

PORT OF HOOD RIVER COMMISSION
Tuesday, December 13, 2016
Marina Center Boardroom
5:00 P.M.

Regular Session Agenda

1. Call to Order
 - a. Modifications, Additions to Agenda
 2. Public Comment (5 minutes per person per subject; 30 minute limit)
 3. Consent Agenda
 - a. Approve Minutes of November 15, 2016 Fall Planning Work Session and November 29, 2016 Work Session and Regular Session ([Laurie - Page 3](#))
 - b. Approve Accounts Payable to Jaques Sharp Attorneys at Law in the Amount of \$13,400 ([Fred - Page 11](#))
 4. Reports, Presentations and Discussion Items
 - a. Expo Project Update – Arthur Babitz ([Michael - Page 15](#))
 - b. Legislative Update – Thorn Run Partners ([Genevieve - Page 17](#))
 - c. FASTLane Application Draft Review ([Genevieve - Page 19](#))
 5. Director’s Report ([Michael - Page 21](#))
 6. Commissioner, Committee Reports
 7. Action Items
 - a. Approve Contract with Kapsch TrafficCom IVHS Inc. for Toll System Hardware Upgrade in the Amount of \$281,579 ([Dennis Switaj, HDR, Fred - Page 25](#))
 - b. Approve Contract with P-Square Solutions LLC for Toll System Architecture in the Amount of \$97,777 ([Fred - Page 47](#))
 - c. Approve Amendment No. 6 to Expo DDA with Key Development ([Michael - Page 71](#))
 - d. Approve 2017 Marina Moorage Rules & Regulations ([Laurie - Page 77](#))
 8. Commission Call
-
9. Executive Session under ORS 192.660(2)(e) Real Estate Negotiations
 10. Possible Action
 11. 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.*

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**Minutes of November 15, 2016 Port of Hood River Commission
 Fall Planning Work Session
 Marina Center Boardroom 12:30 p.m.**
 [Materials are attached to the bound meeting minutes]

THESE MINUTES ARE NOT OFFICIAL until approved by the Port Commission at the next regular meeting.

- Present:** Commissioners Jon Davies, Fred Duckwall (excused at 4 p.m.), Rich McBride (by speaker phone), Brian Shortt, and Hoby Streich; Attorney Jerry Jaques; from staff, Michael McElwee, Fred Kowell, Anne Medenbach, Genevieve Scholl, John Mann, and Laurie Borton. Budget Committee members John Benton, Larry Brown, John Everitt (arriving at 1:05 p.m.), Judy Newman, and Rich Truax.
- Absent:** None
- Media:** None

President Brian Shortt called the Fall Planning Work Session to order at 12:33 p.m.

- I. **Overview/Objectives:** President Shortt commented the Port’s success over the previous 20 years has played a part in the economic growth of the community through wages and number of jobs. With the 2014-18 Strategic Business Plan as a roadmap, Shortt hopes that economic growth will continue to be a goal of the Commission and Budget Committee. With a new partnership at the airport, there will be development that has not been seen in the past and Shortt said he views this as an opportunity to re-educate and re-position not only the Port, but the County and regional area as well. Shortt thanked everyone for their participation today and then turned to Executive Director Michael McElwee for brief comments. McElwee said there will be discussion on larger policy items but the intent is not to get into finite details but instead lead staff to specific direction as needed. McElwee also thanked everyone for their participation.

- II. **Financial Summary:** Chief Financial Officer Fred Kowell presented the 10-Year Financial Model noting the Model had been updated with actual as of June 30 and that a toll increase effective July 1, 2017 had been forecast. With regard to a proposed toll increase at the start of the 2017 fiscal year, Bridge Replacement funds would be separated from the Bridge Repair category. In discussing the Model, Kowell commented that capital improvements drive the Port and that assumptions are often driven by opportunities, such as grants. Kowell also led a discussion on the Port’s Net Financial Position Regarding Cashflows commenting that if bridge revenues go away at some point the net position to reserves will be negative in most cases.

- III. **Focus Area/Discussion Topics:**
 - A. Hood River Bridge:
 - Capital Planning—HDR Engineering provided a 5-Year Work Plan and list of Long Term Projects that represent an aggregation of activity, both recent and through 2019, that will allow the Port to look at future assumptions and spending. McElwee credited Facilities Manager John Mann and his crew in becoming more knowledgeable with hands-on experience in bridge operations. McElwee noted the next aggregation of work and expenses will focus on upgrades and support for the tolling system migration and update in the next four months. Because the data provided by HDR was submitted just prior to the meeting and had not been reviewed by staff, McElwee stated that he would request revisions to the HDR information that would be available for discussion at a later date.
 - Toll Increase – Kowell noted customer behavior makes modeling difficult, i.e. estimating how many cash customers will convert to electronic tolling. McElwee said the working assumption regarding

the benefits and consequences of a potential toll increase is that a decision does not need to be made in December for a 2017 rollout. One option discussed was a cash toll increase of \$2; the Port is cognizant this would be very political but potentially necessary if the Port is unsuccessful in funding applications. Commissioner McBride voiced his opinion that he remains opposed to a cash increase for locals who cannot afford an increase or would have the wherewithal to apply for electronic tolling.

- Bridge Replacement – Genevieve Scholl, Communications & Special Projects Manager, provided a summary of actions taken in 2016 and reviewed potential next steps and alternatives. The FASTLane deadline to apply for USDOT funding is December 15 and Scholl stated there are three more years in funding rounds. A local match of 40% is required for approved applications, which Scholl said could be funded through a partnership. In polling the Budget Committee for their opinions the consensus was to keep moving forward on bridge replacement efforts, educate the public on the project, maintain a safe bridge during the interim; there was concern however about continuing to use bridge revenues to fund other assets. The Commission was then polled by Shortt for their opinions, and there was consensus in support of replacement efforts with the Port doing all it can to provide transparency in the process and the other Port assets being sustainable to offset dependency on toll revenues.

President Shortt recessed the Work Session for a break at 2:43 p.m. The meeting resumed at 2:47 p.m.

B. Real Estate:

- Financial Return of Lease Assets – The Port’s portfolio includes nine industrial and commercial buildings totaling 191,624 square feet, excluding the Airport and Marina properties. Medenbach provided 2015-16 budget numbers along with an overhead illustrating goal portfolios that would reduce operating expenses, increase profit net income which would be reinvested in assets. Medenbach commented that she would be looking to maximize recovery by including a new clause in leases regarding maintenance fees and an education component. There was a brief discussion on rolling costs such as utilities and taxes into the monthly rent; however, Kowell commented that some tenants prefer the transparency of the separate billing. Medenbach stated she would provide an updated analysis for discussion at Spring Planning.
- Portfolio Assessment – There has been Board discussions over the past two years regarding building evaluations. A broad scale evaluation tool to assist in moving the conversation forward was provided; i.e. maintain, remodel, redevelop, or dispose. Evaluation criteria considerations include factors such as market indicators, performance, opportunity, available cash for CIP, and estimated return. Medenbach provided a summary of leased buildings in the Port’s portfolio with preliminary evaluation scenarios and commented further discussion will be brought back to the Commission for Spring Planning in 2017.
- Near-term Development Options – Opportunities for new investment have been identified based on market need, land readiness, existing construction projects, available funds, and lease expirations. An offset to focusing on new development will limit remodel projects; however, new development may also allow movement of existing tenants from buildings that need to be redeveloped. Staff will move forward regarding priority next steps and further analysis in preparation for FY 2017-18 budget planning.
- Lower Mill: Next Steps – Projects completed in the past fifteen months since the Port acquired nine acres in Odell were summarized. One item that continues to hinder progress on parcel sales or Port redevelopment is the water line improvement and Crystal Springs Water District updating their SDC and reimbursement policy. There was consensus that to retain one lot for Port

development, and in order to get the land ready for sale there was also consensus on bringing a contractor on board to obtain a better idea on development costs.

- Lot #1: Infrastructure Planning – McElwee reported the Port is working with the City on a subdivision plan for the waterfront property and that funding opportunities may be available through the Waterfront Urban Renewal District. A more specific urban design plan, articulation of specific projects and associated cost estimates, and financial and legal analysis of URA will be necessary. McElwee noted that without some degree of tax increment financing the construction of public infrastructure will take much longer to accomplish and some public amenities may not occur. The discussion consensus was to establish a framework of steps and schedules, including which streets on the 2-1/2 acres of waterfront property would be dedicated to the City and what would remain in Port ownership, and to begin coordination with the URA board.

C. Waterfront:

- 2017 Marina Lease Rates – There was no discussion as this topic was an agenda Action Item in Regular Session.
- Waterfront Parking Plan Implementation – McElwee provided a draft copy of a plan to implement parking on the waterfront, along with a draft copy of an Intergovernmental Agreement between the Port and City for enforcement of Port property parking restrictions and cost sharing of a City parking enforcement officer. Overall there were no arguments regarding the plan. Recommendations included making sure there are plenty of payment kiosks, communicating that parking revenue will be invested back into the resource, and ensuring good signage is in place. Questions about the Plan included why an Event Site pass would not be valid if the vehicle were parked on the street; Event Site passes being oversold in relation to the number of available parking spaces; charging for Lot 1 overflow parking on an unimproved site; and if the Marina boat launch parking lot is included in the Plan (with the same pricing structure as the waterfront so there is no differential) is marine board funding affected. A public meeting will be held mid-December and the Plan and IGA will be brought back to the Commission in January for finalizing.

D. Airport:

- Airport Financial Analysis – Currently, the airport nearly breaks even on operational expenses. The Port has completed very large capital improvement projects over the last three years and will continue to do so over the next three years. Staff will prepare a further financial analysis of increases to revenue and decreases of expenses and an analysis of potential new construction projects, which may require engaging the services of architects in order to obtain preliminary costs.
- Capital Projects Timeline – Medenbach reviewed six projects and the source of project funding that are in motion and set to complete by 2020. These projects represent nearly \$13 million in improvements that will benefit the local economy, support the aviation industry, and move the airport toward self-sufficiency.
- Through-the-Fence Access – There was general support for the proposed residential TTF locations and including them in the Airport Layout Plan, provided there was flexibility in the Plan for future access. As a pilot, however, Commissioner Streich was very concerned with the safety aspect and commented the Port needed to be serious about gates and fences. Budget Committee member Judy Newman commented it was her experience that the children of T-hangar tenants and not residents that adjoin airport property were the worst offenders in not monitoring the activity of children at the airport.

E. Special Projects:

- OneGorge Collaborative Legislative Advocacy – There was consensus from the Commission to support OneGorge advocacy efforts with a \$5,000 financial commitment and administrative support to ensure the group’s continued viability and profile in Oregon, Washington, and federal legislatures.
- Communication Plan and Related Policies – Scholl reviewed priority tasks that had been completed that were tied to the goals and objectives of the 2014-18 Strategic Business Plan. The focus of new priorities will shift to modernizing and improving internal communications systems and protocols. The Commission was informed that public meetings (bridge efforts, parking plan, and airport projects for example) will be a big investment in staff time and hard costs will be dependent on the venue.

F. Economic Trends and the Role of the Port – With limited time left in the Work Session, Shortt commented he would like to continue a discussion about economic trends and the role of the Port at next year’s Spring Planning. In brief, the oil train derailment at Mosier this summer highlighted the effects of bridge crossings that are not under the Port’s control; and he would like to start a dialogue with regard to how the Port can partner with the educational system (i.e. teaching environment, internships, etc.).

President Shortt thanked everyone for volunteering their time and participating in today’s Fall Planning discussions; McBride was thanked for joining the meeting by phone; and staff was thanked for topic preparation and presentation. The Work Session was adjourned at 5:10 p.m. and the Regular Meeting of the Port Commission was convened at 5:20 p.m.

Respectfully Submitted:

Laurie Borton

ATTEST:

Brian Shortt, President, Port Commission

Jon Davies, Secretary, Port Commission

Follow-up items:

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|--|
| <i>Long Range Financial Model Base Assumptions</i> – review/revise CPI of 2.12% that has been used for 2018-2026. |
| <i>Capital Planning</i> – look further into a seismic study regarding upgrades. |
| <i>Bridge Planning</i> – Reconsider how bridge revenues are spent on other assets; do lower weight limits need to be considered to safely “keep the bridge going”?; prepare Performa that eliminates commercial vehicle crossings to see what affect this might have on maintenance and insurance costs; consider how the Port can better communicate with potential state and federal partners (if commercial vehicle crossings become limited they may quickly become partners). |
| <i>Bridge Toll Increase</i> – provide a 9-year history on how revenue is spent; prepare Performa on increase in truck rates. |
| <i>Lower Mill</i> – create a portfolio proposal with highest and best use narrative for Spring Planning discussion; i.e. look at maximizing existing parcels with build-out forecasts and prioritize what needs to be done. |
| <i>Role of the Port</i> – President Shortt requested that this discussion be continued. |

**Port of Hood River Commission
 Meeting Minutes of November 29, 2016 Work Session and Regular Session
 Marina Center Boardroom
 5:00 P.M.**

THESE MINUTES ARE NOT OFFICIAL until approved by the Port Commission at the next regular meeting.

- Present:** Commissioners Jon Davies, Fred Duckwall, Rich McBride, Brian Shortt, and Hoby Streich; Legal Counsel Jerry Jaques; from staff, Fred Kowell, Anne Medenbach, Genevieve Scholl, and Laurie Borton
- Absent:** From Staff, Michael McElwee
- Media:** None

President Brian Shortt called the meeting to order at 5:00p.m. and called the Commission into a Work Session for the purpose of providing the Commission with an update on legislative advocacy and staff preparation of a federal funding request for certain pre-construction activities associated with the eventual replacement of the Hood River-White Salmon Interstate Bridge. This discussion was led by Genevieve Scholl, Special Projects and Communications Manager.

Draft legislation for three potential bills relevant to bridge replacement has been prepared by Thorn Run Partners, the Port’s state lobbyist. Scholl acknowledged Representative Mark Johnson for his sponsorship of the potential legislation. Johnson has scheduled a briefing during “Legislative Days” in Salem on December 12 that staff will attend giving a 20-minute presentation on near- and long-term needs for the Port’s bridge replacement efforts.

With regard to public outreach planning efforts, Scholl stated that a letter of support has been drafted by Thorn Run and stakeholders will be asked to submit their letters to either the Port or Rep. Johnson in January/February 2017. Scholl also informed the Commission that there will be a series of public meetings in 2017 on various project efforts.

The deadline for the next round of FASTLane funding is December 15. The question for the Commission is whether or not to submit an application in this second of five rounds of funding. If an application is submitted Scholl indicated the date of award is unknown at this time, but that the program has a goal to award 20% of the available funds to projects in rural projects. The minimum grant award in the Small Grants program is \$5 million. The draft request staff currently has ready for submittal has a total project cost of \$9.3 million (\$5.58M grant, \$3.72M local match) to fund completion of a Final Environmental Impact Statement, Preliminary Engineering, and Right-of-Way acquisition.

Scholl then identified the pros and cons in submitting an application in this round. A brief summary of the cons include: the requirement of a local 40% match (\$3.72M) and if the Port is unsuccessful with partnership efforts with ODOT via legislative action in 2017 to help with the match the Port would need to be prepared to meet the match requirement itself, likely with a loan repaid through toll revenue. This requirement decreases the Port’s debt capacity for capital improvements on the existing bridge. Although pre-construction costs are eligible for FASTLane funding and the Small Projects category does not have the 18-month from obligation of funds deadline to construction, this project eligibility is less than clear in terms of independent utility, i.e. an argument could be made that the successful completion of this phase of the project, should no new bridge ever be constructed, doesn’t provide the region’s transportation infrastructure any specific new, independent benefit. Scholl indicated this determination is difficult to make without submitting an application. The project calls for an engineering scope of work that may not be needed at this time as there may be higher priority projects on the current bridge.

There are positive aspects in submitting a FASTLane application by the December 15 deadline with regard to the federal congressional support since the bi-state, bi-partisan effort inserted language into the FAST Act that specifically calls out eligibility for project funding within National Scenic Areas. Even if the Port’s application should not be approved, legislators and their teams will know a strong effort to follow up on their work has been made by the Port. Financial consultant Steve Siegel believes the scope of work involved in this project (FEIS and preliminary engineering) would likely require the new bridge to be subject to federal toll revenue use restrictions. If approved, however, Scholl cautioned legal counsel would need to clarify this by reviewing grant requirements. Submission of an application to fund a scope of work also illustrates to state and local legislators, agencies and stakeholders that a serious effort on behalf of the Port is being made to replace the aging bridge. Grant approval would also provide an opportunity to partner with ODOT on the project match and the project itself with positive support of a federal authority. There are four remaining years of authorized FASTLane funding and the Port may submit up to three times. As the pathways to bridge replacement become more fully defined, there will be more opportunities to apply for this funding. Applications also lay groundwork for funding partnership discussions with state and federal partners. Scholl commented that if an application is not approved, specific feedback will be received from USDOT that will be helpful in preparation of future applications. And, if approved, the Port will have new opportunities to encourage state funding participation with the leverage of federal funding support.

A copy of the March 2016 application was provided for review and Scholl requested input from the Commission on suggested changes that would make the application even stronger. If the Commission does decide to approve submittal of an application, Scholl indicated the Benefit Cost Analysis would need to be updated and the services of FCS Group would need to be quickly engaged.

The Work Session concluded at 5:50 p.m. and President Shortt immediately called the Commission into Regular Session.

- 1. **CALL TO ORDER:** President Shortt called the Regular Session meeting to order at 5:50 p.m.
 - a. **Modifications, Additions to Agenda:** Consent Agenda item 3c (zone change letter of support for BLM, Inc.) was moved to Action Items. Commissioner McBride stated his conflict with approval of the November 15 regular session minutes as he was not in attendance at the meeting and had not thoroughly reviewed the minutes.

2. **PUBLIC COMMENT:** None.

- 3. **CONSENT AGENDA:**
 - a. Approve Minutes of November 15, 2016 Regular Session
 - b. Approve Amendment No. 1 to Pacific Source Lease at Wasco Building
 - c. ~~Approve Zone Change Letter of Support for BLM, Inc. [Moved to Action Items]~~

Motion: Move to approve Consent Agenda as modified
Move: Davies
Second: Streich
Vote: **Aye:** Davies, Shortt, and Streich
Abstain: Duckwall and McBride

MOTION CARRIED

- 4. **REPORTS, PRESENTATIONS AND DISCUSSION ITEMS:**
 - a. **Review Draft Minimum Standards for Airport:** Anne Medenbach, Development and Property Manager, reported that Minimum Standards are optional guidelines for airport owners that promote safety, protect users from unlicensed and authorized products and services, maintain and enhance adequate services, and promotes

orderly development and ensure efficiency of operations. Once approved, Minimum Standards will be incorporated into any Ken Jernstedt lease agreement. Medenbach indicated she would also have the Airport Advisory Committee review the draft for comment and that while FAA review is not required, the federal agency will be asked to review the standards as well. Commissioner Streich recommended a review of the Standards more frequently (2 years instead of every 5 years). Medenbach welcomed further feedback from the Commission and stated the goal would be to bring back the final document for approval in early 2017.

