PORT OF HOOD RIVER

SPECIAL MEETING

Tuesday, August 7, 2026, at 1:30 PM

Via Remote Video Conference

View the live stream at: https://www.youtube.com/@portofhoodriver2178/streams

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AGENDA

1. **Call to Order** – 1:30 PM

2. **Action Items**
   a. Approve FBO Agreement and Fuel Concession Agreement with FlyIT, LLC *(K. Greenwood, Pg. 3)*

3. **Adjourn**

Individuals requiring accommodations should contact the Port at 541-386-1645. The chair may adjust the order of agenda items as needed. Public comment is accepted during regular sessions only. The Commission generally does not respond to comments during the meeting. Comments may be referred to the Executive Director for follow-up or considered for inclusion on a future agenda. Please bring 10 copies of any materials distributed. Written comments may be submitted to the Port Office at any time.

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Commission Memo

Prepared by: Kevin Greenwood, Exec. Director
Date: August 7, 2026
Re: Approval of Fixed Base Operator Agreement and Fuel Concession Agreement with FlyIT, LLC

BACKGROUND

The Port issued a Request for Proposals (RFP) in early 2026 seeking a qualified Fixed Base Operator (FBO) to provide aviation services at Ken Jernstedt Airfield following expiration of the existing FBO Agreement with Hood Aero. Following evaluation of the proposals received, the Port Commission authorized staff to negotiate agreements with FlyIT, LLC.

Over the past several months, staff worked collaboratively with Airport Manager Jeff Renard, Director of Real Estate & Asset Management Amanda Rose, and FlyIT owner Richard Andersen to negotiate two companion agreements: a Fixed Base Operator Agreement governing airport facilities and operations, and a Fuel Concession Agreement governing aviation fuel procurement, sales, and operation of the Port's fuel system. The agreements reflect extensive staff review and incorporate operational, financial, and legal improvements over the existing agreements.

FlyIT has expressed its desire to begin operations prior to the annual Western Antique Aeroplane & Automobile Museum (WAAAM) Fly-In, allowing the new FBO to participate in one of the Airport's signature aviation events while providing continuity of service for airport users.

ISSUE

Compared to the existing agreements, the proposed agreements provide several significant benefits to the Port:

- Separate agreements clearly distinguish facility leasing from fuel concession operations, improving administration and future flexibility.
- Rental rates are updated to better reflect current market conditions and include annual CPI adjustments, providing predictable revenue growth while limiting annual increases.
- A new operating and maintenance reimbursement ensures the Port recovers common airport operating costs associated with the leased facilities.
- Utilities and property taxes become the responsibility of the FBO, reducing administrative burden and shifting operating costs to the user.
- The Fuel Concession Agreement clearly assigns responsibility for fuel procurement, inventory management, reporting, environmental compliance, and routine maintenance while preserving Port ownership of the fueling infrastructure.
- Enhanced reporting requirements provide the Port with improved operational and financial oversight while reducing ambiguity present in the existing agreements.
- Both agreements modernize insurance, indemnification, environmental protection, and default provisions to better manage the Port's operational and financial risk.

While the proposed agreements are more comprehensive than the existing FBO agreement, the additional detail provides clearer allocation of responsibilities, improved accountability, and fewer opportunities for future disputes regarding operations, maintenance, and financial obligations.

BUDGET IMPACT

The agreements are expected to increase annual Airport revenues through updated facility rents, operating expense reimbursement, and revised fuel flowage fees while improving recovery of Airport operating costs. Responsibility for utilities, property taxes, fuel procurement, and routine fuel system maintenance is also shifted to the FBO, reducing the Port's ongoing financial exposure.

RECOMMENDATION

MOTION to approve the Fixed Base Operator Agreement and Fuel Concession Agreement with FlyIT, LLC, and authorize the Executive Director to execute the agreements.

ALTERNATIVES

1. Approve the agreements as recommended.
2. Direct staff to continue negotiations and return with revised agreements.
3. Decline to approve the agreements and provide further direction to staff.

ATTACHMENTS

Fixed Base Operator Agreement
Fuel Concession Agreement

FIXED BASE OPERATOR AGREEMENT

Ken Jernstedt Airfield (4S2) • Hood River, Oregon

AIRPORT SPONSOR	FBO / CONCESSIONAIRE
Port of Hood River 1000 E. Port Marina Drive Hood River, OR 97031 Attn: Airport Manager / Executive Director kgreenwood@portofhoodriver.com	FLYIT LLC d/b/a FLYIT ACADEMY Richard Andersen, Owner 632 NE 267th Ave, Camas, WA 98607 rick@flyitacademy.com

Effective Date	August 8, 2026	**Initial Term**	Aug 8, 2026 – Aug 7, 2031

AGREEMENT

This Fixed Base Operator Agreement ("Agreement") is entered into between the Port of Hood River ("Port") and FLYIT LLC d/b/a FLYIT ACADEMY ("FBO"). The Port owns and operates Ken Jernstedt Airfield (4S2) in Hood River County, Oregon ("Airport"). Following a competitive Request for Proposals process, the Port selected FLYIT ACADEMY as the Airport's Fixed Base Operator. Through this Agreement, the parties establish the terms under which FBO will provide aviation services at the Airport and advance the Airport's role as a general aviation destination in the Columbia River Gorge region.

The parties also intend to execute a separate Fuel Concession Agreement governing the Port's fuel storage and dispensing infrastructure, to be incorporated as an addendum to this Agreement upon mutual agreement of its terms.

1. TERM

The term of this Agreement will commence on August 8, 2026, and will continue for five (5) years through July 31, 2031 ("Initial Term"), unless sooner terminated under the provisions of this Agreement. Upon mutual written agreement of the parties no later than ninety (90) days prior to the expiration of the Initial Term, the Port and FBO may execute a five (5) year extension through July 31, 2036 ("Extension Term"), subject to such amended terms and conditions as the parties may negotiate in good faith at that time.

2. PREMISES AND LEASE

The "Premises" included within this Agreement are the FBO Terminal/Administration Building, the Maintenance Hangar (White Hangar), Streich Hangar, aircraft parking and tie-down areas designated by the Port, and associated vehicle parking. The Premises are described in Exhibit B. The table below summarizes the Premises and applicable monthly rental rates.

Space	Approx. Sq Ft	Monthly Rent	Notes	Monthly O&M Reimbursement @ $0.06/sf
FBO Terminal / Admin Building (incl. Tie-Downs & Fuel System)	1,800	$1,500/mo	O&M reimbursement (Section 2.5)	$108.00 (1,800 sq ft)
Maintenance Hangar (White Hangar)	4,000	$1,100/mo	Per minimum standards requirements	$240.00 (4,000 sq ft)
Hoby Streich Hangar	3,604	$1,000/mo	Tie-down positions per Exhibit B	$234.00 (3,604 sq ft)

2.1 FBO Terminal / Administration Building. The Administration Building is to be available as a public space for use by the flying public and the general public for purposes of promoting aviation education and programming. The Administration Building may house the FBO's offices, pilot services area, and meeting/classroom space.

2.1.1 Port Obligations. The Port will provide for the Administration Building: (a) routine maintenance, repair and replacement of HVAC equipment; (b) repair and maintenance of the exterior including painting, roof repair and replacement, window and door repair and replacement, and drainage; and (c) replacement of carpet or flooring as needed.

