*. Within sixty (60) days after Landlord's delivery of the information set forth in Section 3.4(a) above, Tenant shall deliver to Landlord a "**Commencement Amendment**" that sets forth:

(i) the Key Dates ("**Key Dates**" means the Rental Commencement Date and the expiration date of the Initial Term, being the length of the Initial Term from the Rental Commencement Date (the "**Expiration Date**");

(ii) the Improvement Costs;

(iii) any of the Actual Square Footages that are different from the square footages set forth in Section 2.1(c) above (based on the Architect's certification described in Section 2.2(b) above), and any adjusted Tenant's Proportionate Shares as applicable;

(iv) any adjustments to the Monthly Rent Table arising from adjustments of square footages or Tenant's Proportionate Shares; and

(v) any related matters as may be necessary and proper.

(c) *Delivery and Execution*. Within fifteen (15) business days after delivery of the Commencement Amendment, Landlord shall either execute it to indicate Landlord's acceptance or give notice to Tenant that Landlord disputes it. Landlord's failure to timely execute the Commencement Amendment shall be deemed acceptance thereof. If Landlord gives notice to Tenant that it disputes the Commencement Amendment, the Parties shall attempt in good faith to resolve the dispute within ten (10) business days after such notice. If the Parties do not timely resolve the dispute, it shall be deemed a Buildout Dispute and resolved pursuant to Section 21 below.

(d) *Effectiveness*. Any correction to any square footage arising from the Architect's certification described in Section 2.2(b) above, and any resulting adjustment to any of Tenant's Proportionate Shares and the Monthly Rent Table, are effective as of the Rental Commencement Date, regardless of when or whether the Parties execute the Commencement Amendment.

SECTION 4: TERM

The "**Initial Term**" of this Lease is nineteen (19) years and eleven (11) months, beginning on the Rental Commencement Date and expiring on the Expiration Date, unless sooner terminated as provided herein. The word "**Term**" is used in this Lease to describe the Initial Term, as it may be extended in connection with a short-term extension pursuant to Section 27.2 below, and any Extension Term (as defined in Section 7.1 below).

SECTION 5: RENT AND ALLOWANCES

5.1 <u>Monthly Base Rent; Monthly Operating Expenses; Monthly Taxes; Monthly TI Payments</u>.

(a) *Monthly Base Rent*. "**Monthly Base Rent**" means the amounts set forth in the "**Monthly Rent Table**" in Section 1.11 above or the Monthly Base Extension Rent (as defined in Section 7.2(a) below), for the periods of this Lease (the "**Lease Years**").

(b) *Monthly Operating Expenses*. Monthly Operating Expenses (as defined in Section 8.1 below) means the amount set forth in the Monthly Rent Table.

(c) *Monthly Taxes*. Monthly Taxes (as defined in Section 10.1 below) means the amount set forth in the Monthly Rent Table.

(d) *Monthly TI Payments*. The "**Monthly TI Payment**" is $3,299.93. Collectively, the Monthly TI Payments are payments for **Tenant's Estimated Share** of the Improvement Costs (as defined in the Work Letter), amortized over a period of nineteen (19) years and eleven (11) months at an interest rate of six and one-half percent (6.50%) per annum (the "**Amortization**

Information”), as shown on the amortization schedule attached as Exhibit E. The amount of the Monthly TI Payment may be adjusted as set forth in the Work Letter.

5.2 Monthly Rent. “**Monthly Rent**” means the sum of the Monthly Base Rent (from the applicable Lease Year); the Monthly Operating Expenses (as may be adjusted pursuant to Section 9 below); the Monthly Taxes (as may be adjusted pursuant to Section 10.3 below); and the Monthly TI Payment.

5.3 Additional Rent. “**Additional Rent**” means Monthly Operating Expenses; Monthly Taxes; Monthly TI Payments, if any; and all other costs, fees, charges, expenses, reimbursements and obligations of every kind and nature whatsoever payable by Tenant under this Lease, except for Monthly Base Rent.

5.4 Payment of Monthly Rent. From and after the Rental Commencement Date, and throughout the Term of this Lease, Tenant shall pay Monthly Rent to Landlord, in advance, on or before the fifth (5th) day of each month, without notice or demand and without offset or deduction except as specifically provided in this Lease, and at Landlord’s Address (as defined in Section 35.1 below). Notwithstanding the foregoing, if the Rental Commencement Date is disputed, Tenant shall pay the first Monthly Rent payment within five (5) business days after the Rental Commencement Date is determined pursuant to Section 3.4 above; and if the Rental Commencement Date is not disputed and is other than the first day of a calendar month, Tenant shall pay the first Monthly Rent payment on such date. Monthly Rent for any partial calendar month shall be prorated on a per diem basis, based on a 365-day calendar year.

5.5 Monthly Rent Table. As set forth in Section 1.11 above, the Monthly Base Rent commences at $1.05/per rentable square foot, and escalates two percent (2%) every Lease Year.

5.6 Improvement Allowance; Tenant’s Share of Improvement Costs. As set forth in more detail in the Work Letter, the Parties shall bear the Improvement Costs as follows:

(a) the “**Improvement Allowance**,” which is the amount of the Improvement Costs that Landlord will bear, is $441,700.00; and

(b) “**Tenant’s Share**” of the Improvement Costs, which is all Improvement Costs exceeding the Improvement Allowance, as defined in the attached Work Letter.

5.7 Moving Allowance. *Intentionally Omitted*

SECTION 6: OPTION TO EXPAND PREMISES *Intentionally Omitted*

SECTION 7: OPTION TO EXTEND TERM

7.1 Generally. So long as there is not then any material Tenant Default under this Lease, Tenant has two (2) options to extend this Lease for consecutive terms of five (5) years each (each an “**Extension Option**”). With the exception of the amount of Monthly Base Rent and any terms or conditions that the Parties modify in writing, all terms and conditions of this Lease shall apply during any such extension term (an "**Extension Term**"). To exercise an Extension Option, Tenant shall deliver notice to Landlord of such exercise (an "**Extension Exercise Notice**") at least one hundred twenty (120) days prior to the Expiration Date or the expiration of the then-current Extension Term, as the case may be (the "**Applicable Expiration Date**"). The date of Tenant's delivery of an Extension Exercise Notice is the "**Extension Exercise Date**." An Extension Term shall commence on the day following the Applicable Expiration Date.

7.2 Monthly Base Extension Rent.

(a) Monthly Base Rent for an Extension Term (the "**Monthly Base Extension Rent**") shall be either: an amount agreed upon by the Parties pursuant to Section 7.2(b) below; or equal to the Fair Market Value Rent for the Premises, as determined by the Parties pursuant to Section 7.2(c) below. "**Fair Market Value Rent**" means the monthly base rent that a tenant of comparable creditworthiness would pay in an arms-length transaction for a term the same length as the Extension Term and, except for the Monthly Base Rent, on the same terms and conditions as set forth herein, for a comparable space and use in the metropolitan area in which the Property is located, taking into account, without limitation: the Building's location, condition, age, identity, services, amenities and Common Areas; the Premises' improvements, floor and view; and other pertinent considerations.

(b) The Parties shall attempt in good faith to agree on the Monthly Base Extension Rent at least ninety (90) days before the Applicable Expiration Date.

(c) If the Parties do not timely agree on the Monthly Base Extension Rent pursuant to Section 7.2(b) above, the Monthly Base Extension Rent shall be based on the Fair Market Value Rent, to be determined as follows:

(i) At least seventy-five (75) days before the Applicable Expiration Date, each Party shall submit to the other its final proposal for the Monthly Base Extension Rent (an "**Extension Proposal**"). If one Party fails to timely provide the other Party with its Extension Proposal, then the other Party's Extension Proposal shall be deemed to be the Monthly Base Extension Rent. If the difference between the Parties' Extension Proposals is five percent (5%) or less, the Monthly Base Extension Rent shall be the average of the two Extension Proposals.

(ii) If the difference between the Parties' Extension Proposals is greater than five percent (5%), then the Parties shall select an appraiser (the "**Appraiser**") to determine the Monthly Base Extension Rent. The Appraiser shall be chosen as follows: at least sixty (60) days before the Applicable Expiration Date, Landlord shall deliver to Tenant a list of at least three (3) independent Oregon State Certified General Appraisers who have at least ten (10) years of experience in commercial real estate in the metropolitan area in which the Property is located, and at least forty-five (45) days before the Applicable Expiration Date, Tenant shall notify Landlord of its choice of the Appraiser from said list. Notwithstanding the foregoing, if Landlord fails to timely deliver the list to Tenant, then Tenant's choice of an appraiser meeting the foregoing criteria shall be deemed the Appraiser; and if Landlord does timely deliver the list to Tenant, and Tenant fails to timely respond, then Landlord's choice of an appraiser from the list shall be deemed the Appraiser.

(iii) At least thirty (30) days before the Applicable Expiration Date, both Parties shall submit their Extension Proposals to the Appraiser, and on or before the Applicable Expiration Date, the Appraiser shall choose one of the Parties' Extension Proposals as the Monthly Base Extension Rent. If the Appraiser does not timely determine the Monthly Base Extension Rent, then the Monthly Base Extension Rent shall temporarily be determined pursuant to Section 7.2(d) below. The Party whose Extension Proposal is not selected by the Appraiser shall pay the Appraiser's costs and fees.

(d) If, as of the commencement of the Extension Term, the Monthly Base Extension Rent has not yet been determined pursuant to Section 7.2(b) or (c) above, then until the Monthly Base Extension Rent is so determined, Tenant shall continue to pay the same Monthly Base Rent as in the immediately preceding month. If the Monthly Base Extension Rent is determined to be more than such Monthly Base Rent, then Tenant shall, in its discretion, either pay to Landlord the full amount of the resulting underpayment within thirty (30) days after the determination of the Monthly Base Extension Rent, or increase the next twelve (12) Monthly Rent payments by an amount equal to 1/12 of the underpayment. If the Monthly Base Extension Rent is determined to be less than such Monthly Base Rent, then Landlord shall, in its discretion, either refund to Tenant the full amount of the resulting overpayment within thirty (30) days after the determination of the Monthly Base Extension Rent, or credit the full amount of the overpayment to Tenant against the next Monthly Rent due until paid in full.

7.3 <u>Extension Amendment</u>.

(a) *Amendment*. If Tenant exercises an Extension Option pursuant to Section 7.1 above, then within sixty (60) days after the Monthly Base Extension Rent is determined pursuant to Section 7.2 above, Tenant shall deliver to Landlord an "**Extension Amendment**" that sets forth:

(i) the commencement date and the expiration date of the Extension Term (which expiration date shall thereafter be the Expiration Date);

(ii) the Monthly Base Extension Rent as determined pursuant to Section 7.2 above;

(iii) any Minimum Carpet/Floor Covering Replacement Interval and Minimum Repainting Interval (as defined in Sections 14.1(b) and (c) below respectively) that are applicable to the Extension Term; and

(iv) any related matters as may be necessary and proper.

(b) *Delivery and Execution*. Within fifteen (15) business days after delivery of the Extension Amendment, Landlord shall either execute the Extension Amendment to indicate Landlord's acceptance or give notice to Tenant that Landlord disputes it. Landlord's failure to timely execute or dispute the Extension Amendment shall be deemed acceptance thereof. If Landlord gives notice to Tenant that it disputes the Extension Amendment, the Parties shall attempt in good faith to resolve the dispute within ten (10) business days after such notice. The Parties may resolve any remaining dispute in a court, subject to Section 36.9 below.

(c) *Effectiveness*. An Extension Option, if exercised by Tenant in accordance with the requirements of this Lease, is effective on the terms and conditions set forth in this Section 7 as of the Extension Exercise Date, regardless of when or whether the Parties execute the Extension Amendment.

SECTION 8: MONTHLY OPERATING EXPENSES

8.1 Definitions.

(a) *Operating Expenses*. "**Operating Expenses**" means the costs of the utilities and services listed in the Utilities and Services Table in Section 1.18 above as "Included in Operating Expenses."

(b) *Monthly Operating Expenses*. "**Monthly Operating Expenses**" means Tenant's Proportionate Share of Operating Expenses for any given calendar year divided by twelve (12) (or prorated for any partial calendar year); provided, however, that in the event of any Shared Area Square Footage as set forth in Section 2.2(a)(ii) above, Tenant's Proportionate Share of any Monthly Operating Expenses relating to such Shared Area Square Footage shall be calculated using the Increased Building Square Footage or the Increased Total Buildings Square Footage, as the case may be. (For the purposes of this Section 8.1(b), "Tenant's Proportionate Share" refers to Tenant's Building Proportionate Share for Operating Expenses relating to the Building, and to Tenant's Property Proportionate Share for Operating Expenses relating to the Property.) The Monthly Operating Expenses are subject to increase or decrease pursuant to Section 9 below.

8.2 Operating Expense Statements. Landlord understands and acknowledges that, in order to comply with regulatory or funding requirements, Tenant may require periodic and specific itemization of certain Operating Expenses. At any time and from time to time during the Term of this Lease, Tenant may request statements from Landlord in a format and detail to show such necessary or desirable itemization of Operating Expenses ("**Operating Expense Statements**"), and Landlord shall promptly deliver such Operating Expense Statements to Tenant.

SECTION 9: ADJUSTMENTS TO MONTHLY OPERATING EXPENSES

9.1 Operating Expense Itemization.

(a) For every calendar year during which this Lease has been in effect, including any partial calendar year, Landlord shall, on or before March 31 of the following year or as soon thereafter as practicable, deliver to Tenant an itemization (the "**Operating Expense Itemization**") with reasonable supporting documentation (including receipts and invoices from service and materials providers) in sufficient detail to be substantively reviewed by Tenant, showing the amount of Monthly Operating Expenses for the previous calendar year (the "**Adjusted Monthly Operating Expenses**"). If the Operating Expense Itemization does not include sufficient detail, in Tenant's reasonable opinion, to enable Tenant to ascertain the accuracy of the Adjusted Monthly

Operating Expenses, then Landlord shall, within ten (10) business days after Tenant's request and at Landlord's sole cost and expense, provide such requested additional information or documentation to Tenant. The "**Operating Expense Itemization Delivery Date**" means the date Landlord delivers the Operating Expense Itemization to Tenant. The Adjusted Monthly Operating Expenses shall be binding on Tenant unless Tenant timely disputes them pursuant to Section 9.4 below.

(b) If Landlord fails to deliver the Operating Expense Itemization for any previous calendar year on or before May 31, then the Adjusted Monthly Operating Expenses shall be deemed the same as for the previous year. If the actual Monthly Operating Expenses for the previous year are later determined to be less than the Adjusted Monthly Operating Expenses for the previous year, then Landlord shall refund to Tenant the full amount of the difference within sixty (60) days after such determination.

(c) Within ten (10) business days after Tenant's request, Landlord shall provide to Tenant, for Tenant's review and at Landlord's sole cost and expense, copies of all of Landlord's records pertaining to the Operating Expense Itemization, and Tenant shall, if so required by Landlord, execute a reasonable agreement regarding the confidentiality of such records, subject to all applicable State of Oregon public records laws.

9.2 Increase in Monthly Operating Expenses. If the Adjusted Monthly Operating Expenses are more than the Monthly Operating Expenses, and Tenant has not disputed the Operating Expense Itemization pursuant to Section 9.4 below, then Tenant shall, in its discretion, either pay to Landlord the full amount of the increase within sixty (60) days after the Operating Expense Itemization Delivery Date, or (if this Lease has not expired or otherwise been terminated) increase the next twelve (12) Monthly Rent payments by an amount equal to 1/12 of the increase.