5. DIRECTOR’S REPORT: Chief Financial Officer Fred Kowell reported Stafford Bandlow Engineering is on site to install a weatherproof inclinometer and bypass key switch during two days of scheduled bridge lifts this week, and Facilities will replace trunnion covers that had been removed during an earlier inspection. All pedestals on C Dock North now have GFI protection; however, the electrical service continues to randomly trip on a daily basis. Gorge Electric will be in the Marina on Thursday to perform a Megger Test of the main electric line serving C Dock North in hopes of identifying a resolution to ground fault trips that have been occurring since the end of July.

6. COMMISSIONER, COMMITTEE REPORTS:

a. Marina Committee: Shortt provided a report on the November 17 meeting. The meeting focused on near- and long-term planning. Further discussion on a 2015 list of recommended future projects will take place in January or February and a representative of the US Army Corps of Engineers will be invited to attend to talk about the permitting process and options. Shortt also commented on a need for the Commission to review rate policies during spring planning in 2017; i.e. rates paid by tenants need to fund a reserve that will cover future maintenance, repair and improvements rather than another Port asset helping fund the expenses.

7. ACTION ITEMS:

a. Approve Zone Change Letter of Support for BLM, Inc.: Commissioner Davies explained his request to move this to Action Items from the Consent Agenda stating he believed a separate vote would provide a more transparent process in the Port’s endorsement of John Benton’s request to change 19.85 acres of Exclusive Farm Use (EFU) land to Airport Development (AD). Mr. Benton was invited to comment and stated that an AD zone for future use as potential hangar space would be a better use of the acreage than farming.

Motion: Move to approve Letter of Support for BLM, Inc.’s request for an amendment to the Comprehensive Plan and application for a zone change from Exclusive Farm Use (EFU) to Airport Development (AD).

Move: Davies

Second: Streich

Vote: Aye: Davies, Duckwall, McBride, Shortt, and Streich

MOTION CARRIED

b. Authorize FASTLane Application Submittal and Commitment of Matching Funds: Scholl invited remaining questions or comments that weren’t addressed in the Work Session. Commissioner Streich inquired if there was enough support for the bridge replacement project. Scholl responded that there is likely more support that’s not clearly visible because of the efforts of the Port’s federal and state lobbyists, Summit Strategies and Thorn Run.

Motion: Move to authorize staff to submit a 2017 FASTLane application to seek federal funds for certain pre-construction activities for a bridge replacement and the commitment of matching funds.

Move: McBride

Second: Davies

Discussion: Shortt requested a report at the December 13 Commission meeting with regard to how the December 12 presentation was received in Salem at the Legislative Days briefing. Scholl stated that the final FASTLane application will be provided to the Commission on December 13.

Vote: Aye: Davies, Duckwall, McBride, Shortt, and Streich
MOTION CARRIED

8. COMMISSION CALL: McBride reported he had talked with an ODOT staff person at an Association of Oregon Counties meeting about the Port’s bridge replacement efforts and that the ODOT contact information had been passed along to staff. Davies commented on floatplane training being provided by TacAero; staff commented that a proposal may be forthcoming from TacAero with regard to use of Port facilities at the Marina.

9. EXECUTIVE SESSION: Regular Session was recessed at 6:33 p.m. and after a short break the Commission was called into Executive Session at 6:39 p.m. under ORS 192.660(2)(e) Real Property Transactions.

10. POSSIBLE ACTION: The Commission was called back into Regular Session at 7:28 p.m. The following action was taken as a result of Executive Session.

Motion: Move to approve lease with Scorpius KTM, LLC at the Maritime Building subject to legal counsel review.
Move: Duckwall
Second: McBride
Vote: Aye: Davies, Duckwall, McBride, Shortt, and Streich
MOTION CARRIED

11. ADJOURN: At 7:29 p.m. there was unanimous approval to adjourn the meeting.

Respectfully submitted,

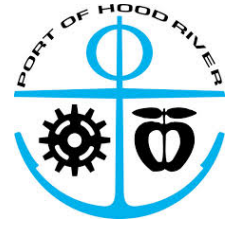
Laurie Borton

ATTEST:

Brian Shortt, President, Port Commission

Jon Davies, Secretary, Port Commission

Commission Memo



Prepared by: Fred Kowell
Date: December 13, 2016
Re: Accounts Payable Requiring Commission Approval

| | |
|--|--------------------|
| Jaques Sharp | \$13,400.00 |
| Attorney services per attached summary | |

| | |
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| TOTAL ACCOUNTS PAYABLE TO APPROVE | \$13,400.00 |
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JAQUES SHARP

— ATTORNEYS AT LAW —

205 3RD STREET / PO BOX 457
HOOD RIVER, OR 97031
(Phone) 541-386-1311 (Fax) 541-386-8771

CREDIT CARDS ACCEPTED

DEC 05 2016

HOOD RIVER, PORT OF
1000 E. PORT MARINA DRIVE
HOOD RIVER OR 97031

Page: 1
December 05, 2016
Account No: PORTOHAlv

| Previous Balance | Fees | Expenses | Advances | Payments | Balance |
|--|----------|----------|----------|----------|------------|
| CONTRACT (Marina Moorage Rules) | | | | | |
| 180.00 | 600.00 | 0.00 | 0.00 | -180.00 | \$600.00 |
| MISCELLANEOUS MATTERS | | | | | |
| JJ | | | | | |
| 300.00 | 1,080.00 | 0.00 | 0.00 | -300.00 | \$1,080.00 |
| ORS 777 CHANGES | | | | | |
| 0.00 | 380.00 | 0.00 | 0.00 | 0.00 | \$380.00 |
| LEASE (Wyeast Laboratories, Inc.) | | | | | |
| 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | \$200.00 |
| EXPO SITE DEVELOPMENT (Key Development;Pickhardt) | | | | | |
| 260.00 | 860.00 | 0.00 | 0.00 | -260.00 | \$860.00 |
| BRIDGE SOFTWARE (P Square Solutions) | | | | | |
| 0.00 | 140.00 | 0.00 | 0.00 | 0.00 | \$140.00 |
| AIRPORT HANGER LEASE (Gorge Leasing Co/SDS Lumber) | | | | | |
| 0.00 | 140.00 | 0.00 | 0.00 | 0.00 | \$140.00 |
| DRONES | | | | | |
| 740.00 | 0.00 | 0.00 | 0.00 | -740.00 | \$0.00 |
| BIG 7 LEASE (Big Y Fly, Corp. Inc) | | | | | |
| 0.00 | 160.00 | 0.00 | 0.00 | 0.00 | \$160.00 |
| CONTRACT (H.D.R. ENGINEERING) | | | | | |
| 0.00 | 60.00 | 0.00 | 0.00 | 0.00 | \$60.00 |

HOOD RIVER, PORT OF

December
Account No: PO

| | Previous Balance | Fees | Expenses | Advances | Payments | Balance |
|--|------------------|------------------|-------------|-------------|------------------|--------------------|
| DOG PARK | 1,560.00 | 800.00 | 0.00 | 0.00 | -1,560.00 | \$800.00 |
| JANITOR SERVICES CONTRACT (Allied Maintenance LLC) | 0.00 | 20.00 | 0.00 | 0.00 | 0.00 | \$20.00 |
| LEASE (Cloud Cap Technology) | 0.00 | 40.00 | 0.00 | 0.00 | 0.00 | \$40.00 |
| CITY PARKING IGA | 0.00 | 180.00 | 0.00 | 0.00 | 0.00 | \$180.00 |
| BRANDT LAND TRADE AIRPORT AREA | 600.00 | 0.00 | 0.00 | 0.00 | -600.00 | \$0.00 |
| BRIDGE FUNDS | 0.00 | 160.00 | 0.00 | 0.00 | 0.00 | \$160.00 |
| BRIDGE REPLACEMENT 2016 (ODOT/WDOT) | 0.00 | 2,640.00 | 0.00 | 0.00 | 0.00 | \$2,640.00 |
| LEASE (Pacific Source Health) | 20.00 | 20.00 | 0.00 | 0.00 | -20.00 | \$20.00 |
| AIRPORT DEVELOPMENT (Tac-Aero) | 3,320.00 | 20.00 | 0.00 | 0.00 | -3,320.00 | \$20.00 |
| SOUTH RUNWAY PROJECT | 0.00 | 4,780.00 | 0.00 | 0.00 | 0.00 | \$4,780.00 |
| UNION PACIFIC RELEASE | 180.00 | 0.00 | 0.00 | 0.00 | -180.00 | \$0.00 |
| LOOMIS MONEY AGREEMENT (Loomis Armored US, LLC) | 520.00 | 40.00 | 0.00 | 0.00 | -520.00 | \$40.00 |
| 2016 TOLL INCREASES | 0.00 | 980.00 | 0.00 | 0.00 | 0.00 | \$980.00 |
| AIRPORT MINIMUM STANDARDS (FAA) | 0.00 | 60.00 | 0.00 | 0.00 | 0.00 | \$60.00 |
| LEASE (Scorpius KTM, LLC & William Sullivan) | 0.00 | 40.00 | 0.00 | 0.00 | 0.00 | \$40.00 |
| MARINA FUEL CONTRACT (HR Chevron) | 460.00 | 0.00 | 0.00 | 0.00 | -460.00 | \$0.00 |
| | <u>8,140.00</u> | <u>13,400.00</u> | <u>0.00</u> | <u>0.00</u> | <u>-8,140.00</u> | <u>\$13,400.00</u> |

THIS STATEMENT REFLECTS SERVICES PROVIDED AND PAYMENTS RECEIVED THROUGH THE 30th OF NOVEMBER UNLESS OTHERWISE STATED

Commission Memo

Prepared by: Michael McElwee
Date: December 13, 2016
Re: Expo Project Update



The first phase of construction is occurring on Parcel 2 of the Expo Property under the terms of an Amended and Re-stated Disposition & Development Agreement (“DDA”) with Key Development (“Key”). Construction of a distribution building for Turtle Island on Parcel 1 was expected to commence in early 2016. At their July meeting the Commission was briefed by Key Development representatives and informed that the Parcel 1 building needed to be re-designed and it was necessary to delay construction. Key Development was informed that a DDA Amendment would need to be prepared for approval by the Commission to formalize any such changes.

Arthur Babitz, a Key employee, will attend the meeting to give an overview of the Expo project, describe the reasons for the scope and schedule changes and answer questions. Consideration of a DDA Amendment is an action item on the agenda.

RECOMMENDATION: Information.

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Commission Memo

Prepared by: Genevieve Scholl
Date: December 13, 2016
Re: Oregon Legislative Update – Thorn Run



The Port has contracted the services of Thorn Run Partners for advocacy representation in Salem, primarily focused on efforts related to bridge replacement that require legislative action in the next session. Thorn Run, with the help of Rep. Mark Johnson, had scheduled a legislative briefing for the first day of Legislative Days on Monday, December 12. That briefing was canceled due to scheduling conflicts for the invitees. Either Dan Bates or Elizabeth Remley will provide a call-in report from Salem on their ongoing efforts in Salem on behalf of the Port.

RECOMMENDATION: Information.

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Commission Memo

Prepared by: Genevieve Scholl
Date: December 13, 2016
Re: FASTLane Application Draft Review



At the November 29 meeting, the Commission authorized staff to submit a grant application to the federal FASTLane program to fund pre-construction activities associated with the replacement of the Hood River Interstate Bridge. The deadline to submit the application is December 15. Staff is preparing the draft application and will have a final draft available for review during the December 13 meeting. In summary, the draft request that has a total project cost of \$9.3 million (\$5.58M grant, \$3.72M local match) to fund completion of a Final Environmental Impact Statement, Preliminary Engineering, and Right of Way Acquisitions.

RECOMMENDATION: Information.

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Executive Director's Report

December 13, 2016

Staff & Administrative

- Thanks to Fred Kowell for serving as Acting Executive Director during my recent medical absence.
- The snow event on December 8 and 9 required a significant response from the Facilities Dept. employees. Sanding and plowing work took place throughout the day and overnight periods. Although there were two mechanical breakdowns with Port vehicles, most of the necessary work was accomplished. A big thank you to John Mann and his crew.
- The January schedule is attached. Due to the New Year's holiday staff suggests that the Commission meetings be held on January 10 and 24. Please check your schedules.
- John Mann attended FEMA's Integrated Emergency Management class on Dec. 12. FEMA introduced a broad group of local agency personnel to a team-based response to disasters.

Recreation/Marina

- Megger testing of the C Dock North main electrical line took place on December 7. Surprisingly, the line checked out just fine. However, in the process of de-coupling/re-attaching the main power line at the main panel, a loose wire was found at a connection on the positive wire at the panel. Since that connection was tightened, the power was holding as of Friday at noon, a period of about 48 hours. This is the longest power has held for several months. If power holds over the weekend, it is likely that we have found the last significant source of the ground faults. The testing process also determined that there was a significant ground fault in one of the boathouses that has been a source of concern, but un-related to C Dock.
- Attached is the letter of thanks to Pacific Power for their significant help and financial contribution to the Marina Green project.
- A risk manager from SDIS evaluated the path conditions under and east of the Bridge on November 21. Findings were that the steep bank there is an "open and obvious" condition. We have received no other communication from the party injured on Labor Day weekend.

Development/Property

- The public meeting to discuss implementation of the waterfront parking plan is scheduled for December 15 at 5:30 in the Commission conference room. We have

forwarded the draft plan to waterfront businesses and recreation groups. An article also appeared in the December 2 edition of the “Hood River News.”

- The new Sheppard building is almost entirely closed in. The project is on-schedule for completion early next year.
- Naito Development completed installation of the removable bollards east of the new hotel. This work fulfills most of their obligation under the terms of the Emergency Access Easement Agreement. One remaining obligation is designation of seven parking spots for public use— this likely won’t occur until after completion of the commercial building that is under construction. Left to consider is whether to drive a fire truck on the path concrete to confirm its strength.

Airport

- We have not yet received word on our COAR application to the State of Oregon for assistance in meeting the local match requirements for the South Taxi-way project. We have also not yet received the grant agreement for the Connect IV grant; that is expected now in January.
- Anne has been working extensively on a draft MOU that will address both the N. Ramp ATERC Project and South Ramp project.

Bridge/Transportation

- An engineer from Stafford Bandlow Engineering travelled to Hood River on November 29 to make adjustments to the recently installed skew system and do final connections to the all-weather inclinometer. Port crews then lifted successfully lift to 60ft., cleaned the trunnions and replaced the trunnion covers. There is one last pinion bearing that needs to be opened, cleaned and lubricated. John Mann reports that the lift was the smoothest he has experienced. We are very confident about reliable operation of the lift span now.
- SBE has not yet finalized their report from the strain gauge and mag particle testing of the lift span last month. Staff will provide a brief update on the test results at the meeting, but the full report will be provided in January.
- Installation of the new bridge lights is expected to occur during the last week in January, 2017.
- Representative Mark Johnson arranged to have staff provide a briefing to legislators in Salem on December 12, but that briefing has been postponed. Thorn Run and Steve Siegel continue to work on draft legislation that might be proposed.



Port of
Hood River

Providing for the region's economic future.

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November 22, 2016

Mr. Stefan Bird
President and CEO
PacifiCorp
825 NE Multnomah Street
Portland OR 97232

COPY

Dear Mr. Bird:

On behalf of the Port of Hood River Commissioners, I write to express our sincere thanks to PacifiCorp for your efforts to remove an electrical transformer on Marina Green in Hood River.

Marina Green is a signature, local open space used extensively for youth sports and other recreational activities. The live front transformer and direct burial cable located there presented safety concerns for many years. I wrote to PacifiCorp in February requesting assistance to remove it and replace the adjacent direct burial cable. Your company agreed to help. The project was completed this summer. Marina Green is safer, more usable and with a more reliable power supply for area tenants.

PacifiCorp staff that helped with various parts of this effort included Angela Price, Milt Bruker, Jesse Armendariz and Alan Wilm. Each of them was gracious, professional, responsive and a credit to your company. I also wish to acknowledge Pat Reiten, who took the time to personally view the transformer on a trip to Hood River in May 2014.

With its vast system responsibilities PacifiCorp could have understandably ignored this small project. Instead, your company took the time to consider our request and found a way to help.

Thank you.

Respectfully,

Michael S. McElwee
Executive Director

cc: John Mann, Facilities Manager
Port of Hood River Commissioners

Commission Calendar - January 2017

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 1 New Year's Day | 2 OFFICE CLOSED | 3 | 4 | 5 | 6 | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | 9 URA Board Streich, Davies | 10 Commission Mtg 5pm Rescheduled from Jan. 3 | 11 | 12 | 13 | 14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | 16 ML King Day Office Open | 17 | 18 | 19 Marina Committee 8am Shortt | 20 | 21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22 | 23 | 24 Commission Mtg 5pm (offset 1 week) | 25 | 26 | 27 | 28 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 29 | 30 | 31 | | | | Pastime Commercial Dock through Feb/Mar | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Notes: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Commission Memo



From: Fred Kowell
Date: December 13, 2016
Re: Replacement of Transponder Readers and IDRIS

Included the current year budget is the cost of replacing the transponder readers for an amount of \$175,000. The Port decided to first replace the transponder readers due to inspections showing them nearing the end of their operating life. In addition, newer technology would allow for multi-protocol reading capabilities and would align the Port with the latest federal specifications.

Kapsch was selected since they are the only transponder manufacturer that also provides installation. In addition, Kapsch provides IDRIS (loops systems) that can be scheduled to be replaced at the same time as the transponder readers (ETC) are to be replaced. Therefore, the Port will not need to contract with an ETC provider, a separate installer, and IDRIS provider. The schedule for replacing the Kapsch IDRIS and ETC systems will be in late March/April. This is due to sequencing the current P-Square operating and back office implementation with the new Kapsch hardware in a manner that keeps redundant visits and programming from happening.

Our current IDRIS (lane loops) system, which reads the axles in the lanes, are deteriorating and coming to the end of their useful life. IDRIS systems have about a 6-year life and ours have lasted since 2007. The Port was experiencing some malfunctions with our axle counts, such that we asked Kapsch to inspect our existing IDRIS system. The report showed that the IDRIS system will need to be replaced in the next 12 months.

Knowing that the Port would need to replace both the ETC and IDRIS hardware systems, HDR (Dennis Switaj) started looking at several replacement scenarios with two key factors in mind: cost and efficiency. Kapsch has provided the lowest cost and handles the installation and testing of all its hardware.

The cost of replacing the IRIS loops by Kapsch is \$63,303 plus travel and incidental costs. If additional work is required, their time and materials would apply with regard to the replacement of our IDRIS and our ETC (transponder readers) system. The replacement of our current Transcore transponder readers (ETC) with Kapsch (ETC) will be \$175,887 – close to the expected budget. However, Kapsch requires a one year maintenance contract to be part of the initial installation of an ETC and IDRIS system to monitor and provide on-call support if something does go wrong in the first year of operation. The cost of annual maintenance support is \$42,389. The Port may eliminate the need for support going forward but it's a requirement under their agreement in the first year.

There is a pricing benefit to moving forward with Kapsch under this agreement in 2016 for transponder purchasing. The Port currently purchases transponders from Transcore at a price of \$14 for a sticker and \$29 for a transferable transponder. The current pricing from Kapsch under this agreement for sticker type transponders is about under \$3.50 - \$4.00 each including shipping, handling and inventory costs. The Port will phase out the use of a transferable transponder since their useful life is about 5-6 years. The new ETC readers are multi-protocol readers and will be able to read our existing transponders.