The Port shall use commercially reasonable efforts to respond to emergency repairs affecting fuel dispensing, electrical service, security systems, or other operationally critical facilities within forty-eight (48) hours, urgent repairs within seven (7) days, and routine capital repairs within thirty (30) days, subject to contractor availability.

2.1.2 FBO Obligations. The FBO will provide regular janitorial services and minor interior repairs necessary to keep the Administration Building in good condition.

2.2 Maintenance Hangar. The Maintenance Hangar (approximately 4,000 sq ft, commonly known as the White Hangar) will be used by the FBO for aviation maintenance and repair, aircraft storage, and activities reasonably related thereto, in accordance with the Minimum Standards attached as Exhibit D. The Leased Premises will not be used for any other purposes without the prior written consent of the Port.

2.3 Streich Hangar and Tie-Down Areas.

The Port grants FBO the right to manage and sub-lease to aircraft owners the Streich Hangar bay space and aircraft tie-down positions as designated in Exhibit B. FBO will charge sub-lessees market-rate fees and will remit to the Port the amounts set forth in this Agreement. FBO will maintain all designated hangar and tie-down areas in a clean, safe, and orderly condition.

2.4 Rent Adjustments. Beginning on August 8, 2027, and on each August 8 thereafter during the term, the fixed monthly rental amounts will change based on the percentage change in the Consumer Price Index (CPI West Region Size Class B/C or similar) for the most recent 12-month period for which a published CPI is available, not to exceed five percent (5%) and not to decrease in any 12-month period.

2.5 Operating Expense Reimbursement. In addition to Base Rent, FBO shall reimburse the Port for its proportionate share of airport operating expenses attributable to the leased premises. The current reimbursement rate is $0.06 per rentable square foot per month, which is intended to recover routine airport operating and maintenance expenses, including, but not limited to, landscaping, exterior lighting, grounds maintenance, miscellaneous maintenance, and similar common operating expenses. The reimbursement rate may be adjusted annually based on the Port’s actual operating and maintenance expenses for the preceding twelve months; provided, however, that the rate shall not increase by more than five percent (5%) in any twelve-month period unless otherwise agreed in writing by the parties.

2.6 Utilities and Property Taxes. FBO shall be responsible for all utilities and property taxes attributable to the Premises. To the extent practicable, all separately metered utility accounts serving the Premises shall be placed and maintained directly in FBO’s name, and FBO shall pay all charges directly to the applicable utility providers when due.

If any utility or property tax charge attributable to the Premises is billed to or paid by the Port, FBO shall reimburse the Port for the full amount within thirty (30) days after receipt of an invoice and supporting documentation. If the Port pays a delinquent utility or property tax obligation on FBO's behalf to prevent service interruption, penalties, or other adverse consequences, FBO shall reimburse the Port for the amount advanced together with an administrative fee equal to ten percent (10%) of the amount paid.

3. AGREEMENT TO PERFORM FBO SERVICES

3.1 Port Waiver of Inconsistent Minimum Standards Provisions. The Port expressly waives any term or provision of the Minimum Standards attached as Exhibit D that is inconsistent with any term or provision of this Agreement. The Port reserves the right to amend and/or waive the Minimum Standards, with or without notice, whenever it deems such action appropriate with respect to the safe and efficient utilization of Airport facilities.

3.2 Cooperation on Noise and Community Issues. FBO agrees to cooperate with the Port in addressing noise concerns and community relations associated with Airport operations. All flight instructors will educate students regarding the Airport's Fly Friendly program and the sensitivity of the Hood River community to aircraft noise. FBO will incorporate noise-abatement procedures into all training curricula. FBO is encouraged to actively promote the

Fly Friendly program to transient pilots through posted signage at the fuel island and FBO terminal, UNICOM announcements, and any future digital or web-based pilot information platforms. As Airport activity grows, FBO and the Port share a commitment to ensuring that increased operations remain compatible with the surrounding community, and FBO will bring any emerging noise or community concerns to the Airport Manager's attention promptly and in writing.

3.3 Conduct of Business. FBO will provide FBO services to the public during regular business hours throughout the year. Regular business hours are 8:00 AM to 4:30 PM daily. FBO will ensure on-call and after-hours access for fuel and emergency services at all times. FBO will maintain adequate personnel to provide quality service to the public. The Port will not unreasonably withhold consent to FBO modifications to hours of operations.

3.4 After-Hours Services. After-hours operations will include fueling access and access to customers' stored aircraft. All other services may be performed during normal business hours. Signs will be posted at the FBO displaying after-hours emergency contact information. Upon receipt of an after-hours request, FBO will respond within one hundred twenty (120) minutes. FBO may charge a premium for services provided outside regular business hours.

3.5 Emergency Services. FBO will coordinate with the Port, local authorities, and emergency services in the event of an aviation emergency at the Airport. FBO will work with the Port to create a joint Emergency Response Guide to be exercised through initial and recurring training. FBO will maintain custody of the Guide and initiate its steps upon notification or witness of an emergency. FBO may act in a first responder capacity and assist in securing the accident location and issuing local NOTAMs as needed.

3.6 Quality of Service. FBO will maintain high-quality operating standards and customer service at all times. FBO will maintain a full-time, qualified on-site manager of FBO operations at the Airport. FBO employees' dress will be neat and clean at all times. FBO employees will be trained to render courteous and efficient customer service. Upon objection or concern from the Port concerning the conduct, demeanor, or appearance of any FBO employee, FBO will promptly take all steps necessary to remedy the cause of the Port's concern.

3.7 Annual Business Plan Meeting. FBO and the Port will meet at least once per year to discuss the business plan of FBO operations ("Annual Business Plan Meeting"). At such meeting, FBO will present its objectives for the next year of FBO operations, including: (a) a listing of all FBO services provided and fees charged; (b) a listing of all equipment available to perform FBO services; (c) a fuel volume and revenue summary; and (d) proposals for any changes in services, hours, or other matters impacting FBO operations. The meeting will also include discussion of strategic airport initiatives, anticipated capital improvements, community compatibility, aviation tourism opportunities, and business development efforts intended to increase Airport activity.

3.8 No Exclusive Right. Nothing in this Agreement will be construed to grant FBO any exclusive right to conduct any aeronautical activity at the Airport.

3.9 Quarterly Operations Report.

No later than thirty (30) days following the end of each calendar quarter (March 31, June 30, September 30, and December 31), FBO will provide the Port's Airport Manager a completed Quarterly Operations Report using the format established in Exhibit A. The report will cover the following items on a gross summary basis:

- Flight operations: number of flight school flights by type (dual instruction, solo, ground training); number of scenic or sightseeing flights; and number of charter or Part 135 flights if applicable;
- Fuel: gallons of 100LL purchased (bulk delivered to the Airport); gallons sold by category (self-serve island, truck/into-plane, flight school aircraft, and Tenant Fuel Sales); and total gallons sold for the quarter;
- Tie-downs: total positions available, positions rented by type (monthly and transient/nightly), current rates charged for each, and gross tie-down revenue remitted to the Port; and
- Notes: any airfield condition concerns, safety matters, or neighbor/pilot feedback worth flagging.

The quarterly report is intended to give the Port useful operational and financial context without requiring disclosure of detailed private business records. The monthly fuel payment and fuel sales documentation required under the Fuel Concession Agreement are separate from this report.

