



## PORT OF HOOD RIVER COMMISSION

### AGENDA

Tuesday, May 21, 2024

Port Conference Room

1000 E. Port Marina Drive, Hood River

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1. **Call to Order** – 5:00 PM
  - a. Modifications, Additions to Agenda
  - b. Public Comment (5 minutes per person per subject; 30-minute limit)
2. **Consent Agenda**
  - a. Approve Minutes from April 23, 2024, Regular Session & May 7, 2024, Budget Mtg. (*P. Rosas, Pg. 3*)
  - b. Approve Operations Agreement with Hood River Soaring at the Airport (*K. Greenwood, Pg. 9*)
  - c. Approve Lease with HP Civil Inc. in the Wasco Building (*K. Greenwood, Pg. 27*)
  - d. Approve Task Order 10 Amendment 4 with HDR Engineering (*R. Klapprich, Pg. 47*)
  - e. Ratify Lease with Blue Mountain Networks LLC, in the Big 7 Building (*K. Greenwood, Pg. 51*)
3. **Informational Reports**
  - a. Bridge Replacement Project Update (*Michael Shannon, Pg. 69*)
4. **Presentations & Discussion Items**
  - a. Through the Fence Agreement with Hood Aero at the Airport (*K. Greenwood, Pg. 79*)
  - b. Future Funding Opportunities for the Port (*K. Greenwood, Pg. 85*)
  - c. Update on North Apron Development (*K. Greenwood, Pg. 87*)
  - d. Dues & Memberships (*D. Smith-Wagar, Pg. 91*)
5. **Executive Director Report** (*K. Greenwood, Pg. 95*)
6. **Commissioner, Committee Reports**
7. **Action Items** - None
8. **Commission Call**
9. **Upcoming Meetings:**
  - a. Regular Session - June 11, 2024
  - b. Regular Session - July 16, 2024
  - c. Regular Session - August 20, 2024
10. **Confirmation of Commission Directives to Staff**
11. **Executive Session** - None
12. **Adjourn**

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

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

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

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### Regular Session

**PRESENT: Commissioners:** Kristi Chapman, Heather Gehring, Ben Sheppard, Mike Fox, and Tor Bieker. **Staff:** Kevin Greenwood, Debbie Smith-Wagar, Daryl Stafford, Ryan Klapprich, and Patty Rosas. **Guests:** Josh Coombs, Mike Howard, Judy Newman, John Benton, Rob Gilchrist, Russ Paddock, Jeff Renard, Terry Brandt, Claudia Munk-von Flotow, and Mark Hickok.

**ABSENT:** None

**MEDIA:** None

1. **CALL TO ORDER:** President Kristi Chapman called the meeting to order at 4:52 p.m.
2. **EXECUTIVE SESSION:** President Kristi Chapman recessed Regular Session at 4:52 p.m. to call the Commission into Executive Session under ORS 192.660(2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions.
3. **RECONVENE REGULAR SESSION:** The Commission was called back into Regular Session at 5:13 p.m. No action was taken as a result of Executive Session. Commissioner Chapman proceeded with Public Comment.
  - a. **Public Comment:**
    1. **Josh Coombs**, White Salmon Resident, commented that he is working on the hangar project with Aircraft Storage, LLC (“developer”) at the Ken Jernstedt Airfield (“airport”). Coombs emphasized his intention to invest in the airport and collaborate on the best site plan.
    2. **Judy Newman**, Hood River Resident, disagrees with the chosen location of the proposed hangars at the airport. Newman noted that the proposed placement on the North side is the best location for an administration building. Additionally, Newman raised concerns about mezzanines at the airport and cautioned against allowing this.
    3. **John Benton**, Hood River Resident, expressed the importance of continuity and adhering to the established plan for airport development.
    4. **Rob Gilchrist**, White Salmon Resident, commented that he is also involved in the hangar project with Josh Coombs. Gilchrist, a dedicated member of the local community, expressed his desire to see a successful airport. He emphasized that there are no ulterior motives to disrupt existing plans and stressed the importance of reaching consensus among all stakeholders.
    5. **Russ Paddock**, Hood River Resident, sought clarification on why the proposed location for the hangars at the airport does not align with the master plan. Paddock noted that the proposed location was originally designated for a terminal building.
    6. **Terry Brandt**, Hood River Resident, noted that the main goal is to enhance the airport, with a focus on the terminal building for public access. He stressed the importance of following the master plan, which suggests relocating the terminal to the north side for accessibility. Additionally, he highlighted the need for the Port to control leasing for oversight. Brandt also advocated for preserving hangar areas and exploring options like an airport district. Overall,

he emphasized the ethical duty to honor commitments and maintain control over critical infrastructure.

**b. Modifications, Additions to Agenda:**

1. Add Consent Agenda Item 4(m) – Operations Agreement
2. Modify Consent Agenda Item 4(h) – to allow for legal review

**4. CONSENT AGENDA:**

- a. Approve Minutes from the April 9, 2024 Spring Planning & Special Meeting
- b. Approve Resolution No. 2023-24-16 Adopting Findings for Sole Source Procurement
- c. Approve Master Service Agreement with PSquare for Tolling System Support
- d. Approve Contract with Pauly, Rogers and Co. for Audit Services
- e. Approve Contract with Hood River Security for Security Services
- f. Approve Communications Contract with Goss Creative Not to Exceed \$20,800
- g. Approve Contract with HRK Engineering for Parking Lot Design Not to Exceed \$50,000
- h. Approve Work Order No. 2 and 3 with Anne Medenbach for Leasing Services
- i. Approve Resolution No. 2023-24-17 for Executive Director Authorization
- j. Approve Addendum No. 2 to Lease with Crestline in Suite 200 in Marina #1 Building
- k. Approve Resolution No. 2023-24-19 Designating Credit Card Signer with Umpqua Bank
- l. Approve Accounts Payable to Beery Elsner & Hammond LLP in the Amount of \$8,904.10
- m. Approve Operations Agreement with Hood River Soaring at the Airport

**Motion:** Move to approve Consent Agenda by removing (m) but amending it to allow a 60-day extension and amending item (h) to allow for legal review.

**Move:** Bieker

**Second:** Fox

**Discussion:** Commissioner Tor Bieker requested time to review Consent Agenda item 4(m). There was consensus to extend the Operations Agreement for 60 days to allow time to make any necessary adjustments.

**Vote:** **Ayes:** Chapman, Gehring, Sheppard, Fox, and Bieker

**MOTION CARRIED**

**5. INFORMATIONAL REPORTS:**

- a. **Review Spring Planning Directives** – No Discussion
- b. **Bridge Replacement Project Update** – No Discussion

**6. PRESENTATIONS & DISCUSSION ITEMS:**

- a. **HR Parks & Recreation Upcoming Ballot Funding Measure** – Mike Howard from Hood River Parks and Recreation presented two ballot measures for the May 2024 election: a General Obligation Bond ("bond") and an Operational Levy ("levy"). If the \$72 million bond passes, the tax revenue would fund the construction of a new pool, parks, and trails. If the \$0.43 levy passes, it would cover operational costs and maintenance. A discussion followed regarding the ballot measures.
- b. **Ken Jernstedt Development MOU** – Kevin Greenwood, Executive Director, led a group discussion on the proposed hangar development at the airport. Jeffrey Renard, former general manager at the airport and current manager at the Columbia Gorge Regional Airport (CCGRA), shared successful strategies implemented at CCGRA and provided his recommendation for the hangar development at the airport. Subsequently, a discussion ensued, during which the suggestion was

made to explore alternative funding opportunities and potential grants to facilitate the development of the north ramp area. Concerns were expressed regarding the long-term commitment to the developer, and its potential implications for future development prospects.

After thorough deliberation, and with reference to the diagram of the proposed hangars (page 172 in the packet), the Commission arrived at a consensus to retain 200 feet of the northwest pad (site A and half of B) under Port control. Furthermore, in the event of an agreement between WAAAM and developers, a reconfigured layout of B (from north to south) is to be permitted, as well as allowing hangar development on the east side (C & D). Developers are required to finance "off-site" improvements, including those mandated by the county and fire department, and to adhere to standardized sub-lease language derived from Port leases.

7. **EXECUTIVE DIRECTOR REPORT:** Greenwood recognized the Port facilities crew for their involvement with the deck welding project. Almost 7,800 welds were completed from state to state in both lanes. Ryan Klapprich, Facilities Manager, reported that plans are underway to install a scale at the event site to redirect overweight trucks crossing the bridge. Trucks will be pulled off the freeway, targeting southbound traffic from the bridge and monitoring both sides of I-84 for enforcement. Though most traffic comes from the north, targeting a few trucks crossing the bridge is expected to prompt route changes. Safety measures are being evaluated between the event site and Lot 1, ensuring ample space for trucks to be weighed safely without obstructing buses.

Additionally, Greenwood noted that the Oregon Department of Transportation (ODOT) responded with pushback on the roundabout project, prompting staff to regroup and determine next steps. An update was provided on the lift span policy. Greenwood will follow up with the Portland Yacht Club and finalize the requirements to implement the lift span policy before the next Board meeting. Furthermore, the Commission discussed workforce housing at Lower Mill and reached a consensus not to pursue this option, opting instead to explore other alternatives.

Lastly, Commissioner Fox noted that Hood River-White Salmon Bridge Authority (HRWSBA) met with bridge experts and concerns were raised about the foundation on the Oregon side not being anchored on solid rock. It is crucial to proceed cautiously during construction of the new foundation to avoid triggering liquefaction on the current bridge. Options are being considered and the issue is being closely monitored.

8. **COMMISSIONER, COMMITTEE REPORTS:** None

9. **ACTION ITEMS:**

- a. **Approve Resolution No. 2023-24-18 Waterfront Recreation Policy.**

**Motion:** Move to adopt Resolution No. 2023-24-18 setting waterfront recreation development and concession permits with noted change to Section 3, Zone 3.

**Move:** Sheppard

**Second:** Bieker

**Discussion:** The Commission requested to add "No new business development for this area" to Section 3, Zone 3 of the policy.

**Vote:** **Ayes:** Chapman, Gehring, Sheppard, Fox, and Bieker

**MOTION CARRIED**

**10. COMMISSION CALL/UPCOMING MEETINGS:**

- a. Commissioner Bieker noted that if plans for the hangar development at the Airport fall through, the developer will explore other options with the county, potentially including development on the south side of the airport.

**11. CONFIRMATION OF DIRECTIVES:**

- a. Follow up with stakeholders regarding the new proposed layout for the hangars and associated conditions.
- b. Follow up with the Portland Yacht Club and finalize the requirements to implement the lift span policy before the next Board meeting.
- c. Update waterfront Recreation Policy to include “No new business development for this area” to Section 3, Zone 3 of the policy.

**12. ADJOURN:** The meeting was adjourned by unanimous consent at 7:14 p.m.

**ATTEST:**

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Kristi Chapman, President

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Michael Fox, Secretary

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### **Budget Committee Meeting**

**PRESENT: Commissioners:** Kristi Chapman, Heather Gehring (left at 3:20 p.m.), Tor Bieker, and Ben Sheppard (left at 3:00 p.m.). **Staff:** Kevin Greenwood, Debbie Smith-Wagar, Daryl Stafford, Ryan Klapprich, and Patty Rosas. **Budget Committee:** Judy Newman, John Benton, Bonifacio Romero, Brian Shortt, and Larry Brown.

**ABSENT:** Mike Fox

**MEDIA:** None

1. **CALL TO ORDER:** President Kristi Chapman called the meeting to order at 1:28 p.m.

2. **ELECTION OF OFFICERS:**

- a. **Motion:** Move to elect Brian Shortt as President  
**Move:** Brown  
**Second:** Newman  
**Discussion:** None  
**Vote:** **Aye:** Chapman, Gehring, Bieker, Sheppard, Newman, Benton, Romero, Shortt, and Brown.  
**Absent:** Fox

**MOTION CARRIED**

- b. **Motion:** Move to elect John Benton as Secretary  
**Move:** Brown  
**Second:** Newman  
**Discussion:** None  
**Vote:** **Aye:** Chapman, Gehring, Bieker, Sheppard, Newman, Benton, Romero, Shortt, and Brown.  
**Absent:** Fox

**MOTION CARRIED**

Brian Shortt, Budget Committee President, turned the meeting over to Kevin Greenwood, Executive Director, to present the Budget Message as the Budget Officer.

3. **BUDGET MESSAGE:** Greenwood commented that operating under ORS 777 regulations, the Port annually prepares a budget for review and approval, adhering to ORS 294.403 for the Budget Message. The proposed budget, serving as the financial plan for the next fiscal year, is based on historical data for balanced projections. Greenwood noted that taxpayers of the district provide financial support to the Port District that generates about \$105,000. Drawing from the Port's Strategic Business Plan, Capital Facilities List, and planning sessions, the budget is structured to address Port objectives and programming needs.