9.3 Decrease in Monthly Operating Expenses. If the Adjusted Monthly Operating Expenses are less than the Monthly Operating Expenses, and Tenant has not disputed the Operating Expense Itemization pursuant to Section 9.4 below, then Landlord shall, in its discretion, either refund to Tenant the full amount of the decrease within sixty (60) days after the Operating Expense Itemization Delivery Date, or (if this Lease has not expired or otherwise been terminated) credit the full amount of the decrease to Tenant against the next Monthly Rent due until paid in full.

9.4 Disputes.

(a) If Tenant disputes an Operating Expense Itemization, Tenant shall provide notice to Landlord of such dispute (the "**Dispute Notice**") within sixty (60) days after the Operating Expense Itemization Delivery Date. The date of Tenant's delivery of the Dispute Notice to Landlord is the "**Dispute Notice Date**." Tenant's right to dispute the Operating Expense Itemization within such 60-day period shall survive the expiration or earlier termination of this Lease.

(b) The Parties shall attempt in good faith to resolve the dispute over the Operating Expense Itemization within thirty (30) days after the Dispute Notice Date.

(c) If the Parties do not timely resolve the dispute over the Operating Expense Itemization, they shall select a certified public accountant (the "**CPA**") to determine the Adjusted Monthly Operating Expenses. The CPA shall be chosen as follows: within thirty (30) days after the Dispute Notice Date, Landlord shall deliver to Tenant a list of at least three (3) qualified and independent certified public accountants, and within thirty (30) days after Landlord delivers said list, Tenant shall notify Landlord of its choice of the CPA from the list. Notwithstanding the foregoing, if Landlord fails to timely deliver the list, then Tenant's choice of a certified public accountant meeting the foregoing criteria shall be deemed the CPA; and if Tenant fails to timely respond to the list, then Landlord's choice of a certified public accountant from the list shall be deemed the CPA. The CPA shall determine the Adjusted Monthly Operating Expenses by examining Landlord's books and records relating to Operating Expenses and by reference to this Lease's definition of Monthly Operating Expenses. The CPA's determination of the Adjusted Monthly Operating Expenses shall be binding on the Parties. Landlord shall reasonably cooperate with the CPA in the CPA's examination of Landlord's books and records. Landlord may require Tenant and the CPA to execute a reasonable agreement regarding the confidentiality of its books and records; provided, however, that Tenant's obligations under such a confidentiality agreement shall be subject to all applicable State of Oregon public records laws.

(d) (i) Increase in Monthly Operating Expenses. If the CPA determines that the Adjusted Monthly Operating Expenses are, for the first calendar year during which this Lease is in effect, more than the Monthly Operating Expenses, or, for every subsequent calendar year during which this Lease is in effect, more than the previous calendar year's Adjusted Monthly Operating Expenses, then Tenant shall pay to Landlord the difference between the two amounts, pursuant to Section 9.2 above.

(ii) Decrease in Monthly Operating Expenses. If the CPA determines that the Adjusted Monthly Operating Expenses are, for the first calendar year during which this Lease is in effect, less than the Monthly Operating Expenses, or, for every subsequent calendar year during which this Lease is in effect, less than the previous calendar year's Adjusted Monthly Operating Expenses, then Landlord shall either credit or refund to Tenant the difference between the two amounts, pursuant to Section 9.3 above.

(iii) CPA's Costs and Fees. If the CPA determines that the Adjusted Monthly Operating Expenses are less than the amount of Adjusted Monthly Operating Expenses shown on Landlord's Operating Expense Itemization, then Landlord shall pay all of the CPA's costs and fees. If the CPA determines that the Adjusted Monthly Operating Expenses are more than the amount of Adjusted Monthly Operating Expenses shown on Landlord's Operating Expense Itemization, then Tenant shall pay all of the CPA's costs and fees.

SECTION 10: MONTHLY TAXES

10.1 Definitions.

(a) *Taxes*. "**Taxes**" means: (i) all property taxes and assessments of any public authority against the Building and the portion of the Property upon which the Building is located, and the ownership, management or operation thereof; (ii) any rent tax, local improvement district tax, gross receipts tax and tax on Landlord's interest under this Lease; and (iii) any tax in lieu of or in addition to the foregoing, whether such tax is now in effect. Taxes do not include any penalties or fines incurred or amounts: arising as a result of Landlord's failure to timely pay any Tax, to pay any Tax on an available discounted basis so that the benefit of the discount is attained, and/or to file any Tax or information returns when due; or based upon Landlord's net income. Notwithstanding anything in this Section 10.1(a) to the contrary, Taxes do not include the Oregon corporate activity tax under ORS 317A. "**Tax**" means any of the Taxes.

(b) *Monthly Taxes*. "**Monthly Taxes**" means Tenant's Proportionate Share of the Taxes, reconfigured as necessary to exclude any portion of the Property that is exempt from any Tax, for any given tax year divided by twelve (12) or prorated for any partial tax year; provided, however, that in the event of any Shared Area Square Footage as set forth in Section 2.2(a)(ii) above, Tenant's Proportionate Share of any Monthly Taxes relating to such Shared Area Square Footage shall be calculated using the Increased Building Square Footage or the Increased Total Buildings Square Footage, as the case may be. (For the purposes of this Section 10.1(b), "Tenant's Proportionate Share" refers to Tenant's Building Proportionate Share for Taxes relating to the Building, and to Tenant's Property Proportionate Share for Taxes relating to the Property.) Monthly Taxes shall be computed on the basis of any discount for payment in full on or before a certain date, such as November 15 for property taxes.

10.2 <u>Payment of Taxes</u>. Landlord shall timely pay all Taxes and related penalties or fines to the appropriate taxing authority. Tenant shall pay Monthly Taxes to Landlord as part of Monthly Rent, as set forth in Section 5.4 above.

10.3 <u>Adjustments to Monthly Taxes</u>.

(a) *Tax Documents*. Every year during the Term of this Lease, Landlord shall deliver to Tenant, on or before June 30, the following "**Tax Documents**": a copy of the most recent Tax assessment statement; proof of Landlord's payment of the Taxes; and an accounting showing the amount of the Monthly Taxes, based on Tenant's Proportionate Share of the Taxes as shown on the Tax assessment statement, with any increase or decrease effective on the date such increase or decrease took effect with the taxing authority (such amount being the "**Adjusted Monthly Taxes**"). The date of Landlord's delivery of the Tax Documents is the "**Tax Documents Delivery Date**." If Landlord fails to timely deliver the Tax Documents to Tenant, Landlord waives the right to recover any increase in the Monthly Taxes pursuant to Section 10.3(b) below; provided, however, that in such event Tenant shall still benefit from any reduction in the Monthly Taxes pursuant to Section 10.3(c) below.

(b) *Increase in Monthly Taxes*. If the Adjusted Monthly Taxes are more than the Monthly Taxes, then Tenant shall, in its discretion, either pay to Landlord the full amount of the increase within sixty (60) days after the Tax Documents Delivery Date, or (if this Lease has not expired or otherwise been terminated) increase the next twelve (12) Monthly Rent payments by an amount equal to 1/12 of the increase.

(c) *Decrease in Monthly Taxes*. If the Adjusted Monthly Taxes are less than the Monthly Taxes, then Landlord shall, in its discretion, either refund to Tenant the full amount of the decrease within sixty (60) days after the Tax Documents Delivery Date, or (if this Lease has not expired or otherwise been terminated) credit the full amount of the decrease to Tenant against the next Monthly Rent due until paid in full.

10.4 Contest. Either Party may, at its sole cost and expense and with the prompt cooperation of the other Party (such cooperation to be at the first Party's expense), contest the amount of any Tax with the appropriate taxing authority, so long as such contest is conducted in a manner that does not cause any risk to the other Party's interest in the Premises, the Building or the Property. If, as a result of such contest, the taxing authority reduces the amount of such Tax, then the Monthly Taxes shall be reduced effective upon the date such decrease took effect with the taxing authority; and Landlord shall, in its discretion, either refund to Tenant the full amount of any resulting overpayment of Monthly Taxes within sixty (60) days after the taxing authority's decision to reduce the amount of the Tax, or (if this Lease has not expired or otherwise been terminated) credit the full amount of such overpayment to Tenant against the next Monthly Rent due until paid in full.

SECTION 11: USE

Tenant may use the Premises for all purposes related to the conduct of its business as an agency of the State of Oregon and related ancillary purposes, and for the general purposes of government office use and client services.

SECTION 12: PARKING

12.1 Parking Rights.

(a) *Reserved*. Landlord shall, at no additional cost to Tenant, provide Tenant with a total of seven (7) reserved parking spaces in the Common Areas as shown on Exhibit B:

four (4) parking spaces to be marked as "DMV Employee Parking Only"
one (1) parking space to be marked as "DMV Test Only"
one (1) parking space to be marked as "DMV VIN Inspection Only"
one (1) parking space to be marked as "DMV Large Vehicle Only"

Tenant, its agents, employees and invitees shall have the exclusive right to use such reserved parking spaces.

(b) *Unreserved*. At no additional cost to Tenant, Tenant, its agents, employees and invitees shall have the right to use any of the unreserved parking spaces in the Common Areas on the Property at all times on a first-come, first-served basis with other tenants of the Property and other persons who have the right to use such parking spaces or areas.

(c) *Parking Rights*. Tenant's rights to the parking spaces or areas described in Sections 12.1(a) and (b) above are the "**Parking Rights.**"

12.2 Tenant's Use and Access. Landlord shall take all reasonable measures to ensure that the use of and access to the parking spaces or areas related to the Parking Rights by Tenant, its agents, employees and invitees are not in any way disrupted.

SECTION 13: UTILITIES AND SERVICES

13.1 Availability. Landlord shall ensure that the utilities and services listed in the "**Utilities and Services Table**" in Section 1.18 above are provided to the Premises, and, in the event of any disruption due to any acts or omissions by Landlord or any matter within Landlord's control, shall restore such utilities or services as promptly as possible, and if any such disruption continues for more than twenty-four (24) hours, then Monthly Rent shall be abated in proportion to the interference due to such disruption. If any such disruption continues for more than seventy-two (72) consecutive hours, regardless of fault, then Monthly Rent shall be abated in proportion to the interference with Tenant's use of the Premises due to such disruption.

13.2 Costs and Payment. Landlord shall timely pay the providers for all utilities and services listed in the Utilities and Services Table as "Included in Operating Expenses," and those costs may be included in Operating Expenses. Tenant shall timely pay the providers for all utilities and services listed in the Utilities and Services Table as "Paid directly by Tenant."

13.3 Janitorial Services and Supplies.

(a) Landlord shall provide or contract for janitorial services and supplies that comply with the requirements of the "Janitorial Services Agreement" attached as Exhibit F; provided, however, that whenever reasonably possible, Landlord shall contract for such janitorial services and supplies to be provided by a qualified nonprofit agency for individuals with disabilities, as defined in ORS 279.835, in order to support the policy of the State of Oregon of encouraging independence in individuals with disabilities, as set forth in ORS 279.840. At Tenant's request, Landlord shall provide additional janitorial services and supplies for the Premises, at a market rate charge no greater than Landlord's cost.

(b) Tenant may, in its sole discretion, elect to be directly responsible for the provision of janitorial services and supplies for the Premises, upon thirty (30) days' prior notice to Landlord (in which event janitorial services and supplies shall not be included as Operating Expenses).

13.4 Other Utilities and Services. Tenant may, at its sole cost and expense, obtain any utilities and services for the Premises necessary or desirable to Tenant that are not listed in the Utilities and Services Table in Section 1.18 above, and Landlord shall reasonably cooperate therewith, including by granting access to the roof of the Building, as necessary or appropriate for the installation or provision of such utilities and services.

SECTION 14: MAINTENANCE, REPAIR AND REPLACEMENT

14.1 Landlord's Responsibilities.

(a) *Generally*. Landlord shall, at its sole cost and expense, perform all maintenance, repair and replacement that are necessary or appropriate to operate and keep the Property in a first-class manner and condition, including, without limitation, the following:

(i) maintenance, repair and replacement of the Building's structural elements, foundation, roof, floors, carpets and other floor coverings (including those in the Premises, as set forth in Section 14.1(b) below);

(ii) interior and exterior walls (including painting the interior walls of the Premises, as set forth in Section 14.1(c) below), doors, windows, window treatments and elevators;

(iii) Common Areas and parking areas, including any parking spaces or areas related to the Parking Rights;

(iv) outdoor areas, landscaping, irrigation systems and backflow testing;

(v) interior and exterior lighting and lighting systems (including bulbs, ballasts, LED fixtures, sensors and diodes);

(vi) electrical, plumbing and sewer systems;

(vii) heating, ventilation and air conditioning systems (collectively the "**HVAC System**"), as set forth more completely in Section 14.1(d) below;

(viii) fire alarms, fire suppression systems, sprinkler systems and fire extinguishers; and

(ix) Landlord-provided appliances and replacement parts and systems therefor (such as filters), including automated external defibrillators as required by ORS 431A.455.

Landlord's obligations under this Section 14.1 do not include any maintenance, repair or replacement that Tenant is obligated to perform pursuant to Section 14.2 below.

Landlord shall perform all such maintenance, repair and replacement work promptly; ensure that such work is performed in a first-class and workmanlike manner and in accordance with all applicable federal, state and local laws, ordinances, codes, regulations and rules ("**Laws and Ordinances**"); and obtain all required permits and inspections for such work. Upon Tenant's request, Landlord shall provide Tenant with reasonable supporting documentation relating to such maintenance, repair and replacement work.

(b) *Carpets and Floor Coverings in Premises*. Landlord shall maintain, repair and replace the carpets and other floor coverings in the Premises so as to keep them in a first-class condition, subject to normal wear and tear for the number of years estimated by the manufacturer for heavy office use, and shall lift, move, disassemble and reassemble any and all furniture or units in the Premises (with the exception of computers and other electronic equipment as Tenant may designate) in connection with such maintenance, repair and replacement. Landlord's obligations under this Section 14.1(b) include replacing the carpets or other floor coverings no less than every ten (10) years since the carpets or other floor covering were last installed or replaced (the "**Minimum Carpet/Floor Covering Replacement Interval**"), such that the carpets or floor coverings are not a hazard and not unduly worn. Such replacement carpet or floor covering shall be Tenant's choice from:

(i) Tenant's standard facility carpet and floor covering options; or

(ii) if no such Tenant standard options exist, then from Landlord's standard options for the Building that are of equal or better quality than the carpet or floor covering being replaced; or

(iii) if no such standard options exist, then other replacement carpet or floor covering acceptable to Tenant, of equal or better quality than the carpet or floor covering being replaced.

(c) *Painting Walls in Premises*. Landlord shall provide touch-up painting of the interior walls in the Premises no less than every five (5) years, and full repainting every ten (10) years, since the interior walls were last painted (the "**Minimum Repainting Interval**"). Such paint shall be Tenant's choice from:

(i) Tenant's standard facility paint options; or

(ii) if no such Tenant standard options exist, then from Landlord's standard options for the Building that are of equal or better quality than the paint being replaced; or

(iii) if no such standard options exist, then other paint acceptable to Tenant, of equal or better quality than the paint being replaced.

(d) *HVAC System*.