Staff has researched several toll system options seeking lower cost possibilities. This is the lowest cost option and also the most efficient. Currently, the Port spends about \$80,000 per year on transponders, receiving about \$47,000 from our existing customers for a second or replacement transponder, and writes off over \$33,000 for first time customers. The pricing and write-off under the new contract will be significantly lower which should help the bottom line.

RECOMMENDATION: Approve contract with Kapsch TrafficCom IVHS Inc. for replacement of IDRIS and ETC systems and a one-year maintenance agreement for an amount not to exceed \$281,579, subject to legal counsel review.

PERSONAL SERVICES AGREEMENT

This Agreement is between the Port of Hood River, an Oregon Municipal Corporation, (hereinafter referred to as "Port"), and Kapsch TrafficCom IVHS Inc. (hereinafter referred to as "Vendor").

In consideration of the mutual covenants set forth in this Agreement, Port authorizes Vendor and Vendor agrees to carry out and complete services as described:

1. **GENERAL DESCRIPTION OF WORK:** The work under this Agreement shall consist of the described work and services necessary to accomplish completed work for a project requested by the Port and agreed to by Vendor related to the Port's interstate bridge (the "Facility"). The Vendor shall furnish all services, labor, and related equipment necessary to conduct and complete the work as designated elsewhere in this Agreement and in any Task Order (the "Task").
2. **SCOPE OF SERVICES:** The Vendor shall be responsible for the performance of all services as set forth in the specific scope of services and Port shall be responsible for paying the professional fees set forth in each Task Order attached to this Agreement. Future Task Orders, if any, will be issued using the form or a similar form attached hereto and incorporated herein as Exhibit 'A' (the "Services") in accordance with the terms of this Agreement and to the extent described in this Agreement and a Task Order. Vendor shall perform Services using the degree of skill and knowledge customarily employed by professionals performing similar services in the community. The Vendor shall be responsible for providing, at the Vendor's cost and expense, all management, supervision, materials, administrative support, supplies, and equipment necessary to perform the Services as described herein, all in accordance with this Agreement.
3. **TERM OF AGREEMENT:** The term of this Agreement shall begin on the date this contract is fully executed and shall terminate on December 13, 2016 or when the Services have been completely performed in accordance with this Agreement, whichever first occurs, or otherwise by mutual written agreement of the parties or by the exercise of the termination provisions specified herein.
4. **ADDITIONAL SERVICES:** The Port may request that the Vendor provide the Port with certain services not identified in Exhibit A ("Additional Services"). Additional Services shall not be performed by the Vendor unless written approval is received from the Port. Upon receipt of the written request, the Port and the Vendor shall negotiate the scope of the relevant Additional Services and price, which shall be subject to the mutual written agreement of the Vendor and the Port. If the Vendor performs any Additional Services prior to or without receiving a written request from the Port, the Vendor shall not be entitled to any compensation for such Additional Services. Authorization shall be issued by individual task orders or by amendment to this Agreement that is signed by the Executive Director of the Port and Vendor's authorized representative.

5. **TIME OF THE ESSENCE:** The Services of the Vendor shall be undertaken and completed in such a manner and in such a sequence as to provide their expeditious completion in light of the purpose of this Agreement. It is agreed that, subject to the right of the Vendor to cure any deficiency in its work identified to it by Port, time is of the essence in the performance of this Agreement however it is agreed and understood that the Vendor must use sound professional practices.
6. **COMPENSATION:** The Port shall pay fees to the Vendor for Services performed under the terms of this Agreement and each Task Order, ("Compensation"). The Port will also reimburse Vendor for reasonable direct expenses incurred by the Vendor ("Reimbursable Expenses"). Vendor will obtain written approval from Port prior to expenditure of any individual reimbursable expense that exceeds \$500. Vendor will not exceed \$1,500 in total Reimbursable Expenses without Port approval.

Vendor shall submit invoices based on milestone schedules defined in specific task orders. Invoice shall include a detailed description of work performed and include evidence of any reimbursable expenses in a form acceptable to the Port. Port shall make payments in a timely manner, within twenty-five (30) days of receipt of invoice.

If Port does not pay within twenty-five (30) days of receipt of invoice acceptable to Port, the invoice shall incur a service charge of 1.5% per month on the unpaid monthly balance. Vendor reserves the right to withhold services or cancel this Agreement if Port's account is more than sixty (60) days delinquent.

7. **STATUS OF VENDOR AND RELATIONSHIP TO PORT:** The Vendor is an independent contractor and nothing contained herein shall be construed as constituting any relationship with the Port other than that as owner and independent contractor, nor shall it be construed as creating any relationship whatsoever between the Port and any of the Vendor's employees. Neither the Vendor nor any of the Vendor's employees are nor shall they be deemed employees of the Port. The Vendor is not and shall not act as an agent of the Port. All employees who assist the Vendor in the performance of the Services shall at all times be under the Vendor's exclusive direction and control. The Vendor shall pay all wages, salaries and other amounts due the Vendor's employees in connection with the performance of the Services and shall be responsible for all reports and obligations respecting such employees, including without limitation social security tax, income tax withholding, unemployment compensation, worker's compensation, employee benefits and similar matters. Further, the Vendor has sole authority and responsibility to employ, discharge and otherwise control the Vendor's employees. The Vendor has sole authority and responsibility as principal for the Vendor's agents, employees, sub-Vendors and all others the Vendor hires to perform or assist in performing the Services. The Port's only interest is in the results to be achieved.
8. **REPRESENTATIONS:** The Vendor represents and covenants that:

- a. The Vendor has the required authority, ability, skills, experience, licenses and capacity to, and shall, perform the Services in a manner consistent with this Agreement. Further, any employees and sub- Vendors of the Vendor employed in performing the Services shall have the skill, experience and licenses required to perform the Services assigned to them.
- b. To the extent the Vendor deems necessary, in accordance with prudent practices, the Vendor has observed the visible and accessible areas of the sites and all of the surrounding locations whereupon the Vendor may be called to perform the Vendor's obligations under this Agreement, and is familiar with requirements of the Services and accepts them for such performance.
- c. The Vendor has knowledge of all of the legal requirements and business practices in the State of Oregon that must be followed in performing the Services and the Services shall be performed in conformity with such requirements and practices.
- d. The Vendor is validly organized and exists in good standing under the laws of the State of Oregon, and has all the requisite powers to carry on the Vendor's business as now conducted or proposed to be conducted and the Vendor is duly qualified, registered or licensed to do business in good standing in the State of Oregon.

The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action and do not and will not (a) require any further consent or approval of the board of directors or any shareholders of the Vendor or any other person which has not been obtained or (b) result in a breach of default under the certificate of incorporation or by-laws of the Vendor or any indenture or loan or credit agreement or other material agreement or instrument to which the Vendor is a party or by which the Vendor's properties and assets may be bound or affected. All such consents and approvals are in full force and effect.

9. **VENDOR'S INSURANCE:** Vendor shall keep and maintain the following insurance for the duration of the contract period:
 - a. Commercial General Liability insurance on an occurrence basis with a limit of not less than \$1,000,000 each occurrence for bodily injury and property damage and \$2,000,000 general aggregate. The Liability Insurance coverage shall provide contractual liability. The coverage shall name the Port of Hood River and each of its Commissioners, officers, agents, and employees as Additional Insured with respect to Contract.

- b. Automobile Liability insurance with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage, including coverage for owned, hired, or non-owned vehicles, as applicable.
- c. Professional Liability insurance with a \$1,000,000 per claim and \$1,000,000 in the aggregate for malpractice or errors and omissions coverage against liability for personal injury, death or damage of property, including loss of use thereof, arising from the firm's acts, errors or omissions in any way related to this Contract.
- d. Prior to commencing any work under this Agreement, the Vendor shall provide the Port with a certificate or certificates evidencing the insurance required by this section, as well as the amounts of coverage for the respective types of coverage. If the Vendor sub-contracts any portion(s) of the Services, said sub-Vendor(s) shall be required to furnish certificates evidencing statutory worker's compensation insurance, comprehensive general liability insurance and professional liability insurance coverage in amounts satisfactory to the Port and the Vendor. If the coverage under this paragraph expires during the term of this Agreement, the Vendor shall provide replacement certificate(s) evidencing the continuation of required policies.
- e. Workers' Compensation insurance in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers. (Required of contractors with one or more employees, unless exempt under ORS 656.027.)
- f. Worker's insurance coverage required by the Jones Act for work over water if applicable to a Task.

As evidence of the insurance coverage required by this Contract, the Vendor shall furnish acceptable insurance certificates to the Port at the time Vendor returns the signed Contract. The Commercial General Liability certificate shall provide that the Port, its Commissioners, officers, agents, and employees are Additional Insured but only with respect to the Contractor's services to be provided under this Contract. Endorsement CG 20 10 11 85 or its equivalent must be attached to the Certificate. The Certificate shall provide that the insurance shall not terminate or be canceled without 30 days written notice first being given to the Port. Insuring companies or entities are subject to Port acceptance. If required by the Port, complete copies of the insurance policy shall be provided to the Port. The contractor shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

If any policy obtained by the Vendor is a claims-made policy, the following conditions shall apply: the policy shall provide the Vendor has the right to purchase, upon cancellation or termination by refusal to renew the policy, an extended reporting period of not less than two (2) years. The Vendor agrees to purchase this extended insurance

coverage and to keep it in effect during the reporting period. If the policy is a claims-made policy, the retroactive date of any renewal of such policy shall be not later than the date this Agreement is signed by the parties hereto. If the Vendor purchases a subsequent claims-made policy in place of the prior policy, the retroactive date of such subsequent policy shall be no later than the date this Agreement is signed by the parties hereto.

10. **INDEMNIFICATION:** The Vendor shall indemnify and hold harmless the Port, its commissioners, employees and agents, from and against any and all third party claims, demands, suits, actions, proceedings, judgments, losses, damages, injuries, penalties, costs, expenses (including reasonable attorney's fees) and liabilities to the extent they are directly resulting from, the negligent acts of the Vendor, or any of the Vendor's sub-Vendors, Vendor's suppliers and/or Vendor's employees in connection with the performance of this Agreement. The obligations of the indemnifications extended by the Vendor to the Port shall survive the termination or expiration of this Agreement. Such indemnity is conditioned upon the Port providing Vendor prompt notice of any such claims, demands, suits or actions and the right to control and manage all necessary legal proceedings and any related settlements.
11. **CONFIDENTIALITY:** During the performance of the Agreement and for all time subsequent to completion of the Services under this Agreement, the Vendor agrees not to use or disclose to anyone, except as required by the performance of this Agreement or by law, or as otherwise authorized by the Port, any and all information given to the Vendor by the Port or developed by the Vendor as a result of the performance of this Agreement. The Vendor agrees that if the Port so requests, the Vendor will execute a confidentiality agreement in a form acceptable to the Port, and will require any employee or sub-Vendor performing work under this Agreement or receiving any information deemed confidential by the Port to execute such a confidentiality agreement.
12. **ASSIGNMENT:** Neither party shall assign this Agreement or parts hereof or its duties hereunder, but not including work products produced by the Vendor, without the express written consent of the other party. In the event of dissolution, consolidation or termination of the Port, the parties agree that the Port may assign to a successor entity any rights, obligations and functions it may have remaining under this Agreement.
13. **SUBVENDORS:**
 - a. General. The Vendor is solely and fully responsible to the Port for the performance of the Services under this Agreement. Use of any sub-Vendor by the Vendor shall be pre-approved by the Port. The Vendor agrees that each and every agreement of the Vendor with any sub-Vendors to perform Services under this Agreement shall be terminable without penalty.

- b. Sub-Vendor Commitments: All of the Vendor's subcontracts in connection with the performance of the Services shall be in writing and include the following provisions:
- i. The subcontract contract is immediately terminable without cause, and cost for such termination activities shall be determined according to the terms of this Agreement.
 - ii. The sub-Vendor shall carry insurance in forms and amounts satisfactory to the Port in its sole discretion, as provided by this Agreement
 - iii. All warranties (express or implied) shall inure to the benefit of the Port and its successors and assigns.

The Vendor shall provide the Port with a copy of each subcontract executed with the performance of the Services within seven (7) days of each subcontract's execution.

Sub-Vendors who assist the Vendor in the performance of the Services shall at all times be under the Vendor's exclusive direction and control and shall be sub-Vendors of the Vendor and not Vendors of the Port. The Vendor shall pay or cause each sub-Vendor to pay all wages, salaries and other amounts due to the Vendor's sub-Vendors in performance of the duties set forth in this Agreement and shall be responsible for any and all reports and obligations respecting such sub-Vendors. All sub-Vendors shall have the skill and experience and any licenses or permits required to perform the Services assigned to them.

14. **TERMINATION NOT-FOR-CAUSE:** In addition to any other rights provided herein, the Port shall have the right, at any time and in its sole discretion, to terminate, not for cause, in whole or in part, this Agreement and further performance of the Services by delivery to the Vendor of written notice of termination specifying the extent of termination and the effective date of termination.
- a. Obligations of Vendor. After receipt of a notice of termination, and unless otherwise directed by the Port, the Vendor shall immediately proceed as follows:
 - i. Stop work on the Services as specified in the notice of termination;
 - ii. Terminate all agreements with sub-Vendors to the extent they relate to the Services terminated;
 - iii. Submit to the Port detailed information relating to each and every sub-Vendor of the Vendor under this Agreement. This information will include sufficient detail so the Port can immediately contact each such sub-Vendor to determine the role or function of each in regard to the performance of the Services and if the Port so elects, the Port may engage any sub-Vendor for substantially the same terms as have been contracted by the Vendor;

- iv. Complete performance in accordance with this Agreement of all of the services not terminated; and
 - v. Take any action that may be necessary, or that the Port may direct, for the protection and preservation of the property related to this Agreement that is in the possession of the Vendor and in which the Port has or may acquire an interest.
 - b. Termination Settlement. After termination the Vendor shall submit a final termination settlement proposal to the Port in a form and with a certification prescribed by the Port. The Vendor shall submit the proposal promptly, but no later than thirty (30) days from the effective date of termination, unless extended in writing by the Port upon written request by the Vendor within such thirty-day period. If the Vendor fails to submit the proposal within the time allowed the Port's payment obligations under this Agreement shall be deemed satisfied and no further payment by the Port to the Vendor shall be made.
 - c. Payment upon Termination. As a result of termination without cause the Port shall pay the Vendor in accordance with the terms of this Agreement for the Services performed up to the termination and unpaid at termination.
 - d. Port's Claims and Costs Deductible upon Termination. In arriving at the amount due the Vendor under this paragraph there shall be deducted any claim which the Port has against the Vendor under this Agreement.
 - e. Partial Termination. If the termination is partial the Port shall make an appropriate adjustment of the price of the Services not terminated. Any request by the Vendor for further adjustment of prices shall be submitted in writing within thirty (30) days from the effective date of notice of partial termination or shall be deemed forever waived.
- 15. **FORCE MAJEURE:** Neither party to this Agreement shall be liable to the other party for delays in or failure to perform services caused by circumstances beyond its reasonable control, including but not limited to acts of God, acts of governmental authorities, strikes, riots, civil unrest, war, lockouts extraordinary weather conditions or other natural catastrophe, or any other cause beyond the reasonable contemplation of either party. For delays resulting from unanticipated material actions or inactions of Port or third parties, Vendor shall be given an appropriate time extension and shall be compensated for all costs of labor, equipment, and other direct costs Vendor reasonably and necessarily incurs. Delays of more than ninety (90) calendar days shall, at the option of either party, make this contract subject to termination.
- 16. **RECORD KEEPING:** The Vendor shall maintain all records and documents relating to Services performed under this Agreement for three (3) years after the termination or expiration of this Agreement. This includes all books and other evidence bearing on the Vendor's time based and reimbursable costs and expenses under this Agreement. The

Vendor shall make these records and documents available to the Port, at the Port's office, at all reasonable times, without any charge. If accepted by the Port, photographs, microphotographs or other authentic reproductions may be maintained instead of original records and documents.

17. **WORK PRODUCT:** All work products of the Vendor prepared pursuant to this Agreement, including but not limited to, all maps, plans, drawings, specifications, reports, electronic files and other documents, in whatever form, shall upon payment of all amounts rightfully owed by the Port to the Vendor herein remain the property of the Port under all circumstances, whether or not the services are complete. When requested by the Port, all work products shall be delivered to the Port in PDF or full-size, hard copy form. Work products shall be provided to the Port at the time of completion of any of the discrete tasks specified in the Services. Vendor shall maintain copies on file of any such work product involved in the Services for three (3) years, shall make them available for the Port's use, and shall provide such copies to the Port upon request at commercial printing or reproduction rates.

Subject to the provisions of the Oregon Public Records Law (the "Law"), all construction documents, including, but not limited to, electronic documents prepared under this Agreement are for use only with this Facility, and may not be used for a construction related purpose on any other Facility, or dissemination to any contractor or construction related entity for a project on any other Facility without written approval of the Vendor.

18. **VENDOR TRADE SECRETS AND OPEN RECORDS REQUESTS:**

- a. **Public Records.** The Vendor acknowledges and agrees that all documents in the Port's possession, including documents submitted by the Vendor, are subject to the provisions of the Law, and the Vendor acknowledges that the Port shall abide by the Law, including honoring all proper public records requests. The Vendor shall be responsible for all Vendors' costs incurred in connection with any legal determination regarding the Law, including any determination made by a court pursuant to the Law. The Vendor is advised to contact legal counsel concerning such acts in application of the Law to the Vendor.
- b. **Confidential or Proprietary Materials.** If the Vendor deems any document(s) which the Vendor submits to the Port to be confidential, proprietary or otherwise protected from disclosure under the Law, then the Vendor shall appropriately label such document(s), and submit such document(s) to the Port together with a written statement describing the material which is requested to remain protected from disclosure and the justification for such request. The request will either be approved or denied by the Port in the Port's discretion. The Port will make a good faith effort to accommodate a reasonable confidentiality request if in the Port's opinion the Port determines the request complies with the Law.

- c. Stakeholder. In the event of litigation concerning disclosure of any document(s) submitted by Vendor to the Port, the Port's sole involvement will be as stakeholder retaining the document(s) until otherwise ordered by the court and the Vendor shall be fully responsible for otherwise prosecuting or defending any actions concerning the document(s) at its sole expense and risk.