Themes from the Planning Session were also discussed. Greenwood commented that this year's budget introduces significant changes directed by the Commission to enhance transparency and financial management. These changes include restructuring finances for better transparency, especially regarding tolls, and implementing new financial software to provide more regular reports. The budget, effective from July 1, 2024, adopts a new fund organization outlined in the Planning Session, featuring the Administration Fund, General Fund, Bridge Fund, Bridge Replacement Fund, and Bi-State Bridge Fund.

Greenwood elaborated on the specifics of each fund. Concerns were raised regarding the apparent low Full Time Equivalent (FTE) for the Waterfront, prompting the suggestion to verify the accuracy of the FTE count. Finally, Greenwood highlighted that new software and tracking systems will improve transparency and budget management. He expressed gratitude to the Staff, Port Commission, and the Budget Committee for their valuable contributions.

**4. BUDGET REVIEW:** Debbie Smith-Wagar, Finance Director, outlined recent changes to the Port’s budget and financial structure. She clarified that the budget for the Big 7 building was allocated for both sale and operation for the year. Smith-Wagar then presented a detailed breakdown of the budget, covering expenses for different properties and revenue from grants. The discussion shifted to Marina Green Park and the airport, exploring potential additional revenue-generating uses. Furthermore, Smith-Wagar discussed the personnel summary, highlighting the addition of a new administrative position, as well as potential adjustments to employee deductibles aimed at addressing the rising healthcare expenses. Additionally, the Budget Committee has expressed interest in participating in the upcoming Fall Planning Sessions.

**6. BUDGET DELIBERATIONS:** Deliberations occurred throughout the meeting.

**7. ACTION ITEMS:**

- a. **Motion:** Move to approve a property tax levy at the rate of \$.0332 per thousand of assessed value for FY 2024-25.  
**Move:** Brown  
**Second:** Romero  
**Discussion:** None  
**Vote:** **Aye:** Chapman, Bieker, Newman, Benton, Romero, Shortt, and Brown.  
**Absent:** Fox, Gehring, and Sheppard.

**MOTION CARRIED**

- b. **Motion:** Move to approve the FY 2024-25 budget.  
**Move:** Brown  
**Second:** Benton  
**Discussion:** None  
**Vote:** **Aye:** Chapman, Bieker, Newman, Benton, Romero, Shortt, and Brown.  
**Absent:** Fox, Gehring, and Sheppard.

**MOTION CARRIED**

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

**ATTEST:**

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Brian Shortt, President, Budget Committee

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John Benton, Secretary, Budget Committee



# Commission Memo



Prepared by: Kevin Greenwood  
Date: May 21, 2024  
Re: Hood River Soaring Operations Agreement Renewal

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Hood River Soaring is a 501(c)3 corporation that provides glider rides, instruction, and services. They have been operating at the Ken Jernstedt Airfield since 2016 and wish to continue. This item was pulled from the April 16 consent agenda, though a two-month extension of the old agreement was approved. This new agreement starts July 1, 2024, and ends June 30, 2205. The rent has also increased from \$1000 annually to \$1500.

**RECOMMENDATION:** Approve Operations Agreement with Hood River Soaring at the Ken Jernstedt Airfield.

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PORT OF HOOD RIVER OPERATIONS AGREEMENT  
FOR A FLYING ORGANIZATION  
AT KEN JERNSTEDT AIRFIELD

The **Port of Hood River** (“Port”) hereby enters into the following Operations Agreement (“Agreement”) with **Hood River Soaring** a 501(c)3 Oregon non-profit Corporation (“HRS”), whereby the Port grants HRS the non-exclusive right to store, move and operate gliders and tow aircraft at Port owned Ken Jernstedt Airfield (“Airport”). HRS and the Port may be referred to herein individually as a “party” or collectively as the “parties.”

**RECITALS**

1. HRS is a nonprofit glider organization.
2. HRS provides tie-down management for non-organization gliders. Revenues collected are used to maintain the existing HRS fleet, defray the cost of soaring for Hood River’s glider community, and to further HRS’ non-profit mission.
3. HRS collaborates actively with the existing FBO.
4. HRS does not provide instruction to non-organization members, but it does participate in public outreach (i.e.: STEM-related class presentations at local schools, First Friday, etc.)

The parties hereby agree:

**I. DESCRIPTION.** In consideration of the covenants of the parties, the Port grants HSR access to and use of approximately 64,934 square feet of land, known as the “Glider Operations Area” and the “Glider Support Area” for placement and movement of glider aircraft and a tow aircraft in an area at the Airport east of Orchard Road and north of the airport access road (the “Premises”). The Premises is identified in the attached “Exhibit A-1” and the Glider Operations Area and Glider Support Area are identified in the attached “Exhibit B-1” and “Exhibit B-2.” HSR shall only store HSR owned or HRS authorized gliders and tow airplanes and related equipment on the Premises. Any aircraft owned or not owned by HSR located on the Premises shall be the sole responsibility of HSR.

**II. TERM OF AGREEMENT.** The term of this Agreement shall commence on July 1, 2024 (“Effective Date”) continuing through June 30, 2025 (the “Term”) unless terminated earlier by the Port pursuant to Section VII of this Agreement. The Port and HRS may agree to renew this Agreement for an extended period if the Port determines it is appropriate to do so after considering relevant facts, including whether HRS has strictly complied with the terms and conditions of all applicable Port ordinances, regulations and policies, now or hereafter in effect, and the terms of this Agreement.

**III. FEES.** A fee of One Thousand, Five Hundred Dollars (\$1,500.00) shall be paid by HRS to the Port within ten days after the date of this Agreement for the privilege of HRS engaging

in activities on Airport property permitted by this Agreement (“permitted activities”) during the term of this Agreement.

3.1 Additional Charges:

3.1.1 Maintenance. HSR shall be responsible to maintain the Premises in good, clean condition at all times, and to do all landscape maintenance on the Premises. HSR shall not maintain or alter the area from the edge of runway south or east 45 feet.

3.1.2 Utilities. HSR shall pay all monthly or regular charges for power, water and any other public utilities that shall be used in or charged against the Premises.

**IV. USE RIGHTS AND OBLIGATIONS.** Subject to HRS’ complete performance of the payment, other obligations and the terms and conditions of this Agreement, Port grants HRS the following rights:

- a. The general use of all public facilities and improvements which are now or may hereafter be constructed at the Airport, including: non-exclusive use of the runways, taxiways and other airport amenities.
- b. The right to operate a glider organization, including: glider member training, currency flights, flight reviews, check-rides and recreational flights.
- c. The right to tie down up to (12) twelve gliders and one (1) tow plane at one time in the Glider Operations Area, identified on Exhibits B-1 and B-2, which are attached hereto and incorporated herein by reference, using earth anchors as tie downs.
- d. Tie downs for non-HRS owned aircraft parked in the Glider Operations Area will be managed by HRS. Glider owners who park their aircraft in the Glider Operations Area for more than three (3) consecutive days must pay a monthly fee to HRS.
- e. Tie downs will be semi-permanent, auger type tie downs which HRS will be responsible to purchase, install and maintain. Location of such tie downs will be approved by the Port. If at any time, the Port has need to have the tie downs removed, HRS will do so within seventy-two (72) hours of notification of removal from the Port.

**V. OPERATING PLAN.**

5.1 General Operations.

- a. All gliders and tow planes shall be operated in conformance with FAA and AGLA regulations and the rules set forth in any Port ordinance, rule or regulation.
- b. The Port or FBO may suspend or restrict Glider Flight Activities at any time for reasons of safety including, but not limited to, weather, construction, firefighting operations, maintenance, etc. whenever they deem such action to be necessary. No person shall engage in Glider Flight Activities that violates any of the terms of such a suspension or restriction.
- c. No person who owns or controls a glider shall store or park the glider in the Restricted Access Areas unless an emergency exists, written permission is obtained from the Port or FBO, or unless permitted by the terms of a concession agreement.

- d. No person shall engage in any form of ground towing to launch a glider at the Airport, other than using a tow plane connected to the glider, unless the person has written permission from the Port or the FBO to do so, or it is permitted by the terms of a concession agreement.

#### 5.2 Glider Support Area.

- a. The Glider Support Area shall be the only Airport area used by Glider Operators for orientation and registration, waiting and observers, and shall be the only Airport area from which customers are moved to the Glider Operations Area by the pilot or support crew.
- b. Unless the Port gives written permission otherwise, the Glider Support Area shall be the only Airport area used by Recreational Glider Pilots, by their glider passengers, and by support crew to orient passengers and support crew and shall be the only Airport area from which Recreational Glider Pilots, their passengers and support crew are moved to the Glider Operations Area by the Glider Pilots or their support crew.
- c. No person shall place any canopies, picnic tables or other items intended for use by persons involved with or observing Glider Flight Activity in the Glider Support Area other than a person who has received written permission to do so from the Port.
- d. No person shall park a motor vehicle within the Glider Support Area unless located at a place designated for public parking by an official sign, or unless the vehicle has been registered with a Commercial Glider Operator and the motor vehicle is parked in a location within the Glider Support Area designated for parking under a Concession Agreement.
- e. Unless the Port gives written permission, all observers of a Recreational Glider Pilot intending to launch a Glider, their passengers and support crew, shall only meet at the Glider Support Area. All passengers, support crew, pilots and visitors may access the Glider Support Area via Orchard Road from the South. No access shall be allowed across airport property from the north.

#### 5.3 Glider Operations Area.

- a. Unless the Port gives written permission otherwise, the Glider Operations Area shall be the only Airport area used by Commercial Glider Operators and Recreational Glider Pilots, glider passengers and persons assisting them to provide a safety briefing, pre-flight orientation, to answer questions about glider launching and flight, and make final preparations for a Glider to be launched.
- b. No person shall remain in the Glider Operations Area after completing a Glider ride longer than necessary to remove the Glider that has landed from the Glider Operations Area, or in the case of passengers longer than necessary to be transported to the Glider Support Area, unless specifically permitted to do so by the FBO or unless the Port gives written permission to do so.
- c. No person shall place any objects within the Glider Operations Area except tow planes, gliders, and equipment necessary for conducting safe glider operations.

#### 5.4 Glider Launching.

- a. Standard Soaring Society of America (“SSA”) procedures now or hereafter adopted applicable to Glider Flight Activity on land shall be used by all glider pilots, and their assistants, before a Glider is launched and after a Glider has landed, including using appropriate hand signals.
- b. No Commercial Glider Operator or Recreational Glider Pilot or person assisting a Commercial Glider Operator or Recreational Glider Pilot to launch a Glider shall launch a Glider when there is a motor vehicle or aircraft in the area that may cause a risk of damage to the Glider or the motor vehicle or other aircraft. Each Glider pilot and person assisting a Glider launch shall assure that a Glider departure will not conflict with aircraft that are taxiing, taking-off or landing.
- c. Each pilot who is towing a Glider to launch it shall announce their departure on UNICOM frequency prior to take-off roll.
- d. Only a tow plane shall be used to launch a Glider, unless the Glider pilot has written permission from the Port or is permitted by the terms of a Concession Agreement, to do so.
- e. No person shall engage in any form of Glider towing prior to launching a Glider at the Airport other than using a tow plane. The use of a golf cart-tow for glider taxi to/from parking and for pre-launch staging is only to be performed by HRS Club members who have been trained and approved by ground crew.

**VI. INSURANCE.** HRS agrees that during the Term of this Agreement HRS will keep the following policies in effect with respect to permitted activities. The policies shall name the Port as additional insured; expressly include Port commissioners, officers, employees, and agents as additional named insured; and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Port at least ten days prior written notice. The insurance shall also expressly provide for the defense of the Port in any action arising out of HRS’s activities at the Airport or pursuant to this Agreement. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by the Port, which approval shall not be unreasonably withheld. A copy of the policy or certificate of insurance shall be delivered to the Port prior to commencing operations allowed under this Agreement.

6.1 Airport General Liability. HRS shall obtain and maintain minimum coverage of one million dollars (\$1,000,000.00) single occurrence limit with an aggregate limit of \$2,000,000.

6.2 Workers’ Compensation. HRS shall provide the Port with a complete list of all HRS’s employees prior to commencing permitted activities, and promptly provide the Port with an updated list of all HRS’s employees if HRS hires an employee after commencing permitted activities. HRS shall provide workers compensation coverage for HRS’s employees, as required by ORS 656.017. Prior to commencing permitted activities, and thereafter whenever a new employee is hired by the HRS, HRS shall provide the Port with proof that workers compensation coverage is in effect for all HRS’s employees.

6.3 Aircraft Passenger liability. HRS shall obtain and maintain minimum coverage of one million dollars (\$1,000,000.00) aggregate with one hundred thousand dollars (\$100,000.00) per passenger.