3.10 Fuel Reporting — Monthly and Quarterly.

Given the Port's revenue-sharing interest in fuel operations, fuel reporting will occur on both a monthly and quarterly basis:

(a) **Monthly Fuel Report.** No later than the 15th of each month, FBO will deliver to the Airport Manager a Monthly Fuel Report consistent with the Fuel Concession Agreement, including total gallons dispensed by fueling point, bulk fuel cost documentation, calculated Port revenue share, and payment of amounts due.

(b) **Quarterly Fuel Summary.** The fuel data included in the Quarterly Operations Report (Section 3.9) will show quarter-over-quarter and year-over-year comparisons to assist the Port and Commission in understanding trends and forecasting.

3.11 Quarterly Commissioner Dashboard. The Quarterly Operations Report serves as the Quarterly Commissioner Dashboard available to Port Commissioners. The format is established in Exhibit A and may be updated by mutual written consent of the parties.

3.12 Annual Safety and Compliance Report.

FBO will provide the Port's Airport Manager an annual safety and compliance report no later than March 31 of each year, covering the prior calendar year. The report will address:

- emergency response readiness, including a summary of any emergency exercises conducted or participated in;
- any new or pending FAA requirements applicable to Airport operations and FBO's implementation plan;
- fuel quality and safety compliance, including any reportable incidents or near-misses;
- a summary of any neighbor or community noise complaints and FBO's response; and
- any insurance claims or incidents involving aircraft, personnel, or property at the Airport.

The Port may request that the annual report be presented in person at a Port Commission meeting.

4. MANDATORY FBO SERVICES

FBO is the Airport's full-service FBO. As a condition of this Agreement, FBO agrees to perform the following mandatory services on a scheduled or continual basis during the term. FBO will be entitled to charge customers reasonable fees for all services performed.

4.1 Fuel Services.

FBO will provide retail fuel dispensing and line services for aircraft using the Airport as set forth in the Minimum Standards. 100LL aviation fuel will be available at all times through the Port's self-service fuel dispensing system. FBO personnel will assist customers in fueling aircraft upon request during regular business hours, and will ensure that a qualified fueling attendant is available or on-call for into-plane fueling service at all times the Airport is open for operations. FBO will procure and maintain sufficient inventories of bulk aviation fuel to meet anticipated demand. The terms governing the Port's fuel system infrastructure, fuel inventory ownership, fuel procurement, revenue sharing, and all other fuel-related matters shall be set forth in the separate Fuel Concession Agreement to be negotiated and executed by the parties.

4.2 Security. FBO will promptly report to the Airport Manager any suspected criminal activity, violation of Port ordinances, or violation of any security measures applicable to the Airport that FBO's employees may witness or be informed of. FBO agrees to participate in and support the Port in the development of security measures for the Airport, including any measures directed or recommended by the State of Oregon or the FAA.

4.3 Basic Public Facilities. FBO will provide and maintain for public use at all times at least one (1) clean and well-maintained, fully equipped restroom facility, snacks and beverages for sale, and an interior space for public meeting and gathering. FBO will maintain access to the UNICOM radio furnished by the Port and will update the recorded message as required by the Port.

4.4 Aircraft Maintenance. FBO will provide aircraft maintenance and repair services in accordance with Federal Aviation Regulations under Part 43, Part 145, or any other applicable FAA provision, including oil changing, tire repair, auxiliary ground power/aircraft battery start, engine removal and installation, and airframe repair. FBO will have the right to operate, repair, overhaul, rebuild, service, inspect, license, buy, sell, store, rent, lease, charter, exchange or otherwise deal in aircraft and aircraft engines, motors, instruments, devices, supplies and accessories.

4.5 Flight Training. FBO will provide flight training in accordance with FAA regulations under Part 141 (via EQUUS partnership), Part 61, or any other applicable FAA provision. FBO will maintain at least one (1) FAA-certified flight instructor on staff and make available at least one (1) airworthy, properly equipped aircraft for flight training operations.

4.6 Additional Services.

FBO will provide at least two (2) of the additional FBO services specified in Section 4.1 of the Minimum Standards, in addition to the Primary FBO services specified in Section 4 of the Minimum Standards. FBO will notify the Airport Manager in writing of which additional services FBO will be providing. The parties acknowledge and encourage FBOs plans for aviation tourism, scenic flights, glider community collaboration, aerial surveillance operations, and future Part 135 charter operations as additional services that enhance the Airport's role as a regional aviation destination.

4.7 New Service Proposal Process.

The Port wants to be a partner in FBO's growth and innovation and is committed to providing a clear, predictable path for FBO to propose new aviation services or materially expand existing services. The following process applies:

- **(a) Proposal Submission.** FBO may submit a written New Service Proposal to the Airport Manager at any time, describing: (i) the proposed service; (ii) the intended customer base; (iii) any new equipment, staffing, or infrastructure required; (iv) any proposed fee or revenue-share modification; and (v) anticipated timeline for launch.
- **(b) Staff Review.** Within thirty (30) days of receipt, the Airport Manager will review the Proposal for completeness, FAA compliance, and consistency with Airport operations, and will prepare a staff recommendation to the Executive Director.
- **(c) Commission Consideration.** The Proposal and staff recommendation will be placed on the agenda of the next regularly scheduled Port Commission meeting following completion of staff review. The Commission will act on the Proposal — approve, approve with conditions, request modification, or deny — no later than the second regularly scheduled Commission meeting following submission of the complete Proposal. Any denial will be accompanied by written findings.
- **(d) Evaluation Criteria.** The Commission will evaluate Proposals based on: (i) safety and FAA compliance; (ii) benefit to Airport users and the community; (iii) compatibility with existing operations; (iv) financial impact on the Port; and (v) consistency with the Airport's role as a regional general aviation destination.

5. FEES FOR FBO SERVICES

Fees for FBO services will be charged on a uniform and nondiscriminatory basis to all customers, in accordance with all applicable laws including FAA regulations pertaining to rates and charges. Hourly rates will be posted in a location convenient to the public. The Airport Manager will be notified in writing if FBO changes FBO services or materially adjusts service fees.

6. INDEMNITY; INSURANCE

6.1 FBOs General Indemnity. FBO agrees to defend (using legal counsel reasonably acceptable to the Port), indemnify, and hold harmless the Port from and against any and all actual or alleged claims, damages, expenses, costs, fees (including attorney, accountant, paralegal, expert, and escrow fees), fines, Environmental Costs and/or penalties arising from: (i) any act, omission or negligence of FBO; or (ii) any breach, violation or nonperformance of any of FBO's obligations under this Agreement. For purposes of this Section, "FBO" includes FBO's partners, employees, agents, invitees, contractors, and/or assignees. FBO shall not be responsible for environmental contamination or hazardous conditions existing prior to the Effective Date, except to the extent FBO exacerbates such conditions after assuming operations.