(i) Landlord shall ensure that the HVAC System provides comfortable conditions with respect to cooling, heating and fresh air in the Premises and the Building, as follows:

<u>Normal Business Hours</u> (Monday through Friday, excluding federal or State of Oregon holidays, 7:00 a.m. to 6:00 p.m., PT): temperature ranges in the Premises shall be between 68°F and 74°F, except on days of extreme outside temperature swings.

<u>Outside of Normal Business Hours</u>: temperature ranges in the Premises shall be between 55°F and 85°F.

<u>Server Room</u>: the server room(s) on the Premises (any such server rooms together the "**Server Room**") contains temperature-sensitive electronic equipment. Notwithstanding Landlord's other obligations regarding the HVAC System as set forth in this Section 14.1(d)(i), the temperature in the Server Room shall at all times (whether during or outside of normal business hours) be

maintained at a temperature between 60°F and 75°F.

(ii) Landlord shall maintain a regularly scheduled maintenance and service contract for the HVAC System with an HVAC maintenance company that regularly provides such contracts to similar properties and shall otherwise maintain and repair the HVAC System as frequently as necessary or appropriate to keep the HVAC System in first-class operating condition and providing the level of service described above.

(e) *Building Defects*. The Premises, and any part of the Common Areas through which Tenant accesses the Premises (the "**Access Common Areas**"), shall be free at all times during the Term of this Lease from inadequate ventilation, poor indoor air quality, chemical contaminants (from indoor or outdoor sources) that can potentially harm the health of humans, and biological contaminants (such as mold, mildew and bacteria) (any such defect a "**Building Defect**"). If any part of the Premises or the Access Common Areas is determined in a written report by a qualified independent third-party environmental consultant hired by Tenant ("**Tenant's Consultant**") to have a Building Defect (an "**Alleged Building Defect**"), then:

(i) *Tenant's Notice*. Tenant shall give notice of the Alleged Building Defect to Landlord ("**Tenant's Building Defect Notice**"), along with a complete copy of the report by Tenant's Consultant.

(ii) *Landlord's Response*. After delivery of Tenant's Building Defect Notice, Landlord shall hire its own qualified independent third-party environmental consultant ("**Landlord's Consultant**") to evaluate the Alleged Building Defect and the report by Tenant's Consultant, to determine whether Landlord agrees or disputes that the Alleged Building Defect is a Building Defect. Within thirty (30) days after delivery of Tenant's Building Defect Notice, Landlord shall give notice to Tenant specifying whether Landlord agrees or disputes that the Alleged Building Defect is a Building Defect ("**Landlord's Building Defect Response**"), along with a complete copy of the written report prepared by Landlord's Consultant. The date Landlord delivers Landlord's Building Defect Response to Tenant is "**Landlord's Building Defect Response Date**."

(iii) *Agreement regarding Alleged Building Defect*. If Landlord's Building Defect Response agrees that the Alleged Building Defect is a Building Defect, Landlord shall remediate the Building Defect pursuant to Section 14.1(e)(viii) below, and abate Tenant's Monthly Rent and pay its costs and expenses pursuant to Section 14.1(e)(x) below.

(iv) *Dispute regarding Alleged Building Defect*. If Landlord's Building Defect Response disputes that the Alleged Building Defect is a Building Defect, the Parties shall attempt in good faith to resolve the dispute within fifteen (15) business days after Landlord's Building Defect Response Date. If the Parties do not timely resolve the dispute, then Tenant's Consultant and Landlord's Consultant (together the "**Parties' Consultants**") shall together select a qualified independent third-party environmental consultant (the "**Joint Consultant**") to determine whether the Alleged Building Defect is a Building Defect.

(v) *Environmental Consultant*.

(1) The Joint Consultant shall be chosen as follows: within thirty (30) days after Landlord's Building Defect Response Date, Landlord shall deliver to Tenant a list, prepared by Landlord's Consultant, of three (3) qualified independent environmental consultants; and Tenant shall deliver to Landlord a list, prepared by Tenant's Consultant, of three (3) qualified independent environmental consultants. Within forty-five (45) days after Landlord's Building Defect Response Date, each Party may strike one candidate from such list delivered by the other Party. Notwithstanding the foregoing, if Landlord fails to timely deliver its list of qualified independent environmental consultants, then Tenant's Consultant's choice of an environmental consultant from Tenant's list shall be deemed the Joint Consultant; and if Tenant fails to timely deliver its list of qualified environmental consultants, then Landlord's Consultant's choice of an independent qualified environmental consultant from Landlord's list shall be deemed the Joint Consultant.

(2) The Parties' Consultants shall meet within sixty (60) days after Landlord's Building Defect Response Date and choose the Joint Consultant from the remaining names of qualified independent environmental consultants on such lists; provided that if the Parties' Consultants do not agree on the choice of the Joint Consultant, then at the meeting of the Parties' Consultants, the remaining names of qualified independent environmental consultant shall be placed in an opaque vessel by Landlord's Consultant, and Tenant's Consultant shall select one name, at random, by blind drawing from the vessel, to be the Joint Consultant. Notwithstanding the foregoing, if either Landlord's Consultant or Tenant's Consultant refuses or fails to meet to select the Joint Consultant, then the choice made by the other Party's Consultant from the remaining names shall be the Joint Consultant.

(vi) *Determination by Environmental Consultant*. The Joint Consultant shall determine whether the Alleged Building Defect is a Building Defect, by reviewing the reports prepared by the Parties' Consultants; interviewing the Parties' Consultants' and conducting its own tests, samples and reviews. The Parties shall reasonably cooperate with the Joint Consultant, including by allowing reasonable access to the Premises, the Building and the Property, as applicable. The Joint Consultant shall deliver its determination to the Parties in a written report. The Joint Consultant's determination of whether the Alleged Building Defect is a Building Defect shall be binding on the Parties.

(vii) *Environmental Consultant's Costs and Expenses*. All of the costs and expenses of the Joint Consultant shall be paid by Landlord, if the Joint Consultant determines that the Alleged Building Defect is a Building Defect; and all of the costs and expenses of the Joint Consultant shall be paid by Tenant if the Joint Consultant determines that a Building Defect does not exist.

(viii) *Remediation*. If Landlord agrees, or the Joint Consultant determines, that the

Alleged Building Defect is a Building Defect pursuant to Section 14.1(e)(iii) or (vi) above, respectively, then Landlord shall immediately, at Landlord's sole cost and expense, commence and diligently pursue to completion any and all actions necessary to completely remedy the Building Defect, including, without limitation, complying with any and all regulations and requirements of OSHA (Occupational Safety and Health Administration).

(ix) *Termination*.

(1) If the Building Defect interferes with Tenant's use of the Premises by affecting at least twenty-five percent (25%) of the Premises, either Party may terminate this Lease with at least thirty (30) days' notice to the other Party.

(2) If either Party determines in good faith that the Building Defect cannot be remedied within sixty (60) days after Landlord's Building Defect Response Date or the date of the Joint Consultant's determination of its existence, as applicable, either Party shall promptly notify the other Party, and either Party may terminate this Lease with at least thirty (30) days' prior notice to the other Party.

(x) *Abatement of Monthly Rent; Tenant's Costs and Expenses*. If Landlord agrees, or the Joint Consultant determines, that the Alleged Building Defect is a Building Defect pursuant to Section 14.1(e)(iii) or (vi) above, respectively, then:

(1) Monthly Rent shall be abated, in proportion to the area of the Premises and the Access Common Areas not usable by Tenant due to such Building Defect, until it is remedied pursuant to Section 14.1(e)(viii) above;

(2) Landlord shall immediately reimburse Tenant for any and all of Tenant's costs and expenses for Tenant's Consultant; and

(3) Landlord shall pay any and all costs arising from the disruption of Tenant's use of the Premises or Access Common Areas due to the Building Defect, including moving and storage costs for Tenant to relocate to a different location while the Building Defect is being remedied or if this Lease is terminated pursuant to Section 14.1(e)(ix) above.

(f) *Operating Expenses*. *Intentionally Omitted*

(g) *Landlord's Entry*. In order to perform necessary or appropriate maintenance, repair or replacement pursuant to this Section 14.1, Landlord, its agents and employees may enter the Premises with at least two (2) business days' prior notice or, in the event of an emergency, at any time with no prior notice. Landlord shall use its reasonable best efforts to coordinate the scheduling of any non-emergency maintenance, repair or replacement with Tenant in order to minimize interference with Tenant's use of the Premises.

14.2 Tenant's Responsibilities. Except for any maintenance, repair or replacement that

Landlord is obligated to perform pursuant to Section 14.1 above, Tenant shall, at its sole cost and expense, perform all maintenance, repair and replacement necessary to keep the interior of the Premises in a presentable and safe condition. Tenant shall perform all such maintenance, repair and replacement work promptly; ensure that such work is performed in a first-class and workmanlike manner and in accordance with all applicable Laws and Ordinances; minimize the work's interference with any other tenants' use and enjoyment of the Building; and obtain all required permits and inspections for such work. Upon Landlord's request, Tenant shall provide Landlord with reasonable supporting documentation relating to such maintenance, repair or replacement work.

SECTION 15: IMPROVEMENTS AND ALTERATIONS

15.1 Improvements and Alterations to Premises.

(a) *Nonstructural*. From and after the Rental Commencement Date, Tenant may, at its sole cost and expense:

(i) without Landlord's consent (but after notice thereof is given to Landlord), make nonstructural improvements and alterations to the Premises; and

(ii) without notice to Landlord or Landlord's consent, place partitions, personal property, trade fixtures and the like in and on the Premises. Tenant shall retain ownership of all such partitions, personal property, trade fixtures and the like.

(b) *Structural*. Tenant shall not make any improvements or alterations to the Premises that modify or affect the Building structure or the proper operation of a mechanical system, without Landlord's prior consent, which Landlord may withhold in its sole discretion. Tenant shall make any such permitted improvements or alterations at its sole cost and expense and using a contractor of its own choosing, and in a manner so as to minimize interference with any other tenants' use and enjoyment of the Building. Any such improvements or alterations shall become part of the Premises, and shall be surrendered with the Premises upon the expiration or earlier termination of this Lease.

15.2 Structural Improvements and Alterations to Building. Landlord shall not make any structural improvements or alterations to the Building that interfere with Tenant's use or enjoyment of the Premises.

15.3 Performance of Work. Any improvements or alterations that a Party makes to the Premises, or the Building shall be made in a first-class and workmanlike manner and in accordance with all applicable Laws and Ordinances and with all required permits and inspections for such work. Upon one Party's request, the other Party shall provide it with reasonable supporting documentation relating to such work.

SECTION 16: RULES AND REGULATIONS

Tenant shall materially comply with any rules and regulations for the Building, provided that: (1)

such rules and regulations have been properly adopted or promulgated by Landlord; (2) Landlord has provided Tenant and all other tenants and occupants of the Building with a written copy of such rules and regulations, at least thirty (30) days in advance of their effectiveness and in accordance with the notice provisions of this Lease and of any other leases or agreements governing any other tenants or occupants of the Building; (3) the rules and regulations are reasonable and do not conflict with any of the express provisions of this Lease; and (4) the rules and regulations are consistently applied to all tenants and occupants of the Building.

SECTION 17: SIGNAGE

17.1 Landlord's Signage Obligations and Rights.

(a) *Directories and Suite Signage*. Prior to the Rental Commencement Date, and promptly at any time and from time to time during the Term of this Lease, Landlord shall, at its sole cost and expense, add Tenant's name to any and all Building and Property directories, monument signs and other directories, and install Building-standard suite signage on the Premises.

(b) *Lease and Sale Signage*. Landlord may post the following signage on the Premises, at its sole cost and expense:

(i) at any time and from time to time during the Term of this Lease, signs advertising that the Building is for sale; and

(ii) during the last one hundred twenty (120) days of the Term of this Lease, if Tenant has not exercised an Extension Option pursuant to Section 7.1 above, signs advertising that the Premises are for lease.

17.2 Tenant's Signage Obligations and Rights. Notwithstanding any signage that Landlord is required to install on the Premises pursuant to Section 17.1 above, Tenant may, at its sole cost and expense, install signage on the Premises consistent with all applicable Laws and Ordinances and Landlord's signage rules or policies, if any. Subject to the foregoing, for up to one hundred eighty (180) days after the expiration or earlier termination of this Lease, Tenant may post a sign on the exterior of the Premises in order to notify interested persons of Tenant's new location.

SECTION 18: INSURANCE

18.1 Landlord's Insurance Coverage.

(a) Generally. Landlord shall obtain and keep in effect during the Term of this Lease the types of insurance coverage set forth in Section 18.1(b) below ("**Landlord's Insurance Coverage**"). Landlord's Insurance Coverage shall be issued by an insurance company authorized to do business in the State of Oregon. Landlord shall pay for all deductibles, self-insurance retention and self-insurance, if any. A combination of primary and excess/umbrella insurance may be used to meet the required limits of Landlord's Insurance Coverage.

(b) *Types of Coverage*. Landlord shall obtain and keep in effect during the Term of this Lease the following Landlord's Insurance Coverage:

(i) General Liability: a commercial general liability policy, covering bodily injury and property damage and providing contractual liability coverage for Landlord's indemnity obligations under Section 19.1 below. The policy shall include coverage for personal and advertising injury liability, products and completed operations and have no limitation of coverage to designated premises, project or operation. Coverage shall be written on an occurrence basis in an amount of not less than $2,000,000.00 per occurrence, with an annual aggregate of not less than $4,000,000.00.

(ii) Property Insurance: property insurance at full replacement cost against all risks of loss, including flood and earthquake, to the Property, including the Building, Premises, betterments and improvements, and contents owned by Landlord. Coverage shall include extra expense coverage for additional reasonable and necessary costs incurred by Tenant in excess of normal expenses to continue operations while the Property, including the Building, Premises, betterments and improvements, and contents owned by Landlord, are being replaced or repaired as a result from physical loss, damage or destruction by a covered cause of loss.

(iii) Workers' Compensation: if Landlord employs any "subject worker" as defined in ORS 656.027, workers' compensation insurance for those workers, with statutory limits, and employer's liability insurance, with limits not less than $500,000.00 per each accident or disease.

(c) *Additional Insured*. All of Landlord's Insurance Coverage, except for workers' compensation, shall include an "**Additional Insured**" endorsement specifying the State of Oregon, its officers, employees and agents as Additional Insureds, including Additional Insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to Landlord's activities to be performed under this Lease. Coverage shall be primary and non-contributory with any other insurance and self-insurance. The Additional Insured endorsement with respect to liability arising out of Landlord's ongoing operations shall be on ISO Form CG 20 10 07 04 or equivalent and the Additional Insured endorsement with respect to completed operations shall be on ISO form CG 20 37 07 04 or equivalent.

(d) *Tail Coverage*. If any of Landlord's Insurance Coverage is on a claims made basis and does not include an extended reporting period of at least twenty-four (24) months, Landlord shall maintain either tail coverage or continuous claims-made liability coverage, provided the effective date of the continuous claims-made coverage is on or before the Lease Effective Date, for a minimum of twenty-four (24) months following the later of:

(i) Landlord's or Tenant's termination of this Lease; or

(ii) the expiration of all warranty periods provided under this Lease.

(e) *Certificate and Proof of Insurance*. Landlord shall provide to Tenant a "**Certificate of Insurance**" for all of Landlord's Insurance Coverage before performing any of Landlord's obligations under this Lease. The Certificate of Insurance shall list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. The Certificate of Insurance shall also include all required endorsements or copies of applicable policy language effecting coverage required under this Lease. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance shall include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance, Tenant may request, and Landlord shall deliver to Tenant, copies of insurance policies and endorsements relating to the insurance requirements in this Lease.