## **VII. HRS COMPLIANCE WITH APPLICABLE REQUIREMENTS**

7.1 Compliance Generally. Airport and public safety are of primary importance in the performance of permitted activities. HRS agrees to comply with:

- a. All Federal and State statutes and ordinances whenever enacted; and ordinances, regulations and policies imposed by the Port, which ordinances, regulations, and policies exist now or are promulgated or modified at any time during the term of this Agreement;
- b. All terms and conditions of this Agreement;
- c. Port requirement that any employee, agent or other person in any way affiliated with HRS must possess a valid, appropriate Federal Aviation Administration (“FAA”) commercial license when engaging in instruction or other flight activity which requires such a license.

7.2 Compliance with Port Ordinance 23 and Minimum Standards. Prior to signing this Agreement, HRS has received and reviewed a complete copy of Port Ordinance 23 and Minimum Standards including attached Exhibits. HRS acknowledges that all terms are reasonable, and agrees to comply with each provision with both documents as currently enacted or as modified during the Term of this Agreement.

7.3 Compliance with FAA Requirements, Laws and Rules. For purposes of this paragraph 7.3, HRS shall be described as a “Lessee”.

7.3.1 Lessee for Lessee, Lessee’s heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on or at the premises for a purpose for which a United States Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits (“facilities”), Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

7.3.2 Lessee for Lessee, Lessee’s heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that imposed by or pursuant to 49 CFR Part 21,

Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

7.3.3 Lessee agrees to comply with all existing and future laws, ordinances and government rules and regulations applicable to Lessee's occupancy and activities at the Leased Premises, including any related to FAA Port airport grant requirements and other FAA requirements, and to comply with any regulations or rules adopted by Lessor.

## **VIII. ENFORCEMENT**

8.1 Procedures. HRS hereby agrees to the following procedures and penalties applicable to enforcement of Port ordinances, regulations, policies and the terms of this Agreement.

8.2 Notice. If the Port alleges a violation of Port Ordinance 23, any other applicable ordinance, regulation or policy and/or breach of any provision of this Agreement, the Port shall notify HRS in writing ("Violation Notice"). A Port Violation Notice shall include a copy of any statement by, or filed with, the Port describing the alleged violation and/or breach. For the first violation and/or breach, or at the Port's discretion, the Violation Notice may state that it is only a warning, with no further Port action to be taken. If action is to be taken, the Violation Notice will set a date, time and place at which HRS may present evidence concerning the violation and/or breach ("Hearing").

8.2.1 Length of Notice. The Hearing date shall be not less than five business days after the date of the Violation Notice. HRS and the Port may mutually agree on a different Hearing date and time than stated in the Violation Notice.

8.3 Hearing. At the Hearing, HRS may deny the violation and/or breach, or explain mitigating circumstances, and may produce relevant evidence. The Port Executive Director or person designated by the Executive Director ("Hearing Officer") shall conduct the Hearing, and consider all evidence presented by HRS, and any other evidence received concerning the violation and/or breach. The Hearing Officer may consult with one or more members of the Port Airport Advisory Committee or the Port Commission about the violation and/or breach before deciding. HRS's failure to appear at the Hearing, or to provide a written denial or explanation prior to the Hearing, will be considered an admission that the violation and/or breach occurred, and consent that the Port may take whatever action the Port deems appropriate as a result. The Hearing Officer's decision about the violation and/or breach and the penalty, if any, shall be in writing ("Enforcement Order"), and shall be final when signed by the Hearing Officer.

### 8.4 Penalties for Non-Compliance.

8.4.1 Legal Remedies. HRS hereby agrees to pay \$250 for each violation of Port Ordinance 23, or any other applicable Port ordinance, as determined by the Hearing Officer, within the sole discretion of the Hearing Officer, as a breach of contract remedy entitling the Port to liquidated damages pursuant to Section VII of this Agreement. If HRS violates any Port ordinance, regulation, rule and/or breaches any term of this Agreement the Port shall also have



the right to enforce any applicable legal remedy allowed under the laws of the State of Oregon including, but not limited to termination of this Agreement or injunctive relief.

8.4.2 Termination of Agreement. HRS hereby agrees that the Port may terminate this Agreement at any time if HRS is found to have breached any condition of this Agreement, or violated any Port ordinance, rule or regulation, after notice and a hearing, as provided herein. If this Agreement is terminated, HRS shall immediately cease all activities theretofore permitted under this Agreement and shall receive a refund of a prorated portion of the fee paid as HRS's sole and exclusive remedy resulting from termination. HRS agrees Port termination of this Agreement shall be a sufficient reason for the Port to refuse to renew this Agreement and to refuse to grant HRS a future operations agreement.

8.4.3 Failure to Comply with Enforcement Order. If HRS fails to immediately comply with any Enforcement Order issued by the Hearing Officer after Notice and Hearing, the Port may use any means allowable under the laws of the State of Oregon to enforce the Enforcement Order.

8.5 Liquidated Damages. Both HRS and Port agree that it would be impracticable and extremely difficult to ascertain the amount of actual damages caused by HRS's failure to comply with this Agreement. HRS and Port therefore agree that, in the event it is established, pursuant to the Enforcement provision of this Agreement set forth in this Section VIII, HRS has breached this Agreement, HRS shall pay to the Port, as liquidated damages, Two Hundred Fifty Dollars (\$250) for each breach, as determined by the Hearings Officer. HRS also agrees that nothing in this Section is intended to limit Port's right to obtain any other applicable remedy under the laws of the State of Oregon.

**IX. ADVERTISING.** HRS shall not display any advertising, including signs or banners, on Port property, other than on HRS's vehicles or aircraft, without Port's prior written consent.

**X. VEHICLES AND AIRCRAFT.** Prior to commencing permitted activities HRS shall provide the Port with a complete list of vehicles (make, model, and license plate number, when applicable) and aircraft (type, "N" number", ownership) HRS will use for permitted activities. If HRS uses a different motor vehicle or aircraft during the term of this Agreement HRS shall promptly notify the Port and identify that motor vehicle or aircraft. No vehicles or aircraft other than HRS permitted vehicles may be used on the Premises without prior written Port permission.

**XI. INDEMNIFICATION.** HRS agrees to release, indemnify and hold harmless the Port and its Commissioners, agents, officers, employees, and successors from and against any and all liability, damages, business interruptions, delays, losses, claims, judgments of any kind whatsoever including all costs, attorneys' fees, and expenses incidental thereto, which may be suffered by, or caused to, the Port by reason of loss or damage to any property or injury to, or death of, any person arising from or by reason of HRS's use of the Airport. HRS shall further indemnify and hold harmless the Port from and against any and all claims, costs and expenses arising out of any act or omission of HRS or of HRS's agents, employees, contractors, partners, or invitees; and from and against all costs, attorney fees, expenses and liabilities incurred by the

Port as the result of any such use, conduct, activity, work, things done, permitted or suffered, breach, default or negligence, including but not limited to the defense or pursuit of any claim or any action or proceeding resulting therefrom. In case any action or proceeding is brought against the Port because of such matter, HRS, upon notice by the Port, shall defend the same at HRS's cost. The Port need not have paid any such claim to be so indemnified. HRS, as a material part of the consideration to the Port, states that it hereby assumes all risks of theft, loss, injury, damage or destruction of HRS's property or injury to HRS, or HRS's agents, contractors, employees, invitees, clients, partners, and successors in, upon or about the Airport arising from any cause and HRS hereby waives all claims in respect thereof against the Port.

**XII. FORCE MAJEURE.** HRS agrees that the Port shall not be liable for failure to perform this Agreement or for any loss, injury, damage or delay of any nature whatsoever caused by or resulting from any act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, pandemic, civil disturbance, war or any other cause beyond its control.

**XIII. WAIVER.** One or more waivers of any covenants or conditions of this Agreement by the Port shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by the Port to any act by HRS requiring Port's consent or approval shall not be construed as consent or approval to any subsequent act by HRS, unless the permission so states.

**XIV. BINDING ON EMPLOYEES.** The terms and conditions of this Agreement shall be binding on HRS and HRS's employees, contractors, agents, tenants, and any entity or person affiliated in any way with HRS.

**XV. NO ASSIGNMENT.** HRS agrees not to assign or in any manner transfer any rights granted by this Agreement without the previous written consent of the Port, which the Port may grant or withhold in the Port's sole discretion.

**XVI. NOTICE.** Any notice, request, consent, approval, demand or other communication to be given, made or provided for under this Agreement shall be in writing and deemed to be fully given by its delivery personally to the person or persons specified below or one day after actual receipt after being sent by certified mail, return receipt requested, to the following addresses, or to such other addresses or to the attention of such other persons as any party hereto shall hereinafter specify by written notice to the other party.

If to Port:

Port of Hood River  
Attn: Kevin M. Greenwood  
Executive Director  
1000 Port Marina Drive  
Hood River, OR 97031

If to HRS:

Hood River Soaring  
Attn: Ty Sibley  
President  
1640 4<sup>th</sup> Street  
Hood River, OR 97031

**XVII. ENTIRE AGREEMENT.** This Agreement, including all other documents referred to herein which form a part hereof, contains the entire understanding of the parties hereto with

respect to the subject matter contained herein. There are no restrictions, promises, warranties, covenants, or undertakings, other than those expressly set forth herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter of this Agreement.

**XVIII. GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

**XIX. COUNTERPARTS.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile signature shall have the same force and effect as an original.

**XX. SEVERABILITY.** In the event that any provision of this Agreement, or any portion thereof, is held by a court of competent jurisdiction to be unenforceable or invalid, the validity and enforceability of the enforceable portions of any such provision and of remaining provisions shall not be adversely affected.

**XXI. AUTHORITY TO EXECUTE.** Each of the persons executing this Agreement represents and warrants that they he/she have the authority to execute this Agreement on behalf of, and to bind, the entity they purport to represent, and agrees to indemnify and hold the other party harmless in the event such authority is found lacking.

**XXII. ADVICE OF COUNSEL.** In signing this Agreement, the parties hereto acknowledge that they have sought and obtained, or waived the opportunity to obtain, advice of counsel as to any and all matters contained in this Agreement, and that they fully understand and agree with the obligations and other matters contained herein.

**XXIII. AMENDMENTS IN WRITING.** This Agreement may not be modified, amended, altered or supplemented except by a writing executed by all parties to this Agreement.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2024.