19. **DESIGNATION OF REPRESENTATIVES:** The Port hereby designates Michael McElwee, Executive Director and the Vendor hereby designates Steve Sprouffske and Peter Aczel as the persons who are authorized to represent the parties with regard to administration of this Agreement, subject to limitations, which may be agreed to by the parties.
20. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties hereto relating to the Services and sets forth the rights, duties, and obligations of each party to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be amended except by a writing executed by both the Vendor and the Port and approved by the Port Commission.
21. **INTERPRETATION:** In this Agreement the singular includes the plural and the plural includes the singular; statutes or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending or replacing the statute or regulation referred to; references to "writing" include printing, typing, lithography, computer software and other means of reproducing word in a tangible visible form; references to articles, sections (or subdivisions of sections), exhibits, annexes, appendices or schedules shall be construed to be in this Agreement unless otherwise indicated; references to agreements, exhibits, annexes, appendices hereto and other contractual instruments shall, unless otherwise indicated, be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by this Agreement; words not otherwise defined which have well-known technical or industry meanings, unless the context otherwise requires, are used in accordance with such recognized meanings; and references to persons include their respective permitted successors and assigns, and, in the case of governmental persons, persons succeeding to their respective functions and capacities.
22. **BINDING AGREEMENT:** This agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the parties hereto.
23. **NO WAIVER:** No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision of the Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

24. **LIMITATION ON DELEGATION:** The parties hereto acknowledge and agree that certain powers, rights and duties conferred on or held by the Port are inherently governmental in nature and may not be delegated by contract to the Vendor. Nothing in this Agreement shall be construed as an unlawful delegation of the non-delegable functions and powers of the Port, and the Vendor shall have no obligation to perform any non-delegable function.
25. **LEGAL COUNSEL:** The parties hereto agree they have full and adequate opportunity to consult with legal counsel and that each has had such counsel as it deems appropriate.
26. **OBSERVE ALL LAWS:** The Vendor shall keep fully informed regarding and materially comply with all federal, state and local laws, ordinances and regulations and all orders and decrees of bodies or tribunals having jurisdiction or authority which may affect those engaged or employed in the performance of this Agreement.
27. **CONTROLLING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, and any disputes hereunder shall be tried in the courts of the State of Oregon.
28. **MEDIATION/ARBITRATION :** Excepting injunctive relief, any dispute, controversy or claim arising out of, in connection with, or relating to, this Agreement or any breach or alleged breach of this Agreement, shall, upon request of any party involved, be submitted to mediation in Hood River County, Oregon. If a settlement cannot be reached through mediation, the parties agree that the dispute may upon mutual consent of both parties be submitted to and be settled by arbitration in Hood River County, Oregon. Such arbitration shall be in accordance with Uniform Arbitration Act (UAA) as in effect, and as hereinafter amended. Any award rendered shall be final and conclusive upon the parties, and a judgment on such award may be entered in the highest court of the forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the cost of their respective own experts, evidence and counsel's fees. The parties to either mediation or arbitration recognize that mediation sessions are settlement negotiations and that settlement negotiations are inadmissible in any litigation or arbitration of their dispute, to the extent allowed by law. The parties will not subpoena or otherwise require the mediator to testify or produce records, notes, or work product in any future proceeding beyond mediation. In addition, the parties agree that all information obtained in either the mediation or arbitration process is strictly confidential and further agree that the party not otherwise having such information available to them other than through the mediation or arbitration process shall hold all such information in confidence, to the extent allowed by law and subject to the provisions of the Law.
29. **FURTHER ASSURANCES:** Each party shall execute and deliver, at the request of the other party, any further documents or instruments, and shall perform any further acts

that may be reasonably required to fully effect the transaction intended by this Agreement.

30. LIMITATION ON LIABILITY: IN NO EVENT SHALL VENDOR BE LIABLE FOR INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, LOSS OF USE, OR OTHER ECONOMIC LOSS FOR EVENTS BEYOND THE VENDORS CONTROL; PROVIDED, HOWEVER, THAT THIS LIMITATION SHALL IN NO WAY DIMINISH VENDORS PROFESSIONAL LIABILITY INSURANCE COVERAGES OR DEFENSE OBLIGATIONS OTHERWISE AVAILABLE TO VENDOR UNDER ANY VENDOR PROFESSIONAL LIABILITY POLICY.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement,

is executed this _____ day of _____, 20__.

PORT OF HOOD RIVER
"Port"

Kapsch TrafficCom IVHS Inc..
"Vendor"

BY: _____

BY: _____

NAME: _____

NAME: Christopher F. Murray

TITLE: _____

TITLE: President and CEO

ADDRESS: _____

ADDRESS: 8201 Greensboro Dr St 1002
Mclean, VA 22102

Kapsch TrafficCom IVHS Inc..
"Vendor"

BY: _____

NAME: Michael Hofer

TITLE: CFO

ADDRESS: 8201 Greensboro Dr St 1002
Mclean, VA 22102

EXHIBIT A
SCOPE OF SERVICES
for
ELECTRONIC TOLL COLLECTION SYSTEM IN-LANE HARDWARE AND SUPPORT

THIS EXHIBIT A PERTAINS TO A SERVICES AGREEMENT, ("AGREEMENT") BY AND BETWEEN PORT OF HOOD RIVER, ("PORT"), AND KAPSCH TRAFFICCOM IVHS ("VENDOR"), DATED DECEMBER 13, 2016 ("THE AGREEMENT"). VENDOR SHALL PERFORM SERVICES ON THE PROJECT DESCRIBED BELOW AS PROVIDED HEREIN AND IN THE AGREEMENT. THIS EXHIBIT A SHALL NOT BE BINDING UNTIL IT HAS BEEN PROPERLY SIGNED BY BOTH PARTIES.

PART 1.0 PROJECT DESCRIPTION & PURPOSE

The Port is in the process of upgrading its current toll collection system due to concern that the original developers will soon be unavailable to maintain the software and also due to the obsolescence of the Windows XP operating system which is the foundation of the current system. The upgrade includes system hardware and software similar in functionality to what is in operation today. In addition, over the life of the current system operation, the Port has identified functions and features, such as a transition to multi-protocol sticker-style transponders, a violation processing system, and a web portal, that may be beneficial to include in the next upgrade cycle.

The Port has procured P-Square Solutions LLC to migrate the existing system to a new platform from Windows XP, provide ongoing system support, install a web portal, install lane controllers that will communicate with a multi-protocol transponders/readers, and install functionality for violation processing in the current application that in a later phase can be operational with hardware technology that has yet to be determined. This contract will provide the required in-lane equipment to support the next phase of implementation of the new systems. This upgrade support is warranted and continues to be an ongoing benefit to the Port. This Exhibit A provides the Port access to specialized expertise for installation, testing and commissioning of the required equipment in order to make an efficient transition to the new system.

PART 2.0 SCOPE OF SERVICES

Task 1: Electronic Toll Collection In-Lane Hardware

Vendor shall provide the necessary in-lane hardware that will permit the Port's third-party lane controller to obtain tag IDs from the current TransCore tags and from 18000-6C sticker tags, using the standard Kapsch ICD for its flagship multiprotocol reader product (JANUS MPR2.3). This Kapsch reader is already certified for 6C operation within E-ZPass agencies -- and also supports the older TransCore protocol.

The existing four antennas will be replaced by four Kapsch antennas occupying the same locations. During installation, Kapsch may optimize location for optimal antenna reception. Kapsch tolling solutions use low-complexity high-rel antennas above active travel lanes, and consolidate the more sensitive electronics into a single reader unit occupying 9U in a standard 19-inch equipment rack. An additional 3U of rack space is recommended for a Kapsch RF patch panel facilitating AVI installation, tuning and ongoing maintenance. Future Automated Vehicle Identification (AVI) Upgrades Kapsch readers are modular, segmenting the electronics into several hot-swappable Line Replaceable Units (LRUs). The reader unit is capable of expansion from 4 gated lanes to 8 gated lanes, and also provides room for future redundancy options. At time of installation only the module slots required for this initial configuration will be populated.

Kapsch periodically revises its reader software to provide additional features and/or enhance performance. These software-only upgrades can be provided at additional cost. Kapsch also uses this standard multi-protocol reader hardware platform for other combinations of AVI protocols addressing specific regional, or agency, needs and preferences.

Two separate overnight full closures are assumed, permitting all four lanes to be upgraded and tuned for the 6C protocol and for the older TransCore protocol. Antenna angles will be adjusted to ensure optimum performance for each lane, taking nearby metallic surfaces into account. Alternatively, Kapsch may proceed with partial lane closures in order for the Port to proceed with partial toll operations. RF cabling will be configured as separate transmit and receive, ensuring the best possible performance from the existing protocol (TransCore's 6B variant). Prior to lane closure, Vendor shall conduct an RF site survey so that reader channel frequencies for both protocols can then be selected for optimum performance and minimum RF interference.

Assumptions

The following assumptions are made:

- Overhead structures to mount the ETC equipment will be provided or existing infrastructure will be used.
- Space exists in the toll booth to install a 19" ETC reader.
- The System Integrator is present during all installation and testing events.

Deliverables

The following items shall be delivered to the Port:

- Electronic copies or hard copies of the ETC equipment documents shall be provided to the Port, including all ICDs.
- All equipment will be installed, calibrated, tuned and commissioned.

Task 2: Transponders

Vendor to provide transponders as follows:

- ISO 6C Tolling Sticker Transponders Plain Tag, No Customizations Programmed, .Serial Number and Bar Code on Label Non-encrypted, Provided on a roll
- ISO 6C Tolling Sticker Transponders Custom 4-color Graphics on Label Programmed, Serial Number and Bar Code on Label Non-encrypted, Provided on a roll.
- Customer Transponder Layout Design Support - Only required for Tags with Custom Graphics - One Time Fee - Fee waived with minimum 25,000 Tag Order

Task 3: Loops Replacement

Vendor shall replace all in pavement loop sensors and manage all sub-contractors that may be required.

Vendor project staff will include a technical project manager and field technicians. Vendor shall provide all project materials such as loops, sealants, and any other supporting materials.

Assumptions:

- Gate arm maintenance only includes troubleshooting and tuning of existing hardware.
Any additional hardware requirements require coordination and approval with Port.
- Vendor shall inform Port of any issues and coordinate next steps prior to proceeding with any action that is deemed to be out of scope.
Loops will be replaced as per the below diagram.
- Vendor not responsible for tuning or testing any of the classification system.
Kapsch responsibilities limited to hardware tuning and not classification and object identification within the lane controller software

notifications must be sent from the lane controller software provided by P-Square Solutions.

These actions are done during business hours, Monday - Friday.

Maintenance Support Center

- The Maintenance Support Center (MSC) is located in Dallas, TX and is available for acknowledging maintenance calls 24/7.
- The MSC is constantly analyzing alarms, events and/or any other potential issues based on statistical and performance trends.
- An MSC support email will be established for this project.
- Vendor's internal ticketing system will always be used for any email requests, preventative and/or corrective maintenance actions.

Preventive Maintenance

Perform the regular maintenance tasks as defined in the Maintenance Manual in order to minimize unscheduled downtime and ensure availability.

Corrective Maintenance

Handle anomalies in order to restore the system or product operation as quickly as possible; minimizing the effect on business operations. For this project there will be 3 levels of maintenance included (as shown below). Level 4 will be considered as an additional service.

| Maintenance Level | Notes |
|---|---------------------------|
| Level1 -In-Field | Included |
| Level 2 - Monitoring | Included (Dallas, TX MSC) |
| Level 3 - SW Support | Included |
| Level 4 - SW Support - New Developments | Not Included |

When a service email is received, a ticket is opened in Vendor's system and it will not be closed until the issue is corrected. Vendor shall have remote personnel assigned to this ticket. If the issue persists and determined by the Port to be under Vendor's responsibility, a field technician will be sent to resolve the incidence.

The above is considered to be a Level 1 service; Level 2 will be done though the MSC as described in the Monitoring Services Subsection.

Software Maintenance

Regular maintenance of the system software (i.e. bugs fixes and patch updates for the MPR firmware) to maintain it in optimal condition over time. This will be considered to be a Level 3 service.

Any software change considered as Level 4 service (i.e. adding new system functionality) will need to be charged accordingly through the Project Manager.

Spare Parts Management

Vendor warrants to Contractor that any product provided by Vendor shall conform in all material respects to the applicable specifications for a period of one (1) year past its installation and acceptance by Owner to Vendor (the "Warranty Period").

After the one (1) year "Warranty Period", all products will be exchanged and replaced under T&M rates.

Repair Management

When applicable, Vendor shall repair, replace or refurbish an equipment or product as part of the corrective or preventive maintenance process.

Technical Support

Provide technical advice upon request and dependent to contract obligations.

On Demand Service

Any work of Service that is not covered by the above service packages will fall under "On Demand" Services and it will incur T&Ms rates.

Vendor shall only start this work/Service if it is asked by the customer to have it done either initiated by the customer or found by another party. When the work/service is finished, Vendor shall wait for customer acceptance and then bill for the completed and accepted work.

PART 3.0 PORT'S RESPONSIBILITIES:

Port shall provide documents as required and will be available for a mutually agreed upon time for a site visit.

PART 4.0 PERIODS OF SERVICE: All work shall be completed by Kapsch TrafficCom Inc. Notice to proceed to Consultant is assumed to be not later than May 15, 2017.

PART 5.0 PAYMENTS TO VENDOR:

The total fees for labor and expenses for the work included under this Exhibit A shall be as follows:

| Description | | Qty. | Units | Unit Price | Total Price |
|-------------------------|---|------|-------|------------|-------------|
| ETC Hardware | ETC In-lane kits for 4 lanes | 1 | EA. | \$38,304 | \$38,304 |
| ETC Services | ETC hardware installation, test and commissioning, and Idris loop testing | 1 | EA. | \$137,583 | \$137,583 |
| Loop Replacement | Loop replacement materials and services | 1 | EA | \$63,303 | \$63,303 |
| | | | | | |
| Maintenance | 1 year maintenance program | | | | |
| ETC | | 1 | EA. | \$42,389 | \$42,389 |

Time and Material Rates

Time and Material (T&M) rates will apply for the following conditions:

Anytime it is agreed between the Port and Vendor that a service is not included under the current Agreement.

Anytime it is agreed between the Port and Vendor that a maintenance issue on site is not related to any of our systems and/or equipment.

Anytime it is agreed between the Port and Vendor that a system/equipment is out of the "Warranty Period".

Any "On Demand" Work/Service.

Vendor shall be billing normal T&M rates (including travel and meals) under our customary T&Cs.

| Hourly Rates (labor only - other non-labor costs will be charged separately) | Rate |
|---|-------------|
| Project Manager | \$ 157 |
| System Engineer/Technical Lead | \$154 |
| Field Engineer | \$123 |

Transponder Rates

- ISO 6C Tolling Sticker Transponders Plain Tag, No Customizations Programmed - \$1.15

- ISO 6C Tolling Sticker Transponders Custom 4-color Graphics on Label Programmed - \$1.30
- Customer Transponder Layout Design Support - \$1,500

Expenses billable to the project and in conformance with the Agreement will be reimbursed at cost and are included in the total not-to-exceed amount.

PART 6.0 OTHER:

None

This Exhibit A is executed this _____ day of _____, 20____.

PORT OF HOOD RIVER
"Port"

Kapsch TrafficCom IVHS.
"Vendor"

BY: _____

BY: _____

NAME: _____

NAME: Christopher F. Murray

TITLE: _____

TITLE: President and CEO

ADDRESS: _____

ADDRESS: 8201 Greensboro Dr St 1002
Mclean, VA 22102

Kapsch TrafficCom IVHS.
"Vendor"

BY: _____

NAME: Michael Hofer

TITLE: CFO

ADDRESS: 8201 Greensboro Dr St 1002
Mclean, VA 22102

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Commission Memo

Prepared by: Fred Kowell
Date: December 13, 2016
Re: Toll System Architecture – P-Square



When the Port contracted with P-Square Solutions, LLC to develop and implement a new tolling software system, the contract allowed for new servers and lane controllers to be used. After further review it has become clear that if the Port in the future to go to an ALL electronic tolling system (beyond IDRIS and transponder readers), the IT infrastructure originally planned is not sufficient.

In addition, the IT infrastructure under the existing contract never contemplated the existing office environment, which is all stand-alone with individual backup systems of different variety that do not have an overall IT framework that allows for integrated security, backup, retrieval, procedures and functionality.

Today, the system is not totally PCI compliant ("Payment Card Industry Data Security Standard"), due to the tiered levels of PCI requirements and our growing transactions as a Port. When the Port implements the planned WebPortal for our BreezeBy customers the level of activity will require higher levels of security, backup, retrieval, and policies to be in place.

This contract puts into place an IT infrastructure and framework/architecture that allows for scalability and will meet PCI requirements and future system developments.

Dennis Switaj from P-Square will attend the meeting to present their proposal and answer questions from the Commission.

RECOMMENDATION: Approve the contract with P-Square Solutions, LLC for the implementation of an integrated IT Infrastructure and Architecture for Port office and tolling systems for an amount not to exceed \$97,777.00, subject to legal counsel review.

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PORT OF HOOD RIVER

APPLICATION AND SYSTEM ARCHITECTURE, HARDWARE AND INSTALLATION

THIS AGREEMENT is made and entered into by and between the **Port of Hood River**, an Oregon Municipal Corporation, hereinafter referred to as “PORT”, and **P-Square Solutions LLC**, a New Jersey Corporation, hereinafter referred to as “Consultant”.

This Agreement is to update the Port of Hood River (Port) application and system architecture which includes its existing network and server infrastructure in a high availability environment, with local redundancy which will allow for best practices in network security and achieve PCI compliance. Since the tolling system is unique to the existing hardware and its capabilities, this contract is changing the IT infrastructure to interface with the unique capabilities of both the software (PSquare backoffice) and hardware (lane controllers and servers) that serves the Port. The Port has other applications beyond Breezeby that need to be considered in its overall evaluation of its network and information technology needs. This includes the office applications, finance and accounting applications, and data archiving needs to name our primary issues. The new architecture must include availability of new systems that the POHR is looking at for Project Management and Maintenance Management. This contract looks at our current and future needs as well as the ability for the Port to meet the legal and banking requirements (PCI) that exist today and in the future.

PROJECT

The Port is migrating to an Enterprise Toll Back Office System (ETBOS) that comprises the Toll Customer Service Center and Toll Plaza/Host System. The new ETBOS replaces the current tolling back office system known internally as the Breezeby Toll Collection system.

The ETBOS is built on the industry standard J2EE framework. P-Square will build and/or purchase a multi-tiered application architecture as depicted in 2.1 of its proposal. In addition, this new framework will be equipped with the PostgreSQL relational database. The ETBOS will also account for all tolling financial transactions that can reconcile to the database summarization according to Generally Accepted Accounting Principles (GAAP). The unique nature of the current design and structure of the Port software (PSquare Backoffice) and hardware (lane controllers), requires the Port to seek the IT hardware, inherent operating software embedded in such hardware and PSquare in implementing the IT framework as a solution to best bring about the efficiencies and compliance necessary going forward.