(f) *Change or Cancellation*. Landlord shall provide at least thirty (30) days' prior notice to Tenant before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s). Should the terms and conditions of Landlord's Insurance Coverage change during the Term of this Lease, Tenant may require Landlord to replace any coverage omitted or deleted by such change.

(g) *Insurance Requirement Review*. Landlord agrees to Tenant's periodic review of the requirements for Landlord's Insurance Coverage under this Section 18, and to provide an updated Certificate of Insurance as reasonably requested by Tenant.

(h) *Tenant Acceptance*. All insurance providers are subject to Tenant acceptance. If requested by Tenant, Landlord shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to Tenant's representatives responsible for verification of Landlord's Insurance Coverage.

18.2 Tenant's Insurance Coverage. Tenant is self-insured for its property and liability exposures, pursuant and subject to the Oregon Constitution and the Oregon Tort Claims Act ("**Tenant's Insurance Coverage**"). A current Certificate of Insurance for Tenant's Insurance Coverage is available at http://www.oregon.gov/das/Risk/Pages/CertCovRequest.aspx.

18.3 Waiver of Subrogation. Landlord shall waive rights of subrogation that Landlord or any insurer of Landlord may acquire against Tenant by virtue of payment of any loss of or damage to property, including the Building and other improvements on the Property. Landlord shall obtain any endorsement that may be necessary to effect this waiver of subrogation; provided, however, that this Section 18.3 applies regardless of whether the Tenant has received a waiver of subrogation endorsement from the Landlord or the Landlord's insurer(s). ORS 278.052 prevents Tenant from waiving rights of subrogation.

SECTION 19: INDEMNITY

19.1 Landlord's Indemnity Obligations. Landlord shall indemnify, defend and hold harmless Tenant, its directors, managers, employees, agents and invitees, for and from all claims, suits, actions and proceedings by third parties (collectively "**Claims**") (including reasonable attorneys' fees and expenses incurred in connection with such Claims) for bodily injury, personal injury, death or property damage occurring in, on or about the Premises, the Building or the Property, to the extent such injury or damage is caused by Landlord's negligence or intentional or reckless misconduct.

19.2 Tenant's Indemnity Obligations. To the extent permitted by and subject to the limitations of the Oregon Constitution and the Oregon Tort Claims Act, and subject to ORS Chapter 180, Tenant shall indemnify, defend and hold harmless Landlord, its officers, directors, partners, members, managers, employees, agents and invitees, for and from all Claims (including reasonable attorneys' fees and expenses incurred in connection with such Claims) for bodily injury, personal injury, death or property damage occurring in, on or about the Premises, the Building or the Property, to the extent such injury or damage is caused by Tenant's negligence or intentional or reckless misconduct.

SECTION 20: CASUALTY DAMAGE AND EMINENT DOMAIN

20.1 Casualty Damage.

(a) *Definitions.*

(i) "**Casualty**" means floods, hurricanes, tornados, storms, fires, explosions, lightning, earthquakes or other perils.

(ii) "**Major Damage**" means damage by Casualty to the Premises or the Building that:

(1) causes any substantial portion of the Premises or the Building to be unusable; and

(2) will likely cost at least twenty-five percent (25%) of the pre-damage value of the Premises, or will likely take at least one hundred eighty (180) days, beginning on the date of the Casualty, for complete restoration of the Premises or the Building.

(iii) "**Minor Damage**" means damage by Casualty to the Premises or the Building that:

(1) causes any substantial portion of the Premises or the Building to be unusable; and

(2) is not Major Damage.

(b) *Termination, Restoration and Abatement*. In the event of Major Damage, either Party may terminate this Lease by notice to the other Party with at least thirty (30) days' notice, given within thirty (30) days after the date of the Casualty, and Monthly Rent shall be abated, in proportion to the area of the Premises, Common Areas and any parking spaces or areas related to the Parking Rights not usable by Tenant, from the date of the Casualty until the date of termination. If this Lease is not so terminated as a result of Major Damage, or in the event of

Minor Damage, Landlord shall promptly and diligently restore the Premises or the Building to the condition existing just prior to the Casualty, regardless of whether Landlord has received any insurance proceeds for the Casualty; and Monthly Rent shall be abated, in proportion to the area of the Premises, Common Areas and any parking spaces or areas related to the Parking Rights not usable by Tenant, from the date of the Casualty until the date Landlord's restoration work is Substantially Complete. Notwithstanding the foregoing: (i) if the Major Damage or Minor Damage occurs any time in the last two (2) years of the Term, then either Party may terminate this Lease, effective as of the date of the Casualty; and (ii) if, in the event of Minor Damage, actual restoration such that Tenant can fully resume its use of the Premises or the Building takes longer than three hundred sixty-five (365) days, beginning on the date of the Casualty, then Tenant may terminate this Lease at any time after such 365-day period.

20.2 Eminent Domain. If a condemning authority takes title by eminent domain or by agreement in lieu thereof to the Premises or the Building, or any portion thereof, including the Common Areas and any parking spaces or areas related to the Parking Rights, sufficient to render the Premises unsuitable for Tenant's use, then either Party may terminate this Lease effective on the date that possession is taken by the condemning authority. If this Lease is not so terminated, then Monthly Rent shall be abated, in an amount proportionate to the reduction caused by the condemnation in area of the Premises, Common Areas and any parking spaces or areas related to the Parking Rights, for the remainder of the Term. All condemnation proceeds shall belong to Landlord; provided, however, that Tenant may make a separate claim for its lost trade fixtures, moving expenses and damages for interruption of business.

20.3 Abatement Disputes. If one Party gives notice to the other Party of a dispute regarding the abatement of Monthly Rent pursuant to Section 20.1 or 20.2 above, the Parties shall attempt in good faith to resolve such dispute within fifteen (15) business days after such notice. If the Parties do not timely resolve the dispute, it shall be resolved in the same manner as a Buildout Dispute pursuant to Section 21 below.

SECTION 21: RESOLUTION OF BUILDOUT DISPUTES

21.1 Dispute Statements; Architect. Any Buildout Dispute under this Lease shall be resolved as follows: within ten (10) business days after the Parties have failed to timely resolve the Buildout Dispute through their good faith attempts as required herein, either Party shall deliver to the other Party and the Architect a notice of the Buildout Dispute. Within fifteen (15) business days after notice of the Buildout Dispute, each Party shall submit to the Architect a detailed statement setting forth its position on the Buildout Dispute (a "**Dispute Statement**"). If one Party fails to timely submit a Dispute Statement to the Architect, then the other Party's Dispute Statement shall govern the Buildout Dispute. For the purposes of a Buildout Dispute arising under Section 20 above, the Architect shall be the architect responsible for any restoration work arising from a Casualty.

21.2 Decision by Architect. Within thirty (30) days after delivery of the Parties' Dispute Statements, the Architect shall select one of the Parties' Dispute Statements to govern the dispute, and the Architect's decision shall be binding on the Parties. The Architect shall resolve the Buildout Dispute using its reasonable professional judgment and by reference to the Parties'

Dispute Statements and the provisions of this Lease. The Party whose Dispute Statement is not selected by the Architect to govern the Buildout Dispute shall pay the Architect's costs and fees.

21.3 Buildout Dispute Resolution Amendment.

(a) *Amendment*. Within sixty (60) days after the Architect's decision regarding the resolution of the Buildout Dispute pursuant to Section 21.2 above, Tenant shall deliver to Landlord a "**Buildout Dispute Resolution Amendment**" that sets forth:

(i) the Architect's decision; and

(ii) any related matters as may be necessary and proper.

(b) *Delivery and Execution*. Within fifteen (15) business days after delivery of the Buildout Dispute Resolution Amendment, Landlord shall either execute it to indicate its acceptance, or give notice to Tenant that Landlord disputes it. Landlord's failure to timely execute or dispute the Buildout Dispute Resolution Amendment shall be deemed acceptance thereof. If Landlord gives notice to Tenant that it disputes the Buildout Dispute Resolution Amendment, the Parties shall attempt in good faith to resolve the dispute within ten (10) business days after such notice. The Parties may resolve any remaining dispute in a court, subject to Section 36.9 below.

(c) *Effectiveness*. The Architect's decision regarding the resolution of the Buildout Dispute is effective as of the date of the Architect's selection of one of the Parties' Dispute Statement to govern the dispute pursuant to Section 21.2 above, regardless of when or whether the Parties execute the Buildout Dispute Resolution Amendment.

SECTION 22: ASSIGNMENT AND SUBLETTING

22.1 By Tenant.

(a) *To Another State of Oregon Agency*. Pursuant to ORS 276.428 and OAR 125-120-0080(2), Tenant may, at any time and from time to time during the Term of this Lease and in the sole discretion of either Tenant or the Oregon Department of Administrative Services (DAS), determine that it does not need all or any portion of the Premises for its use, and, without Landlord's consent, assign this Lease or sublet all or any part of the Premises to, or share the use or occupancy of all or any part of the Premises with, another agency or division of the State of Oregon.

(b) *To Other Parties*. Subject to Section 22.1(a) above, Tenant shall not voluntarily or by operation of law assign this Lease or sublet any portion of the Premises without Landlord's prior consent. Any assignment or sublet in contravention of this Section 22.1(b) shall be deemed null and void. Tenant's Termination Option (as defined in Section 25.1 below) shall not survive any assignment of this Lease in accordance with this Section 22.1(b), except for an assignment to a public corporation performing State of Oregon governmental functions.

22.2 By Landlord.

(a) *Notice*. If a party becomes Landlord's successor-in-interest under this Lease (a "**Successor Landlord**"), Landlord shall promptly provide advance notice to Tenant of such Successor Landlord (a "**Notice of Successor Landlord**"). The Notice of Successor Landlord shall contain the Successor Landlord's name, address and other contact information and a copy of the document vesting ownership of the Property in the Successor Landlord. The Notice of Successor Landlord shall be executed by both Landlord and Successor Landlord in any voluntary situation. If a lender or other third party acting through such lender becomes successor-in-interest to Landlord, such notice shall be promptly made by such third party.

(b) *Ongoing Liability*. The existence of a Successor Landlord shall not release or discharge Landlord from the performance of any or all of its obligations under this Lease.

SECTION 23: SUBORDINATION, NONDISTURBANCE AND ATTORNMENT; ESTOPPEL CERTIFICATE

23.1 Subordination, Nondisturbance and Attornment.

(a) *Subordination*. Subject to the conditions set forth in Section 23.1(c) below, and unless otherwise requested by Landlord, this Lease shall be subordinate to the lien of any mortgage or deed of trust or the lien resulting from any other method of financing or refinancing now or hereafter in force against the Building or the Property, and to any and all advances made upon such mortgages or deeds of trust.

(b) *Attornment*. Subject to the conditions set forth in Section 23.1(c) below, Tenant shall attorn and be bound to any Successor Landlord.

(c) *Conditions*. Tenant's subordination and attornment obligations set forth in Sections 23.1(a) and (b) above are conditioned on the following:

(i) this Lease shall continue in full force and effect;

(ii) any Successor Landlord shall assume and perform all of Landlord's responsibilities and obligations under this Lease, and, provided that there is not then any material Tenant Default hereunder, shall not disturb Tenant's use or enjoyment of the Premises, Common Areas or any parking spaces or areas related to the Parking Rights; and

(iii) Tenant shall not save, hold harmless or indemnify a lender or any other third party from or for any matter arising from this Lease; grant to any Successor Landlord any rights beyond what Landlord has under this Lease; or agree to hold any Successor Landlord harmless for any acts or omission of Landlord.

23.2 Forms of SNDA and Estoppel Certificate.

(a) *Forms*. Within fifteen (15) business days after Landlord's request, Tenant shall execute and deliver to Landlord, as applicable:

(i) a subordination, nondisturbance and attornment agreement in the form attached as Form 1 (the "**SNDA Form**"), completed by the insertion of factual information only, and with no substantive modifications to any of the operative terms and no additional terms without prior written approval by the Oregon Department of Justice ("**DOJ**"); or

(ii) an Estoppel Certificate in the form attached as Form 2 (the "**Estoppel Certificate Form**"), completed by the insertion of factual information only, with no modifications as to the nature of the certifications and no additional terms without prior written approval by DOJ.

(b) *DOJ Review*.

(i) If Landlord requests any modification of the SNDA Form or the Estoppel Certificate Form requiring DOJ approval pursuant to Section 23.1(a) above, or if Landlord requests that Tenant execute an alternate form of a subordination, nondisturbance and attornment agreement or a tenant estoppel certificate, Landlord shall pay Tenant in advance a basic review fee of $1,000.00 for Tenant to engage DOJ to consider such modified SNDA Form, modified Estoppel Certificate Form or such alternate subordination, nondisturbance and attornment agreement or tenant estoppel certificate. Such initial consideration by DOJ will result in DOJ providing Landlord with a revised draft of the applicable document that DOJ is willing to approve without further negotiation.

(ii) If Landlord seeks further negotiation of the terms of the applicable document, Tenant will require advance payment from Landlord in an amount sufficient, in Tenant's discretion, to engage DOJ on Tenant's behalf to cover Tenant's costs of counsel for any further work on the applicable document (regardless of whether such work by DOJ results in a DOJ-approved document that is acceptable to Landlord).

SECTION 24: LIENS

Tenant shall pay when due all claims for work performed on the Premises by or through Tenant or for services rendered or materials furnished to the Premises for Tenant, and shall keep the Premises free from any liens arising by or through Tenant. If any such lien shall at any time be filed against the Premises, or any portion thereof, Tenant shall cause the same to be discharged of record or bonded off, as permitted by statute, within thirty (30) days after Tenant's receipt of written notice of same.

SECTION 25: TENANT'S TERMINATION OPTION

25.1 Termination Option. Tenant has the option to terminate this Lease (the "**Termination Option**") in the event of the following:

(a) *Lack of Funding*. Landlord understands and acknowledges that the tenant hereunder is the State of Oregon, acting by and through the agency that is the Tenant under this Lease, and that Tenant's payment obligations under this Lease are conditioned upon Tenant receiving sufficient funding, appropriations, limitations, allotments or other expenditure authority. Tenant may exercise the Termination Option if, in Tenant's objectively reasonable determination, it does not have sufficient funding, appropriations, limitations, allotments or other expenditure authority sufficient to permit continuation of this Lease. Landlord is not entitled to receive payment under this Lease from any agency or other division of the State of Oregon other than the agency that is the Tenant under this Lease. Nothing in this Lease shall be construed as permitting any violation of Article XI, Section 7 of the Oregon Constitution or any other applicable Law or Ordinance regulating liabilities or monetary obligations of the State of Oregon.

(b) *Abolition*. Tenant may exercise the Termination Option if, by a specific legislative act, Tenant is abolished or its functions are absorbed into another agency or division of the State of Oregon.

(c) *Other*. Tenant may exercise the Termination Option for any reason, in Tenant's sole discretion, no earlier than January 1, 2037.

25.2 Exercise of Termination Option.

(a) To exercise the Termination Option, Tenant shall deliver to Landlord a notice of such election (the "**Termination Option Notice**") that specifies the date of termination (the "**Termination Date**"). The Termination Date shall be at least three hundred sixty-five (365) days after the delivery of the Termination Option Notice.