HOOD RIVER SOARING

PORT OF HOOD RIVER

\_\_\_\_\_  
Ty Sibley, President

\_\_\_\_\_  
Kevin M. Greenwood, Executive Director

**Exhibit A-1  
Premises**



**Exhibit B-1  
Glider Operations Area & Glider Support Area**

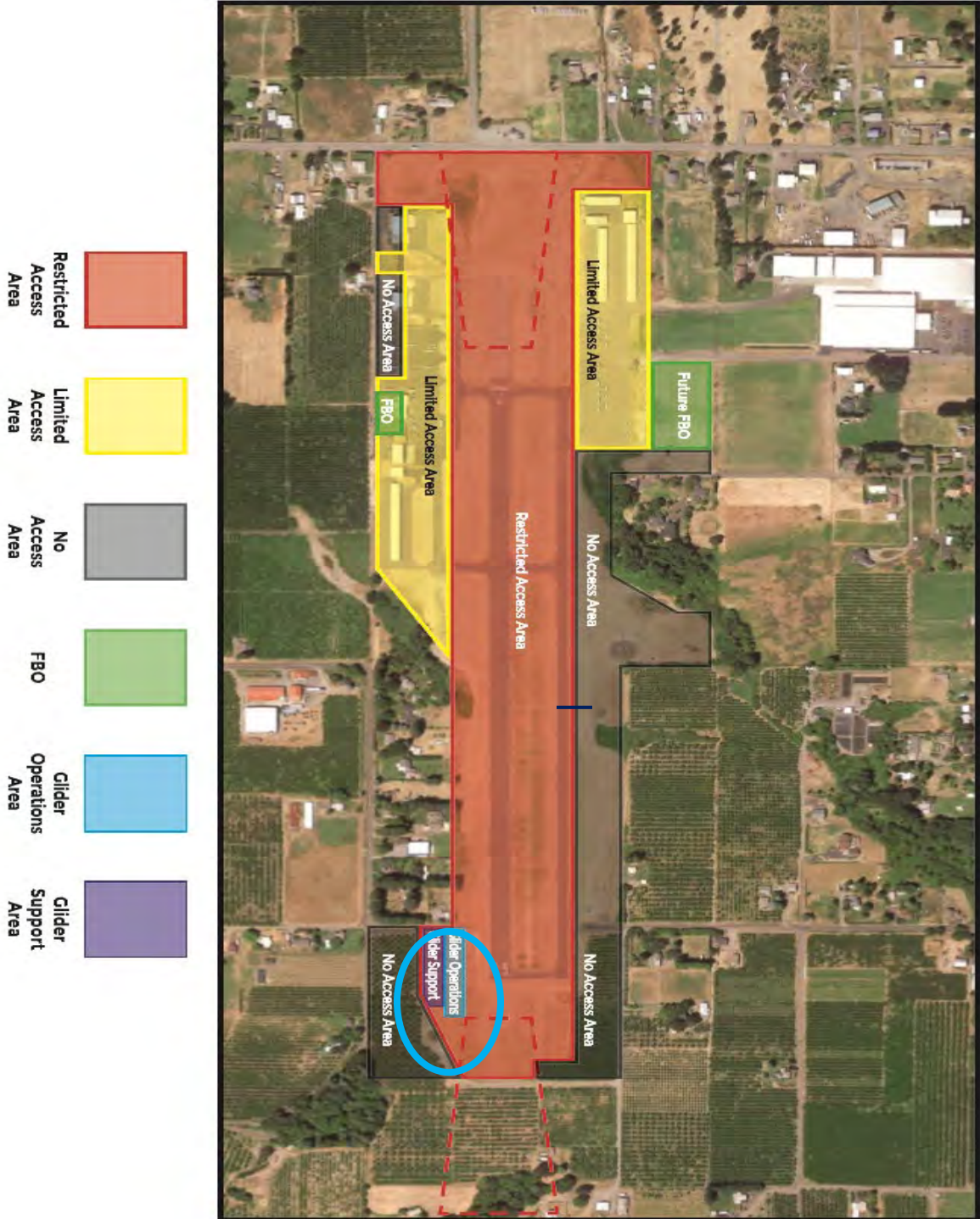


Gliders Operations  
Area



Glider Support  
Area

**Exhibit B-2  
Glider Operations Area & Glider Support Area**



**Exhibit A-1  
Premises**



### Exhibit B-1 Glider Operations Area & Glider Support Area



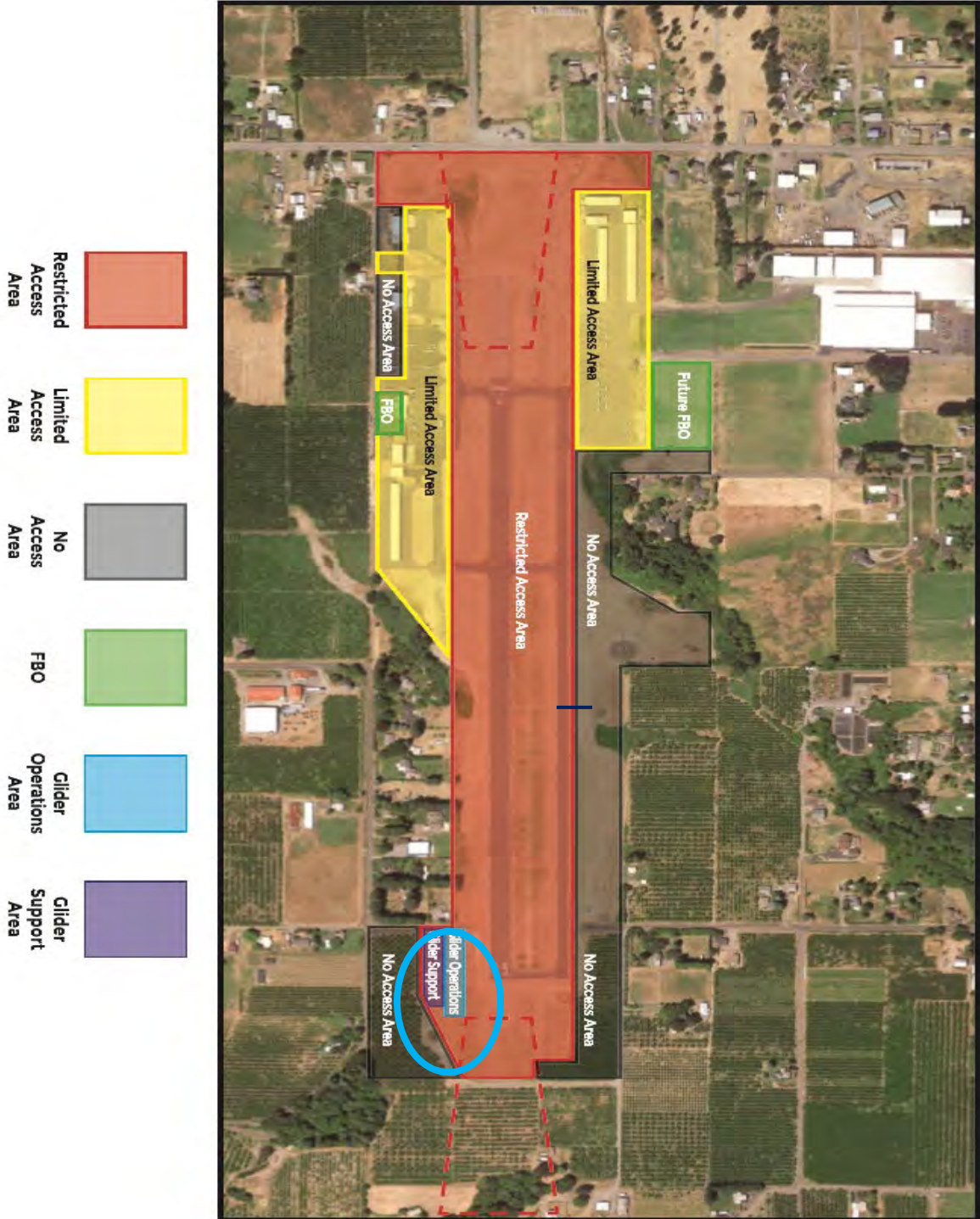
Gliders Operations  
Area



Glider Support  
Area



### Exhibit B-2 Glider Operations Area & Glider Support Area



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# Commission Memo



Prepared by: Kevin Greenwood  
Date: May 21, 2024  
Re: HP Civil Lease in the Wasco Building

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HP Civil is moving from the Marina East Building to space in the Wasco Building. Anne Medenbach facilitated this lease. It is a two-year lease for 1,581 sf, including both leased and common areas.

**RECOMMENDATION:** MOTION to approve the lease with HP Civil in the Wasco Building.

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LEASE

THIS LEASE is entered into at Hood River, Oregon by and between PORT OF HOOD RIVER, an Oregon municipal corporation, hereinafter referred to as "Lessor," and HP Civil Inc., an Oregon corporation, hereinafter referred to as "Lessee." Lessor and Lessee may hereafter be referred to individually as a "party" or collectively as the "parties".

- 1. **Leased Premises Description.** In consideration of the covenants of the parties, Lessor Leases to Lessee approximately 1,581 square feet of space in Lessor’s building commonly known as the Wasco\_ Building ("Building") located at 205 Wasco Loop, Hood River, Oregon ("Leased Premises"). The Leased Premises are identified in the attached "Exhibit A."

Building Name:	Wasco
Building Address:	205 Wasco Loop, Hood River
Lessee Suite/Description:	2nd floor, north wing
Leased Area:	1,322
Rentable Area:	1,581

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

- 2. **Term.** The Lease shall be binding when both parties sign the Lease. The Lease Term shall be for the period effective on **July 1, 2024** and continuing through **June 30, 2026**. Lessee has the option to extend the Lease for five (5) \_ extension term(s) of one (1) year(s) each, through June 30, 2031, provided that (i) Lessee gives Lessor written notice of Lessee's intent to renew the Lease for the additional term while the Lease is in effect(ii) the Lease is in full force and effect, (iii) Lessee has not been in Default beyond any applicable cure periods more than two times in the last year of the initial term of the Lease, (iv) the creditworthiness of Lessee, as revealed by its most current financial statements, is materially the same as or better than on the date of the Lease, and (v) the current use of the Leased Premises is consistent with the Permitted Use or other use approved by Lessor. To be effective, Lessee’s notice to renew must be received by Lessor no later than ninety (90) calendar days prior to the Lease termination date.

Effective Date:	July 1, 2024
Lease Expiration Date:	June 30, 2026
Renewal Options:	Five (5) one (1) year options
Renewal Notice Requirement:	90 days

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

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

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

Load Factor Formula: The total Building square footage is 14,650 SF. The Building Common Area square footage is 2,414 SF. The total Building square footage divided by the total Building square footage minus the Building Common Area square footage equals the Load Factor. The (Building Name) Load Factor is 16.4%.

Rentable "Area square footage" is the Leased Premises square footage (1,322 SF) times the Load Factor (16.4%).  $1,322 \text{ SF} * 16.4\% = 1,581$ . The Rentable Area square footage used to calculate Rent as defined below, is **1,581SF**.

5. **Rent**

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

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

<u>Suite #</u>	<u>Rentable Area Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rent</u>
North wing 2nd floor	SF- 1581	\$1.13	\$1,786.53

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

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

**5.3 Additional Rent Calculation.**

<u>Rentable Area (Square Footage)</u>	<u>Estimated rate per s.f. per month</u>	<u>Monthly Estimated Additional Rent</u>
1,581	\$0.44	\$695.64

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

- 5.3.5 **Late Charge; Interest.** Rent not paid when due shall bear interest until paid the rate of twelve percent (12%) per annum from the due date until paid. Lessor may impose a late charge of five percent (5%) of the overdue payment (the "Late Charge"). Lessee agrees that late payment by Lessee to Lessor of any Rent or other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, that the exact amount of such costs are extremely difficult and impracticable to ascertain, and that the Late Charge is not a penalty but represents a fair and reasonable estimate of the costs that Lessor will incur by reason of any such late payment. The imposition or collection or failure to impose or collect such a Late Charge shall not be deemed a waiver by Lessor of any other remedies available for Lessee's default of this Lease.
6. **Building Common Areas and Building Exterior Areas.** Building Common Areas and Building Exterior Areas are provided by Lessor for the joint use and benefit of Building tenants, including Lessee, their employees, customers, suppliers and other invitees. Building Common Areas and Building Exterior Areas are identified in the attached "Exhibit A". Use of available Building Common Areas and Building Exterior Areas shall be subject to compatible, non-exclusive use on the part of other Building tenants. Lessee agrees that its usage of such Building Common Areas and Exterior Building Areas shall not interfere or be inconsistent with the similar rights of other Building tenants. All Building Common Areas and Exterior Building Areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all Building Common Areas and Building Exterior Areas, which Lessee agrees to abide by. Lessee understands and agrees that other tenants may occupy the Building.
- 6.1 **Building Exterior Areas.** Include: public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by particular Building tenants as shown in the attached Exhibit B.
- 6.2 **Building Common Areas.** Include: interior Building space which is not available for lease to a third party and that is shared by Building tenants and shall include, but is not limited to:

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

7. **Parking.** Lessee may park vehicles in Building Exterior Areas designated by Lessor for vehicle parking when parking spaces are available. As part of this Lease Lessee may also park vehicles in two (2) designated parking spaces located West of the building. Lessor shall have no obligation to monitor parking or enforce parking restrictions associated with Lessee's designated parking spaces.
8. **Maintenance and Repair.** Expenses of any maintenance or repair activity that is not considered a Capital Expenditure is an Operating Expense described in section 5.3.1 of this Lease. Lessee shall pay a proportional share (based on its Rentable Area square footage) share of the cost of Lessor maintenance and repair activities as Additional Rent.

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

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

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

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

## 9. Indemnification and Insurance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**23. Remedies on Default.**

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

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

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

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

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



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

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

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

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

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

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

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

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

DATED this \_\_\_\_ day of \_\_\_\_\_, 2024.

Lessee:

Lessor:

Port of Hood River

Signed:

\_\_\_\_\_

Signed:

\_\_\_\_\_

By:

By:

Its:

Its:

Address:

8795 Aumsville Hwy. SE  
Salem, OR 97317

Address:

Email/phone:

Email/phone:

### Exhibit A LEASED PREMISES AND COMMON AREAS



**Exhibit B**  
**BUILDING EXTERIOR AREAS**  
**intentionally left blank**

OREGON SECRETARY OF STATE  
**Corporation Division**

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### Business Entity Data

05-16-2024  
11:41

Registry Nbr	Entity Type	Entity Status	Jurisdiction	Registry Date	Next Renewal Date	Renewal Due?
984191-96	DBC	ACT	OREGON	12-17-2013	12-17-2024	
Entity Name HP CIVIL INC.						
Foreign Name						

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### Associated Names

Type	PPB	PRINCIPAL PLACE OF BUSINESS				
Addr 1	8795 AUMSVILLE HWY SE					
Addr 2						
CSZ	SALEM	OR	97317	Country	UNITED STATES OF AMERICA	

Please click [here](#) for general information about registered agents and service of process.