6.2 Insurance Requirements.

At all times during this Agreement, FBO will provide and maintain the following types and minimum amounts of insurance coverage:

Coverage Type	Minimum Limit / Notes
Commercial General Liability	$2,000,000 per occurrence; airport premises and contractual liability included
Hangar Liability	Non-owned aircraft in FBO care, custody and control

Coverage Type	Minimum Limit / Notes
Aircraft Liability	$1,000,000 per occurrence; $100,000 per passenger (if separate bodily injury limit applies)
Automobile Liability	$2,000,000 per accident (if motor vehicles used in operations)
Workers' Compensation	Per Oregon law; employer's liability $1,000,000 per accident/disease
Environmental Liability	$1,000,000 per occurrence

6.2.1 Additional Insured. The Port will be named as an additional insured under all liability coverages. All policies will be written by companies holding an A.M. Best rating of "A" or better. FBO will provide the Port with current certificates of insurance prior to the Effective Date and will provide thirty (30) days prior written notice of cancellation or material change.

7. DEFAULT

7.1 Event of Default.

The occurrence of any of the following will constitute an "Event of Default":

- FBO's violation of any term, covenant, or condition of this Agreement not cured within twenty (20) days after written notice from the Port;
- FBO's failure to perform mandatory FBO services to the Port's reasonable satisfaction not cured within thirty (30) days after written notice;
- the insolvency or bankruptcy of FBO; or
- FBO's failure to pay any amounts due under this Agreement within ten (10) days after the due date.

7.2 Curing Default. If FBO fails to perform any of its obligations under this Agreement, the Port, without waiving any rights, may perform the same for the account of and at the expense of FBO after the expiration of applicable notice periods. FBO agrees to reimburse the Port, upon demand, any amounts the Port may spend in complying with the terms of this Agreement on behalf of FBO.

8. TERMINATION

Termination of this Agreement may occur upon: (i) the expiration of the Initial Term or Extension Term; (ii) the occurrence of an Event of Default as provided in Section 7.1; or (iii) the Port's discretion, with or without cause, by providing FBO not less than one hundred eighty (180) days written notice. In the event of a termination under clause (iii), the Port will provide FBO with written reasons for the termination and will meet with FBO within thirty (30) days of notice to discuss transition arrangements.

8.1 Rights After Termination. In the event of termination for Default, or after the Port's termination of the Agreement, the Port will have the right to enter and take possession of the Premises and expel, oust, and remove any parties who may occupy any portion of the Premises.

8.2 Duties on Termination. Upon the expiration or earlier termination of this Agreement, FBO will surrender possession of the Premises to the Port in substantially the same condition as of the Effective Date, ordinary wear and tear excepted. FBO will remove all personal property and trade fixtures. Trade fixtures include, but are not limited to, computer systems, point-of-sale equipment, security cameras, networking equipment, card readers, office furnishings, tools, and other equipment installed by FBO that can be removed without material damage to the Premises. Any alterations or improvements permanently attached to the Premises will become the property of the Port unless otherwise agreed in writing.

9. ASSIGNMENTS

This Agreement is personal to FBO. Neither this Agreement nor any interest in or related to this Agreement may be sold, assigned, pledged, transferred, mortgaged, or subleased by FBO without the prior written consent of the Port, whose consent may be withheld or granted in the Port's sole discretion. Any change in ownership resulting in a change of more than one-third (1/3) of the equity or voting interest in FBO will be deemed a Transfer requiring

the Port's consent. In making its decision, the Port will consider whether the proposed Transferee is financially strong, has equivalent or better FBO and management experience, and has a sound business reputation.

10. GENERAL PROVISIONS

10.1 Notices.

All notices required under this Agreement will be sent by U.S. certified mail, return receipt requested, or by email with read-receipt confirmation, directed in the first instance to the Port's Airport Manager at the addresses set forth in the Agreement header on page 1.

10.2 Time of the Essence. Time is of the essence in the performance of and adherence to each and every covenant and condition of this Agreement.

10.3 FAA Requirements. FBO covenants and agrees that in the event facilities are constructed, maintained, or otherwise operated on or at the premises for a purpose for which a United States Department of Transportation program or activity is extended, FBO will maintain and operate such facilities and services in compliance with all requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation.

10.4 Nondiscrimination. FBO will undertake any affirmative action program required by 14 CFR Part 152, Subpart E, to ensure that no person will, on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. No person will be excluded from participation in or receiving the services of any FBO program or activity.

10.5 Agreement Subject to Federal Requirements. This Agreement will be subject to the provisions of any existing or future agreement between the Port and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

10.6 Disadvantaged Business Policy. This Agreement is subject to 49 CFR Part 23, as applicable. FBO agrees that no person will be excluded from participation in, denied the benefits of, or otherwise discriminated against in connection with the award and performance of any contract covered by 49 CFR Part 23, on the grounds of race, creed, color, national origin, or sex.

10.7 Calculation of Time. Unless referred to as "Business Days," all periods of time referred to in this Agreement include Saturdays, Sundays, and Legal Holidays. If the last day of any period falls on a Saturday, Sunday, or Legal Holiday, the period will be extended to include the next Business Day. "Business Days" means Monday through Friday, excluding Saturdays, Sundays, and Legal Holidays.

10.8 Modification. This Agreement may not be modified except by a writing signed by both the Port and FBO.

10.9 No Limit on Port's Powers. Nothing in this Agreement limits, in any way, the power and right of the Port to exercise its governmental rights and powers, including its powers of eminent domain.

10.10 Capacity to Execute. The Port and FBO each warrant and represent that this Agreement constitutes a legal, valid, and binding obligation of that party. The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for whom they purport to be acting.

10.11 Exhibits.

The following Exhibits are incorporated into this Agreement:

- Exhibit A – Quarterly Operations Report Template
- Exhibit B – Leased Premises (Site Map)
- Exhibit C – Fuel System Description and Equipment List
- Exhibit D – Minimum Standards for Ken Jernstedt Airfield (2026)

11. FUTURE NORTH RAMP TERMINAL FACILITY

The Port of Hood River is actively pursuing development of a new terminal facility on the north ramp at 4S2 (the "North Ramp Terminal"). The parties acknowledge and agree as follows:

(a) FBO Staffing Obligation. In the event the North Ramp Terminal is constructed and made available for occupancy during the Term or any Extension Term, FBO will staff and operate the North Ramp Terminal

as part of its FBO services at the Airport. Staffing and operational expectations will be negotiated in good faith and documented in a written amendment, initiated by written notice from the Airport Manager to FBO, prior to the Terminal's opening.

(b) Amended Lease Terms. The North Ramp Terminal is expected to provide substantially enhanced facilities, including office space, hangar space, and passenger amenities. Monthly rental rates applicable to the North Ramp Terminal will be negotiated to reflect the enhanced nature of those facilities and will be in addition to, or in replacement of, applicable rates in Section 2, as agreed in writing by the parties

(c) Good Faith Negotiation. Upon the Airport Manager's written notice that the North Ramp Terminal project has received funding approval or construction authorization, the parties will enter into good faith negotiations regarding amended lease and operational terms within ninety (90) days. If the parties are unable to reach agreement within one hundred eighty (180) days of that notice, either party may provide written notice that negotiations have reached an impasse, without waiving any rights or remedies available under this Agreement or applicable law.”.

(d) No Diminishment of FBO Role. Nothing in this Section diminishes FBO's right to continue operating from the south ramp facilities during any transition period. The Port's expectation is that FlyIT will serve as the primary operator of the Airport across both facilities.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of August 8, 2026.