(b) If Tenant properly exercises the Termination Option as provided in Section 25.2(a) above, all obligations under this Lease shall continue through the Termination Date, at which time all unaccrued rights and obligations of the Parties under this Lease shall cease and terminate, except to the extent such obligations specifically survive termination of this Lease. If Tenant does not properly exercise the Termination Option as provided in Section 25.2(a) above, this Lease shall remain in full force and effect in accordance with its terms.

25.3 Termination Fee.

(a) *Calculation*. If Tenant exercises the Termination Option pursuant to Section 25.2 above, then on or before the Termination Date, Tenant shall deliver to Landlord a termination fee (the "**Termination Fee**") in the sum of the following applicable amounts:

(i) Initial Term: Improvement Allowance and Brokers' Fees: if the Termination Date is during the Initial Term:

the portion of any Improvement Allowance, plus any fees or commissions of Brokers (as defined in Section 36.12 below), paid by Landlord, related to the Initial Term of this Lease, that the length of Tenant's lease of the Premises, from the Termination Date through the Expiration Date, bears to the length of the Initial Term

(ii) Expansion Space: Expansion Improvement Allowance and Brokers' Fees: *Intentionally Omitted*

(iii) Extension Term: Improvement Allowance and Brokers' Fees: if the Termination Date is during an Extension Term:

the portion of any improvement allowance specifically for the Extension Term, plus any brokers' fees or commissions paid by Landlord related to the Extension Term, that the length of Tenant's lease of the Premises, from the Termination Date through the expiration date of the Extension Term, bears to the length of the Extension Term.

(b) *Survival of Obligation to Pay*. Once Tenant has delivered the Termination Notice, its obligation to pay the Termination Fee shall survive any termination of this Lease earlier than the Termination Date.

SECTION 26: CONFIDENTIAL BUSINESS INFORMATION

Landlord understands and acknowledges that Tenant's use of the Premises may include the creation, management and retention of business information of a personal or confidential nature ("**Confidential Information**"), and that the unauthorized acquisition or disclosure of Confidential Information may be grounds for civil and criminal liability. Landlord shall reasonably cooperate with Tenant in protecting the confidentiality of all information that Tenant notifies Landlord is Confidential Information, and shall ensure that its agents and employees do not, through any acts or omissions, jeopardize the confidentiality of such Confidential Information or disclose it to any unauthorized parties.

SECTION 27: SURRENDER, SHORT-TERM EXTENSION AND HOLDOVER

27.1 Surrender. Tenant shall, upon the expiration or earlier termination of this Lease, surrender the Premises to Landlord broom clean, in first-class condition and repair, except for ordinary wear and tear and damage from any Casualty, Building Defect or Force Majeure Event.

27.2 Short-Term Extension. With thirty (30) days' prior notice to Landlord and without Landlord's consent, Tenant may extend the Term for a period not to exceed sixty (60) days, with Monthly Base Rent to be the same amount as the immediately preceding month. Such short-term extension shall not be construed as an exercise of any Extension Option.

27.3 Holdover. If Tenant fails to vacate the Premises after the expiration or earlier termination of the Term, and Landlord does not, within ten (10) business days after such expiration or termination, deliver to Tenant a notice of eviction, such holding over by Tenant shall create a tenancy from month to month, with Monthly Base Rent to be one hundred ten percent (110%) of the Monthly Base Rent for the immediately preceding month. Such holdover shall not be construed as an exercise of any Extension Option.

SECTION 28: QUIET ENJOYMENT

Subject to the terms and conditions of this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises during the Term, without any interruption or disturbance from Landlord or any party claiming by, through or under Landlord.

SECTION 29: INTEREST RATE

Except as otherwise specifically provided in this Lease, any payment due hereunder by one Party to the other Party shall accrue interest at the maximum rate permitted under ORS 293.462, as it may be amended or replaced from time to time, from the date the payment is past due until the past-due payment and all interest thereon are paid in full.

SECTION 30: LANDLORD'S REPRESENTATIONS, WARRANTIES AND COVENANTS

30.1 Authority. Landlord represents and warrants to Tenant that Landlord is qualified to do business in Oregon; that Landlord has the power and authority to enter into and perform under this Lease; and that the person signing this Lease on behalf of Landlord is authorized by Landlord to bind Landlord to this Lease. Upon Tenant's request, Landlord shall provide Tenant with evidence reasonably satisfactory to Tenant confirming the foregoing.

30.2 Ownership and Condition of Premises. Landlord represents, warrants and covenants, as applicable, that:

(a) Landlord is the fee simple owner of the Property;

(b) Landlord shall deliver possession of the Premises to Tenant free and clear of other tenants and of any claims that conflict with Tenant's rights under this Lease;

(c) the Premises are safe and inhabitable;

(d) as of the Rental Commencement Date, there are no Hazardous Materials on the Premises, the Building or the Property, except for amounts normal and appropriate for the standard use and operation of a commercial property, stored, used and disposed of in strict compliance with all applicable Laws and Ordinances; and any Hazardous Materials removed by Landlord from the Premises, the Building or the Property prior to the Rental Commencement Date were removed in strict compliance with all applicable Laws and Ordinances. "**Hazardous Materials**" includes, without limitation, any and all substances, pollutants, contaminants, materials or products defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials, or any other similar term in or under any applicable Law or Ordinance. Hazardous Materials also includes, without limitation, fuels, petroleum and petroleum-derived products;

(e) as of the Rental Commencement Date, there is no asbestos or asbestos-containing material on the Premises, the Building or the Property; and any asbestos or asbestos-containing material removed by Landlord from the Premises, the Building or the Property prior to the Rental

Commencement Date was removed in accordance with all applicable Laws and Ordinances;

(f) the Premises are in compliance with any and all applicable Laws and Ordinances, including the acknowledged comprehensive plans and land use regulations of the city or county in which the Premises are located; and

(g) the Building, the Property, and the Premises, after the Improvements are Substantially Complete pursuant to the Work Letter, are or shall be as of the Rental Commencement Date in compliance with all applicable provisions of the Americans with Disabilities Act.

30.3 Parking Rights. Landlord represents, warrants and covenants that the Parking Rights it has granted hereunder do not and shall not, in combination with any other rights to the parking spaces or areas related to the Parking Rights that Landlord has granted to any other persons, at any time exceed the total potential usage of the parking spaces or areas related to the Parking Rights.

30.4 Tax Laws.

(a) *Oregon Tax Laws*. Pursuant to ORS 305.385(6), Landlord represents and warrants that Landlord is not in violation of any Oregon Tax Laws. "**Oregon Tax Laws**" means:

(i) a State tax imposed by ORS 320.005 to 320.150 (Amusement Device Taxes); ORS 403.200 to 403.250 (Tax for Emergency Communications); ORS 118 (Estate Tax); ORS 314 (Income Tax); ORS 316 (Personal Income Tax); ORS 317 (Corporation Excise Tax); ORS 317A (Corporate Activity Tax); ORS 318 (Corporation Income Tax); ORS 321 (Timber and Forest Land Taxation); ORS 323 (Cigarettes and Tobacco Products); and

(ii) any local taxes administered by the Oregon Department of Revenue under ORS 305.620.

(b) *Taxes*. Landlord represents and warrants that Landlord is not currently delinquent on any Taxes.

SECTION 31: TENANT'S REPRESENTATIONS, WARRANTIES AND COVENANTS

31.1 Authority. Tenant represents and warrants to Landlord that Tenant is a State of Oregon agency, duly organized and validly existing; that Tenant has the power and authority to enter into and perform under this Lease; and that the person signing this Lease on behalf of Tenant is authorized by Tenant to bind Tenant to this Lease. Upon Landlord's request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing.

31.2 Condition of Premises. Tenant covenants that:

(a) Tenant shall not use, place or allow any Hazardous Materials on the Premises, except for amounts normal and appropriate for Tenant's use of the Premises, stored, used and disposed of in strict compliance with all applicable Laws and Ordinances;

(b) Tenant shall use the Premises in compliance with any and all applicable Laws and Ordinances; and

(c) Tenant shall keep the interior of the Premises in compliance with all applicable provisions of the Americans with Disabilities Act.

SECTION 32: SUSTAINABILITY PRACTICES

In all of their activities in, on or related to the Premises, the Building or the Property, the Parties shall: (1) use their reasonable best efforts to maximize energy efficiency and use environmentally sustainable products and materials; and (2) use their reasonable best efforts to reduce nonessential water consumption.

SECTION 33: TENANT DEFAULT

33.1 Default. The following shall be events of default by Tenant ("**Tenant Default**"):

(a) *Nonpayment of Base or Additional Rent*. Tenant's failure to pay Landlord any Monthly Base Rent or Additional Rent within fifteen (15) business days after notice from Landlord specifying the nonpayment.

(b) *Other Nonperformance.* Other than a nonpayment described in Section 33.1(a) above, Tenant's failure to comply with or fulfill any term, condition or obligation of this Lease within thirty (30) days after notice from Landlord specifying the nature of the failure with reasonable particularity; or, if Tenant cannot reasonably cure such failure within such thirty (30) -day period, then within such time as Tenant can cure the failure with reasonable good faith and diligence; provided, however, that such cure period shall not exceed one hundred eighty (180) days.

33.2 Remedies. Upon any Tenant Default, Landlord may exercise any one or more of the following remedies:

(a) *Cure*. At Tenant's cost and expense, Landlord may perform Tenant's unperformed obligations that gave rise to the Tenant Default, and charge all such costs and expenses to Tenant pursuant to this Lease, which Tenant shall pay within thirty (30) days after Landlord delivers an invoice therefor, together with reasonable supporting documentation (including receipts and invoices from service and materials providers) of such costs and expenses.

(b) *Termination*. Landlord may terminate this Lease, re-enter and take possession of the Premises and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages to Tenant, its property, any other persons or their property.

(c) *Reletting*. Landlord may relet the Premises, and in connection therewith may make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises. Landlord shall not be required to relet the Premises for any use or purpose that

Landlord may reasonably consider injurious to the Premises, or to any tenant that Landlord may reasonably consider objectionable. Landlord may relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the Term of this Lease, and upon any reasonable terms and conditions, including the granting of rent-free occupancy or other rent concessions.

(d) *Right to Sue*. Landlord may sue periodically to recover damages as they accrue without barring a later action for further damages.

(e) *Damages.* Landlord shall be entitled to recover from Tenant any and all damages arising from a Tenant Default, including the following:

(i) all costs and expenses of curing the Tenant Default;

(ii) the reasonable costs of reentry and reletting, including, without limitation, the costs of any clean up, refurbishing, removal of Tenant's property and fixtures and any other expense arising from Tenant's failure to surrender the Premises in the condition required by Section 27.1 above; remodeling costs; and broker fees and commissions and advertising costs; and

(iii) the loss of Monthly Base Rent and Additional Rent for the Premises from the date of the Tenant Default until a new tenant for the Premises has been, or with the exercise of reasonable efforts could have been, secured.

(f) *Other.* The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Landlord in law or equity.

SECTION 34: LANDLORD DEFAULT

34.1 <u>Default</u>. The following shall be events of default by Landlord ("**Landlord Default**"):

(a) *Nonpayment of Money Due*. Landlord's failure to pay Tenant any money due under this Lease within fifteen (15) business days after notice from Tenant specifying the nonpayment.

(b) *Other Nonperformance.* Other than a nonpayment described in Section 34.1(a) above:

(i) Landlord's failure to comply with or fulfill any term, condition or obligation of this Lease within thirty (30) days after notice from Tenant specifying the nature of the failure with reasonable particularity; provided, however, that if Landlord cannot reasonably cure such failure within such thirty (30) -day period, then within such time as Landlord can cure the failure with reasonable good faith and diligence, provided that such cure period shall not exceed one hundred eighty (180) days; or

(ii) if Tenant notifies Landlord of an emergency condition in the Premises or the Building (such emergency condition being one that presents an immediate risk of substantial harm to the Premises or any contents therein, or to any of Tenant's agents, employees or invitees), Landlord's failure to immediately commence and diligently pursue to completion a cure of such emergency condition.

34.2 Remedies. Upon any Landlord Default, Tenant may exercise any one or more of the following remedies:

(a) *Cure*. At Landlord's cost and expense, Tenant may perform Landlord's unperformed obligations that gave rise to the Landlord Default, and charge all such costs and expenses to Landlord pursuant to this Lease, which Landlord shall pay within thirty (30) days after Tenant delivers an invoice therefor, together with reasonable supporting documentation (including receipts and invoices from service and materials providers) of such costs and expenses.

(b) *Offset*. Tenant may deduct from any future Monthly Rent due any and all of its costs and expenses relating to curing the Landlord Default pursuant to Section 34.2(a) above. Such offset right shall begin immediately upon Tenant's performance of Landlord's unperformed obligations pursuant to Section 34.2(a) above.

(c) *Other*. Tenant may exercise any other remedy available in law or equity and is entitled to recover from Landlord any and all damages arising from a Landlord Default, including any and all costs and expenses of performing Landlord's unperformed obligations that gave rise to the Landlord Default.

SECTION 35: NOTICES

35.1 Addresses; General Notice Requirements.

(a) *Landlord's Address*. "**Landlord's Address**" means the address set forth beneath Landlord's signature on this Lease. Landlord may notify Tenant of a different address for payments of any Monthly Base Rent, Additional Rent or other amounts due to Landlord under this Lease.

(b) *Tenant's Address*. "**Tenant's Address**" means the address set forth beneath Tenant's signature on this Lease.

(c) *General Notice Requirements*. Any notices, demands, deliveries or other communications required under this Lease shall be made in writing and delivered by one of the methods set forth in Section 35.2 below to Landlord's Address or Tenant's Address, as the case may be, unless one Party modifies its Address by notice to the other Party, given in accordance with Section 35.2 below.

35.2 Delivery.

Method of delivery	**When notice deemed delivered**
In person (including by messenger service)	the day delivered, as evidenced by signed receipt
Email or Fax	the day sent (unless sent after 5:00 p.m., P.T., in

	which case the email or fax shall be deemed sent the following business day)
US Mail (postage prepaid, registered or certified, return receipt requested)	the day received, as evidenced by signed return receipt
Courier delivery (by reputable commercial courier)	the day received, as evidenced by signed receipt

If the deadline under this Lease for delivery of a notice is a Saturday, Sunday or federal or State of Oregon holiday, such deadline shall be deemed extended to the next business day.

35.3 Property Manager. *Intentionally Omitted*

SECTION 36: MISCELLANEOUS

36.1 Time is of the Essence. Time is of the essence in relation to the Parties' performance of any and all of their obligations under this Lease.

36.2 Calculation of Days. Any reference in this Lease to "days" shall mean calendar days, unless specified as "business days." A business day is any day that is not a Saturday, Sunday or a federal or State of Oregon holiday.

36.3 Consent. Unless otherwise specifically stated herein, any consent by a Party shall not be unreasonably withheld, conditioned or delayed.

36.4 Integration. This Lease constitutes the entire agreement between the Parties on the subject matter hereof. The Parties have no understandings, agreements or representations, oral or written, regarding this Lease that are not specified herein.

36.5 Amendments. This Lease may be amended or modified only by a written instrument signed by both Parties.

36.6 No Waiver of Performance. No waiver by a Party of performance of any provision of this Lease by the other Party shall be deemed a waiver of nor prejudice the other Party's right to otherwise require performance of the same provision, or any other provision.

36.7 Severability. If any term or provision of this Lease is declared by a court of competent jurisdiction to be illegal or in conflict with any Law or Ordinance, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Lease did not contain the particular term or provision held to be invalid.