Type	AGT	REGISTERED AGENT	Start Date	07-19-2022	Resign Date
Name	LARRY	D	GESCHER		
Addr 1	8795 AUMSVILLE HWY SE				
Addr 2					
CSZ	SALEM	OR	97317	Country	UNITED STATES OF AMERICA

Type	MAL	MAILING ADDRESS
Addr 1	8795 AUMSVILLE HWY SE	
Addr 2		
CSZ	SALEM	OR 97317 Country UNITED STATES OF AMERICA

Type	PRE	PRESIDENT	Resign Date	
Name	LARRY	D	GESCHER	
Addr 1	8795 AUMSVILLE HWY SE			
Addr 2				
CSZ	SALEM	OR	97317	Country UNITED STATES OF AMERICA

Type	SEC	SECRETARY	Resign Date	
Name	JOSHUA	J	SMITH	
Addr 1	8795 AUMSVILLE HWY SE			
Addr 2				

CSZ	SALEM	OR	97317		Country	UNITED STATES OF AMERICA
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## Name History

Business Entity Name	Name Type	Name Status	Start Date	End Date
HP CIVIL INC.	EN	CUR	12-23-2013	
HP CIVIL, INC.	EN	PRE	12-17-2013	12-23-2013

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## Summary History

Image Available	Action	Transaction Date	Effective Date	Status	Name/Agent Change	Dissolved By
	AMENDED ANNUAL REPORT	10-30-2023		FI		
	AMENDED ANNUAL REPORT	11-03-2022		FI		
	AMNDMT TO ANNUAL RPT/INFO STATEMENT	07-19-2022		FI	Agent	
	AMENDED ANNUAL REPORT	11-02-2021		FI		
	AMENDED ANNUAL REPORT	11-02-2020		FI		
	AMENDED ANNUAL REPORT	11-07-2019		FI		
	AMENDED ANNUAL REPORT	11-26-2018		FI		
	AMENDED ANNUAL REPORT	11-14-2017		FI		
	AMENDED ANNUAL REPORT	11-23-2016		FI		
	AMENDED ANNUAL REPORT	11-18-2015		FI		
	AMENDED ANNUAL REPORT	11-18-2014		FI	Agent	
	ARTICLES OF AMENDMENT	12-23-2013		FI	Name	
	ARTICLES OF INCORPORATION	12-17-2013		FI	Agent	

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# Commission Memo



Prepared by: Ryan Klapprich  
Date: May 21, 2024  
Re: HDR Bridge Contract- Task Order No. 10  
Amendment No. 4, For On Call Services

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On June 16, 2015, the Commission approved a Master Personal Services Agreement (“Contract”) with HDR Engineering (HDR) for a variety of bridge engineering tasks. On June 27, 2017, the Commission approved Amendment No. 1 to the MPSA extending the agreement through June 30, 2019. On June 18, 2019, the Commission approved Amendment No. 2 extending the Agreement through June 30, 2021. On June 25, 2021, the commission approved Amendment No. 3 extending the Agreement through June 30, 2024.

Each year, a task order is designated for “On-call Services.” This makes HDR’s expertise available to assist staff with miscellaneous and sometimes un-foreseen bridge tasks. Over the past six years, efforts under this task order have included regular updates to the 8-year repair/maintenance model, preparation of the annual work plan and review of ODOT’s biennial bridge inspection reports.

The attached Amendment No. 4 to Task Order No. 10 will serve as the On-Call Services Contract for FY 24/25, with a proposed increase of \$25,000, bringing the new total task order to \$150,000. Funding for this work is included in the FY 24/25 Approved Budget.

**RECOMMENDATION:** Motion to approve Amendment No. 4 to Task Order No. 10 to the Master Personal Services Agreement with HDR Engineering, Inc. for on-call engineering services not to exceed \$25,000 plus reasonable reimbursable expenses.

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TASK ORDER 10 – Amendment 4

SCOPE OF SERVICES  
for  
ON-CALL ENGINEERING

May 7, 2024

This Task Order pertains to a **Personal Services Master Service Agreement**, (“**Agreement**”) by and between **Port of Hood River**, (“**Port**”), and **HDR Engineering, Inc.** (“**Consultant**”), dated June 17, 2015 (“the Agreement”), Amendment 1 dated July 21, 2017, Amendment 2 dated June 25, 2019, Amendment 3 dated June 25, 2021, and Amendment 4 dated on or about May 5, 2023. The Port and Consultant agree to extend the Period of Service and Payments to Consultant as amended below for this Task Order. Upon execution, this Task Order shall supplement the Agreement as it pertains to the Services described below.

**PART 2.0 SCOPE OF SERVICES**

Task 1: Technical Services & Professional Advice

- Continue to provide services as described under this task in original Task Order 10

Task 2: Project Management & Administration

- Continue to provide services as described under this task in original Task Order 10

**PART 4.0 PERIODS OF SERVICE:**

All work shall be completed by June 30, 2025.

**PART 5.0 PAYMENTS TO CONSULTANT:**

The total fees for labor and expenses for this Task Order Amendment shall be a not-to-exceed amount of **\$25,000**, increasing the total fees for labor and expenses for this Task Order to **\$155,000**, billed monthly based on actual staff hours expended, actual staff hourly rates times a multiplier of 2.95. 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.

This Task Order is executed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

PORT OF HOOD RIVER  
“Port”

BY: \_\_\_\_\_

NAME: Kevin Greenwood

TITLE: Executive Director

ADDRESS: 1000 E. Port Marina Drive  
Hood River, Oregon 97031

HDR ENGINEERING, INC.  
“Consultant”

BY: \_\_\_\_\_

NAME: Tracy Ellwein

TITLE: Vice President

ADDRESS: 1050 SW 6<sup>th</sup> Ave  
Suite 1800  
Portland, OR 97204

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# Commission Memo



Prepared by: Kevin Greenwood  
Date: May 21, 2024  
Re: Blue Mountain Lease in the Big 7 Building

---

Though this item was discussed in a Special Executive Session before the May 7<sup>th</sup> Budget Committee Meeting, the one-year lease was not approved. The Executive Director went ahead and signed the document and is asking the Commission to ratify the document.

**RECOMMENDATION:** MOTION to ratify the lease with Blue Mountain in the Big 7 Building.

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LEASE

THIS LEASE is entered into at Hood River, Oregon by and between PORT OF HOOD RIVER, an Oregon municipal corporation, hereinafter referred to as "Lessor," and BLUE MOUNTAIN NETWORKS LLC, a Washington Limited Liability Company, hereinafter referred to as "Lessee." Lessor and Lessee may hereafter be referred to individually as a "party" or collectively as the "parties".

- 1. **Leased Premises Description.** In consideration of the covenants of the parties, Lessor Leases to Lessee approximately 3,981 square feet of space in Lessor's building commonly known as the Big 7 Building ("Building") located at 616 Industrial St, Hood River, Oregon ("Leased Premises"). The Leased Premises are identified in the attached "Exhibit A."

Building Name:	Big 7
Building Address:	616 Industrial Street
Lessee Suite/Description:	Suite 401
Leased Area:	3,981
Rentable Area:	4,459

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

- 2. **Term.** The Lease shall be binding when both parties sign the Lease. The Lease Term shall be for the period effective on **May 1st, 2024** and continuing through **April 30th, 2025**. Lessee has the option to extend the Lease for **two** extension term(s) of **one** year(s) each, through **April 30th, 2027** provided that (i) Lessee gives Lessor written notice of Lessee's intent to renew the Lease for the additional term while the Lease is in effect(ii) the Lease is in full force and effect, (iii) Lessee has not been in Default beyond any applicable cure periods more than two times in the last year of the initial term of the Lease, (iv) the creditworthiness of Lessee, as revealed by its most current financial statements, is materially the same as or better than on the date of the Lease, and (v) the current use of the Leased Premises is consistent with the Permitted Use or other use approved by Lessor. To be effective, Lessee's notice to renew must be received by Lessor no later than ninety (90) calendar days prior to the Lease termination date.

Effective Date: May 1st, 2024  
 Lease Expiration Date: April 30th, 2025  
 Renewal Options: Two, One year renewals  
 Renewal Notice Requirement: 90 Days

- 3. **Allowed Use.** Lessee shall use the Leased Premises for **telecommunications and customer service**. The Leased Premises shall not be used for any other purposes without the written consent of Lessor, which may be granted or denied in Lessor's discretion.
- 4. **Rentable Area Load Factor.** Each Building tenant, including Lessee, is responsible to pay for their share of Building Operating Expenses related to "Building Common Areas" consisting of interior Building space which is not available for lease to a third party and that is shared by Building tenants and shall include, but is not limited to: entry areas, hallways, stairwells, mechanical, IT, electrical and janitorial closets, shared restrooms and elevators. A "Load Factor" is calculated to determine Rentable Area Square Footage for Base Rent and payments owed for Operating Expenses, which is in addition to Base Rent.

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Load Factor Formula: The total Building square footage is 42,017 SF. The Building Common Area square footage is 5,123 SF. The total Building square footage divided by the total Building square footage minus the Building Common Area square footage equals the Load Factor. The (Building Name) Load Factor is 12%.

Rentable "Area square footage" is the Leased Premises square footage (3,981 SF) times the Load Factor (12%).  $3,981 \text{ SF} * 1.12\% = 4,459$ . The Rentable Area square footage used to calculate Rent as defined below, is **4,459 SF**.

**5. Rent**

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

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

<u>Suite #</u>	<u>Rentable Area Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rent</u>
401	4,459 SF	\$0.80	\$3,567

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

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

**5.3. Additional Rent Calculation.**

<u>Rentable Area (Square Footage)</u>	<u>Estimated rate per s.f. per month</u>	<u>Monthly Estimated Additional Rent</u>
4,459	\$0.35	\$1,560

**5.3.1. Operating Expenses.** Operating Expenses shall include all costs for the operation, repair and maintenance of the Building, Building Common Areas, and "Building

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Exterior Areas” which are located on Lessor property adjacent and related to the Building, whether designated for a particular Building tenant or which benefit some or all Building tenants. Operating expenses may include but are not limited to:

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

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

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

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

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

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

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

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

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

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directly pay all taxes levied on or with respect to Lessee's personal property located on the Leased Premises.

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

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

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

**5.3.4. Market Rent Payable If Lease Option Is Exercised.** If the Lease is in effect one hundred eighty (180) calendar days prior to its renewal term, then not more than one hundred eighty (180) days from such renewal term, Lessor will notify Lessee in writing what the monthly estimated Rent amount for the Leased Premises will be on the date of the renewal term, if Lessee properly exercises Lessee's option to renew the Lease. The renewal term Base Rent amount will be based on Lessor's good faith estimate of the fair market monthly rental rate for the Leased Premises upon the start of the renewal term including a CPI adjustment, provided however, the Base Rent amount will not be less than the most recent monthly Base Rent amount payable by Lessee prior to the renewal term. When Lessor notifies Lessee what the estimated renewal term monthly Base Rent amount will be, Lessor will provide Lessee with information Lessor has used to determine the fair market monthly Base Rent amount, in Lessor's opinion. If Lessee exercises Lessee's option to renew the Lease the fair market monthly Base Rent amount established by Lessor will be payable by Lessee beginning on the first day of the renewal term. The foregoing notwithstanding, if Lessee is dissatisfied with or has questions about the fair market monthly Base Rent amount Lessor will charge Lessee beginning at the renewal term,



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Lessee may discuss the matter with Lessor prior to exercising Lessee's option to renew the Lease. Lessor may agree to change the monthly Base Rent amount payable beginning of the renewal term, or not, in Lessor's discretion. If Lessor agrees to change the monthly Base Rent amount beginning at the renewal term, that agreement must be in writing signed by Lessee and Lessor.

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

- 6. Building Common Areas and Building Exterior Areas.** Building Common Areas and Building Exterior Areas are provided by Lessor for the joint use and benefit of Building tenants, including Lessee, their employees, customers, suppliers and other invitees. Building Common Areas and Building Exterior Areas are identified in the attached "Exhibit A". Use of available Building Common Areas and Building Exterior Areas shall be subject to compatible, non-exclusive use on the part of other Building tenants. Lessee agrees that its usage of such Building Common Areas and Exterior Building Areas shall not interfere or be inconsistent with the similar rights of other Building tenants. All Building Common Areas and Exterior Building Areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all Building Common Areas and Building Exterior Areas, which Lessee agrees to abide by. Lessee understands and agrees that other tenants may occupy the Building.
- 6.1. Building Exterior Areas.** Include: public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by particular Building tenants as shown in the attached Exhibit B.
- 6.2. Building Common Areas.** Include: interior Building space which is not available for lease to a third party and that is shared by Building tenants and shall include, but is not limited to: entry areas, hallways, stairwells, mechanical, IT, electrical and janitorial closets, shared restrooms and elevators.
- 7. Parking.** Lessee may park vehicles in Building Exterior Areas designated by Lessor for vehicle parking when parking spaces are available. As part of this Lease Lessee may also park vehicles in ten (10) designated parking spaces located North of the building. Lessor shall have no obligation to monitor parking or enforce parking restrictions associated with Lessee's designated parking spaces.
- 8. Maintenance and Repair.** Expenses of any maintenance or repair activity that is not considered a Capital Expenditure is an Operating Expense described in section 5.3.1 of this Lease. Lessee shall pay a proportional share (based on its Rentable Area square footage) share of the cost of Lessor maintenance and repair activities as Additional Rent.