This project will also provide the following Network System Architecture to incorporate both office, financial/accounting, data archiving and future requirements that creates an overall framework for the entire Port instead of the piecemeal IT structure that is present today. The following hardware requirements incorporates the entire Port IT infrastructure as follows:

- A. Application Architecture – see Figure 1, section 2.1
- B. System Architecture – see Figure 2, section 2.2

- C. IT Architecture – see Figure 3, section 2.2.1
- D. Redundant Architecture – see Figure 4, section 2.2.1

VRTX Integrated Servers

- a. VRTX integrated servers provide storage, networking and management in a single, compact chassis with optimized dimensions and security. P-Square to provide one VRTX server with the following components:
 - i. Integrated Storage Controllers with second (for redundancy in Active-Passive mode) RAID PERC controller.
 - ii. Support for next business day onsite service for 5 years after problem is diagnosed.
 - iii. 24/7 S/W Tech Support and Assistance for 5 years.
 - iv. Redundant power
 - v. On-Board SD card
 - vi. Tier 1 Storage – Six(6) 600GB 15k RPM SAS 12 Gbps 2.5” Hot Plug-in Drives
 - vii. Tier 2 Storage – Five (5) 1.2 TB 10k RPM SAS 12 Gbps 2.5” Hot Plug-in Drives
 - viii. Integrated Network Ports (sixteen)
- b. Three PowerEdge Blade M630 Servers each with hardware included for optimized virtual environment:
 - i. Dual Xeon Processors E5-2630 v4 2.2GHz with 10 Cores each;
 - ii. 64 GB RAM;
 - iii. Redundant 2 X 1 GB SD Card
 - iv. Redundant four port 1 GB Network card
 - v. On-Board SD Card
 - vi. Support for next business day onsite Service for 5 years after problem is diagnosed
 - vii. 24/7 S/W Tech Support and Assistance for 5 years
- c. Two (2) HPE Office Connect 48 Port Network Switches in a redundant configuration
- d. Two (2) Sonic Wall Suite with IPS, Web Filter, Spam Blocker; and 10 User SSL VPN License

There is room for future expansion within the VRTX environment:

- One (1) server expansion slot available that allows addition of a whole new server to the infrastructure
- Fourteen (14) additional drive slots available for future expansion

VMWare Virtual Environment

P-Square will deploy a VMWare virtual environment on which the Plaza/Host and the CSC Database and application servers will reside as guest machines. VMWare reduces the number of physical servers required to implement in a system to meet the application separation and

security needs of POHR. Virtualization provides features such as High Availability out of the box which will be critical in environment as follows:

- A. Plaza/Host servers and the CSC Servers
 - a. PostgreSQL database server
 - b. File Server – to save transaction files received from lane controllers (transaction and event files), and files that are sent to the lane controllers (tag status, toll schedule, etc.).
 - c. Web Server for external customer access for account management (with Red Hat Linux OS and Apache).
 - d. Two Application Servers running JBOSS for redundancy and load-balancing for the multiple Java Virtual Machines (JVMs) to support the proposed Modular Architecture and provide the interface layer between the following:
 - i. Lane System and the MOMS
 - ii. Public Web server and Application servers
 - iii. Internal User Access Web server and Application servers
 - iv. Application server and Plaza/Host server database
 - e. MQ-Servers for transaction queuing handling between the various application layers
 - f. Redundant Servers
 - i. Two(2) Microsoft Windows 2012 R2 Standard or latest Server in a redundant configuration for Active Director Setup (setup of User IDs and passwords), Domain Name Services (DNS), and Dynamic Host Configuration Protocol (DHCP).
 - ii. Backup servers running the Acronis Backup Solution.
- B. VMWare to provide versatile environment where the guest servers will be spread across the three VMWare Hosts for load balancing. In the event any of the VMWare Hosts fails due to an unexpected hardware failure, the VMWare Environment will automatically move the virtual guest machines to one of the other two VMWare Hosts and reinitiate the virtual machines.

Redundant Core Network Switches – See Figure 5-Network Switch

P-Square to provide two (2) redundant HP Managed Switches with a minimum of 24 Gigabit Ports and two (2) 10 Gigabit Uplink ports. The two switches will be configured in a redundant mode providing a minimum of forty-eight (48) ports. The following servers and devices will be connected via redundant network connections.

- VMWare Hosts for the Plaza/Host and DSC servers (at a minimum of 2/server/switch; total of 12 for all three servers).
- Lane Controllers (2 redundant connections per lane controller)

- Two (2) Physical Firewalls in a high Availability Configuration (minimum of one connection per firewall to each switch).

There will be a number of devices with a single NIC port in typical operation such as the workstation, printers, and other ancillary devices. Such devices should be connected to one of the two switches. The corresponding ports on the other switch will be reserved for connections so that when one of the core switches fail, the local POHR staff can move the network connections to the other switch in the port reserved for that device.

With this redundant configuration, in the event of failure of one of the two (2) core switches, all the servers, lane controllers, and firewall will not experience any interruption. Local POHR staff or IT assistance can switch the network connections to the other switch. This design will help the POHR to maintain a high level of availability for the network.

Firewall – See Figure 6-Dell Sonic Firewall

Contractor will install two (2) redundant Dell Sonic Wall NSA 2600 Firewall Appliances configured in a High Availability mode. The Firewall will be connected to the ISP Router (provided by POHR), for the connection to the internet. The SonicWALL Firewall will provide the following:

- Ten (10) SSL VPN Licenses with Dual Factory Authentication (for secure access)
- Comprehensive Security Gateway Suite Subscription which provides the following security features.
 - Intrusion Prevention System (IPS)
 - Application Layer Security Control
 - Gateway Anti-Virus Protection
 - Anti-malware Protection
 - Web Content Filtering

The Subscription allows for the Firewall to receive the Malware and other threat signatures so that the IPS and Anti-Malware protection can prevent the network from being attacked. The Subscription cost should be included in the PSS Annual Support Contract.

Security

P-Square will meet PCI security requirements in its software development such that under this contract the corresponding hardware will not store any credit card information. Credit card tokenization will be used with the Gateway provider (ie PayPal Services) which will eliminate the need for storage of such information. P-Square will implement the following security features to maintain a secure network:

- P-Square applications are developed in a secure manner following all the requirements defined by PCI standards. Applications are tested for security in the test environment before being delivered into the production environment.

- VLAN Segmentation: Virtual LANs will be used to segment the network to prevent access.
- Firewalls will be used to control granular access to the Card Data Environment. The Design will clearly define the VLAN segments and identify the Card Data Environment (CDE). Any server/network device on which the credit card traverses or is adjacent to it (with access) is considered to be in the CDE environment.
- Firewall will protect the public internet interface. All incoming and outgoing network traffic will be subject to IPS, Anti-Virus, Anti-Malware, and Web Content Filtering Scans.
- Anti-Virus Software will be installed on the workstations.
- Active Directory Integration will allow grouping of users into Administrators, and other user groups providing access layer security to the applications and the infrastructure.
- Active Directory will implement Password Security Policies such as resetting passwords at a periodic frequency, password strength and more.
- Remote VLAN Access using Dual Factory Authentication
- Desktop Security using Trend Micro Anti-Virus Software or comparable software.

P-Square will include the support costs, including ongoing maintenance, and manufacturer's support of all of the above through the Maintenance Phase of this contract.

PCI Compliance

P-Square will deploy a system architecture that is secure, and the software is developed using the best security practices. POHR will be responsible for maintaining the PCI compliance network with regard to PCI compliance testing, audit/survey preparation and completion. This will include the operations regarding the tolling system and will include the implementation of additional policies and procedures to be in compliance. Any additional applications to meet PCI requirements which are out of scope for this proposal can be requested on an "as needed" basis.

Backup and Disaster Recovery

P-Square will use Acronis Backup Solution to perform backups in two stages, first to the Tier 2 Storage provided in the VRTS Storage Array. P-Square will have adequate storage space (est. 4 terabytes) for maintaining local backups on disks. Acronis provides a cloud based backup solution to enable disaster recovery.

Third-Party Software Components

The following third party software components to be implemented by P-Square:

- VMWare Standard for 6 CPUs with vCenter Management Suite
- Red Hat Linux Enterprise Operating System for all application servers
- Red Hat JBoss Middleware License for tolling applications
- PostgreSQL subscription for tolling applications

- Acronis Backup Software for Virtual Servers
- Acronis Cloud Backup – Subscription Service
- Four (4) Microsoft Windows Server (Domain Controllers and Backup server, and Log Consolidation Server)
- One (1) Microsoft SQL Server for Log Consolidation Server
- GFI Event Manager software License
- GFI LanGuard Vulnerability Assessment Server

Support and Warranty

The back-office server and network infrastructure will have redundant components and uses the redundant components to establish high availability. The architecture will be designed for the system to handle any component failure with no or minimal impact to the system operations. Contractor will include the cost of manufacturer maintenance to provide timely support to replace the degraded component.

The hardware server costs will include a multi-year third party maintenance support from the manufacturer. POHR will be responsible to renew the hardware support and software support/subscription before they expire to ensure the latest software versions are accessible and updated.

Technology Stack

P-Square will implement a technology system that will be in common service layers which serve multiple functions, such as Power Customer Relationship Management (CRM), applications used by customer service, web sites, mobile applications and more.

SCOPE OF SERVICES

Consultant will be responsible for installing the upgrade and migrate the current POHR hardware environment into the new hardware environment described in the following sections of the consultant's proposal. P-Square will, if necessary, engage network and system engineers through the design phase to ensure a tightly integrated system

1. Site visit to POHR to perform Rack Space/Installation Planning and acquire all IP addresses and interfaces for use in design and migration planning.
2. Develop the new POHR Infrastructure Design which includes the following:
 - a. Segmentation
 - b. Application Server and Database Server Enumeration (Identify all virtual and physical devices)
 - c. Design AD Security Groups for Network/Server Application Groups
 - d. Identify Security Best Practices for AD Configuration (redundant PDC and SDC)
 - i. Setup Time Server
 - ii. Setup DNS Server

- iii. Setup DHCP Server (if required)
 - e. Individual Server Security Hardening
 - f. IP Address Assignment for all devices and interfaces
 - i. Special consideration for Clusters
 - g. Firewall Rules Design Capture
 - h. WMWare Design
 - i. WMWare VSwitch configuration
 - ii. VMWare Server Resource Allocation Planning
 - i. Physical Network Layout Planning and Design
 - i. Device POHR Assignment
 - j. Firewall Design
 - i. Sub-Interface Design (Inside Interface)
 - ii. DMZ Design
 - iii. Outside Interface Design
 - iv. Firewall Rules between Segments
 - k. Prepare Infrastructure Design Document
- 3. Procurement
 - a. Hardware Procurement
 - b. Software Procurement
- 4. Environment Setup in New Jersey Site (PSS Office)
 - a. Setup of Network Core Switches (as a cluster)
 - b. Setup of Firewall
 - i. Configure Firewall Rules
 - c. Setup of the Hypevisor
 - i. Setup Storage
 - ii. Install VMWare and Configure
 - iii. Install VCenter and Configure
 - iv. Setup VSwitches and Configure
 - v. Develop Secure Template for Windows Server (with latest patches)
 - vi. Develop Secure Template for Red Hat Linux Server
 - d. Setup of Acronis Backup Server and Software
 - e. Setup AD Server (Security Best Practices) – Redundant
 - i. Create necessary System Admin, Application Admin, Application Monitor groups.
 - ii. Setup Time Server
 - iii. Setup DHCP Server
 - iv. Setup DNS Server
 - f. Complete all the Network Interfaces between the Server/Network Switches
 - i. Label All Cables
 - ii. Verify against design
 - iii. Update design drawings and include label formation
 - iv. Temporary connections are labeled as such

- g. Setup Application/DB Servers
 - i. Install all server OS and databases
 - ii. Take Snapshot backup of all servers
 - iii. Deploy Applications, databases to each server
 - iv. Validate Server Configuration
 - v. Take VM Snapshot of all Servers
 - vi. Setup HA
 - vii. Setup DMZ servers
5. Test all virtual and physical interfaces and applications
6. Develop migration plan for POHR Facility
7. Ship fully configured equipment to POHR
8. Schedule a weekend Outage to install
9. Implement Migration Plan
 - a. Install new server/network
 - b. Install firewall and migrate POHR public interface to new Firewall
 - c. Perform a P2V Migration of the POHR servers (Great Plains/File Servers)
 - d. Test POHR local access to Great Plains, Breezby lanes, existing BOs software/hardware
10. Support POHR Operations

11. Assumptions, Exclusions

As part of the Site survey by PSS Engineers, we may identify additional power requirements which would require electrical work and upgrades including the requirements for UPS and PDU equipment. Power requirements for overall infrastructure setup will be analyzed and provided after the Site visit to the POHR for the IT infrastructure setup.

The following items not considered part of the current proposal, due to dependency on the Site visit.

- Electrical work for the additional power for overall IT infrastructure setup
- Server Hardware Rack equipment
 - A typical server rack is a 42U Closed Rack – APC Netshelter SX Enclosure with Sides 42U – Estimated cost \$3500-\$5000
- Power Distribution Units (PDU)
 - A typical PDU setup is a 2xAP9 562 APC Rack PDU Estimated Cost around \$300-\$500
- UPS Unit
 - A typical setup is to have APC Smart-UPS X3000VA Rack/Tower LCD 100-127V with Network Card SMX3000RMLV2UNC-Estimated cost \$500-\$2000

ADDITIONAL SERVICES

POHR may request that the Consultant provide additional hardware development and maintenance services not identified in this contract. Additional services shall not be performed by Consultant until a written task order is signed by both parties (“Task Order”). Upon receipt of the written request to perform Additional Services for POHR, the POHR and Consultant shall negotiate the scope of the relevant Additional Services from the Port.

COMPENSATION

The Port shall pay the Consultant based upon the purchases and fees described below which totals \$97,776.43. If any part of the hardware or Third-party costs can be eliminated such costs will be reduced from the overall costs. Travel costs will be paid on a reimbursement basis with receipts depicting such costs to reimburse. All travel costs must be reasonable and within industry rates. Airfare will be based upon coach travel.

Invoices shall be submitted based upon project completion. Invoices shall disclose the costs incurred for hardware purchases. The Port shall make payment to consultant no later than 30 days from the date of invoice. Disputed invoices will be subject to the Port's option to cure, and the consultant reserves the right to suspend Services or terminate this Agreement if the Port's account is more than sixty (60) days delinquent; provided, however, that the Port's account shall not be deemed delinquent (and the Port shall not be deemed to be in breach of this Agreement) if the Port has not paid any disputed amount set forth in any invoice.

Table of Purchases and Consulting Costs

| Item No# | Item Type | Description | Price |
|----------|---|--|-------------|
| 1.0 | IT Hardware Cost (POHR, BOS IT Infrastructure) | <ul style="list-style-type: none"> • One PowerEdge VRTX chassis <ul style="list-style-type: none"> - Pro-Support Next Business Day Onsite Service for 5 years after problem is diagnosed - 24/7 S/W Tech Support and Assistance for 5 years. - Redundant Power - On-Board SD Card - Six(6) 600GB 15K RPM SAS 12Gbps 2.5" Hot Plug-in Drives - Five(5) 1.2TB 10K RPM SAS 12Gbps 2.5in Hot-plug Hard Drives • Three (3) Dual CPU E5-2630 v4 2.2GHz with 10Cores/CPU; <ul style="list-style-type: none"> - 64GB RAM; - On-Board SD Card; - Pro-Support Next Business Day Onsite Service for 5 years after problem is diagnosed - 24/7 S/W Tech Support and Assistance for 5 years. • Two (2) HPE Office Connect 48 Port Network Switches in a redundant configuration (3-YearManufacturer Warranty Support) • Two (2) Sonic Wall Firewall NSA2600 in High Availability Configuration with Comprehensive Gateway Security Suite with IPS, Web Filter, Spam Blocker; and 10 User SSL VPN License (5 years Subscription) | \$40,857.42 |

| Item No# | Item Type | Description | Price |
|---|--|--|---------------------|
| 2.0 | IT Software Cost (Third-party, COTS) (POHR, BOS IT Infrastructure) | <ul style="list-style-type: none"> • VMWare Standard for 6 CPUs with vCenter Management Suite (1 year support) • Red Hat Linux Enterprise Operating System for all Application Servers (1 Year Support) • Red Hat JBoss Middleware License for Tolling Applications (1 Year support) • PostgreSQL Subscription for Tolling Applications (1 year subscription) • Acronis Backup Software for Virtual Servers (1 year Support) • Acronis Cloud Backup – Subscription Service (1 year Support) • Four(4) Microsoft Windows Server (for Domain Controllers and Backup Server, and Log Consolidation Server) • Microsoft Identity Manager (25 Users) • One(1) Microsoft SQL Server for Log Consolidation Server • GFI Event Manager Software License (3 years Support) • GFI LanGuard Vulnerability Assessment Server (3 years Subscription) | \$49,295.00 |
| 3.0 | Professional Services IT Infrastructure Implementation | <ul style="list-style-type: none"> • Labor (Design, Procurement, Setup, Test, Shipping, Setup and Migration) – 416 Hours @ \$110/Hr. + 15% Markup | \$52,624.00 |
| 4.0 | Travel and Other Direct Costs | <ul style="list-style-type: none"> • Travel (Estimate) – At least two trips for two(2) to Hood River | \$5,000.00 |
| POHR-BOS IT Infrastructure TOTAL Price | | | \$147,776.43 |

| Item No# | Item Type | Description | Price |
|--|---|--|--------------------|
| 5.0 | POHR BOS Replacement Contract Estimation – Systems Hardware Cost (Credit) | <ul style="list-style-type: none"> CREDIT (Back-Office Third Party Hardware/Software Infrastructure Setup from original contract) | (\$50,000.00) |
| POHR-BOS IT Infrastructure Price Proposal - Net Total | | | \$97,776.43 |
| Additional Cost to POHR | | | |

STATUS OF CONSULTANT AND RELATIONSHIP:

- A. Independent Contractor. Consultant acknowledges and agrees that it is an independent contractor of the Port and nothing contained herein shall be construed as constituting any relationship, employment or otherwise, with the Port other than that as independent contractor, nor shall anything in this Agreement be construed as creating any relationship whatsoever between the Port and any of Consultant's employees, contractors, agents or representatives. Neither the Consultant nor the any of Consultant's employees, contractors, agents and/or representatives are nor shall they be deemed to be an employee of the Port. Consultant and Consultant's employees, contractors, agents and/or representatives are not and shall not act as an agent of the Port.
- B. Consultant's Contractors. All Employees, contractors, agents and/or representatives who assist Consultant in the performance of the Services shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries and other amount due Consultant's employees and/or contractors, agents or representatives in connection with the performance of the Services and shall be responsible for all reports and obligations respecting such employees and/or contractors, agents or representatives, including without limitation, social security tax, income tax withholding, unemployment compensation, worker's compensation, employee benefits and similar matters. Further, Consultant has sole authority and responsibility to employ, discharge and otherwise control Consultant's employees and/or contractors, agents and representatives. Consultant has sole authority and responsibility as principal for Consultant's agents, representatives, employees, contractors, and all other Consultant hires or otherwise engages to perform or assist in performing the Services. The Port's only interest is in the results to be achieved.

REPRESENTATIONS AND WARRANTIES: Consultant represents, warrants and covenants that:

- a. Consultant has the required ability, skills and capacity to, and shall, perform the Services in a workmanlike manner and consistent with this Agreement. Further, any employees and/or contractors of Consultant employed or otherwise engaged by Consultant in connection with performing the Services shall have the skill, experience and licenses required to perform the Services assigned to them;
- b. To the extent Consultant deems necessary, in accordance with prudent practices, Consultant has inspected the sites and all of the surrounding locations whereupon Consultant may be called to perform Consultant's obligations under this Agreement, and is familiar with requirements of the Services and accepts them for such performance;

- c. Consultant has knowledge of all of the legal requirements and business practices in the State of Oregon and elsewhere that must be followed in performing the Services, and the Services will be performed in conformity with such requirements and practices;
- d. Consultant is validly organized and exists in good standing under the laws of the State of New Jersey, and has all the requisite powers to carry on Consultant's business as now conducted or proposed to be conducted in connection with this Agreement, and Consultant is duly qualified, registered or licensed to do business in good standing in the State of New Jersey and the State of Oregon;
- e. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action and do not and will not (i) require any further consent or approval of the manager or any members of Consultant or any other person which has not been obtained or (ii) result in a breach of or default under the certificate of formation of Consultant or any indenture or loan or credit agreement or other material agreement or instrument to which Consultant is party of by which Consultant's properties and asset may be bound or affected; and
- f. The Services (and the Port's use thereof) will not infringe, misappropriate, or otherwise violate any third party intellectual property or proprietary rights and will be free of any claim by any third party based on patent, trademark, or copyright infringement, trade secret misappropriation, unfair trade practice, or otherwise.