FLYIT LLC d/b/a FLYIT ACADEMY	**THE PORT OF HOOD RIVER**
Richard Andersen, Owner	*Kevin M. Greenwood, Executive Director*
Date:	Date:

EXHIBIT A
QUARTERLY OPERATIONS REPORT TEMPLATE

FBO: FLYIT LLC d/b/a FLYIT ACADEMY	Quarter / Year: _____	Submitted to Airport Manager: _____

Reporting Item	Q1	Q2	Q3	Q4
FLIGHT OPERATIONS				
Flight school flights — dual instruction (student + CFI)				
Flight school flights — solo student				
Scenic / sightseeing flights				
Charter / Part 135 flights (if applicable)				
Other local / transient operations (gross)				
FUEL				
Gallons of 100LL purchased (bulk delivered)				
Transient — Island				
Transient — Truck				
Tenant — Island				
Tenant — Truck				
FlyIT — Island				
FlyIT — Truck				
Total Gallons Sold				
TIE-DOWNS				
Total tie-down positions available				
Tie-down positions rented (monthly)				
Tie-down positions rented (transient / nightly)				
Current monthly tie-down rate ($/position)				
Current transient / nightly rate ($/night)				
NOTES / FLAGS				
Any airfield condition concerns, safety matters, neighbor or pilot feedback, or other items for Airport Manager attention:				

This report covers gross summary data only. Detailed billing records, student records, and internal business documentation are not required. The fuel data in this report supplements (and does not replace) the separate Monthly Fuel Report submitted under the Fuel Concession Agreement.

EXHIBIT B
LEASED PREMISES — SITE MAP

EXHIBIT C
FUEL SYSTEM DESCRIPTION AND EQUIPMENT LIST

The fuel system consists of a new 12,000Gallon AST UL listed 2085 tank and fuel skid installed in 2021. The filtration system is up to date on its replacement cycle.

The fueling hose has a date mfg. date of **2Q21** This hose has signs of wear and may need to be replaced prior to the expected 10 year requirement. (The replacement requirement will be prorated based on the date of replacement vs the expected hose date, the Port shall pay the prorated % of the remaining life expectancy at the time of replacement.)

The 3 inch truck fill hose has a date of **2Q22**

NO SMOKING
AVGAS 100LL
FLAMMABLE
1203

NO SMOKING
AVGAS 100LL
FLAMMABLE
1203
FLOADING
AVGAS 100LL
CONTAINS
LEAD

EXHIBIT D
MINIMUM STANDARDS — KEN JERNSTEDT AIRFIELD (2026)

Res. No. 2025-26-22, Adopted March 17, 2026

1. Policy, Purpose and Authority

The Port of Hood River will maintain Minimum Standards for all Commercial and Non-Commercial Activities at Hood River Airport. The Port and Port staff shall use these Minimum Standards as guidance for making decisions related to the approval of commercial and non-commercial activities located at the Airport.

These activities must comply with FAA and State regulations, which require all airport property be used for aeronautical purposes unless alternate uses are authorized by the FAA. The Port of Hood River operates the Airport in accordance with applicable Federal Grant Assurances and FAA regulations, with preference given to aeronautical uses. However, nothing contained in these standards shall be construed to prohibit the Port from granting, for any reason it deems sufficient, an application for non-aeronautical activities.

Nothing in these Minimum Standards shall be construed to authorize any activity that would violate Federal Grant Assurances, create an exclusive right, result in unjust economic discrimination, or interfere with the safe and efficient operation of the Airport. Any non-aeronautical use of Airport property shall require FAA review and approval, as applicable.

In addition, the Port Commission adopts standards to ensure that:

- The Airport remains compliant with all federal and state grant assurances.
- Any person who uses or accesses Airport property or facilities for commercial activity compensates the Airport at fair market value, consistent with FAA policy and Grant Assurance requirements.
- Airport public areas, roads, taxiways, runways, and aprons remain available for public aeronautical activity, subject to Airport Rules and Regulations.

2. General Requirements

2.1 Proposal Submission

Commercial operators desiring to operate at the Airport must submit proposals to the Port. Proposals will be reviewed by the Port, including advisory input from the Airport Advisory Committee and/or other advisory committees as appropriate.

All proposals shall be evaluated using reasonable, relevant, and non-discriminatory criteria applied uniformly to similarly situated operators.

2.2 Fly Friendly

All Operators must follow the Fly Friendly program as instituted.

2.3 Liability and Insurance

The following insurance requirements apply to users of the Airport:

Coverage Type	Per Occurrence	Aggregate	Applies To
Aviation/Airport General Liability	$2,000,000	$4,000,000	FBO/SASO/Tenants/Glider Club
Workers Compensation	$1,000,000		FBO/SASO/Tenants with employees
Environmental Liability Insurance	$1,000,000		FBO/SASO (only if fueling or maintenance)
Aircraft & Passenger Liability — Per Passenger			
Piston engine aircraft (<8 seats)	$1,000,000	$100,000	FBO/SASO/T-hangar tenants/Glider Club
Piston engine aircraft (>8 seats)	$2,000,000	$100,000	FBO/SASO/All Tenants
Turbo Prop aircraft	$5,000,000	$250,000	FBO/SASO/All Tenants
Jet aircraft	$5,000,000	$250,000	FBO/SASO/All Tenants

Prior to using the Airport, the operator will provide the Port with a certificate of insurance identifying the policies described above and naming the Port, its employees, agents, and Commissioners as an additional insured. The certificates will include a provision that gives the Airport thirty (30) days' prior written notice of any modification or cancellation.

Insurance requirements shall be based on the nature and level of risk associated with the activity being conducted and shall be applied uniformly to all similarly situated operators.

3. Application of the Minimum Standards

The Minimum Standards are adopted to provide the minimum threshold requirements for all commercial and non-commercial operators at the Airport.

3.1 Waivers or Modifications

The Port may waive or modify any portion of these Minimum Standards for the benefit of a governmental agency performing public services, fire protection, or emergency response operations, or when such waiver is determined to be in the best interest of Airport users and the public, provided that such waiver does not result in unjust economic discrimination, the granting of an exclusive right, or a violation of Federal Grant Assurances.

The Port will conduct a review of these Minimum Standards at least once every five (5) years and update them as necessary to reflect current regulatory, operational, and business conditions.

4. General Minimum Standards for Commercial Operators

Approved Service Types identify aeronautical and non-aeronautical services that may be conducted at the Airport, individually or in combination, subject to these Minimum Standards.

4.1 Aeronautical

- Fixed Base Operator (FBO)
- Specialized Aviation Service Operation (SASO)
- Mobile Service Provider (MSP)
- Mobile Maintenance Provider (MMP)
- Independent Contractor (IC)
- Research and development of aviation-related products and services
- Manufacturing of aviation-related products

Aeronautical service providers that are similarly situated shall be afforded a fair and reasonable opportunity to operate at the Airport and shall not be unjustly discriminated against.

4.2 Non-Aeronautical

Support activities may include concessions in support of pilots, passengers, and the public, including automobile rental, aviation medical offices, and food services.

Commercial operators desiring to establish a new non-aeronautical commercial activity on Airport property shall submit a written request to the Port demonstrating compatibility with aeronautical operations and consistency with Airport planning documents.

Non-aeronautical uses shall not displace existing or reasonably anticipated aeronautical needs and shall be subject to FAA review and approval, as required. Revenues derived from non-aeronautical uses shall be used in accordance with Federal Grant Assurance requirements governing airport revenue use.