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

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

All Lessee maintenance and repair work shall be performed only by a licensed contractor meeting, at a minimum, Lessee's standard services procurement standards both historically established for the Property and presently maintained for the Property. Lessor shall not be responsible for the cost of any alterations of or repairs to the Property of any nature whatsoever, structural or otherwise, whether or not now in the contemplation of the Parties. If Lessee fails to repair and maintain the Property in good operating order, Lessor reserves the right in its sole discretion to perform the necessary repairs and maintenance of the Property subject to reimbursement from Lessee for the full cost of such repairs and maintenance. Upon written notice from Lessor, Lessee shall reimburse Lessor for the full cost of Lessor's repairs and maintenance, which shall be considered Additional Rent. Lessee shall hold Lessor harmless from any liens that may be placed on the Property. If a lien is filed, Lessee must discharge the lien within twenty (20) days after receiving it. If Lessee fails to discharge the lien, Lessor may procure a discharge at Lessee's expense, which Lessor must immediately pay on demand and may declare a default by lessee.

**9. Indemnification and Insurance**

**9.1. Lessee Hold Harmless Agreement.** Lessee agrees to indemnify and hold Lessor, Lessor's Port Commissioners, officers, employees and agents harmless from any claims by any persons, firms, or corporations relating to the Leased Premises or from anything done by Lessee at the Leased Premises, and will further indemnify and hold Lessor, Lessor's Port Commissioners, officers, employees and agents, harmless from all claims arising as a result of any breach or default on the part of Lessee under the terms of this Lease, or arising from any willful or negligent act or omission of Lessee, Lessee's agents, contractors, employees, or

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licensees in or about the Leased Premises, and from all costs, attorney fees, and liabilities incurred in any action or proceeding brought thereon; and in case any action or proceeding is brought against Lessor, Lessor's Port Commissioners, officers, employees or agents by reason of any such claim, Lessee, upon notice from Lessor covenants to resist and defend such action or proceeding with the assistance of qualified legal counsel.

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

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

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

(c) Lessee shall also immediately obtain and keep in force during the remaining Term of Lease workers' compensation insurance in full compliance with applicable state or jurisdictional statutory requirements. Lessee will provide Lessor with a copy of a certificate evidencing such insurance.

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

**9.4. Building Damage or Destruction.** Lessor shall maintain property insurance covering the Building, Exterior Building Areas and Building Common Areas providing protection against "all risk of physical loss". If the Leased Premises or Building are partially destroyed (more than 25%) by fire or other casualty, Lessor may decide to repair the Leased Premises or Building, or not, in Lessor's sole discretion. Lessor shall notify Lessee in writing of Lessor's

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intent regarding repair within thirty (30) calendar days after the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the Lease shall terminate effectively at the date of the damage. If Lessor notifies Lessee that Lessor intends to repair the damage the Lease shall continue and Lessor shall return the Leased Premises or Building to as good a condition as existed prior to the damage, in a prompt manner reasonable under the circumstances. If Lessee's use of the Leased Premises is disrupted during Lessor's repairs a reasonable portion of the Rent shall be abated during the disruption. In no event shall Lessor be required to repair or replace Lessee's property including Lessee's fixtures, furniture, floor coverings or equipment. In no event shall Lessee be entitled to recover damages from Lessor related to destruction of the Leased Premises or Building or related to repairs undertaken by Lessor.

- 9.5. Eminent Domain.** If more than twenty-five percent (25%) of the Leased Premises and/or Building shall be taken or appropriated under the power of eminent domain or conveyed in lieu thereof, Lessor shall have the right to terminate this Lease. If the Lease is terminated, Lessor shall receive all income, rent award or any interest thereon which may be paid or owed in connection with the exercise of such power of eminent domain or convey in lieu thereof, and Lessee shall have no claim against Lessor or the agency exercising such power or receiving such conveyance for any part of such payments. If Lessor elects not to terminate the Lease, Lessor shall receive any and all income, rent award or any interest thereon paid or owed in connection with such taking, appropriation or condemnation.
- 10. Lessor Funded Lessee Improvements.** If Lessor has agreed to make or pay for tenant improvements to the Leased Premises prior to or during the Lease Term, a description of the improvements, costs and Lessee's obligation to pay for such improvements shall be set forth in a separate written agreement that will be an amendment to and become part of this Lease.
- 11. Lessee Alterations.** Lessee shall not make any alterations, additions, or improvements ("Alterations") in, on or to the Leased Premises or any part thereof without the prior written consent of Lessor which Lessor may agree to, with or without conditions, or deny in Lessor's discretion. After receiving a Lessee request to make Alterations Lessor will consider the following, among other issues: (i) the Alterations are nonstructural, do not impair the strength of the Building or any part thereof, and are not visible from the exterior of the Leased Premises; (ii) the Alterations do not affect the proper functioning of the Building heating, ventilation and air conditioning, mechanical, electrical, sanitary or other utilities systems and services of the Building; (iii) Lessor shall have reviewed and approved the final plans and specifications for the Alterations; (iv) Lessee pays Lessor a fee for Lessor's indirect costs, field supervision or coordination in connection with the Alterations equal to five percent (5%) of the actual cost of such Alterations or such other sum as Lessor determines if Lessee agrees; (v) materials used are consistent with existing materials in the Leased Premises and Building and comply with Lessor's Building standards; and (vi) before proceeding with any Alteration, which will cost more than \$10,000, Lessee obtains and delivers to Lessor a performance bond and a labor and materials payment bond for the benefit of Lessor, issued by a corporate surety licensed to do business in Oregon each in an amount equal to one hundred twenty five percent (125%) of the estimated cost of the Alterations and in form satisfactory to Lessor, or such other security as shall be satisfactory to Lessor. Under any circumstance, Lessee agrees to only contract with a Lessor-approved contractor for the performance of such alterations and obtain all necessary governmental permits and approvals and deliver copies thereof to Lessor and pay the full cost for such alterations, additions, or improvements. Lessor may, in its sole discretion, require that Lessee remove any such alterations, wiring, cables or conduit installed by or for Lessee after the

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Lease Commencement Date and restore the Property to good condition and repair upon expiration or earlier termination of this Lease. All work in the Property by or at Lessee's request must comply with all applicable Laws. Lessee shall not permit any liens to attach to the Property or Lessee's interest in the Property as a result of any work performed by or at Lessee's request. Lessee shall promptly notify Lessor of, and shall defend, indemnify and save harmless, Lessor from and against any and all construction and other liens and encumbrances filed in connection with Alterations, or any other work, labor, services or materials done for or supplied to Lessee.

- 12. Fixtures and Personal Property.** At the expiration or earlier termination of the Lease Term Lessee shall remove all furnishings, furniture, equipment, other personal property and trade fixtures from the Leased Premises in a way that does not cause damage to the Leased Premises. If Lessee fails to remove any personal property, this shall be an abandonment of such property, and Lessor may retain Lessee's abandoned property and all rights of Lessee with respect to it shall cease; provided however, that Lessor may give Lessee written notice within 30 days after the Lease expiration or termination date electing to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove personal property and Lessee fails to promptly do so, Lessor may affect a removal and place the property in storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, storage, disposal, and other costs incurred by Lessor with regard to such personal property.
- 13. Signs.** Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the Leased Premises or visible from the Building Common Areas or Exterior Common Areas without the prior written consent of Lessor, which Lessor may grant or deny in Lessor's discretion. Lessee agrees to maintain in good condition any signs or displays which are allowed.
- 14. Leased Premises Condition; Lessor Access.** Lessee has inspected the Leased Premises and accepts them in AS IS condition. Lessee shall return the Leased Premises to Lessor in the condition when leased or as improved in good, broom clean condition except for ordinary wear and tear at the termination of this Lease. Any cost to bring the Leased Premises back to an acceptable condition shall be the sole responsibility of Lessee.

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

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

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- 15. Compliance with Laws.** As of the Lease Commencement Date and throughout the Term of Lease, Lessee shall at its sole expense promptly comply and cause the Property to comply with all Laws applicable to the Property, including but not limited to the ADA and environmental laws ("Legal Requirements"). Lessee shall indemnify and hold harmless Lessor and Lessor's Commissioners, officers, agents and employees for, regarding from and against any and all claims and losses arising from or in connection with the violation of Legal Requirements occurring in, at or about the Property; together with all costs, expenses and liabilities incurred or in connection with each such claim, action, proceeding or appeal, including, without limitation, all attorneys' fees and expenses.
- 16. Hazardous Materials.** Neither Lessee nor Lessee's agents or employees shall cause or permit any Hazardous Material, as hereinafter defined, to be brought upon, stored, used, generated, released into the environment, or disposed of on, in, under, or about the Property, except reasonable quantities of cleaning supplies and office supplies necessary to or required as part of Lessee's Courthouse operations and maintenance that are generated, used, kept, stored, or disposed of in a manner that complies with all laws regulating any such Hazardous Materials and with good environmental practices. Lessee covenants to remove from the Property, upon the expiration or sooner termination of this Lease and at Lessee's sole cost and expense, any and all Hazardous Materials brought upon, stored, used, generated, or released into the environment by Lessee, its agents, employees or invitees during the Term of Lease. To the fullest extent permitted by law, Lessee hereby agrees to indemnify, defend, protect, and hold harmless Lessor, Lessor's Commissioners, officers, agents and employees, and their respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities, and losses that arise during or after the term directly or indirectly from the use, storage, disposal, release or presence of Hazardous Materials on, in, or about the Property which occurs during the Term of Lease. Lessor hereby agrees to indemnify, defend, protect and hold harmless Lessee, and its agents and employees and its respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses that arise during or after the term directly from the use, storage, disposal, release or presence of Hazardous Materials by Lessor, its agents, employees, or contractors on, in or about the Property. Lessee shall promptly notify Lessor of any release of Hazardous Materials in, on, or about the Property that Lessee, or Lessee's agents or employees, becomes aware of during the Term of Lease, whether caused by Lessee, Lessee's agents or employees, or any other persons or entities. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the state of Oregon or the United States government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance," "hazardous material," or "waste" under any federal, state or local law, (ii) petroleum, and (iii) asbestos. The provisions of this Section, including, without limitation, the indemnification provisions set forth herein, shall survive any termination of this Lease.
- 17. Entire Agreement; Amendments.** This Lease contains the entire agreement of the parties with respect to the Leased Premises. No prior agreement, statement, or promise made by any party to the other not contained herein shall be valid or binding. This Lease may not be modified, supplemented or amended in any manner except by written instrument signed by both parties.
- 18. Quiet Enjoyment.** From the date the Lease commences Lessee will have the right to use the Leased Premises consistent with this Lease without hindrance or interruption by Lessor or any

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other persons claiming by, through or under Lessor, subject, however, to the terms and conditions of this Lease. The foregoing notwithstanding, Lessee agrees that Lessor may make improvements to the Building and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises.

- 19. Waiver.** One or more waivers of any covenants or conditions by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to any act by Lessee requiring Lessor's consent or approval shall not be construed as consent or approval to any subsequent similar act by Lessee.
- 20. Assignment.** Lessee agrees not to assign or in any manner transfer this Lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet the Leased Premises or part or parts thereof without like consent. Lessor will not unreasonably withhold its consent. Sublease rate shall not exceed the base rate of the Master Lease.
- 21. Bankruptcy.** Subject to Section 23, the Lease shall not be assigned or transferred voluntarily or involuntarily by operation of law. It may, at the option of Landlord, be terminated, if Tenant is adjudged bankrupt or insolvent, or makes an assignment for the benefit of creditors, or files or is a party to the filing of a petition in bankruptcy, or in case a receiver or trustee is appointed to take charge of any of the assets of Tenant or sublessees or assignees in or on the Premises, and such receiver or trustee is not removed within thirty (30) days after the date of his appointment, or in the event of judicial sale of the personal property in or on the Premises upon judgment against Tenant or any sublessees or assignee hereunder, unless such property or reasonable replacement therefor be installed on the Premises. To the extent permitted by law, this Lease or any sublease hereunder shall not be considered as an asset of a debtor-in-possession, or an asset in bankruptcy, insolvency, receivership, or other judicial proceedings.
- 22. Default.** Time is of the essence of performance of all the requirements of this Lease. If any Rent or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) calendar days after the same are due and payable, or if Lessee shall fail to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of Rent or other charges) within fourteen (14) calendar days after written notice to Lessee specifying the nature of the default with reasonable particularity, or if Lessee shall declare bankruptcy or be insolvent according to law or if an assignment of Lessee's property shall be made for the benefit of creditors or if Lessee shall abandon the Leased Premises, then in any of said events Lessee shall be deemed in default hereunder.
- 23. Remedies on Default.**
- 23.1. Termination.** In the event of default, the lease by be terminated at the option of Lessor by written notice to Lessee. Whether or not the Lease is terminated by the election of Lessor, Lessor shall be entitled to recover damages from Lessee for the default and Lessor may reenter, take possession of the Property and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.
- 23.2. Reletting.** Following reentry or abandonment, Lessor may relet the Property and, in that connection, may make any suitable alterations or change the character of the use of the Property, but Lessor shall not be required to relet for an use or purpose other than

**Port of Hood River Building Lease****Tenant**

specified in the Lease or which Lessor may reasonably consider injurious to the Property, or any tenant Lessor may reasonably consider objectionable.