CONSULTANT'S INSURANCE: Consultant will continue to maintain the insurance terms and levels as presented under the original agreement dated October 6, 2015 as long as this Agreement is in place.

- Have insurance during the term of the agreement
- Commercial General Liability insurance on an occurrence basis with a limit of not less than \$1,000,000 each occurrence for bodily injury and property damage of \$2,000,000 general aggregate. The Commercial General Liability insurance coverage shall provide contractual liability.
- Professional Liability insurance with a \$1,000,000 per claim and \$1,000,000 in the aggregate for malpractice or errors and omissions coverage of obligations and services performed pursuant to this Agreement.
- Workers Compensation insurance in compliance with ORS 656.017, or similar workers compensation and coverage.

INDEMNIFICATION: Consultant shall indemnify, defend and hold harmless the Port, its Commissioners, officers, employees, and agents in the same manner as outlined in the agreement dated October 6, 2015. This relates to claims, demands, suits, actions, proceedings, judgments, losses, damages, injuries, penalties, costs, expenses and liabilities arising out of this Agreement.

CONFIDENTIALITY: Confidential information defined, confidentiality obligations, exclusions, and return of confidential information and survival shall be the same as defined in the agreement dated October 6, 2015.

USE OF CONTRACTORS

- a. General. Consultant is solely and fully responsible to the Port for the performance of the Services under this Agreement, and Consultant shall be responsible and liable for all actions and omission of any and all contractors engaged by Consultant to perform any part of the

- Services. The Port reserves the right to require Consultant to terminate a contractor's contract at any time and for any reason whatsoever, without penalty to the Port.
- b. Contractor Commitments: All of Consultant's subcontracts with its contractors in connection with the performance of the Services shall be in writing and include the following provisions:
 - a. The Subcontract/contract is immediately terminable by Consultant, at the direction of the Port or otherwise, with or without cause;
 - b. The subcontractor shall carry insurance in forms and amounts satisfactory to the Port in its sole discretions, as provided by this Agreement; and
 - c. All warranties (expressed or implied) given by Consultant's contractors shall inure to the benefit of the Port and its successors.
 - c. Control. Contractors who assist Consultant in the performance of the Services shall at all times be under Consultant's exclusive direction and control and shall be contractors of Consultant and not contractors of the Port. Consultant shall pay or cause each contractor to pay all wages, salaries and other amounts due to Consultant's contractors in performance of the duties set forth in this Agreement and shall be responsible for any and all reports and obligations respecting such contractors. All contractors shall have the skill and experience and any license or permits required to perform the Services assigned to them.

TERMINATION:

- A. No-Cause Termination. In addition to any other rights provided herein, the Port shall have the right upon sixty (60) days prior written notice to Consultant, to terminate this Agreement and/or any Task Orders, in whole or in part, for the Port's convenience.
- B. Termination for "Cause". Consultant and the Port shall have the right to terminate this Agreement, including all Task Orders, in full for "cause" in the event that either party materially breaches Agreement and fails to cure that breach within thirty (30) days after receiving written notice describing the breach. For purposes of this Agreement, "cause" shall be defined as:
 - a. The insolvency or filing for bankruptcy by the Port or Consultant or reorganization for the benefit of creditors;
 - b. Any violation by the Port or Consultant or any of their managers, members, commissioners, agents, consultants/contractors, and employees of any federal, state, or local law or regulation directly related to the business of the Port or Consultant, or any of their subsidiaries, indictment for a felony, or any willful perpetration of a common law fraud;
 - c. The willful malfeasance or gross negligence of the Port or Consultant, or their respective manager, members, commissioners, agents, consultants/contractors, or employees; or
 - d. Failure of the Port or Consultant to substantially perform any of their respective obligations under this Agreement, including failure of Consultant to promptly and/or properly perform Services, or failure of the Port to make undisputed payments of Compensation or reimbursement for Reimbursable Expenses within the time specified in this Agreement.

EFFECT OF TERMINATION:

- A. Termination for the Port's Convenience: Upon termination of this Agreement under the Section above, and unless otherwise directed by the Port, Consultant shall immediately:
 - a. Stop work on the Services as specified in the notice of termination;

- b. Terminate all agreements with subcontractors to the extent they relate to the Services terminated;
 - c. Complete performance in accordance with this Agreement of all of the Services not terminated, if any; and
 - d. Take any action that may be reasonably necessary, or that the Port may reasonably direct, for the protection and preservation of the property of Work Product (as defined below) related to the Agreement that is in the possession of the Consultant and in which the Port has or may acquire an interest.
- B. Settlement and Payment. Upon termination or expiration of this Agreement, Consultant shall submit a final termination settlement proposal to the Port in a form and with a certification prescribed by the Port for Services performed and Reimbursable Expenses incurred but not-yet paid as of the termination date. Consultant shall submit the proposal promptly, but in no event later than thirty (30) days from the effective date of termination, unless extended in writing by the Port upon written request by the Consultant made within such thirty-day period.

FORCE MAJERE: Shall be the same as outline in the October 25, 2015 agreement.

Consultant shall not sell, assign, or transfer its interest in this Agreement.

AUTHORITY TO EXECUTE AGREEMENT. The persons executing this Agreement on behalf of Consultant and PORT warrant that they have been duly authorized to sign and have the authority to do so.

DATE: _____

P-SQUARE SOLUTIONS LLC,

307 Fellowship Road, Suite 104

Mount Laurel, NJ 08054

By: _____

Title: Reddy Patlolla, President

PORT OF HOOD RIVER

1000 E Port Marina Drive

Hood River OR 9703

By: _____

Michael McElwee, Executive Director

TECHNICAL PROPOSAL

2 TECHNICAL PROPOSAL

2.1 Application Architecture

The Enterprise Toll Back Office System (ETBOS) application architecture is illustrated in the figure below:

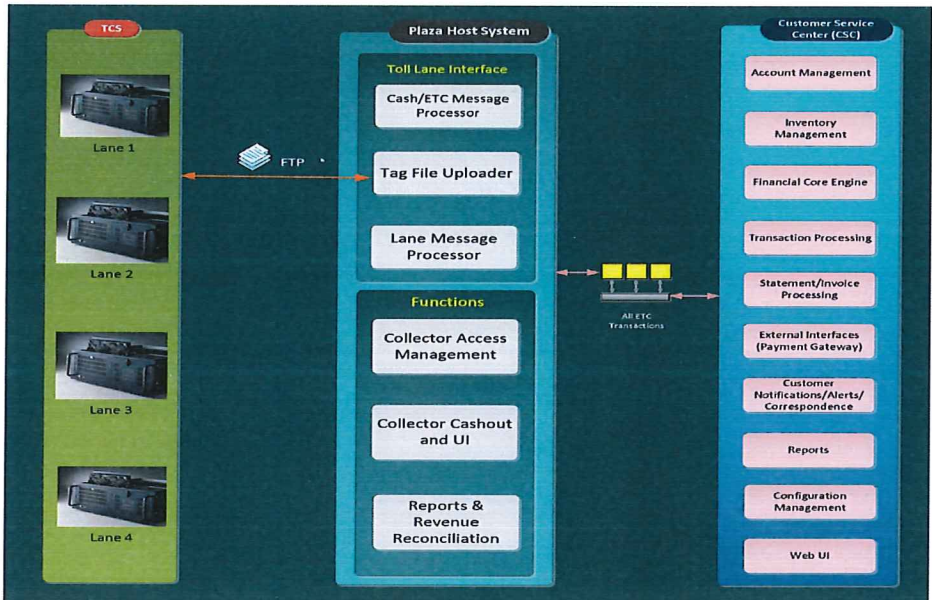


Figure 1: Enterprise Toll Back Office Application Architecture

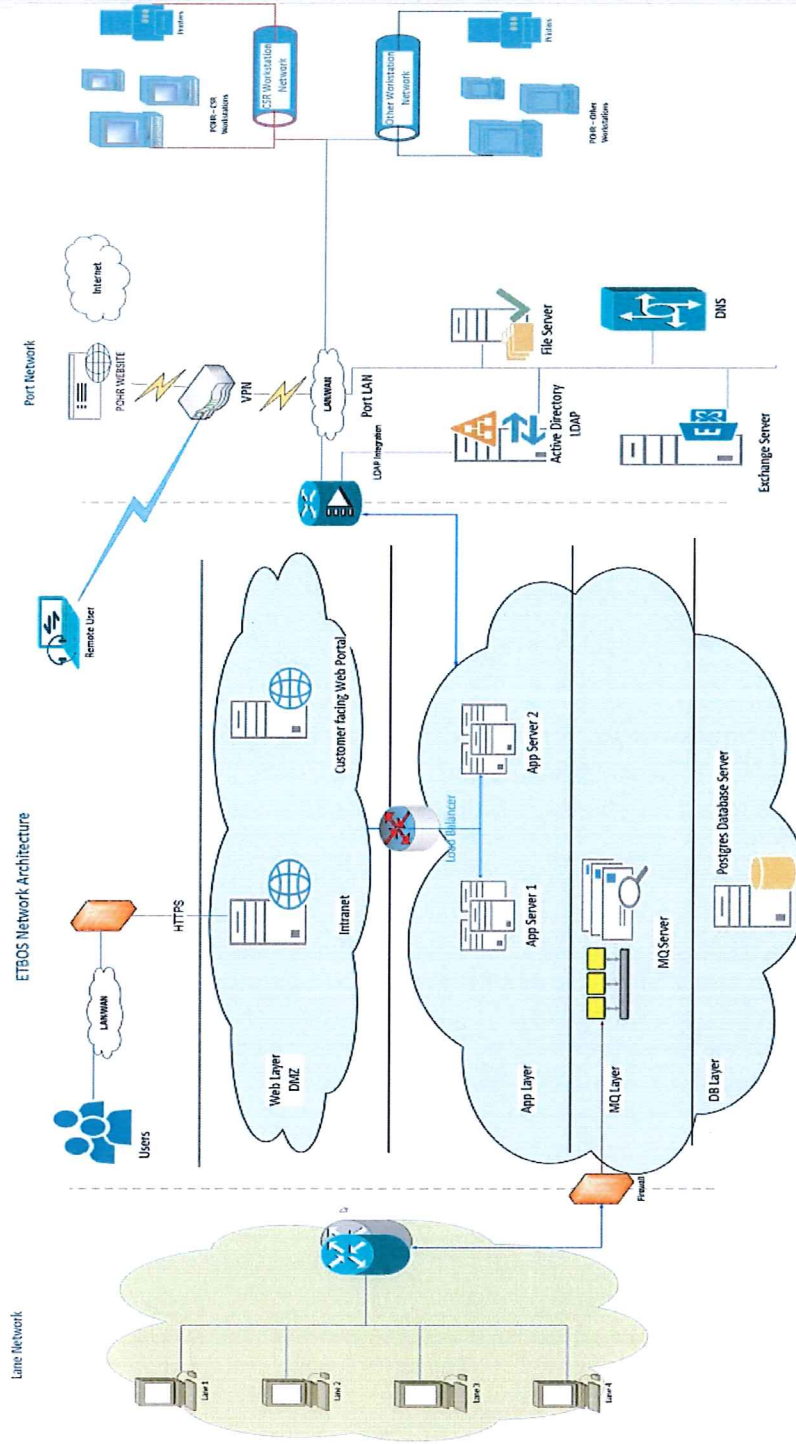


Figure 2: Enterprise Toll Back Office-POHR System Architecture

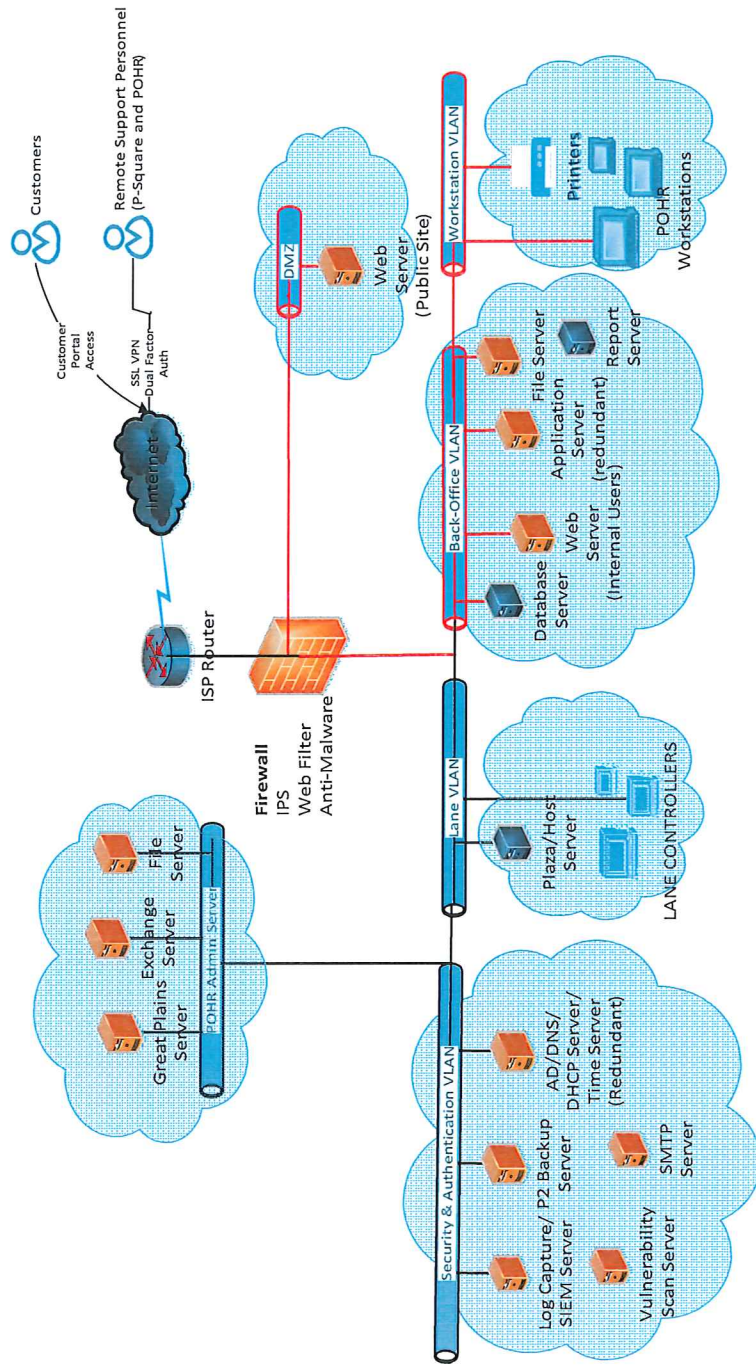


Figure 3 – Proposed POHR Network Architecture

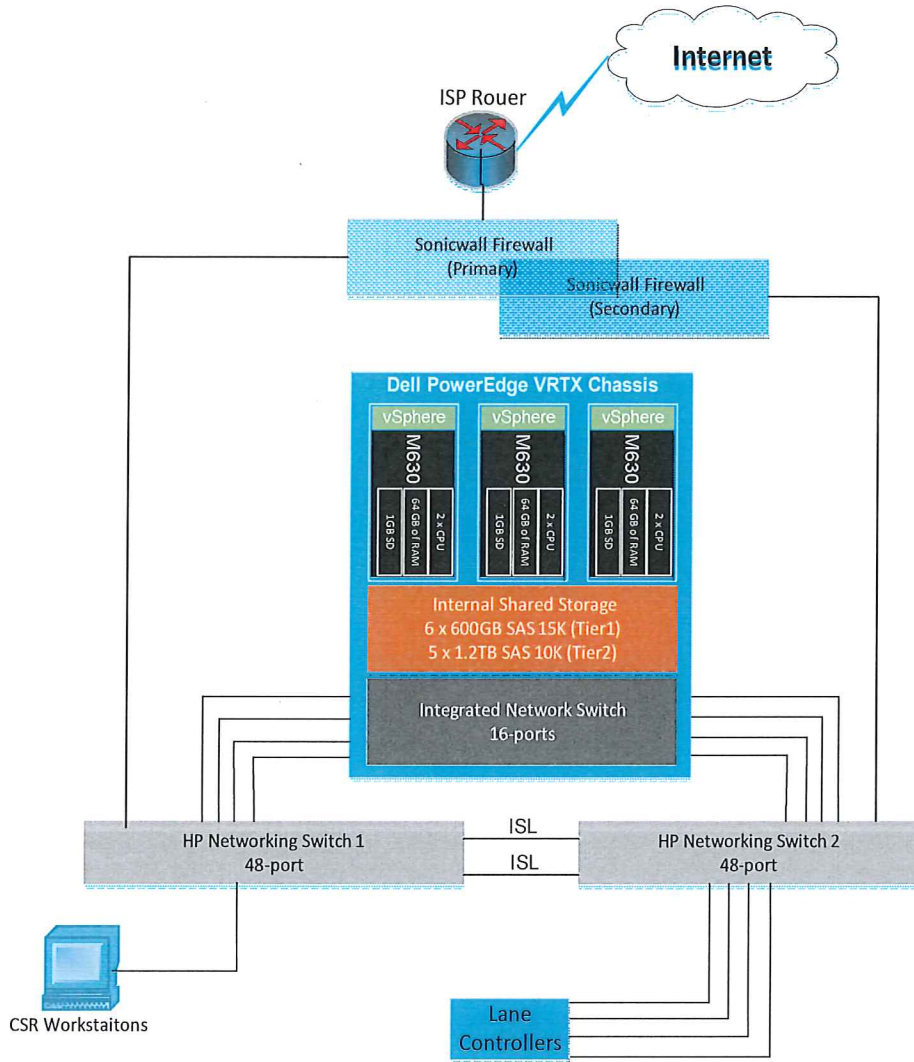


Figure 4 - REDUNDANT ARCHITECTURE

maintenance technicians can switch the network connections to the other switch. This design will help the POHR maintain a high level of availability for the network.



Figure 5: Network Switch

2.2.3.2 Dell SonicWALL Firewall

The Contractor will install two (2) redundant Dell Sonic Wall NSA 2600 Firewall Appliances configured in a High Availability mode. The Firewall will be connected to the ISP Router (provided by the POHR), for the connection to the internet. The SonicWALL Firewall will be provided with:

- Ten (10) SSL VPN Licenses with Dual Factory Authentication (for secure access)
- Comprehensive Security Gateway Suite Subscription which provides the following security features.
 - o Intrusion Prevention System (IPS)
 - o Application Layer Security Control
 - o Gateway Anti-Virus Protection
 - o Anti-Malware Protection
 - o Web Content Filtering.

The Subscription allows for the Firewall to receive the Malware and other threat signatures so that the IPS and Anti-Malware protection can prevent the network from being attacked. The Subscription Costs for the annual renewals for these appliances are included in the PSS Annual Support Contracts.



Figure 6: Dell Sonic Firewall

2.2.4 Security

The P Square Team understands the importance of network security for protecting POHR customer information Personal Identifiable Information (PII) and credit card information. The P Square team is experienced with implementing technologies to meet stringent security requirement to meet PCI compliance standards.