4.3 Additional Aeronautical Services

Operators desiring to conduct commercial aeronautical activities not specifically identified above shall submit a written proposal to the Port. Proposals shall be evaluated using reasonable, relevant, and non-discriminatory criteria applied uniformly to similarly situated operators. The Port may approve, deny, or forward proposals for additional review, as appropriate.

5. Complaints

All complaints regarding alleged violations of these Minimum Standards, Airport Rules and Regulations, or applicable agreements shall be submitted in writing, signed by the complainant, and filed with the Port. The Port will investigate complaints and respond in accordance with applicable policies and procedures.

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FUEL CONCESSION AGREEMENT

Ken Jernstedt Airfield (4S2) • Hood River, Oregon

AIRPORT SPONSOR: Port of Hood River, 1000 E. Port Marina Dr., Hood River, OR 97031

FBO / CONCESSIONAIRE: FlyIT, LLC, Address: 632 NE 267th Ave., Camas, WA 98607

Effective Date: August 8, 2026

Initial Term: Five (5) Years, with One (1) Optional Five-Year Renewal Period

RECITALS

WHEREAS, the Port of Hood River (the "Port") owns and operates Ken Jernstedt Airfield (FAA Identifier 4S2), located in Hood River County, Oregon, and serves as the FAA-designated Airport Sponsor responsible for compliance with all applicable grant assurances under the Airport Improvement Program (AIP);

WHEREAS, the Port desires to grant a non-exclusive fuel concession at 4S2 to a qualified Fixed Base Operator ("FBO") capable of providing safe, efficient, and FAA-compliant aviation fueling services;

WHEREAS, FlyIT, LLC ("FlyIT" or "Concessionaire") represents that it possesses the qualifications, experience, equipment, and resources necessary to operate a fuel concession consistent with FAA standards and the Port's requirements;

WHEREAS, FlyIT operates a flight training program at 4S2 and the parties desire to establish a clear framework for fueling operations at 4S2, while ensuring all fuel transactions are accurately tracked and reported;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

ARTICLE 1 | DEFINITIONS

The following terms will have the meanings set forth below:

"Airport" or "4S2" means Ken Jernstedt Airfield, Hood River, Oregon, FAA Identifier 4S2, owned and operated by the Port of Hood River.

"Bulk Fuel Cost" means the all-in delivered cost per gallon of aviation fuel (100LL) paid by FBO to its fuel supplier(s), inclusive of taxes, freight, environmental fees, and any applicable surcharges, as documented by supplier invoices.

"Concessionaire" or "FBO" means FlyIT, LLC, and its permitted successors and assigns.

"Effective Date" means the date first written in the caption of this Agreement.

"FAA" means the Federal Aviation Administration of the United States Department of Transportation.

"Fuel Margin" means the positive difference between the Retail Selling Price per gallon and the Bulk Fuel Cost per gallon for retail transactions: Fuel Margin = Retail Price – Bulk Fuel Cost.

"Fueling Services" means the receipt, storage, dispensing, and sale of 100LL aviation gasoline at 4S2, including into-plane delivery, self-serve island operation, and mobile truck dispensing, for all aircraft.

“Retail Selling Price” means the per-gallon price posted by FBO and charged to customers purchasing fuel at the Airport. The 4S2 Tenant Fuel Discount will be at the discretion of the FBO.

“Retail Transaction” means any fuel sale to aircraft at the Airport.

“Routine Maintenance” means day-to-day upkeep, cleaning, inspection, and minor repairs to fueling equipment costing less than $500 per occurrence, as further described in Exhibit B.

ARTICLE 2 | GRANT OF CONCESSION

2.1 Scope of Concession

The Port hereby grants to FBO a non-exclusive license and concession to conduct Fueling Services at 4S2 during the Term of this Agreement. This grant is conditioned upon FBO’s continuous compliance with all terms and conditions herein, applicable FAA regulations, and all state and local laws.

2.2 Concession Area

The concession area will consist of: (a) the existing self-serve fuel island, (b) the fuel storage system including all above-ground storage tanks, pumps, and associated infrastructure, and (c) areas designated for mobile fuel truck operations, as depicted in Exhibit A (“Concession Area Map”). FBO will not conduct fueling operations outside the designated Concession Area without prior written approval from the Port.

2.3 Non-Exclusive Right

Nothing in this Agreement will prevent the Port from granting fueling rights to additional operators or entering into other fuel-related agreements, provided that the Port provides FBO no less than ninety (90) days’ prior written notice of any such additional grant. If the Port grants an additional fuel concession during the Initial Term, the parties agree to meet in good faith to discuss whether any adjustment to the Fuel Flowage Rate schedule is appropriate in light of materially changed operating conditions.

2.4 FAA Grant Assurance Compliance

FBO acknowledges that the Airport has been developed with FAA AIP funding and that this Agreement and all operations hereunder are subject to the Port’s continuing obligations under applicable FAA grant assurances, including but not limited to Grant Assurance 22 (Economic Nondiscrimination) and Grant Assurance 23 (Exclusive Rights). FBO will cooperate fully with any FAA review or audit of Airport fueling operations.

ARTICLE 3 | TERM

3.1 Initial Term

This Agreement will commence on the Effective Date and continue for a period of five (5) years (“Initial Term”), unless earlier terminated pursuant to Article 11.

3.2 Renewal Options

Provided FBO is not in default, FBO will have the option to renew this Agreement for one (1) additional period of five (5) years (“Renewal Period”), exercisable by written notice delivered to the Port no less than one hundred eighty (180) days prior to expiration of the Initial Term.

3.3 Holdover

If FBO continues to operate after expiration of the Term without a renewal, such holdover will be on a month-to-month basis at the same terms and conditions, terminable by either party upon thirty (30) days' written notice.

ARTICLE 4 | FUEL PROCUREMENT & PRICING

4.1 Fuel Type

FBO will maintain a continuous supply of 100LL aviation gasoline sufficient to meet demand at 4S2. FBO may offer Jet-A and other fuel grades only with prior written approval from the Port and after satisfying all applicable FAA, fire marshal, and safety requirements.

4.2 Bulk Fuel Procurement — FBO Responsibility

FBO will be solely responsible for all aspects of bulk fuel procurement throughout the Term of this Agreement, including:

- Identifying, qualifying, and contracting with licensed aviation fuel suppliers;
- Negotiating supply terms, pricing, and delivery schedules;
- Placing all fuel orders and coordinating deliveries to 4S2;
- Making timely payment to fuel suppliers for all deliveries;
- Bearing all credit risk, inventory risk, and supplier default risk.

FBO's procurement autonomy enables the Port to avoid any public procurement obligations (such as competitive bidding or Request for Proposals) with respect to fuel supply contracts. The Port will have no role in, and no liability for, FBO's fuel supply arrangements. FBO will provide the Port with copies of current supplier invoices upon request to support monthly reporting.

4.2.1 Fuel Inventory Ownership. All aviation fuel purchased by FBO pursuant to this Agreement shall remain the property of FBO until sold to customers through the Airport fueling system. Upon expiration or termination of this Agreement, the Port may, at its option, purchase any remaining fuel inventory at FBO's documented replacement cost or permit FBO to remove or transfer such inventory to a successor operator, subject to applicable safety regulations and coordination with the Port.