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

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

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

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

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

**25. Surrender/Holdover.** Upon expiration or earlier termination of this Lease, Lessee shall surrender the Property, peaceably, quietly, and in as good order and condition, reasonable use and wear thereof excepted, as the same existed on the Lease Commencement Date. If Lessee does not vacate the Leased Premises when the Lease Term expires, Lessor shall have the option to treat Lessee as a month to month tenant, subject to all the provisions of this Lease except the provisions for term and renewal, and at a rental rate equal to one hundred and fifty percent (150%) of the daily prorated amount of the Rent for the last period prior to the date of expiration. Failure by Lessee to remove fixtures, furnishings, trade fixtures, or other personal



**Port of Hood River Building Lease****Tenant**

property which Lessee is required to remove under this Lease shall constitute a failure to vacate to which this paragraph shall apply. If a month-to-month tenancy results from holdover by Lessee under this paragraph, the tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given to Lessee not less than ten (10) calendar days prior to the termination date specified in Lessor's notice. Lessee waives any notice which would otherwise be required by this Lease or by law with respect to month-to-month tenancy.

- 26. Notices.** Whenever under this Lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee's registered agent if any, to the person signing the Lease, or to Lessee's on site manager if any who at the date of this Lease is Charlie Cannon, or sent by certified mail with postage prepaid to the address indicated on the signature page of this Lease; and if such notice is to Lessor, delivered personally to the Executive Director of the Port of Hood River at the Port of Hood River's office located at, 1000 E. Port Marina Drive, Hood River, OR 97031 or sent by certified mail with postage prepaid to the address indicated on the signature page of this Lease. Notice shall be deemed given on the date of personal delivery or if mailed, two business days after the date of mailing.
- 27. Governing Law and Dispute Resolution.** This Lease shall be governed by and construed in accordance with the laws of the State of Oregon. Any claim, suit, action, counterclaim, or other proceeding ("Claim"), including any bankruptcy proceeding, instituted by either Party against the other in connection with any controversy arising out of this Lease or the Property shall be brought and conducted within the Circuit Court of Hood River County for the State of Oregon. Any dispute involving this Lease may be resolved by court action or, in the alternative, mediation if both parties agree to mediation. If the parties agree to use a mediator, they will each pay one half the costs of mediation. If mediation does not occur or does not result in a resolution satisfactory to both parties, the dispute shall be resolved by arbitration. Any arbitration shall be in accordance with the rules of the Arbitration Service of Portland then in effect. The parties shall use a single arbitrator mutually agreeable to them. If they are unable to agree on an arbitrator, or a process to select one, either party may apply to the Hood River County Circuit Court to appoint an arbitrator. The award rendered by an arbitrator shall be binding on the parties and may be entered in the Hood River County Circuit Court. The prevailing party in court action, or arbitration proceeding, including any appeal therefrom or enforcement action, shall be entitled to recover their reasonable attorney's fees and costs and disbursements incident thereto. If either Party engages a collection agency to pursue any delinquent amounts owed by the other Party, whether under the terms of this Lease or pursuant to a court judgment or other decree, the owing Party shall pay, in addition to all amounts payable under this Lease or pursuant to the court judgment or other decree, all collection agency fees charged to the collecting Party and all attorney fees incurred by the collecting Party in performance of such collection.
- 28. Limitation of Liability.** No Personal Liability-Notwithstanding anything to the contrary in this Lease, except to the extent damages are caused by the negligence of Lessor and its agents and employees, Lessee hereby releases Lessor, its agents and employees from (i) damage to Lessee's property, (ii) damage arising out of the acts, including criminal acts, of third parties, (iii) consequential damages, and (iv) any damage, cause or matter that exceeds the value of Lessor's interest in the Property. Lessee agrees that, in the event of any actual or alleged Lessor Default of this Lease or in the event of any other claim or cause of action by Lessee, the recourse of Lessee against Lessor for any damages (over and above damages actually paid by available insurance, if any) will be limited to, and any judgment against Lessor shall be satisfied only out

**Port of Hood River Building Lease**

**Tenant**

of, the Property; no other assets of Lessor shall be subject to levy, execution or other enforcement procedure for the satisfaction of any judgment in favor of Lessee against Lessor. There shall be no personal liability of the Lessor. Any claims by Lessee against Lessor will be limited to actual damages only and will not, under any circumstances, include consequential damages or punitive damages. In no event shall Lessee have the right to terminate this Lease nor to offset payments due hereunder by reason of a Lessor Default.

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

4/25/2024 | 8:41 AM PDT

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Lessee:

Lessor:

Port of Hood River

Signed:

DocuSigned by:  
*Erik Lundby*  
B14AF11362B04B9...

Signed:

*Kevin M. Greenwood*

By:

Erik Lundby

By:

*KEVIN M. GREENWOOD  
EXECUTIVE DIRECTOR*

Its:

Its:

Address:

Address:

*1000 E. PORT MARINA WAY*

Email/phone:

Email/phone:

*kgreenwood@portofhoodriver.com  
541/386-1138*

**Exhibit A**

**LEASED PREMISES AND COMMON AREAS**

**Exhibit B  
BUILDING EXTERIOR AREAS**

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# HRWSBA

## Replacement Bridge Project Update

### Port of Hood River Coordination

#### Port Admin Relocation

- FHWA has approved the HRWSBA to track local funding spent prior to the INFRA grant agreement and use them as local match for the INFRA grant. This decision allows the Authority to move forward with the Right of Way coordination with the Port.
- The Project team is coordinating with FHWA to determine if the approval to use local funds as local match will also extend to the PORT architecture contract and the expenditure of existing Port Funds.
- The Project team is confirming with FHWA that the payment and reimbursement of existing Port Toll funds spent on project relocation activities will not trigger any Federal requirements or restrictions on the Port.
- The Project team is developing an outline in coordination with FHWA for the Relocation Process with key milestones for the Port and tenant relocations and anticipates having this complete the week of May 20<sup>th</sup>.
- The Project team is coordinating with FHWA on the potential to do a “Functional Replacement”. A follow up meeting is being scheduled with FHWA .
- The Project team is coordinating with FHWA to confirm the reimbursement of Port Funds.

#### Port Tenant Relocation

- See above for tenant relocation.

#### Port Real Property Transactions

- Kiewit is advancing the base design and construction methodology that will finalize the area of impact to Port facilities.
- The Bridge Authority will be evaluating whether to move forward with the areas of impact from the Preferred alternative from the NEPA documents or wait for Kiewit to finalize the areas of impact.

#### Construction Laydown Area

- Kiewit is finalizing the bridge type, which will determine the construction methodology and approach. It is anticipated that more information will be available on in the July/August timeframe.

## 6(f) Mitigation

- NPS and OPRD have approved the revised 6(f) boundary in the Marina area based on coordination with the Port and HNTB.
- Once project footprint in 6(f) boundary is determined by Kiewit, land appraisals by HNTB team will be completed on encumbered 6(f) land (area around Port office). This is expected to occur in fall/winter 2024. Per 6(f) rules, appraisal of replacement/mitigation recreation land must also be done and the replacement land qualifies for mitigation if it has an equal or higher fair market value than encumbered 6(f) land. The proposed mitigation land must also not have been used for recreational historically or currently.
- The Port has identified potential offsetting/mitigation land west of the Marina on former industrial land. Appraisal of this land will need to occur in parallel to appraisal of impacted 6(f) land.
- Meeting with OPRD and NPS in March 2024 indicated that the conversion process and implementation of recreational features on the conversion land do not need to be completed prior to the start of construction. Both agencies need to have approved the conversion approach prior to 6(f) impacts occurring.
- Recommend a follow up meeting with OPRD and Port in May/June to discuss potential 6(f) mitigation land and check in on schedule.

## 4(f) Mitigation

- The WSP NEPA team and ODOT are completing a re-evaluation of properties in the project footprint on Port property to determine if they have “aged into” classification of being historic properties. Properties 50 years old or older can qualify as being historic under Section 106 of the NHPA and 4(f). The evaluation should be completed in late June. It is expected that the existing draft *de minimus* 4(f) determinations will be maintained during this re-evaluation.
- HNTB and Port have coordinated with FHWA (Chris Woods) to discuss 4(f) implications of the Port’s desire to relocate their offices to another property in the Marina Park area. The Park is under the 4(f) jurisdiction. HNTB contends that the move doesn’t trigger an adverse 4(f) impact because the Port intends to move to an existing structure that is not used for recreation and the move would not result in an adverse impact to recreational users of the Park. Mr. Woods agreed to this determination during a meeting held on April 22, 2025.



# HOOD RIVER-WHITE SALMON BRIDGE REPLACEMENT

Project Director Report  
May 13, 2024

The following summarizes Replacement Bridge project activities from April 22, 2024 to May 13, 2024:

## HOOD RIVER-WHITE SALMON BRIDGE AUTHORITY (HRWSBA)

### PROGRESSIVE DESIGN-BUILDER (PDB) UPDATE

- PDB is progressing the value engineering assessment of the NEPA preferred alternative.
- Disciplines are progressing with data collection and existing conditions validation.
- Project meetings have been established for the project:

Monday	1 pm - 3 pm	1st and 3rd Weeks	Project Progress Meeting
Monday	12:30 pm - 1:30 pm	Weekly	Landscape, Aesthetics
Tuesday	9 am - 11 am	1st and 3rd Weeks	Structures, Geotech
Tuesday	11 am - 12 pm	1st and 3rd Weeks	ITS, Signal, Signing, Illumination, Traffic, Roadway, MOT, Bike-Ped
Tuesday	1 pm - 2 pm	1st and 3rd Weeks	Hydraulics, Hydrology
Tuesday	2 pm - 3 pm	1st and 3rd Weeks	Tribal Coordination, Cultural Resources, Regulatory Permitting, NEPA
Tuesday	3 pm - 4 pm	Weekly	ROW, Survey, Utilities, Railroad

- April Deliverables:
  - Interim Baseline Schedule
  - Estimating Methodology
  - Risk Register
- May Deliverables:
  - Scope Management Plan
  - Design Quality Management Plan
  - OPC (Baseline)
  - Document Control Plan

## **PUBLIC INVOLVEMENT & COMMUNICATIONS**

### ***Recently completed***

- Bridge Authority support
  - Secured support for translating meeting materials into Spanish
- Coordination with Kiewit
  - Attended bi-weekly progress meetings
- Government Relations
  - Held coordination meeting for gov't relations/public involvement staff
  - Drafted tour invitation from elected officials/Bridge Commissioners to Oregon JCT members
  - Created and updated slides showing financial and other project information needed for 3 meetings with Association of Oregon Counties, ODOT leadership, and Oregon Gov Office.
- Bridge Aesthetics Committee
  - Attended coordination meetings
  - Promoted online open house on social media and via direct emails
  - Tabulated results for online open house and in-person open house
  - Started drafting summary of feedback from open house events
  - Coordinated with The Next Door to plan Spanish-language workshop
  - Promoted Spanish-language workshop
  - Created materials for Spanish-language workshop
- Media outreach
  - Tracked media coverage
  - Drafted Kiewit announcement
- General communications
  - Posted updated FAQs to project website
  - Created updated project flyer
- Community Events
  - Set tentative date for next Q&A event on Facebook Live
  - Identified summer tabling opportunities
- Graphics
  - Finalized and posted updated funding graphic
- Social media
  - Monitored social media accounts
  - Tracked and responded to comments on social media
  - Posted weekly to project channels
- Websites
  - Update websites for Bridge Authority and project as needed
- Video
  - Story Gorge conducting additional interviews for video highlighting everyday users' needs
  - Story Gorge incorporating second round of JLA edits to emergency preparedness video