P Square CSC Software includes credit card tokenization using PayPal Services that eliminates storage of any Credit Card information in the CSC database. By doing that the burden of PCI compliance risk is greatly reduced. However, the workstations and customer web servers do allow

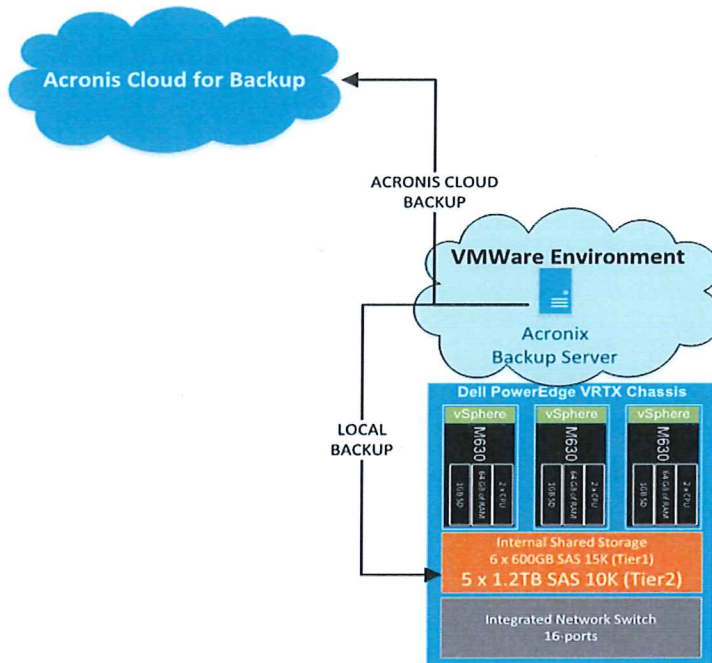


Figure 7: Backup and Disaster Recovery Setup

2.2.7 Third-party Software Components

The following third party software components are being proposed by P-Square

- VMWare Standard for 6 CPUs with vCenter Management Suite
- Red Hat Linux Enterprise Operating System for all Application Servers
- Red Hat JBoss Middleware License for Tolling Applications
- PostgreSQL Subscription for Tolling Applications
- Acronis Backup Software for Virtual Servers
- Acronis Cloud Backup – Subscription Service
- Four(4) Microsoft Windows Server (for Domain Controllers and Backup Server, and Log Consolidation Server)
- One(1) Microsoft SQL Server for Log Consolidation Server
- GFI Event Manager Software License
- GFI LanGuard Vulnerability Assessment Server

2.2.8 Support and Warranty

P Square back-office server and network infrastructure proposed has redundant components and uses the redundant components to establish high availability. The architecture is designed for the system to handle any component failures with no or minimal impact to the system operations.

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Commission Memo

Prepared by: Michael McElwee
Date: December 13, 2016
Re: Expo Project—DDA Amendment #6



The attached Amendment #6 to the Amended and Re-Stated Disposition & Development Agreement with Key Development describes limited changes to the scope of development and sets out a revised development schedule that anticipates completion of the Parcel 1 project in early 2018, about a year later than the current schedule.

RECOMMENDATION: Authorize Amendment #6 to the Amended and Restated Disposition and Development Agreement with Key Development, Inc.

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SIXTH AMENDMENT
TO
AMENDED AND RESTATED
AGREEMENT FOR DISPOSITION OF
PROPERTY
FOR DEVELOPMENT
PARCELS 1 AND 2

THIS SIXTH AMENDMENT TO AMENDED AND RESTATED AGREEMENT FOR DISPOSITION OF PROPERTY FOR DEVELOPMENT, dated and effective as of December 14, 2016, (“Sixth Amendment”) is entered into by and between the PORT OF HOOD RIVER, a municipal corporation (“Port”) and KEY DEVELOPMENT & ASSET MANAGEMENT, INC., an Oregon domestic corporation, as successor in interest of KEY DEVELOPMENT CORPORATION, an Oregon domestic corporation (“Buyer”). Port and Buyer are referred to jointly in the Sixth Amendment as “Parties”.

RECITALS

- A. Port and Buyer have entered into that certain Amended and Restated Agreement for Disposition of Property for Development, dated August 8, 2014 (“Agreement”) pertaining to Parcel 1 and Parcel 2 of Hood River County Partition Plat 201205P. Effective December 30, 2014, the Parties executed a First Amendment to the Agreement (“First Amendment”). Effective March 17, 2015, the Parties executed a Second Amendment to the Agreement (“Second Amendment”). Effective September 22, 2015, the Parties executed a Third Amendment to the Agreement (“Third Amendment”). Effective March 16, 2016 the Parties executed a Fourth Amendment to the Agreement (“Fourth Amendment”). Effective December 8, 2016 the Parties executed a Fifth Amendment to the Agreement (“Fifth Amendment”). The Agreement, as amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment, is referred to herein as the “Amended Agreement.”
- B. The Parties have agreed that the Amended Agreement must be amended to account for a substantive change in planned tenancy for Parcel 1 Development and necessary changes to the Schedule of Performance and Scope of Development to accommodate that change.
- C. All capitalized terms used herein shall have the meaning ascribed to them in this Sixth Amendment.

AGREEMENT

Now, therefore, in consideration of the mutual benefits to be realized by the following amendments to the Amended Agreement, the following exhibits of the Amended Agreement shall be modified as follows:

SECTION 1 REVISED EXHIBIT B SCHEDULE OF PERFORMANCE - PARCEL 1

The portion of Exhibit B SCHEDULE OF PERFORMANCE titled “Parcel 1” attached to the Amended Agreement is deleted and replaced by EXHIBIT B SCHEDULE OF PERFORMANCE, PARCEL 1 that is attached to this Sixth Amendment.

SECTION 2 REVISED EXHIBIT C SCOPE OF DEVELOPMENT - PARCEL 1

The portion of Exhibit C SCOPE OF DEVELOPMENT titled “Parcel 1 Scope of Development” attached to the Amended Agreement is deleted and replaced by EXHIBIT C SCOPE OF DEVELOPMENT, PARCEL 1 that is attached to this Sixth Amendment.

SECTION 3 GENERAL PROVISIONS

1. Complete Agreement

This Sixth Amendment is the complete agreement among the Parties with respect to the subject covered by this Sixth Amendment and it supersedes any prior agreement on the same subjects.

2. Effect on Amended Agreement

Except as amended by this Sixth Amendment, replacing Exhibit B and Exhibit C regarding Parcel 1, the Amended Agreement remains in full force and effect. Any Port approvals required by the Amended Agreement, taking into consideration the Parcel 1 Exhibit B and Exhibit C changes made by this Sixth Amendment, shall only be effective after Buyer receives the written consent of the Port, which consent may be granted or withheld in the Port’s discretion.

3. Authority to Execute

The persons executing this Sixth Amendment warrant that they have authority to do so to bind the Parties.

PORT OF HOOD RIVER

KEY DEVELOPMENT ASSET
MANAGEMENT, INC.

By: _____

By: _____

Michael McElwee

Jeff Pickhardt

Its: Executive Director

Its: President

EXHIBIT B SCHEDULE OF PERFORMANCE, PARCEL 1

| Activity | Expected Completion Date | Notes |
|---|--------------------------|----------|
| Retain new Architect | September 1, 2016 | COMPLETE |
| Begin Schematic Design Modifications | September 1, 2016 | COMPLETE |
| Complete Site Due Diligence | February 3, 2014 | COMPLETE |
| Submit Site Plan Review to City of Hood River | July 30, 2014 | COMPLETE |
| Planning Commission Hearing – City of Hood River | September 15, 2014 | COMPLETE |
| City Council Hearing – City of Hood River | September 22, 2014 | COMPLETE |
| Submit Site Plan Adjustments for Port Approval Prior to Modifying Approved Site Plan | February 21, 2017 | |
| Begin Design Development Modifications | April 14, 2017 | |
| Complete Design Development Modifications Drawings | May 15, 2017 | |
| Complete Design Development Modifications Cost Estimate | May 30, 2017 | |
| Complete Construction Drawings Modifications | August 28, 2017 | |
| Submit Construction Drawings Modifications for Port Approval Prior to Applying for new Building Permits | August 28, 2017 | |
| Submit for new Building Permits | September 1, 2017 | |
| Submit Construction Drawings Changes for Port Approval, if required (DG) | September 6, 2017 | |
| Obtain new Building Permits | November 6, 2017 | |
| Close on Land | December 17, 2015 | COMPLETE |
| Start Construction | November 28, 2017 | |
| Substantial Completion | August 28, 2018 | |
| Certificate of Occupancy | August 28, 2018 | |

EXHIBIT C SCOPE OF DEVELOPMENT, PARCEL 1

The project consists of a one or two-story, approximately 20,000 square foot industrial building, new parking spaces, and parking lot landscaping. One loading bay will be designed for the south or west end of the building with space for one truck. Forklift and vehicle access on at least two sides of the building will be provided.

Racking layouts inside the warehouse will be based on standard aisle widths for use by standard electric forklifts. Storage capacity will be approximately 3,000 pallets with a central tunnel where forklifts will maneuver. An option for hoisting equipment will also be included in the interior design. Capacity for approximately 5,000 square feet of refrigerator and freezer space will be provided.

A quality, heavy timber structure or engineered wood building system such as Cross-Laminated Timber panels will be used. Sustainable design strategies with technologies that control building systems will be maximized. Passive heating, cooling, and ventilation, stormwater management, and other green features will also be considered. Exterior materials will include concrete masonry or brick, steel, wood, and glass.

Commission Memo



Prepared by: Laurie Borton
Date: December 13, 2016
Re: Revisions to Marina Moorage Rules and Regulations

Marina Moorage Rules and Regulations (“Rules”) were last revised January 26, 2016. During the past eleven months clarifications and additions have been identified which are believed will provide better clarity for both staff and tenants. The revisions have been vetted with the Marina Committee and the statement in the regulations related to interruption of electrical service has been provided by Legal Counsel.

The Rules & Regulations are attached in draft form. Key changes are highlighted in yellow and summarized as follows:

Agreements, Page 1 (Clarification): Vessel Length

- A statement clarifies the overall length of a vessel must not exceed the assigned slip allowance. For example, if a bow sprit extends the length of a 30 foot boat, then the vessel must be assigned to a slip for a boat “over 30 feet.”

Fees, Page 2 (Revision): Utility Fee Payment Schedule

- At the November 15 meeting, the Commission approved annual invoicing of utility fees in January and that the fees are non-refundable. If actual electric usage exceeds the base fee, the cost overage will be billed quarterly. The revision corresponds to action approved by the Commission.

Guest Moorage, Page 3 (Addition): Floatplane Space, and Use East Dock

- A statement has been added that guest moorage is not available in the Marina for floatplanes.

Hold Harmless, Page 3 (Addition): Interruption of Utility Services

- Legal Counsel has provided language regarding the Port not being liable as a result of an interruption or failure to supply electricity or any other utility service. This statement is responsive to recent electrical problems and assertions of Port liability.

Maintenance, Page 4 (Clarification): Contacts in Case of Emergencies

- This revision clarifies that the Port will first contact the tenant if there is an emergency involving the vessel. If the tenant cannot be reached the person identified by the tenant as the emergency contact would then be notified.

Subleasing, Page 6 (*Revised*): Change in Sublease Structure

- Under the current rules, the tenant retains 50% of the sublease fee and the Port retains 50% of the fee. If the revision is approved, the administration would be streamlined and simplified with a payment to the Port of an administrative fee only. A sublease would not be approved until all documentation required of the tenant and the sublessee is received and the sublessee has met with the Marina Manager to review Marina Moorage Rules & Regulations. Payment of a moorage fee would be between the tenant and their sublessee but cannot exceed 1/12 of the annual moorage paid by the Tenant.

Few sublease agreements are entered into because of tenant dissatisfaction with the percentage they are credited with; and this year a fair amount of time was involved in initiating a moorage sublease but not executed once the sublessee was aware of the fee. The downside to revising the sublease policy is a loss of potential revenue; however, the upside is a benefit in staff time and efficiencies.

Staff will review proposed changes at the Commission meeting. If approved, revised Marina Moorage Rules & Regulations would become effective January 1, 2017. Tenants would be notified by email that an update is available on the Port's website.

RECOMMENDATION: Approve revisions to Marina Moorage Rules & Regulations effective January 1, 2017.

PORT OF HOOD RIVER
2017 MARINA MOORAGE RULES & REGULATIONS
Effective January 1, 2017

The word "Port" as used herein shall mean the Port of Hood River, and when appropriate may mean any person authorized to represent the Port. The word "Tenant" is used to indicate the owner of a boat, boathouse, or floatplane moored legally within the Port of Hood River Marina as per the conditions of a signed Moorage Rental Agreement or Boathouse Lease. The word "boat" includes boathouse or floatplane where appropriate.

Tenant agrees to comply with all applicable federal, state, county, city, and Port laws, codes, and ordinances in addition to these Marina Moorage Rules & Regulations. The Port may from time to time modify these Marina Moorage Rules & Regulations. Any such changes shall be posted on the Port's website at www.portofhoodriver.com, and shall be effective on the website posting date unless a later date is specified by the Port.

When a boat enters the Marina, it immediately comes under the jurisdiction of the Port of Hood River and shall be berthed or anchored only where authorized by the Port.

The Marina is a private facility owned and operated by the Port of Hood River, and the intended use of a slip is for recreational purposes and not as a storage facility. Any commercial activity requires a separate agreement and may or may not be granted.

The Port of Hood River was certified by the Oregon State Marine Board in 2012 as a "Clean Marina." Annual surveys are submitted and site visits are conducted every three years for recertification. The Port of Hood River Marina was recertified as a Clean Marina in 2015. Clean Marina "Best Management Practices," as attached, shall be observed.

Agreements

- A Moorage Rental Agreement with the Port will be executed only with the owner of the boat that is to occupy the assigned slip. Leasing of a boat slip by a person who is not a boat owner is prohibited.
- All boats MUST be moored in the slip assigned to Tenant per Moorage Agreement. All boats shall be tied up in berths or at moorings according to good practice. **The overall length of the vessel must NOT exceed the assigned slip allowance.**
- Tenant acknowledges that the Tenant has inspected the assigned slip and is satisfied slip is in good condition and adequate for the safe mooring of Tenant's boat. Each Tenant accepts the Marina and Slip in their present condition.
- The Port reserves the right to relocate Tenants to another moorage slip at any time.
- Contact information provided to the Port by the Tenant shall be kept current at all times, including emergency contact information.
- Boat partnerships must have all parties identified on the agreement, title and insurance coverage.
- No offensive activities shall be carried on by the Tenant at or in the immediate vicinity of the Marina. Tenant shall not engage in any activity that might be dangerous to life or limb nor permit any objectionable noise or odor on Tenant's boat, the Marina, or the premises adjacent to, nor shall anything be done thereon which will create a nuisance or disturb, interfere with or jeopardize the enjoyment of the Marina or of the adjoining property. The Port reserves the right in its sole discretion to determine whether an activity is considered "offensive."

- Tenant shall be responsible for and secure compliance with the terms of this agreement by Tenant's invitees, guests and family members. Any violation or breach by them is a breach by Tenant.

Betterment Lists

- A "Betterment List" requesting notice of slip vacancies is available for annual Tenants whose accounts are in good standing, i.e., no unpaid balances. Tenants on the Betterment List will be contacted by the Marina Manager when a slip becomes vacant and must respond within three (3) business days after offered. If a tenant declines, no response is received or if Tenant fails to move their vessel within the time allowed, the Tenant's right to the Betterment slip will expire. The Tenant will retain their place on the Betterment List. However, if a tenant is offered another Betterment move within twelve (12) months and declines or does not respond they will be removed from the Betterment List. Outside end slips are exempt from Betterment List requests. Date order priority is considered for Betterment List requests.
- No fee will be charged when a Tenant requests a "Betterment" move to a slip with the same length classification. Tenants seeking a boat slip with a different classification should apply for the appropriate "Wait List" and pay an Administrative fee.
- Tenants seeking to be on the Betterment List should contact the Marina Manager.

Bulletin Board

- All notices will be posted by Port of Hood River staff only. Notice requests may be emailed to marina@portofhoodriver.com; by calling the Marina Manager at (541) 386-7263; or by dropping a notice at the Port office. All notices will be date stamped.
- Notices posted without permission will be REMOVED.
- Event notices may be placed no more than two (2) weeks prior to the event and will be removed the next business day following the event.
- Non-event notices, such as items "For Sale" will be posted for no more than three (3) weeks.

Fees

- Annual Tenants have two moorage payment options: single payment due by January 31; or half payment due by January 31 with balance paid in full by April 30, plus a \$15. If at least half payment is not received by the Port by January 31, moorage must be immediately paid in full, plus a \$15 fee.
- **Utility Charges: Water/Garbage – each slip and boathouse Tenant will pay a flat \$5/month fee for water/garbage/recycling that will be billed annually in January. This is a non-refundable fee. Electrical – each slip and boathouse Tenant will pay a minimum of \$5/month for electricity that will be billed annually in January. This is a non-refundable fee. If the electrical usage is more than \$5/month, the actual cost will be billed quarterly.**
- Time and materials charges may be charged to the Tenant if Port staff spends substantial time or incurs costs attending to boats in danger of sinking or that may be causing damages to other boats or Port property.
- Accessory Watercraft In Water:
 - o Motorized: \$25 per motorized watercraft, per month, unless watercraft is an inflatable used in service of boat and proper registration and insurance is provided.
 - o Non-Motorized: Non-motorized accessory watercraft such as dinghies, kayaks or inflatables, are allowed if secured within the leased footprint within the slip. The Port has the final judgment on whether any accessory watercraft in the water is too big for the slip. If the Port determines a n accessory watercraft is too big for a Tenant's slip the Tenant must immediate remove the watercraft.

- o Non-Motorized (On Walkways or Slip Fingers): Main walkways and slip fingers shall be obstacle-free of boat supplies, accessories, and debris of a Tenant, Tenant guest or visitor. After describing type and manner of installation and receiving written permission from the Port, Tenants may install a storage box in the slip “triangle” so long as it does not extend on to the adjacent walkways or slip fingers.
- o Statements are payable by the Tenant within thirty (30) business days of the statement date.

Guest Moorage

- No Tenant may allow a guest to moor a boat in the Tenant slip without a Sublease Agreement in effect.
- Visitors may use the boat launch guest dock at the Marina. Overnight fees apply and use of the guest dock shall not exceed the maximum limits posted.
- Guest moorage is not available for floatplanes in the Marina.

Hold Harmless

- Tenants agree at all times to release the Port of Hood River from any claim of liability and hold the Port of Hood River harmless against any and all claims and demands arising from the negligence or wrongful acts of the Tenant, their agents, invitees or employees, and Tenant does specifically acknowledge and agree that the Port of Hood River is not liable under any circumstances for any loss or damage to Tenant’s boat, person or property, except as the result of intentional misconduct on the part of the Port of Hood River.
- Port may provide or make available utility services at the Marina; however, Port shall not be liable to Tenants or others resulting from, or be responsible to pay any costs associated with, an interruption in or failure to supply electricity or any other utility service at the Marina.