4.3 Retail Pricing

FBO will establish Retail Selling Prices for fuel sold at 4S2 at its discretion, subject to the following:

- Prices must be posted prominently at all fueling locations and updated within twenty-four (24) hours of any change.
- FBO will not price fuel in a manner that is predatory or that unreasonably deters general aviation activity at the Airport.
- The Port reserves the right to review pricing and request adjustment if posted prices exceed the average retail price charged by comparable public-use airports within the Columbia Gorge and Mid-Columbia region by more than fifteen percent (15%) for a period of thirty (30) consecutive days.
- FBO will honor any special pricing programs approved in writing by the Port for community aviation events or local pilot programs.

4.4 Fuel Quality

FBO will implement and maintain a written fuel quality control program meeting or exceeding the requirements of NFPA 407 and applicable FAA advisory circulars. Daily sumping logs, quality test results, and delivery receipts will be retained for a minimum of three (3) years and made available to the Port upon request.

ARTICLE 5 | PAYMENTS TO THE PORT – FUEL

5.1 Fuel Flowage Rate

FBO will pay an increasing Fuel Flowage Rate, based on the prior month's total gallons sold via the Island and the Truck, to reflect success in growing fuel sales from the following:

1. Based at 4S2:

- FlyIT Academy Flight Instruction
- Discovery Flights
- Scenic Tours
- Student Flights
- Renter Flights
- Aerobatic Tours

2. Based at 1W1, Grove Field:

- FlyIT Academy training flights that include landing and refueling at 4S2 as part of the flight.
- Incentivize trips by Grove Field pilots to visit and refuel at 4S2.

3. Local and regional publicity, events, and social media.
4. Inbound aircraft coming for maintenance.
5. Fuel pricing that remains competitive in the area.
6. Continuation of the Tenant Fuel Discount Program, including access to no-fee credit cards.
7. FBO profitability to support overall business growth at 4S2 that will increase community pilot activity.

The sliding scale for Fuel Flowage Rates to the Port will be set forth in Exhibit D.

5.2 Monthly Reporting & Payment

By the fifteenth (15th) day of each calendar month, FBO will deliver to the Port: (a) a Fuel Sales Report showing total gallons dispensed during the prior month, itemized by fueling point (Island and Truck); and (b) payment of the amount due, calculated by applying the Fuel Flowage Rate tier reached in Section 5.1 to that month's total gallons sold. Payments received after the fifteenth will bear interest at the lesser of 1.5% per month or the maximum rate permitted by Oregon law.

5.3 Annual Adjustment

Beginning in Year 3, the Fuel Flowage Rate schedule in Section 5.1 may be adjusted by mutual written agreement of the parties, not to exceed the percentage change in CPI for the prior twelve (12) months.

5.4 Annual Reconciliation & Audit Rights

Within sixty (60) days after each Agreement Year, FBO will provide an annual fuel sales reconciliation certified by a company officer, reconciling all monthly reports against dispensing system records. The Port will have the right, upon fifteen (15) days' written notice and no more than once per Agreement Year, to audit FBO's complete fuel sales records and dispensing system data. If an audit reveals an underpayment exceeding three percent (3%) of the amount due, FBO will reimburse the Port for the cost of the audit, in addition to paying the amount owed plus interest.

The parties may revisit whether a Minimum Annual Guarantee is appropriate after the first two (2) full years of operation under this Agreement, once an operating baseline has been established.

ARTICLE 6 | FUEL TRACKING & RECORDKEEPING

6.1 Dispensing System Requirements

FBO will operate an automated fuel management system (or equivalent electronic dispensing records) capable of capturing, for every fueling transaction: date and time; aircraft tail number (N-number); gallons dispensed (to nearest tenth of a gallon); fuel type and price per gallon charged; fueling point (Island or Truck); and payment method and amount collected.

6.2 Daily Reconciliation

FBO will perform and document daily meter reconciliations comparing dispensing system records to physical meter readings for both the Island and Truck fueling points. Any unexplained variance exceeding 0.5% of daily throughput will be investigated and reported to the Port in writing within seventy-two (72) hours.

6.3 Monthly Inventory Reconciliation

FBO will perform a monthly inventory reconciliation comparing beginning inventory, gallons received, gallons dispensed, and physical ending inventory. Any book-to-physical variance exceeding one percent (1%) of monthly throughput will be disclosed in the monthly Fuel Sales Report with a written explanation.

6.4 Aircraft & Tenant Record Verification

FBO will maintain records sufficient to identify, for all aircraft (including Tenant aircraft), the tail number, aircraft type, and fuel transactions associated with that aircraft. These records will be made available to the Port during any audit.

6.5 Supplier Invoice Retention

FBO will retain all bulk fuel supplier invoices, delivery tickets, and proof-of-payment records for a minimum of five (5) years. Supplier invoices will be made available to the Port within five (5) business days of request.

6.6 Port Access to Dispensing Data

Upon reasonable advance notice, the Port will have the right to access FBO's dispensing system records (electronically or on-site) at any time during the Term, exportable in a commonly readable format (PDF, CSV, or Excel).

ARTICLE 7 | OPERATIONS & MAINTENANCE

7.1 FBO Operational Responsibilities

FBO will, at its sole cost and expense, provide all of the following:

- Qualified, licensed, and trained fueling personnel during all hours of Airport operation.
- Mobile fuel truck maintenance, registration, insurance, and any required DOT inspections.
- Daily sump testing, filter checks, and all line checks required by NFPA 407 and FAA Advisory Circular 00-34A (or successor).
- Routine Maintenance of all fueling equipment, island hardware, hoses, nozzles, pumps, meters, and card readers.
- Spill response supplies maintained on-site; immediate containment and cleanup of any fuel spills; prompt notification to the Port and relevant state/local agencies.
- Customer service, transaction processing, and records retention per Article 6.
- Coordination with the Port on Airport operations, NOTAM requirements, and AIP compliance reporting.

7.2 Staffing Hours

FBO will ensure fueling services are available at minimum during the hours specified in Exhibit B. Self-serve fueling availability is expected during all hours.

7.3 Capital Repairs & Equipment Replacement

Capital repairs (costs exceeding $500 per occurrence) and equipment replacement will be the responsibility of the Port, unless otherwise agreed in Exhibit B. FBO will promptly notify the Port in writing of any equipment deficiency requiring capital attention. The Port will use commercially reasonable efforts to respond to emergency repairs affecting fueling operations within forty-eight (48) hours, urgent repairs within seven (7) days, and routine capital repairs within thirty (30) days, subject to contractor availability and the nature of the repair.**7.4 Fuel Inventory Management**

FBO will maintain fuel inventory at levels sufficient to meet anticipated demand, with a recommended minimum inventory of approximately 1,862 gallons at the island and approximately 400 gallons in the truck at all times, consistent with a 2–3 day delivery buffer at an estimated burn rate of approximately 200 gallons per day.

7.5 FAA Self-Inspection Compliance

FBO will cooperate with the Airport's FAA-required self-inspection program. Fueling areas will be kept clean, properly lit, and free of debris.

ARTICLE 8 | INSURANCE & INDEMNIFICATION

8.1 Insurance Requirements

FBO will obtain and maintain, at its own expense and throughout the Term, insurance coverages as set forth in Exhibit B, with the Port of Hood River, its commissioners, officers, and employees named as Additional Insureds on all commercial general liability and aviation products policies.