36.8 Counterparts. This Lease and any amendments hereto may be executed in two or more counterparts, each of which is an original, and all of which together are deemed one and the same document, notwithstanding that both Parties are not signatories to the same counterpart.

36.9 Governing Law; Consent to Jurisdiction. This Lease is governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any Claim between Tenant (or any other agency or department of the State of Oregon) and Landlord that arises from or relates to this Lease shall be brought and conducted solely and exclusively within the jurisdiction of the Circuit Court of Marion County in the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. Each Party hereby consents to the exclusive jurisdiction of the foregoing courts, waives any objection to venue and waives any claim that such forums are an inconvenient forum. In no event shall this Section 36.9 or any other provision of this Lease be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, or consent by the State of Oregon to the jurisdiction of any court.

36.10 No Presumption against Drafter. No inference, presumption or conclusion shall be drawn against either Party by virtue of that Party having drafted this Lease or any portion thereof.

36.11 Force Majeure. A Party shall not be liable for any delay in performance under this Lease, other than payment of any money to the other Party, if such delay is caused by Casualties, strikes, lockouts, riots, wars, acts of public enemies, insurrections, acts of God, shortages of labor or materials or any other such causes not within the control of the first Party (any such event being a "**Force Majeure Event**").

36.12 Brokers. *Intentionally Omitted*

36.13 Exhibits and Forms. The Exhibits and Forms listed below are incorporated as part of this Lease:

Exhibit A: Premises
Exhibit B: Building
Exhibit C: Property
Exhibit D: Work Letter
Exhibit E: Amortization Schedule for Monthly TI Payments
Exhibit F: Janitorial Services Agreement

Form 1: SNDA Form
Form 2: Estoppel Certificate Form

[remainder of this page intentionally left blank]

Each person signing this Lease below on behalf of a Party represents and warrants that such person is duly authorized by that Party and has legal capacity to do so.

LANDLORD:

Port of Hood River, a municipal corporation of the State of Oregon

Signature ____ __________________, 2026
Name ____ Date
Title ____

Landlord's Address

Address:	1000 E. Port Marina Drive
City, State, ZIP:	Hood River, Oregon 97031
ATTN:	Amanda Rose, or successor
Phone Number:	541-386-5116
Email Address:	amanda.rose@portofhoodriver.com

TENANT:

The State of Oregon, acting by and through its Department of Transportation,
Driver and Motor Vehicle Services Division

Signature ____ __________________, 2026
Name ____ Date
Title ____

APPROVED BY OREGON DEPARTMENT OF ADMINISTRATIVE SERVICES

Signature ____ __________________, 2026
Name Brady Ricks Date
Title Manager, Real Estate Services

Tenant's Address

Address:	885 Airport Rd. SE, Building X
City, State, ZIP:	Salem, Oregon 97301
ATTN:	Christina Cobb, or successor
Phone Number:	971-209-9434
Email Address:	christina.cobb@odot.oregon.gov
cc:	res.info@das.oregon.gov

Template: MG(reconcile)/MT/Newlocation/WLoffice client

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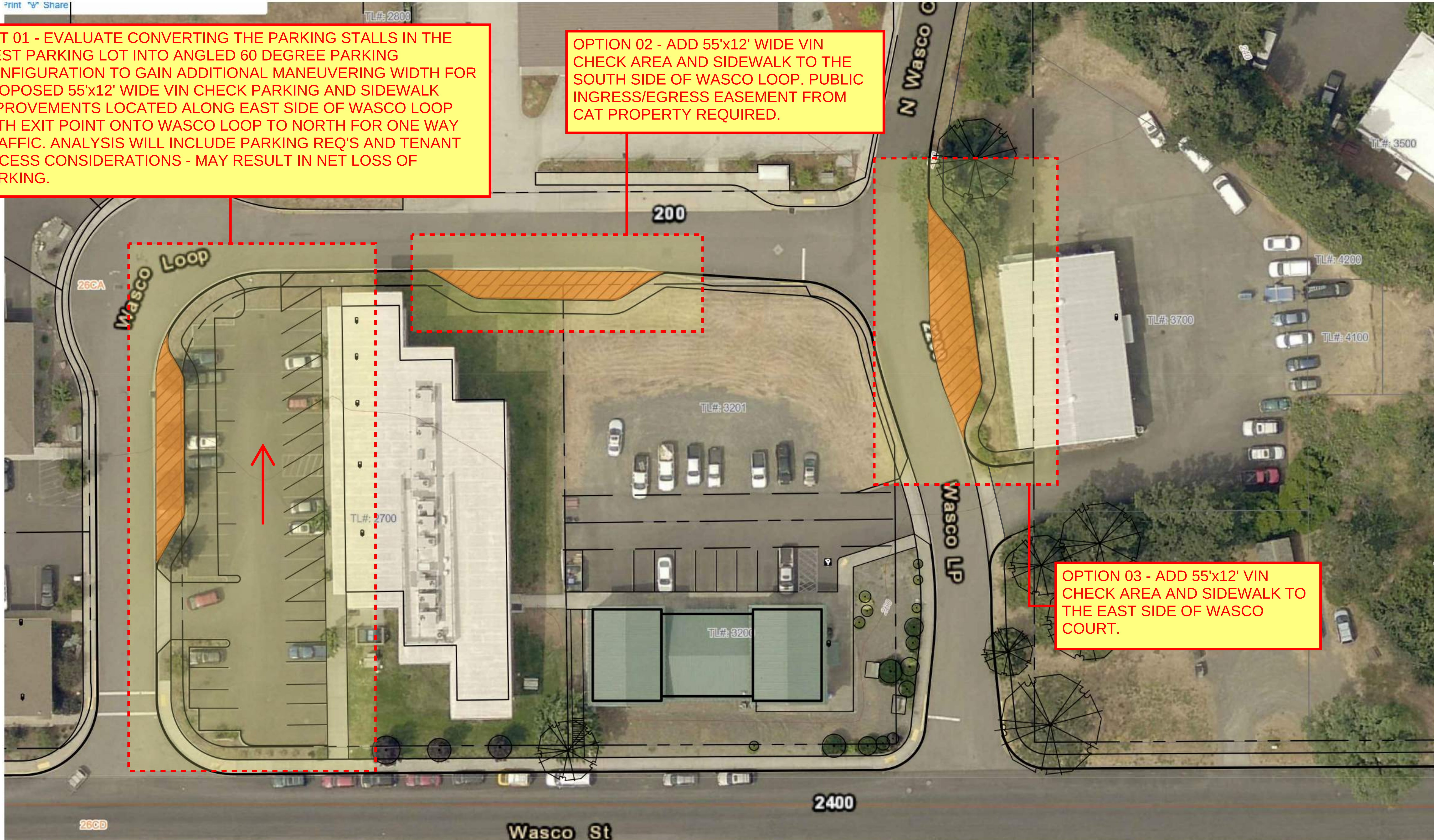
HDAdvanceRESLibraryRev. 7.25.25
3724DMVHood River205 Wasco LoopHDLeaseLB/Lb_03/25/26
#2(ser)



POHR - DMV VIN CHECK LOCATIONS
205 WASCO COURT
HOOD RIVER, OR 97301

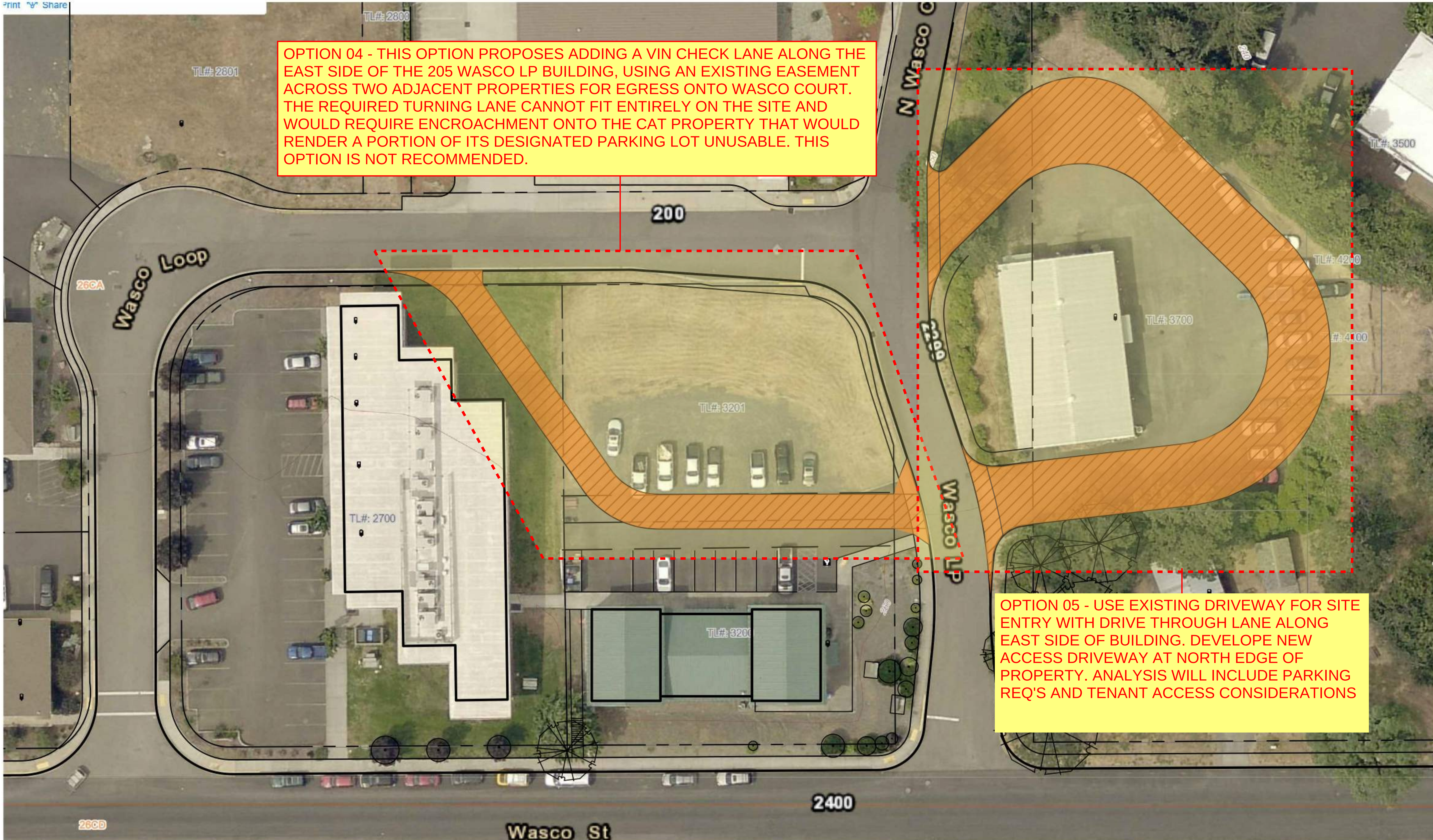
CONCEPTUAL PLANS - 5/19/2026

01 AREA SITE PLAN
N.T.S.

N

sum
DESIGN STUDIO
+ architecture

231 se 12th avenue
portland, oregon 97214
sumdesignstudio.com
503 715 5847 ph | fax



POHR - DMV VIN CHECK LOCATIONS

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CONCEPTUAL PLANS - 5/19/2026

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N.T.S.

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503 715 5847 ph | fax

Exhibit F
Janitorial Services Agreement

These Janitorial Specifications are attached to and part of the State of Oregon Lease (the "Lease") of the same Lease Effective Date. Capitalized terms used but not defined in this Exhibit shall have the same definition as set forth in the Lease.

Landlord shall contract with a janitorial services provider ("**Janitor**") to provide or contract for janitorial services and supplies ("**Services**") that comply with the minimum requirements listed below and keep the Building (as defined in the Lease) in a clean, neat condition.

1. Definition of Terms: During the performance of Services, the following definitions and minimum requirements apply.

1.1. "**Clean**" means the surface is visibly free from dust, dirt, finger prints, grease, grime, rust, spots, stains, or smudges. The surface must be free from all foreign substances. In restrooms particularly, "clean" means all surfaces must be free of organic material, feces, and urine, or other soil. Bowls must be free of stains and mineral build-up inside and out.

1.2. "**Centralized Location**" means the location(s) of wastebaskets and recyclable receptacles, central to as many Building staff as possible.

1.3. "**Common Areas**" means restrooms, break rooms, conference rooms, lobbies, and similar multi-user areas.

1.4. "**Disinfect**" means the method and product used is sufficient to kill bacteria, viruses and fungi and prevent or slow their return. Products used to disinfect must provide appropriate disinfection protection approved by the Center for Disease Control (CDC) for disinfection of the Influenza A virus and COVID-19. A list of disinfectants approved for use against COVID-19 can be found here: https://www.epa.gov/pesticide-registration/list-n-disinfectants-coronavirus-covid-19.

1.5. "**Dusting**" means removing the dust from all vertical and horizontal surfaces. All furnishings, fixtures, and structural surfaces including ledges must be free of dust. Documents must not be moved to accomplish dusting.

1.6. "**Extraction Carpet Cleaning**" means a hot water extraction method with professional truck mounted equipment of at least 40hp and capable of at least 230 degree temperature and 300 PSI at cleaning nozzle, operated by an Institute of Inspection, Cleaning Restoration Certification ("IICRC") Commercial Carpet Maintenance Technician ("CMT") standards performed by an IICRC certified technician. Does not include use of spin bonnet.

1.7. "**Interior Window Coverings**" means blinds, draperies or any other material furnished as interior window coverings. It does not include items/materials placed on or at windows by individuals as decoration.

1.8. "**Sanitize**" means the method and product used is sufficient to significantly reduce the amount of bacteria, viruses and fungi on the cleaned surface.

1.9. "**Spot Cleaning**" means removal of stains, spots, and soil in less than an entire carpet and non-carpeted area through use of a cleaning agent that will not damage the carpet or non-carpeted area.

1.10. "**Spray Buff**" means the restorative maintenance of a previously finished floor with a suitable polishing machine immediately following the mist-spraying of an appropriate State approved product onto the surface whereby the wet application is buffed to dryness creating a "wet look" or shiny floor.

1.11. "**Traffic Areas**" means lobbies, hallways, and all other areas where people normally walk, and in conference rooms.

1.12. "**Vacuuming**" means the process of using vacuuming equipment on all floor surfaces, including ones hidden under furniture, until free of dirt, dust, and debris.

1.13. "**Wet Scrub**" means the process that takes off only the top one (1) or two (2) layers of finish to eliminate imbedded dirt and scratches, includes a re-coating with one (1) or two (2) layers of finish as needed to complete the process.

1.14. "**Wet Strip**" means the elimination of all finish and sealer, getting down to the bare floor.

2. Janitor shall perform Services in the Premises.

3. Janitor shall perform Services described in Section 5 below five (5) days per week, Monday through Friday, between 6:00 p.m. and 6:00 a.m. excluding legal holidays specified in ORS 187.010 and closure days observed by Tenant.

4. Janitor shall perform periodic Services, at the intervals described in Sections 6 through 10 below, between 6:00 p.m. and 6:00 a.m. excluding legal holidays specified in ORS 187.010 and closure days observed by the State.