Insurance

- Tenants must provide a marine/watercraft insurance policy with general liability limits of at least \$500,000. Tenants whose vessels have fuel capacity of 30 or more gallons shall also provide, as part of the general liability coverage, proof of Pollution Liability coverage to a limit no less than \$100,000.
- Floatplane Tenants agree to provide aircraft liability insurance with minimum coverage of \$1,000,000.
- Without exception, the Port of Hood River shall be named as additional insured on all insurance policies required to be maintained by the tenant. A certificate of said insurance, issued in the name of the Port, shall be provided at the beginning of Tenant’s moorage term. The Port shall have the right to receive written notice prior to insurance cancellation. Failure to provide or keep in force such insurance shall be a Tenant violation of these rules, and default of the Tenant’s moorage rental agreement and be grounds for the Port to terminate the Tenant’s lease. Insurance must remain in force even when the boat is not occupying the slip.
- The Port is not responsible for any losses or damage to boats in the Marina. Each Tenant will be held responsible for damage that he or she may cause to other boats in the Marina or for damage to any structure. Any boat that may sink in the Marina may require professional salvage at the Tenant’s expense, as determined by the Port. If the Port incurs salvage expenses Tenant will promptly reimburse the Port for said expenses.

Keys/Key Cards

- Tenants may receive up to two key cards at no charge.
- Tenants may receive a maximum of four (4) cards issued per slip at any given time.
- Tenants shall pay a \$35 non-refundable fee, per additional key card issued after two key cards.

- Damaged or lost key cards will be de-activated and replaced at no charge for the first two replaced cards.
- Key cards will be only issued to Marina Tenants and Sublease Tenants approved by the Port.
- South Basin Dock keys, which require payment of a refundable \$50 key deposit per key, shall not be duplicated.

Liveboards

- There shall be no continuous living aboard boats or boathouses in the Marina. Tenants may not stay overnight on their boats in the Marina for more than 3 nights in any seven-day period. This privilege may be reviewed or revoked by the Port in its discretion.

Maintenance

- Boats shall be in a seaworthy condition and not constitute a fire hazard, or present a reasonable risk of sinking. If a vessel is subject to these conditions, it shall be immediately removed from the Marina for repair.
- Port and its agents and employees shall at all times have access to each Tenant's boat while moored at the Marina for the purpose of inspection, fighting fires or remedying or prevention of any casualty or potential hazard to the boat or the Marina.
- Any alteration of a slip is subject to prior written approval by the Port.
- In an emergency situation, primary contact will be made with the Tenant via the emergency contact information on file. If the Tenant cannot be reached, the person they have designated as their emergency contact person will be called. In the event there is no response within 12 hours and Port staff determines that a boat is in danger of sinking or causing damage to other boats or Port property, the Port staff or agents may board the boat and stabilize it. The Port and its agents and employees will not be responsible for any damage to the boat. The Port may charge Tenant costs of any Port staff time or contractor time and materials for stabilizing the boat.
- Tenant shall be responsible for any and all damage to the Marina, including slip, caused by Tenant's boat or activities.
- No major repairs, as defined by the Port, shall be made to boats while in slips or parking lots. In-water hull scraping or removal of paint below the water line is prohibited.
- All maintenance issues are to be reported to the Port of Hood River office by phone, by email to marina@portofhoodriver.com, or in person to ensure appropriate follow-up of items reported.
- Tenants will be notified 24-hours in advance of any scheduled maintenance work affecting all slips so that the Tenant has the option of being present when the work is done.

Notices to Tenants

- News of interest from the Port to the Tenants will be by means of electronic mail. Tenants will need to update Spam filters to allow mail from the portofhoodriver.com or gmail.com domains.
- Any notification of rules, regulations, or violations shall be in writing and shall be effective when delivered. Delivery will be by email and/or U.S. Postal Mail addressed to the parties at the address stated in the moorage agreement.

Parking/Special Events

- Tenant parking in the lot adjacent to the moorage entrance gate is on a first-come basis and a parking space is not guaranteed. Parking shall be in a neat and orderly fashion. The Port may request removal or may remove, at Tenant's expense, any vehicle parked in an improper manner, as determined by Port.
- Parking for an extended period exceeding three (3) days must be approved in advance in writing by the Port.
- Boat trailers shall not be parked in the lot adjacent to the moorage entrance gate without Port written approval.

- Overnight camping is prohibited in the parking areas.
- The Port, at its discretion due to special events in the adjacent park area, may limit access to the Marina parking lot, the hours of operations of the Marina facilities or limit the number of people that may access any moorage slip, or both. The Port will attempt to provide notice at least seven (7) days in advance by posting signage at the walkway entrance and on the Port's website (www.portofhoodriver.com).
- If the Port posts a sign or signs in the marina area requiring that vehicle parking comply with these regulations or conditions listed on the sign, and a vehicle is parked in violation of sign requirements, the vehicle may be towed from the site at the vehicle owner's expense.

Pets

- Dogs MUST be kept on leashes at all times on Port property, including the docks. "Pet Pick Up" bags are available near the gate for owners to clean up after their pets. Absolutely no waste may go into the water.

Safety/Security

- Main walkways and slip finger walkways shall be obstacle-free of boat supplies, accessories or debris. Water hoses and electrical cords shall be neatly coiled when not in use. The Tenant must remove anything from the Marina that does not fit onto the boat or into a locker. Authorization shall be obtained from the Port prior to placement of lockers, chests, dock boxes, cabinets, steps, ramps or similar structures in the Marina. All lockers, chests, dock boxes and cabinets must fit within the triangle space at each slip and must not overhang or be placed in walkways.
- No swimming, diving, fishing, or fish cleaning will be permitted in the Marina.
- Use of wheeled vehicles such as motorcycles, bicycles, scooters, skateboards or roller skates on moorage walkways or ramps is prohibited.
- Tenants shall accompany children under 16 years and guests at all times. Disorderly conduct by Tenants and/or guests is cause for immediate termination of the Moorage Agreement and removal of the Tenant's boat from the Marina. This includes offensive language and loud and rude behavior to others. The Port shall have sole discretion to determine whether conduct is considered disorderly. Please do your part to maintain a family atmosphere at the Marina.
- Graywater and sanitary waste shall not be discharged in the Marina except at an operable pump-out station, nor will refuse be thrown overboard. Garbage shall be deposited in receptacles supplied by the Port. Hazardous materials, including batteries, oil, paint, etc., shall be immediately removed from the Marina slips and Marina Park by the Tenant.
- Use biodegradable, non-toxic, phosphate free cleaners and/or soaps when cleaning your boat.
- Boats in the Marina shall be operated according to the Rules of the Road and the Navigation Laws of the United States.
- Boats not marked or identified as required by law will not be permitted within the Marina.
- All boats shall be tied up in berths or at moorings according to good practice. Boats shall be tethered only to the cleats for their assigned slip.
- All mooring lines must be in good condition and not have any visible fraying.
- Boats must be tied so that no part of the boat or its attachments extends over the walkway.
- The Marina is a NO WAKE ZONE. Boats within the Marina must be operated at a speed less than that which will create a wake.
- Electrical cords must be kept in good condition and be coiled, with no cords in the water. Tenant must use a proper 30/50 amp cord and plug that is approved for Marina use. Port-approved electrical cords are available for purchase at the Port office.

- The Marina is an area where electrical shock hazards can occur. It is the Tenant's responsibility to insure that electrical safety is maintained on and around their vessel. Electrical shock, potentially leading to death, can occur in the water up to 50 ft. away from any dock. NO SWIMMING is allowed in the Marina.
- The Marina's main electrical system is designed to cut the power supply to an individual dock if a low level ground fault is detected. It is critical that each Tenant maintain their vessel's electrical system and connection to the dock pedestal to insure no ground faults occur. If the Port determines that a vessel has tripped the GFI system, the Tenant responsible for the vessel shall be notified and access to the Marina power supply shall be immediately terminated until the Tenant can demonstrate to the Port's satisfaction that the ground fault hazard has been resolved and the vessel's electrical system is in good working order. NO EXCEPTIONS.

Garbage/Recycling

- Garbage and recycling receptacles are available at or near the Marina gate for use by Marina Tenants only.
- See "Fees" section regarding the annual garbage charge.
- Garbage or other refuse of any type must always be placed in appropriate containers. It may not be left at the Tenant's slip or on the walkways. Receptacles are not intended for disposal of personal belongings brought from home.
- It is a violation of federal and state laws to put refuse of any kind in the water. This includes fish parts.

Subleasing (See Attached "Sublease Request Form and Agreement")

- Annual Tenants in good standing for a minimum of 12 months may sublease their slip to another boat owner for a maximum sublease term of 12 months. A sublease of less than 30 days will not be permitted. Without exception, all subleases must have Port approval. Any agreement by a Tenant to sublease a slip without Port approval is a violation of the lease and may result in Lease termination.
- A sublease may be approved for a time period up to an additional 12 months if special circumstances exist such as an extended voyage. To obtain the sublease extension, the tenant must submit a written request detailing the need for an extension prior to the end of the 12-month term, make payment for all fees (moorage, special assessment, utilities) in advance prior to the start of the extended term, and receive Port approval. A sublease for an extended term may be offered to a Wait List person at the Port's discretion.
- The sublessee's vessel shall not occupy the slip until ALL required information and payment of an administrative fee has been provided to the Port by the Tenant, the sublessee has met with the Marina Manager to review Marina Moorage Rules & Regulations, and the sublease has been approved by the Port.

Slip Transfers

- If a Tenant sells their boat and boat is not replaced by the Tenant with a boat acceptable to the Port, Tenant's moorage term will terminate, provided the Port may allow the party who buys the Tenant's boat to lease the slip for a maximum of 6 months. The new owner may be added to the Wait List for a \$100 non-refundable administrative fee if they so choose. No later than 6 months after the purchase of Tenant's boat, the new owner will need to find other accommodations.
- Once the new owner vacates the slip, the slip will be offered to the next person on the Wait List UNLESS the vacated slip is a "Betterment" move; i.e. an eastside slip. A tenant would then be offered the Betterment move and the slip that then opens will be offered to the next person on the Wait List.

Termination

- A Tenant who wishes to voluntarily terminate their moorage tenancy before the end of the term shall notify the Port in writing not less than 60 days prior to the Tenant's proposed termination date. After a termination request is received, the Port shall attempt to re-lease the slip for the remainder of the term to someone else. The Tenant will be responsible to pay all amounts owed, including moorage lease payments, any special assessment or debt, and any unpaid annual electric or water/garbage charge for two full calendar months following the month in which notification is received by the Port. After that date, or if another boat owner agrees to execute a lease for the Tenant's slip and signs and provides lease documents satisfactory to the Port, the Tenant's lease shall be terminated and the Tenant shall receive a prorated refund of prepaid moorage from the date that a new tenant occupies the slip or three months after the Tenant's written termination notice is received by the Port, whichever is earlier. The Special Assessment is not refunded due to the Tenant already having received the benefit of the capital improvement.
- Tenants selling boats do not have the authority to transfer moorage slips, key cards, or annual payments to new owners. "For Sale" signs may be posted in the bulletin board at the ramp gate.
- If the moorage agreement is terminated because the Tenant is in default the Tenant will receive written notification via email and/or US Postal service mail sent to the address stated in the Moorage Agreement.

Defaults

- Failure to pay moorage rental as per the moorage agreement or any other Marina fees or charges within ten (10) days after Port written notice is sent to Tenant.
- Failure of a Tenant to comply with any of the terms or conditions of any Port Marina rule or regulation within ten (10) days after written notice from the Port is sent. If such noncompliance cannot be cured within ten (10) days but may be cured within a short time thereafter, the Tenant may apply for and receive approval from the Port Executive Director for an extension of time, or not, in the Port's discretion
- If the default is not remedied the Port may:
 - Terminate the moorage and re-lease the slip.
 - Recover any unpaid rent, charges or fees and damages, plus pay the Port's attorney's fees, if any, before suit, after suit is filed and on appeal.
 - Take possession of the boat, its apparel, fixtures, equipment and furnishings, and retain possession at the Marina or elsewhere until all charges then owing, and all charges arising thereafter are fully paid, and all violations of the terms of any moorage agreement or Port moorage rules and regulations have been cured, or if not cured dispose of the boat and items the Port has taken possession of
 - These remedies are in addition to and shall not be deemed in lieu of any other rights which the Port may have by virtue of federal and State laws, and local ordinances, including any Port ordinance.
- If a past-due payment default is cured, the tenant may be required, at the Port's discretion, to make a single payment by January 31 of the following moorage year.

Unauthorized Moorage

- No boats shall be docked adjacent to a Marina boathouse. Moorage for extra boats may be arranged through the Port office, in the Port's discretion
- If a boat, boathouse or floatplane is moored in the Marina without Port permission or the owner has refused or failed to sign a moorage rental agreement acceptable to the Port, the boat, boathouse or floatplane shall be subject to immediate eviction. The owner shall be responsible to comply with all Port Marina Moorage Rules and Regulations during occupancy, be liable for moorage rental charges based on the monthly moorage rate, and may, in the Port's discretion,

be charged fees a Marina moorage tenant would be responsible to pay, and be required to pay for any damages caused to the Port marina.

The boat, boathouse or floatplane and its tackle, apparel, fixtures, equipment and furnishings may be retained by the Port at the Marina or elsewhere, until all charges then owing and all charges which shall thereafter accrue are fully paid and all violations of Port moorage rules and regulations are cured. These remedies are in addition to and shall not be deemed in lieu of any other rights which the Port may have by virtue of federal and State laws, and local ordinances, including any Port ordinance.

Wait List

- A \$100 administrative fee is charged to be on a moorage Wait List. This fee is non-refundable and not applied to moorage. A separate administrative fee shall be paid to be on multiple lists. Updated Wait Lists are posted on the Port of Hood River website.
- Port staff will notify Wait List persons of potential slips that are available for lease. The slip(s) will be offered to the top three names on the Wait List concurrently with a deadline of five (5) business days to respond to the offer. The slip will be offered to the respondent listed highest of the three people that were contacted. The other individuals will maintain their current standing on the Wait List.
- Within fifteen (15) days of the acceptance of an offer, the Wait List person must enter into a signed lease and make a payment for the prorated moorage. If the prospective tenant does not own a boat they will be given thirty (30) days from the date of acceptance to purchase a boat to be placed in the slip or provide proof that a purchase transaction is pending. If the thirty (30) day requirement cannot be met and the prospective Tenant would like to remain on the Wait List, his or her name will be moved to the bottom of the List.
- If a Wait List person is contacted but is non-responsive, they will maintain their current standing on the Wait List. However, if a second offer is made within a 12-month period and the Wait List person is non-responsive or declines the offer, their name will be removed from the Wait List. If the name is removed, and the person wishes to stay on the Wait List, they would be required to pay another \$100 administrative fee and their name will be placed according to the date the form is received.
- If a slip becomes available for sublease, the Port will notify Wait List persons unless a Tenant has identified a boater who meets all sublease requirements.

Waiver

- Waiver of performance of any provision herein or of any other applicable laws, rules or regulations by the Port shall not be a waiver of nor prejudice of the Port's right otherwise to require performance of the same provision or any other provision. Time is of the essence of performance of all Tenant moorage agreement requirements and of performance of the terms and conditions of these Port Marina moorage rules and regulations.

CLEAN MARINA BEST MANAGEMENT PRACTICES (Oregon State Marine Board)

ENGINES AND BILGES

- Use absorbent bilge pads or socks to soak up oil and fuel
- Recycle and/or dispose of petroleum products properly
- Dispose of used oil filters properly and make sure they are thoroughly drained
- Do not discharge bilge water if there is a sheen to it
- Do not dispose of any fuels or used oil in the marina's dumpsters
- Contact the Moorage office for the nearest oil recycling locations

PAINTING AND VARNISHING

- It is prohibited to do any in-water hull scraping or any process that occurs underwater which removes paint from the boat hull
- Limit the amount of open solvents or paints on dock to one gallon or less
- Always mix paints and epoxy over a tarp
- Always use a drip pan and/or drop cloth (tarp) when painting
- Spray painting is not allowed within the marina
- Do not dispose of paints or solvents in the marina's dumpster

SURFACE PREPARATION

- Use biodegradable, non-toxic, phosphate free cleaners and/or soaps
- Liberally use tarps to capture all scrapings, debris and drips or use a vacuum sander
- Stretch tarps between the side of the boat and the dock when working over the water

SEWAGE

- Untreated sewage should never be discharged directly overboard
- Store sewage in holding tanks and dispose of properly at pump-out stations
- Ensure Marine Sanitation Devices (MSD's) Type I and II systems are working properly and discharge the treated waste only when your boat is underway (in coastal waters and rivers navigable from the ocean). Do not discharge any MSD while moored in the marina or at any time on inland lakes and reservoirs.
- Type III MSD's are NOT treatment systems; they are only holding tanks and are always required to use pump-out stations
- Use shore-side facilities as often as possible

SOLID WASTE DISPOSAL

- Pets must remain on a leash at all times and immediately pick up after your pet and dispose of the waste in a garbage receptacle
- All solid fish waste must be disposed of into garbage receptacles as it is illegal to dispose of fish carcasses in Oregon waterways
- Dispose of all garbage in the proper shore-side receptacles
- Recycle all plastics, newspapers, cardboard and aluminum in appropriate receptacles

* No open burning is allowed in the marina from petroleum-containing waste or garbage that would generate black smoke or noxious fumes.

ALL HAZARDOUS WASTE MUST BE DISPOSED OF PROPERLY. CONTACT THE MARINA OFFICE FOR MORE INFORMATION AT: (541) 386-1645

Thank you for helping us to protect the environment and keep a clean and enjoyable facility!

Tenant and Sublessee(s) to complete and sign form and return to the Port of Hood River Office for approval. Port shall approve or deny request within a period of ten (10) business days from receipt. Sublease does not take effect until approved by the Port.

SUBLEASE REQUEST FORM AND AGREEMENT

Tenant Section

Printed Name: _____ Slip _____

Sublease Dates: from _____ to _____

Gate/Restroom Cards Provided to Sublessee: _____

Insurance Policy Dates: from _____ to _____

Payment of a moorage fee to a Tenant from the sublessee cannot exceed 1/12 of the annual moorage paid by the Tenant.

Tenant Signature _____ **Date** _____

Sublessee Section

Printed Name: _____

Address: _____

Home or Cell Number: _____

Email Address: _____

Name of Emergency Contact: _____

Emergency Contact Phone Number: _____

Is vessel co-owned: Yes ___ No ___

Insurance Agent: _____

Agent Phone Number: _____

Marine Board Registration Decal: _____

Powerboat ___ Sailboat ___ Fuel Capacity ___

Boat Length: _____ Boat Width: _____

Primary Colors: _____

Boat Name: _____

Sublessee Signature _____ **Date** _____

Marina Rules & Regulation have been read (available on Port website at portofhoodriver.com/marina)

Vessel Co-owner's Name: _____

Address: _____

Home or Cell Number: _____

Email Address: _____

Co-owner Signature _____ **Date** _____

Marina Rules & Regulation have been read (available on Port website at portofhoodriver.com/marina)

FOR PORT USE ONLY:

- Tenant's account is in good standing.
- Ownership documentation provided by sublessee (title, marine board registration).
- COI for \$500,000 watercraft liability; \$100,000 for fuel spill liability.
- Port is certificate holder.
- Port is named Additional Insured.
- \$100 administrative fee paid by Tenant.
- Meeting scheduled with Sublessee to review Marina Rules & Regulations

DATES APPROVED: _____ **TO** _____

FOR THE PORT OF HOOD RIVER by: _____ **Date** _____

1000 E. Port Marina Drive, Hood River, OR 97031 – (541) 386-1645 – marina@portofhoodriver.com – www.portofhoodriver.com