8.2 Indemnification

FBO will defend, indemnify, and hold harmless the Port from and against any and all claims, damages, losses, costs, and liabilities arising out of or related to: (a) FBO's operations under this Agreement; (b) any fuel spill or environmental contamination caused by FBO's operations; (c) bodily injury or property damage resulting from the dispensing of fuel; (d) FBO's breach of this Agreement; or (e) FBO's violation of any applicable law or regulation; except to the extent directly caused by the Port's gross negligence or willful misconduct.

Pre-Existing Environmental Conditions. FBO shall not be responsible for environmental contamination or hazardous conditions existing prior to the Effective Date, except to the extent FBO's operations exacerbate or contribute to such conditions after assuming responsibility for the fuel concession.

ARTICLE 9 | ENVIRONMENTAL COMPLIANCE

FBO will comply with all federal, state, and local environmental laws applicable to fuel storage and dispensing, including Oregon DEQ above-ground storage tank (AST) regulations. FBO will obtain and maintain all required permits, conduct all required inspections and testing, and report any releases immediately. In the event of a fuel release, FBO will: (a) immediately commence containment; (b) notify the Port within two (2) hours; (c) notify DEQ per applicable requirements; and (d) bear all investigation, remediation, and corrective action costs to the extent caused by FBO's operations.

ARTICLE 10 | NONDISCRIMINATION

FBO will conduct fuel concession operations on a non-discriminatory basis, consistent with FAA Grant Assurance 22 (Economic Nondiscrimination). FBO will not grant preferential pricing, service priority, or access based on race, religion, national origin, sex, or disability, other than the Tenant Fuel Discount described in Article 1, which is a permissible operator pricing program and not discriminatory treatment.

ARTICLE 11 | DEFAULT & TERMINATION

11.1 Events of Default

Each of the following will constitute an Event of Default:

- Failure by FBO to pay any amount due under this Agreement within fifteen (15) days after notice from the Port.
- Breach of any material obligation remaining uncured for thirty (30) days after written notice (or ninety (90) days if diligently pursuing cure).
- Abandonment or cessation of fueling operations for more than five (5) consecutive business days without Port consent.
- Voluntary or involuntary bankruptcy, insolvency, or receivership.
- Falsification of fuel sales reports or dispensing records.
- Material violation of FAA grant assurances or safety regulations.

11.2 Termination for Cause

Upon an uncured Event of Default, the non-defaulting party may terminate this Agreement upon thirty (30) days' written notice (or immediately in the case of falsification of records, imminent safety hazard, or environmental emergency).

11.3 Termination for Convenience

Either party may terminate this Agreement for convenience upon one hundred eighty (180) days' written notice. Upon termination, FBO will cooperate fully with transition to a replacement operator and will provide the incoming operator with complete fuel sales records and dispensing system data.

11.4 Effect of Termination

Upon expiration or termination: (a) FBO will promptly cease all fueling operations; (b) FBO will remove its equipment within thirty (30) days; (c) all outstanding Port payments will become immediately due; (d) FBO will deliver complete records per Article 6 to the Port; and (e) FBO's environmental and indemnification obligations will survive.

ARTICLE 12 | GENERAL PROVISIONS

12.1 Governing Law; Venue

This Agreement will be governed by the laws of the State of Oregon. Disputes will be resolved in the courts of Hood River County, Oregon, or by mutual agreement through binding arbitration under AAA Commercial Rules.

12.2 Amendment

This Agreement may be amended only by a written instrument signed by authorized representatives of both parties. Exhibit amendments (Exhibits C and D) will be effective upon mutual written consent without requiring amendment of the body of this Agreement.

12.3 Assignment

FBO will not assign or transfer this Agreement without the prior written consent of the Port, which will not be unreasonably withheld. Any change of control of FBO (transfer of more than fifty percent (50%) of its ownership interests) will be deemed an assignment requiring Port consent.

12.4 Force Majeure

Neither party will be in default for any delay or failure caused by events beyond its reasonable control, including acts of God, war, terrorism, government-mandated airspace closures, or declared emergencies, provided the affected party gives prompt written notice and uses commercially reasonable efforts to resume performance.

12.5 Entire Agreement

This Agreement, together with all Exhibits, constitutes the entire agreement of the parties with respect to the fuel concession at 4S2 and supersedes all prior negotiations, representations, or agreements.

12.6 Notices

All notices will be in writing and delivered by certified mail, overnight courier, or email with read receipt to the addresses set forth on the cover page.

12.7 Counterparts; Electronic Signatures

This Agreement may be executed in counterparts. Electronic signatures will be deemed valid and binding.

EXHIBIT A | HISTORICAL FUEL SALES DATA (Reference Only)

The following data represents actual 100LL sales at 4S2. Provided for reference only and does not constitute a guarantee of future volumes.

2025 Annual Fuel Sales (Complete Year): 41,022 gal Island, 11,781 gal Truck, 52,803 gal Total

2026 Year-to-Date Fuel Sales (through early June): 13,569 gal Island, 3,813 gal Truck, 17,382 gal Total

Note: Illustrative Fuel Flowage Rate revenue projections based on this data are set forth in Exhibit D.

EXHIBIT B | OPERATIONS & MAINTENANCE RESPONSIBILITIES

Responsibility	FBO	Port
Fuel Procurement	✓	
Fuel Inventory	✓	
Daily Fuel Quality Testing	✓	
Routine Maintenance (<$500)	✓	
Spill Response Supplies	✓	
Mobile Fuel Truck	✓	
Fuel Pumps & Tanks		✓
Capital Repairs (>$500)		✓
Fuel System Replacement		✓
Emergency Capital Repairs		✓

EXHIBIT C | AIRCRAFT & TENANT RECORDS

The Point-of-Sale system maintains a registry of all tail numbers associated with fuel sales transactions at 4S2, covering all customer categories (Transient, Tenant, and FlyIT). This registry, together with the records described in Section 6.4, serves as the record of aircraft eligible for and receiving fuel at the Airport.

EXHIBIT D | FUEL FLOWAGE RATE SCHEDULE

Pursuant to Section 5.1 of the Agreement, the sliding scale for Fuel Flowage Rates payable to the Port is as follows:

Monthly Gallons Sold	1–5,999	6,000–7,999	8,000–9,999	10,000+
Per Gallon Port Flowage Rate	$0.10	$0.12	$0.15	$0.20
Example – Gallons	4,200	7,200	8,700	11,500
Monthly Port Revenue	$420	$864	$1,305	$2,300
Annual Port Revenue	$5,040	$10,368	$15,660	$27,600

Illustrative example, three months at each rate tier: $1,260 + $2,592 + $3,915 + $6,900 = $14,667 total for the illustrative year.

Minimum Annual Guarantee (MAG)

No MAG applies under this Agreement as of the Effective Date. The parties may revisit whether a MAG is appropriate after the first two (2) full years of operation, once an operating baseline has been established, per Section 5.4.

SIGNATURES

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Fuel Concession Agreement as of the Effective Date first written above.

PORT OF HOOD RIVER

Authorized Signature: _____

Kevin M. Greenwood

By Its Executive Director

Date: _____

FLYIT, LLC

Authorized Signature: _____

Richard Anderson

By Its Owner

Date: _____