5. Daily Janitorial Services: Janitor shall:

a. Clean all hard surface floors;

b. Vacuum all carpets;

c. Spot clean carpets where necessary to remove spots and stains;

d. Clean and Sanitize tables, counter tops and sinks in the following areas:

(1) Kitchen;

(2) Break rooms;

(3) Conference rooms;

(4) Lactation rooms;

(5) Wellness rooms;

(6) Interview or visitation rooms, if any; and

(7) Common Areas.

e. Common Areas:

(1) Remove all fingerprints from interior glass; and

(2) Clean and Sanitize drinking fountains, door handles, door knobs, sink faucet handles, push and pull bars, light switches, and related fixtures and surfaces.

f. Restrooms:

(1) Clean and Sanitize all restroom floors;

(2) Clean and Sanitize towel and soap dispenser;

(3) Clean all restroom mirrors;

(4) Clean and Disinfect baby diaper changing tables, if any;

(5) Clean and Disinfect child clean-up rooms and showers, if any;

(6) Clean and Sanitize restroom sinks including faucet handles, counter tops, toilets (internally and externally), toilet seats, and urinals;

(7) Clean and Sanitize door handles, stall handles and locks, and all hand rails installed on restroom walls; and

(8) Empty restroom waste baskets and feminine hygiene waste receptacles; and

(9) Replenish restroom supplies, i.e. toilet paper, paper towels, seat liners, liquid soap, feminine hygiene sanitary products.

g. Trash Collection:

(1) Empty Common Area wastebaskets and recyclable receptacles and Centralized Location garbage cans and replace liners as necessary;

(2) Wipe the inside and outside of Centralized Locations and Common Area wastebaskets as needed and install plastic liners;

(3) Take trash and recycle material from Centralized Locations and Common Area cans to the dumpster or other designated area. Keep dumpster area clean;

(4) Determine with the Building Contact the placement of trash and recycle receptacles in Centralized Locations and Common Areas;

(5) Provide and replenish backup supplies for each size trash liner as necessary for Building staff use, next to the trash receptacles located in all Centralized Locations and Common Areas; and

(6) Janitor shall not empty individual workstation, desk side or private office trash receptacles. Building staff will be responsible for emptying their own trash and recyclables.

h. When moving furniture during the cleaning process, return to original configuration;

i. Change interior burned-out light bulbs and fluorescent tubes. Remove and recycle or discard in accordance with current laws, ordinances and regulations; and

j. Clean and polish all entrance door glass inside and outside. NOTE: this includes the exterior and interior entrances and all interior door relights.

6. Tuesdays & Thursdays ONLY: Janitor shall vacuum high traffic carpeted areas including Common Areas and elevator car(s), if any.

7. Weekly Janitorial Services: Janitor shall:

a. Vacuum all carpeted areas including the edges on Fridays;

b. Clean all mirrors; chrome plumbing connections and restroom hardware throughout the Building. Do not wash or clean Plexiglas partition walls;

c. Clean exposed surfaces of all kitchen, break room and restroom cupboards, kitchen appliances and vending machines;

d. Dust surfaces of furniture, i.e. file cabinet tops, fixtures, windowsills and ledges (high and low) NOTE: Dust cubicle top edges and the cove base edge on the exterior of the cubicle;

e. Spot clean doors and door frames, removing fingerprints, smudges, dirt and scuff marks. For interior doors with relights, clean the glass; and

f. Remove debris (cigarette butts, trash) from all building entrances and sidewalks that serve the Building.

8. Monthly Janitorial Services: Janitor shall:

a. Wash and Disinfect all restrooms walls, stalls, partitions and wainscoting;

b. Clean the bathroom vent covers;

c. Vacuum all upholstered furniture (not including Building staff chairs) in the Common Areas, and spot clean as needed to ensure spots are removed; and

d. Remove debris (cigarette butts, trash) from outdoor break area and outdoor play area, if any.

9. Quarterly Janitorial Services: Janitor shall:

a. Clean, scrub and polish all hard surface floors (per manufacturer's instructions), including the edges and cove base;

b. Clean all louvers and vent covers for heating-cooling system;

c. Clean, dust and remove cobwebs from interior ceiling, doorways, skylights, and exterior windowsills and entrances.

d. Extraction Carpet Cleaning: Carpets shall be cleaned on the following schedule and in the identified manner:

(1) January and July: *Professionally clean and shampoo all* carpeted floors.

(2) April and October: *Professionally clean and shampoo* carpeted floors in *high traffic areas*.

(3) Janitor shall be responsible for maneuvering Janitor's equipment around items that cannot be easily or safely moved such as: systems furniture, file cabinets, copier machines, couches and desks.

(4) All carpet cleanings must be coordinated with Tenant a minimum of two (2) weeks in advance.

(5) Janitor shall use a rotary jet extractor in all accessible areas, and a wand shall be used under desks and around edges or places not accessible with the rotary jet extractor.

(6) Janitor shall do preconditioning where necessary prior to cleaning to ensure spots, stains and heavily soiled areas will come clean.

(7) In all cases, carpets must be dry within six (6) hours of cleaning. Carpets must be clean and free from stains including areas along wall edges, transition areas and under tables and surfaces. Janitor shall be responsible for replacing any furniture moved to its original location. Janitor shall follow all manufacturers' instructions.

(8) Janitor shall use only environmentally friendly cleaning products and shall follow all manufacturers' instructions.

10. Annual Janitorial Services: Janitor shall:

a. Wet strip floors - clean, strip old wax, apply new wax, and buff all hard surface floors in accordance with floor manufacturer's recommendations;

b. Clean and sweep all storage areas;

c. Vacuum and clean mini blinds or other window coverings;

d. Clean interior windowsills and window tracks;

e. Wash all light fixture covers and reflectors; and

f. Clean and dust all exposed duct work and sound baffles in ceiling area of staff area.

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Commission Memo

Prepared by:	Amanda S. Rose, Director of Real Estate
Date:	July 21, 2026
Re:	SUM Design Studio VIN Inspection Analysis for DMV Relocation

As part of the Port's ongoing evaluation of relocating DMV operations from Marina West to the Wasco Campus, staff engaged SUM Design Studio and AKS Engineering to perform a VIN inspection feasibility analysis. While the concept of relocating the DMV office itself is relatively straightforward, the most significant challenge associated with any DMV relocation is identifying a compliant and functional location for vehicle identification number (VIN) inspections, which are a required component of DMV operations. The location of VIN inspections directly impacts site circulation, parking, accessibility, customer access, tenant access, and overall site design.

The purpose of this analysis was to evaluate multiple conceptual alternatives at both 205 Wasco Loop and 211/213 Wasco Court to determine whether VIN inspection activities can be accommodated on the Wasco Campus and, if so, which location presents the most practical solution. The analysis evaluates vehicle circulation patterns, ingress and egress requirements, parking impacts, ADA accessibility requirements, potential public right-of-way improvements, and connectivity between the DMV office and inspection area. The study also identifies site constraints and operational considerations that must be addressed before a relocation can occur.

This work is an important due diligence step because the Port cannot effectively advance a Conditional Use Permit application, complete site planning, develop accurate cost estimates, or move into design without first determining where VIN inspections will occur and whether the site can support those activities. The findings from this analysis will establish the preferred VIN inspection location and provide the foundation for future permitting, engineering, and design work associated with the DMV relocation project. If the Commission wishes to continue pursuing the relocation of DMV operations to the Wasco Campus, completion of this analysis is a necessary step in determining project feasibility and ensuring that any future investment in permitting, tenant improvements, and site development is based on a workable and compliant site plan.

The total cost of the SUM Design Studio and AKS Engineering analysis is $36,300 and represents the technical evaluation necessary to determine whether the Wasco Campus can successfully accommodate DMV operations while positioning the Port to make informed decisions regarding the future use of both the Wasco properties and Marina West.

RECOMMENDATION: MOTION to approve Work Order 9 with SUM DESIGN for 205 Wasco Loop.

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April 23, 2026

Kevin Greenwood, Executive Director
Port of Hood River
1000 East Port Marina Drive
Hood River, OR 97031

RE: Port of Hood River Offices – Wasco Court

Kevin,

Please see attached our proposal to assist the Port of Hood River remodel the existing building at 200 Wasco Court in Hood River.

Please see below for a defined scope of services with a breakdown of our standard construction phases.

Once reviewed, please do not hesitate to reach out with any questions or concerns.

Sincerely,

Eric Hoffman
Principal
SUM Design Studio + architecture

PROPOSAL FOR PROFESSIONAL SERVICES

STATEMENT OF PROJECT
Remodel of existing 5,600sf two-story metal building.

Architectural design scope includes the following:
- Add new steel awning and reconfigure public entry and reception area
- Create new vaulted assembly space for board meetings
- Relocate storage area stair system
- Remove overhead door and reconfigure windows at north side of building
- Reconfigure existing office areas for new layout
- Add small breakroom at second floor
- Modify existing unisex restrooms to meet code and add third unisex restroom that is publicly accessible
- Upgrade finishes and fixtures throughout

SUM will coordinate with Structural and MEP Engineering team to provide design scope as outlined above and on the attached proposal from Coffman Engineers.

Additional scope coordinated by SUM with Coffman Engineers includes:
- Structural modifications and electrical upgrades as required for a new rooftop photovoltaic panel system
- Documentation and coordination with Energy Trust of Oregon for solar panel study and equipment incentives
- Audiovisual design for the new board meeting space

PROPOSED PROJECT SCOPE AND PHASES

Conditional Use Permit Package - COMPLETE
As part of the first phase of work, SUM completed a preliminary design for the purpose of applying for a Conditional Use Permit (CUP). The preliminary design was based on client provided drawings of the building prior to site verifications and measurements by SUM.

As-Built Measurement - COMPLETE
Following the CUP submittal, SUM visited the site and completed as-built verifications and measurements. Coordination of the site visit notes into the plans to be completed as part of the current scope.

Schematic Design
Using information gathered from the site visit, further review and coordination with applicable building code, and any additional program needs supplied by the client, SUM will update and develop the preliminary design to create a final space plan and exterior building elevations.

This plan will provide the starting point to move forward.

After a final direction has been reached and the client has approved, the final scheme will be ready for progression to Design Development. The Schematic Design documents will include, but not be limited to: all interior walls, doors, windows, exterior building elevations, built-in casework, and permanent equipment.

Meetings: (1) Total meeting with Client

Design Development

During this phase, SUM will refine all elements shown and presented as part of the Schematic Design package, and fixture and finish selections will be initiated.

This phase will include:

- Further review and coordination of jurisdictional requirements and building code
- Plan development: demolition, floor, ceiling, and finish
- Interior elevations: at walls with built-in components and cabinetry
- Exterior building elevations
- Major details: initial detailing of wall, casework, millwork, and other built-in elements
- Preliminary awning design
- Door, relite, and hardware selections initiated
- Coordination with structural engineer and MEP/AV consultants
- Coordination with CMGC
- Coordination with Energy Trust

Document set at the conclusion of this phase to be suitable for preliminary pricing by CMGC.

Meetings: (4) Total meetings with Client, (2) in person and (2) virtual

Permit Set / Construction Documents

SUM will finish design and documentation of all elements shown and presented as part of the Design Development package. During this phase, the design is completed and finish and fixture selections are finalized. SUM will meet with the client to review progress and to verify design intent is being met.

This phase will include:

- Review of preliminary contractor pricing in conjunction with the client and coordination of questions and responses
- Design modifications to correspond with changes made as a result of the preliminary pricing effort. Note: modifications requiring significant changes to the design may trigger Additional Services fees, see below.
- Project code summary
- Plans: demolition, floor, ceiling, roof, electrical, finish

- Interior elevations: at walls with built-in components and cabinetry
- Exterior building elevations
- Architectural details: as required to communicate design intent
- Legends and Schedules: door, relites, hardware, lighting, finishes, fixtures
- Coordination with structural engineer and MEP/AV consultants
- Coordination with CMGC
- Coordination with Energy Trust
- Coordination with consultant for updated traffic study

Document set at the conclusion of the phase to be suitable for contractor bidding, permitting, and project construction.

Meetings: (5) Total meetings with Client, (2) in person and (3) virtual

Permit Assistance and City Coordination

SUM will provide responses and additional information regarding the above outlined scope as required by the local jurisdiction for a building permit.

Construction Administration

During the construction phase, SUM will provide responses to RFI (Requests for Information) and review submittals. Submittals scope to include fixtures, finishes, products, and shop drawings of custom fabricated elements shown in the Construction Documents.

Meetings: We estimate a 14-week construction timeframe. We will provide (6-7) job site meetings as required and the balance as virtual meetings on alternate weeks. Also included is one final walk-through / punch list of the completed scope.

PROFESSIONAL SERVICES FEE

CUP Package –Under Previous Contract
Site Verification / As-built Measurements – Under Previous Contract

Schematic Design	8,800
Design Development	18,200
Permit Set / Construction Documents	25,480
Construction Administration	20,320
Reimbursable Expenses	2,200
SUBTOTAL – Architectural Design Fee	**$75,000**
Revised Traffic Study (DKS)	1,000
Structural Engineering (Coffman)	18,250
Electrical, including Photovoltaic (Coffman)	18,600
Mechanical (Coffman)	14,750
Audio Visual (Coffman)	19,673
Acoustical Design (Coffman)	10,500
SUBTOTAL – Consultant Fees	**82,773**
10% Administrative Fee	8,277
TOTAL FEE	**$166,050**

ADDITIONAL INFORMATION

Schedule
This proposal is based on a 18-20 week design schedule.
Significant changes to the design may require fee adjustments or impact project completion timeline.

Assumptions
No exterior or site work above what is described above.
No Jurisdictional Design Review will be required.

Optional Services

FF&E (Furniture, Fixtures, and Equipment)	Hourly
3D Modeling / Rendering	Hourly
Construction Administration beyond that described above	Hourly

Exclusions
The following items have been excluded from our scope of work, but can be included for an additional fee if the project warrants:

- Civil Engineering Design; SUM to use existing, owner provided site plan

- Additional scope incurred during permitting that is dictated by the jurisdiction. The above list of drawings is presumed to be sufficient for building permit.

Additional Services

To the extent SUM and its consultants agree to provide additional services not described herein, including contract administration, testing, changes in the scope of the project, design changes, or other changes to the project, those services shall be agreed to in writing, and shall be paid to SUM at current hourly rate. If additional services are not agreed to in writing, SUM shall notify Owner prior to providing such services.

SUM shall also be entitled to additional compensation for services required by changes in or the enactment of laws, codes, ordinances or regulations, the contraction of the Project schedule, preparation for and attendance at a public hearing or other proceeding related to the project, or changes necessitated by the action or inaction of Owner or Owner's representatives, agents, contractors or subcontractors.

Hourly Billing Rates

Managing Principal	$236 / hr
Project Manager	$190 / hr
Project Architect	$190 / hr
Interior Designer	$155 / hr
CAD Drafter	$98 / hr

Jurisdictional Fees

The client shall pay for the building permit and all other permits, fees, costs, licenses, and inspections required by applicable federal, state, or local laws, codes, rules, regulations, or ordinances.

Reimbursable Expenses

The client shall reimburse SUM for expenses incurred plus an administrative fee of 10%. Reimbursable expenses shall include, but are not limited to, printing and reproduction, AutoCAD plotting, travel expenses, long distance charges, fees paid to local governmental entities, engineering and consultant fees and expenses, postage, photography, additional renderings, models, mileage at the current amount allowed by the IRS. SUM shall invoice for such expenses of reimbursement, and on larger expenses, SUM may, at its sole option, require the client to directly pay said expense.

____

Client Signature Date

COFFMAN ENGINEERS

April 17, 2026

Eric Hoffman
SUM Design Studio + Architecture
231 SE 12th Avenue
Portland, OR 97214

Project: Port of Hood River Administration Building TI
200 Wasco Court, Hood River, OR 97031

Subject: Proposal for Professional Engineering Services

Dear Eric:

Coffman Engineers, Inc. is pleased to submit this structural, mechanical, and electrical engineering services proposal for the Port of Hood River Admin Building tenant improvement project.

Our proposal is based on drawings sent to us on April 10, 2026 (attached for reference), the new project criteria as we have clarified in discussions with you, the scope of services and deliverables, and assumptions made as described in the following sections of this proposal.

PROJECT DESCRIPTION

The project consists of the tenant improvements to an existing building located at 200 North Wasco Court in Hood River. The existing building is a pre-engineered metal building with partial mezzanines on both ends of the building. We understand that the Port of Hood River needs a new administrative office location when the new Hood River White Salmon Bridge is constructed directly over their current office located at the Hood River Marina. The building will house the Port Commission boardroom (chamber), office space, break rooms, and restrooms. A new rooftop PV system is planned. Our role will be as the structural, mechanical, and electrical engineer of record for the project through construction. Audio Visual (AV) design is also included for the boardroom, and acoustical engineering throughout the building.

DESIGN CRITERIA

The project will be designed according to the following criteria:

- 2025 Oregon Structural Specialty Code (OSSC)
- 2025 Oregon Mechanical Specialty Code (OMSC)
- 2023 Oregon Plumbing Specialty Code (OPSC)
- 2023 Oregon Electrical Specialty Code (OESC)
- 2023 Oregon Energy Efficiency Specialty Code (OESSC)

SCHEDULE

We understand that this project will have a formal structure with the following progression: Notice to proceed is expected to be granted in April 2026. Construction documents are anticipated to be completed at a mutually agreeable date later in June 2026.

- Schematic Design – 6 Weeks after NTP is given
- Design Development – 6 Weeks after completion of Schematic Design
- Construction Documents – 8 Weeks after Completion of Design Development
- Permit Submittal – 2 Weeks after Construction Documents

Our proposal is based on these timeframes. Please note that significant changes in schedule, particularly if the programming phase takes longer than assumed, can result in additional cost on our part and may require fee adjustments or adjustments to the final completion date for construction documents.

Progress on design will be contingent on receiving clear design direction and timely coordination and decision making by the Owner and the rest of the design team.

The overall design schedule will rely heavily on progressing the design forward and not making changes to the design after the submittals are accepted and NTP is given for the next design phase. It is understood that any value engineering exercises will be completed in the DD phase only. Once the DD phase design submittal is accepted, Coffman will proceed into the CD phase with the understanding that no major changes will occur.

ESTIMATED CONSTRUCTION COST

The estimated construction cost is unknown currently.

BASIC SERVICES

Structural

- Provide (1) site visit during design to verify existing conditions.
- Reduce the size of an existing storage mezzanine and add a new wood stair to access the mezzanine.
- Typical light gauge steel details associated with interior wall remodeling.
- Reconfigure the existing north wall framing to create new window and door openings. New cold formed steel wall framing will be designed to modify the existing wall girt system, including a new double door entry for the public and infilling the existing overhead door opening.
- Structure for a new steel awning at the public entry.
- Foundation details for a new monument sign.
- Review existing roof structure adequacy for new PV panels and inverter.
- Provide stamped structural drawings and calculations for permitting and construction.

Mechanical

Plumbing:

- Provide (1) site visit during design to verify existing conditions.
- Modification of interior domestic hot and cold-water systems, drain, waste & vent systems, and natural gas systems.
- Plumbing fixture schedule with descriptions and connections, coordinated with the Architect.
- Plumbing design for new bathrooms and kitchen area.

HVAC:

- HVAC load calculations and system zoning.
- Design of distribution ductwork and air devices.
- Design and selection of air handling units, exhaust fans, heaters, and other equipment to serve the HVAC zones.
- Dedicated HVAC systems for IT/Data/MDF rooms, (if required).
- Outside air ventilation per the Mechanical Code and process requirements.
- HVAC to serve new remodeled space.

Electrical

- Provide (1) site visit during design to verify existing electrical systems.
- Provide demolition drawings showing electrical systems to be removed and noting devices that exist to remain.
- Design of power distribution in the building including receptacle layout, power for new HVAC units and equipment, and associated circuiting.
- Design of lighting control, circuits, and photometric calculations to confirm light fixture output. Fixtures to be specified by architect.
- Specify power and lighting for entry monument.
- Design of lighting controls to meet Oregon Energy Efficiency Specialty code requirements and completion of COMCHECK compliance forms.
- Modeling of a PV system to determine kWhr output. Design of PV system including panel layout, inverters, and tie in to existing electrical system.
- Updates to electrical panels if required to support new electrical loads within the space.
- Design of layout and rough in of telecommunications system.

Audio Visual

- Attend virtual meetings with the owner / owner's IT personnel or those responsible for determining the technology requirements and operating the Port Commission Boardroom (chambers).
- Coordinate electrical rough-in requirements and BTU load associated with AV and presentation equipment with our electrical and mechanical engineers.
- Develop SD narrative and anticipated budget based on owner's direction and technology currently available to suit the spaces being improved.
- Develop DD coordination set for use by our electrical and mechanical engineers for coordinating power and heat loads associated with AV systems. Generate details and

rough device locations associated with AV equipment. Identify under slab rough-in requirements for lectern and modular dais seating. Generate specifications associated with integrated audio and video equipment. Coordinate specifications with Division 0 & 1 or the project binder. Revise budgets to reflect current scope and conditions.

- Generate block diagrams, control page requirements, mounting details, and rack elevations. Revise specifications as required to match documentation provided. Revise budgets to reflect 100% Construction Documents. Generate list of cut sheets associated with specified equipment for review by the owner.
- Provide bid support and review of proposals for conformance with the design documents.
- Provide construction administration in the form of submittal review, RFI review, and on-site commissioning alongside the AV Specialty Contractor to confirm operation of the installed systems. No site visit during construction.

Acoustical

- Attend virtual meetings with the design team as needed to coordinate acoustical design elements.
- Provide acoustical design criteria for sound isolation, reverberation, and background noise in the Commissioner's Meeting Room (Chambers) only, not the Offices, Open Office, Conference, Break Rooms and Muster Area.
- Develop recommendations for wall constructions to achieve the identified design criteria for sound isolation for the Chambers.
- Develop recommendations for acoustical finishes to achieve the identified design criteria for reverberation control, including finish types, locations, and performance specifications for the Chambers.
- Develop recommendations for mechanical noise control to achieve the identified design criteria for background noise for the Chambers.

Construction Administration

We anticipate providing the construction administration services listed below as part of our basic services.

1. Review Prior Approval Substitution Requests and answer bidder's questions during bidding.
2. Prepare revisions and clarifications during bidding.
3. Review contractor submittals and shop drawings. Our proposal is based on submittals being complete, bookmarked, and grouped together (ex. long lead items, HVAC including seismic, plumbing, controls, electrical, fire alarm); piecemeal submittals will not be accepted.
4. Respond to plan review comments from regulatory agencies and utility companies related to our scope of work.
5. Respond to contractor requests for information during construction
6. Visit site to observe construction or for final punch list or back punch. The total number of visits included in basic services is noted below.

    a. Structural: 1 visit
    b. Mechanical: Up to 2 visits
    c. Electrical: Up to 2 visits

   d. Audiovisual: 1 visit
   e. Acoustical: No site visits

7. Coordination with the TAB contractor and review balancing reports. We anticipate up to one resubmittal.

   a. Review O&M manuals. We anticipate up to one resubmittal.
   b. Review of contractor as-built drawings.
   c. Review of commissioning reports and responses to comments directed specifically to us.

ADDITIONAL SERVICES

The following services can be provided for an additional fee to the Agreement:

1. Attend Owner/Architect/Contractor meetings approximately once per month for 6 months.
2. Significant changes to the schedule including accelerated deadlines, additional milestones, or other material changes to the schedule are potential additional services. The schedule for the project is also assumed to provide allowance for design completion and quality control between the freezing of the background information and each deliverable.
3. Participation in or redesign due to value engineering or constructability reviews. Value engineering required due to cost escalation if the project schedule changes.
4. Review of new or revised submittals due to changes in equipment lead time or availability after bidding is complete and original submittals have been approved.
5. Alternate bids or early bid packages.
6. Redesign made necessary by significant changes to the building design after we had been directed to proceed with a given building design.
7. Commissioning services or witnessing of the operation of mechanical systems under varying conditions.
8. Opinion of probable cost or detailed construction cost projections requiring take offs.
9. Coordination with the local utility for energy incentives. This would include all items related to the incentives such as preparation or review of incentive forms, review of the proposed incentive amount on behalf of the owner, cost projections, and estimates of baseline design assumptions without upgrades.
10. Additional travel to the site beyond what is listed under basic services.
11. Updating our drawings to reflect Contractor redlined record drawings will be provided as an additional service. We assume the contractor will show new work in red and deleted work in purple to be able to readily identify the changes. Because we cannot predict the extent of contractor mark-ups, we propose to provide this service on a time and materials basis. Once contractor mark-ups are available for review, we would be able to update this number a not to exceed number.
12. Inspection and certification required by the regulatory agencies for site construction. This includes inspection, material documentation, testing, as-built drawings, and drainage structure registration.
13. Prepare sprinkler and fire alarm drawings, specifications, or basis of design documents.
14. Provide fire pump specifications and fire pump space requirements.
15. Witness any sprinkler or fire alarm system testing or determine the fire-flow for the building.
16. Prepare alternate means and methods or engineering judgements.

17. BIM coordination efforts (Ex. Navisworks clash detection meetings, shop drawing consultation) with the contractors after issuing the bid set.

DELIVERABLES

We propose submitting the following deliverables at the milestones noted below.

Schematic Design Phase: Narratives of the major design decisions and proposed systems.

Design Development Phase: Updated narratives. Drawings showing locations of major equipment, HVAC zones, plumbing fixtures, and preliminary equipment schedules. Preliminary system diagrams. Preliminary specifications with the anticipated sections and major items deleted that are not a part of the project. Preliminary editing of remaining specification items.

Construction Documents Phase: Updated narratives. Drawings and specifications for bidding. Structural calculations. Completed energy code compliance forms for mechanical and electrical. Submittals at 50%, 95%, 100% for Permit, and for Bidding.

We have included one conformed set that includes all plan review responses and addenda.

We will generate our drawings in CAD with an electronic backgrounds provided to us by your office.

Specifications will be in 6-digit format. Narrative, calculations, and specifications will be submitted in .pdf format. Hardcopy submittals are not anticipated.

Deliverables will include:

- Hardcopy prints or .pdf files created directly from Revit
- Energy code forms for Mechanical and Electrical

Note: Permit forms are not included.

OWNER FURNISHED ITEMS

Our proposal assumes the following items will be provided to us by the Owner:
1. Copies of existing building and site drawings, electrical, mechanical, and structural drawings.

ASSUMPTIONS/CLARIFICATIONS

Our proposal assumes the following assumptions and clarifications:
1. The mechanical and electrical fee assumes building commissioning by Coffman or a third-party entity.
2. The Architect will provide a Code Sheet detailing rated construction wall types (fire barrier, smoke barrier, etc.).

3. Adequate space will be provided on grade, on roof, or in building for mechanical equipment, including minimum access for servicing of at least 36 in wide x 80 in tall and a level working space 30 in wide x 30 in deep per the International Mechanical Code.
4. The architect shall provide all user conferencing and coordination required to establish the type and location of all luminaires, light switches, receptacles, equipment connections, low-voltage devices, and plumbing fixtures (ex. sink sizes coordinated with casework and faucet requirements).
5. The project is not LEED certified, it does not require ELCCA or energy modeling, nor is the project requiring compliance with other energy or sustainability goal programs such as Energy Star.
6. We assume that the architect will directly hire an engineer to perform fire protection design if any is required. We can provide this service if needed for an additional fee.
7. We assume that the architect will provide us at each milestone with a copy for each discipline of each complete submittal (drawings and specifications) to use for coordination and quality control purposes.
8. The existing systems are available in CAD or Revit from which to make existing and demolition drawings.
9. Existing infrastructure systems have sufficient capacity to serve the renovation.
10. Emergency Power is not required.
11. It is important to note that construction cost contingency is not included in the fee estimates and must be accounted for by the contractor or owner. The contractor or owner is expected to carry a reasonable contingency for unexpected site conditions, construction issues, and possible omissions, ambiguities or inconsistencies in the project plans and specifications, etc. The contingency reserve is to be used, as required, to pay for any such increased project costs. Engineering effort for correction of design errors or omissions, except for unexpected site conditions and construction issues, will be provided as part of the basic services without additional charges; however, construction costs for these changes are the responsibility of the contractor or owner as long as they are within normal standard of care limits for design accuracy.
12. Geotechnical analysis, field investigation and/or on-site testing are not included. Pavement design recommendations will be based upon City or County standard plans / specifications with modifications based on field observations.
13. Special studies including traffic, SEPA, environmental impact statements, air quality, seismic, etc. are not included. A SEPA environmental checklist may be required by the City. We can provide this service if needed for an additional fee.
14. Utility company, agency, material testing and processing fees are not included.
15. Site lighting, landscape architecture, and irrigation design are not included.
16. We assume the Client will submit the noted plans to the City and coordinate the permitting process. Coffman Engineers, Inc. will respond to and address up to one (1) round of comments from the City of Hood River for our scope of work.

ENGINEERING FEES

We propose providing our basic services as described above for the lump sum amounts listed below.

Structural	$ 18,250
Electrical	$ 18,600
Mechanical	$ 14,750
Audio Visual	$ 19,673
Acoustical	$ 10,500
TOTAL	**$ 81,773**

REIMBURSABLE EXPENSES

Reimbursable Expenses are included in our Basic Services fee above. Reimbursable Expenses shall include mileage or rental car and gas expenses for travel to the site, hotel, airfare, per diem, printing of hardcopy deliverable submittal sets, and postage/delivery charges.

Thank you for this opportunity to be of service to you.

This proposal is in accordance with our Master Service Agreement executed January 9th, 2023.

Please call if you have any questions. We look forward to partnering together on this project.

Sincerely,

COFFMAN ENGINEERS, INC.

Steven W. Hawk
Managing Principal

Enclosure: Preliminary Architectural Plans

This proposal is acceptable to SUM Design Studio + Architecture:

____________________________________ ________________________
Eric Hoffman, SUM Design Studio + Architecture Date

Commission Memo

Prepared by: Amanda S. Rose, Director of Real Estate
Date: July 21, 2026
Re: Expiration of Amazon Purchase and Sale Agreement

On July 14, 2026, during a Special Session of the Port Commission, the Commission considered Amazon's request for a third extension of the Purchase and Sale Agreement (PSA) for the approximately 11-acre industrial property located in the Neal Creek/Odell Industrial Area. After discussion, the Commission elected not to approve a third extension of the agreement. As a result of that decision, the PSA expired at 11:59 p.m. on July 20, 2026. The property is no longer under contract.

With the expiration of the PSA, Staff is seeking direction and discussion on the future direction of the property. Potential considerations include whether to immediately remarket the site, pursue other economic development opportunities, retain the property for future strategic use, explore a ground lease structure, or evaluate alternative disposition strategies that may maximize long-term value to the Port and community.

RECOMMENDATION: DISCUSSION