- Public questions/comments
  - Coordinated with project director to respond to questions and comments as needed

***Upcoming work***

- Strategy
  - Finalize Phase 1A Public Involvement & Communications Plan
  - Circulate Phase 1A Government Relations Plan for review
- Communications & Government Relations Subcommittee
  - Next meeting 5/15
- Government Relations
  - Draft legislative one pagers for multiple audiences
  - Draft sector-specific talking points
- Bridge Aesthetics Committee
  - Attend coordination meetings
  - Finalize feedback summary from open house events
  - Hold Spanish-language workshop on 5/17
- General communications
  - Send spring newsletter
- Community Events
  - Finalize date for next Q&A event on Facebook Live
  - Promote Facebook Live event
  - Finalize selections for summer tabling events
- Media outreach
  - Share Kiewit announcement
  - Share NEPA announcement, if available
  - Draft IGA announcement
  - Continue to answer reporter questions and arrange interviews as needed
- Website
  - Update websites as needed
- Video
  - Story Gorge to deliver everyday user video
  - Story Gorge to deliver emergency preparedness video
- Social media
  - Continue to share news and promote events on a regular basis
- Public questions/comments
  - Continue to respond to questions and comments as needed

## **GOVERNMENT AFFAIRS UPDATE**

- State Legislative Activities
  - Staff is working on procuring lobbying services for the HRWSBA for 2024/2025, for Oregon, Washington and Federal. The existing contracts with the PORT of Hood River expire on June 30, 2024.
  - Oregon
    - Staff is working with Thorn-run to request that the Oregon Joint Transportation Commission make the Hood River White Salmon Bridge Replacement project a stop on their project tour, September 13<sup>th</sup>, 2024.
  - Washington
    - There has been a legislative redistricting in Washington which has impacted on the districts that are representing the project. Staff are working with Washington Lobbyist to meet with legislative Staff.
    - Sen. King has announced that he will be running again in his new district.
    - The following meetings have been scheduled:  
5/9 meeting was held with Sen. Wilson
- Federal Legislative Activities
  - No update

## **FUNDING FINANCE & TOLLING (FFT)**

- Upcoming Work:
  - WSDOT Funding
    - Project team is working on finalizing the funding agreement with WSDOT SW Region for the state funds that will be coming to the Authority as part of the \$15M in funding committed as part of the 23-25 biennium. .
  - Oregon Funding
    - Project team is working with ODOT on agreement for a loan from the Oregon Infrastructure Bank for 2024. The final application was submitted on 4/20 and staff is waiting on a response from ODOT.
    - The \$20M in Oregon funding has been committed to the project and will be available after a 2025 Lottery Bond sale.
  - Hood River County
    - Staff and Commissioners met with Hood River County on a potential loan from Hood River County. Hood River County is able to provide the Authority with a \$10M loan and *staff is working with the Finance Committee on the terms of that loan.*

## **PENDING GRANT FUNDING UPDATES**

- Bridge Investment Program (BIP)
  - NOFO released on 09/27/23
  - Deadline for FY 23/FY24: 12/04/23
  - Deadline for FY 25: 08/01/24
  - Deadline for FY 26: 08/01/25

- Total Funding Available \$9.620B
- Award Max: \$3B
- Award Min: \$50M
- Application was submitted on 12/02/2023.
  - Pending notification on this grant, anticipated notification June, 2024.

#### **PENDING GRANT AGREEMENTS**

- Raise Grant: \$3.6M
  - The project team is working through the grant agreement with FHWA
  - Raise grant is progressing through to get signatures by the Authority.
- INFRA Grant: \$200M
  - The project team continues to work with FHWA and is beginning the development of the Grant agreement.
  - Staff is working with FHWA to allow for non-federal expenditures to be applied as local match to federal work.
- A coordination meeting was held on 3/28 with FHWA Oregon Division and FHWA HQ staff.
- BUILD20
  - BUILD20 Grant recipient change has been finalized by FHWA

#### **TREATY TRIBE MOA'S**

- A Semi-weekly meeting has been set up with ODOT and FHWA specific to advancing the Treaty Tribe MOA's. A collaboration space has been created on the Project Portal site.
  - ***Yakama Nation (YN).***
    - FHWA/ODOT met with Noah Oliver with YN and came to an agreement on some modifications to the Section 106 MOA and Fishing Treaty MOA. These modifications are being incorporated into the agreements. FHWA continues to follow up with Noah on finalizing the Section 106 TCP.
    - An in-person meeting was held with YN on 5/8/202. The project team will be setting up a recurring meeting with YN. YN indicated they thought we could finish the MOA's by this summer.
  - **Nez Perce**
    - Legal met with Nez Perce legal and an updated Treaty MOA was resubmitted to FHWA legal on 3/5/24
    - FHWA legal is working with Nez Perce on the next meeting
  - **Umatilla (CTUIR).**
    - The Project Team/FHWA and ODOT met with CTUIR is on 4/9/24 to discuss the response to CTUIR mitigation terms. The team responded to some questions from CTUIR and CTUIR will be having additional internal discussion the week of 5/10
  - **Warm Springs.**
    - The Project Team, FHWA and ODOT met with Warm Springs on 5/9, provided a project update. Warm Springs agreed to continue meeting, with the next meeting scheduled for 5/30.

## **GEOTECHNICAL**

*The Geotechnical team has completed the work on the 3 additional borings on the Oregon side, the updated report was submitted and is under review.*

## **SURVEY**

- Upcoming/On-going Work:
  - Review abutting property vesting deeds in Washington – remaining deeds received from title company
  - Development of Right of Way Maps
  - Further dissection of Port of Hood River bridge deed from 1950.
  - *Final QC of mapping and upload to SharePoint*
  - *Coordination with PDB Surveyor*
- Accomplishments:
  - Completed right of way and property line calculations in OR
  - Integration of prior/current topographic data
  - Completed right of way calculations in WA

## **RIGHT OF WAY**

- ROW/Survey/Utility group is working through Federal 4(f) Recreational restrictions

## **BNSF Coordination**

- BNSF provided a response to the Authority comments, and the responses and next steps will be discussed at the next Engineering and Construction Committee meeting.

## **PERMITTING**

- Environmental staff have supported efforts associated with outstanding NEPA, Section 106 MOA, and tribal MOA issues.
- Environmental staff have supported the work of the Bridge Aesthetics Committee and efforts to plan and organize BAC engagement and processing of stakeholder feedback.
- Environmental staff reviewed and commented on Kiewit's draft Permitting Matrix.
- Environmental staff have supported coordination with FHWA and UFS to address FHWA questions on the Port's proposed office move and 4(f) and 6(f) implications.
- Environmental staff have met with Kiewit staff to share existing environmental/regulatory information and next steps for moving the non-NEPA regulatory permitting process forward.

## **AESTHETIC COMMITTEE**

- The results of the Open House survey/comments on 4/17 has been sorted and are in the process of being summarized
- The next BAC meeting is on 5/15. The goal is to talk through the results of the survey and comments
- An outline of the Aesthetics Guidance Memo has been created. The current goal is to have a draft completed by 5/31.
- ODOT has arranged a monthly meeting for tribes to learn more about the BAC and provide input. The first one was on 5/9.

- Individual meetings with the tribes are being arranged to discuss Section 106 items, MOA agreements, and NEPA commitments. If there’s an opportunity, input on aesthetic elements may come out of those meetings. So far, the team has met with the Yakama Nation, Umatilla, and Warm Springs.
- Weekly meetings continue with the staff for the BAC to determine upcoming needs and other internal discussions
- The next BAC meeting (after 5/15) I currently scheduled for June 11

**FINAL EIS/RECORD OF DECISION**

- Environmental Impact Statement technical reports are available at <https://cdxapps.epa.gov/cdx-enepa-ll/public/action/eis/details?eisId=314171>
- Email from Cindy Callahan with FHWA – The BO cleared GC review and is headed to Admin for formatting. It is anticipated to be complete next week.

**OTHER ITEMS- N/A**

**KEY MEETINGS 04/22/2024 – 05/13/2024**

4/22/2024	HRWSBA Regular Meeting
4/22/2024	HRWSB – FHWA: POHR Property 4(f)/NEPA & General ROW Check-in
4/23/2024	HRWSB – INFRA Grant Team – Weekly Meeting
4/23/2024	HRWSBR ROW/Survey/Utilities/RR Coord. Task Force Meeting
4/24/2024	HRWSBA Governance, Administration and Operations Committee Meeting
4/25/2024	HRWSBR – FHWA Monthly Coordination Meeting
4/25/2024	HRWSBR – OPC/Risk Coordination Meeting
4/26/2024	HRWSBA Special Meeting
4/30/2024	HRWSBA Finance Team Meeting
4/30/2024	HRWSB – INFRA Grant Team – Weekly Meeting
4/30/2024	HRWBR – NEPA and Fishing MOAs
4/30/2024	HRWSBR ROW/Survey/Utilities/RR Coord. Task Force Meeting
5/01/2024	HRWSBA – Kroll Engineering Discussion
5/01/2024	Jordan Ramis Event – The Other Two Columbia Bridge Projects
5/01/2024	HRWSBA – Engineering and Construction Committee Meeting
5/02/2024	HRWSBA Special Session
5/06/2024	HRWSB – BAC Coordination Meeting
5/07/2024	HRWSBR – Structures & Geotechnical Task Force Meeting
5/07/2024	HRWSBR – Civil Task Force Meeting
5/07/2024	HRWSBR – INFRA Grant Team – Weekly Meeting
5/07/2024	HRWSBR – Hydrology & Hydraulics Task Force Meeting
5/07/2024	HRWSBR – Environmental & Tribal Coordination Task Force Meeting
5/07/2024	HRWSBR ROW/Survey/Utilities/RR Coord. Task Force Meeting
5/08/2024	HRWSBA – Coordination Yakima Nation
5/08/2024	HRWSBA – Communications, Government Relations Committee Meeting
5/09/2024	HRWSBR – Bridge Aesthetics Information Meeting Series for Tribes (Key #21280)
5/09/2024	HRWSBA – Quality Discussion

5/09/2024	HRWSB – Fishing Treaty Rights MOA – Warm Springs
5/13/2024	HRWSB – BAC Coordination Meeting
5/13/2024	HRWSBA Regular Meeting

# Commission Memo



Prepared by: Kevin Greenwood  
Date: May 21, 2024  
Re: Request from Hood Aero for a So. Apron Through The Fence Agreement (TTFA)

---

Staff received a request from Andreas von Flotow, President, Hood Aero (the Port's current Fixed Based Operator), requesting an easement to grant a TTFA on the South Apron directly south of the local of the since-removed fuel tank. Von Flotow references a similar agreement that the Port has (and is currently in the process of refining) with WAAAM. The email also references uses identified in the County Code. The land in question is currently zoned Exclusive Farm Use (EFU). There has been discussion over the years about allowing airport development at this site and in this zoning designation.

Assuming Hood Aero can obtain the appropriate county approvals, staff is supportive of developing a 115-ft. access from the EFU property to the South Apron.

Ashleigh Dougill, Port legal counsel, has researched FAA rules and since the Port has many federal airport grants, she is recommending the following:

1. That the Port use a license agreement and not an easement with the TTFA.
2. That the use is subject to the Airport's operating standards.
3. That a fee be assessed for the license.
4. That the Port reach out to Kevin Olsen, Leasing & Contracts, at Oregon Dept. of Aviation (ODAV) for guidance.

The WAAAM/Terry Brandt easement may not be compatible as that document was signed in the early 1990s before FAA changed rules in the 2000s. In addition, the Port received an exchange in property and the current easement is being modified to allow the Port to generate revenue on the east side of the North Apron. New agreements with WAAAM/Brandt will show in-kind value between parties from those earlier transactions.

**RECOMMENDATION:** Discussion. If the Commission agrees that this is worthwhile, staff would appreciate direction to move forward.

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**From:** [Andreas von Flotow](#)  
**To:** [Kevin Greenwood](#)  
**Cc:** [Claudia Munk-von Flotow](#)  
**Subject:** Airport South Side: Through the Fence Easement Request  
**Date:** Wednesday, May 1, 2024 10:05:13 AM  
**Attachments:** [Site Plan - 4S2 South Private Development w Thru The Fence Easement.pdf](#)

---

Kevin,

I would like to request an easement from the Port to grant thru-the-fence access to the airport from the south side where the old fuel tank is being removed. See attached site plan.

We would like to build privately-owned hangars to base additional aircraft out of 4S2. The easement would be similar to the existing WAAAM easement but much more clearly written.

County Zoning would allow the hangars as either accessory structures (Section 3.15) or personal-use airport hangars (Section 3.04.K & 3.05).

Would you please get this request in front of the Commission at your earliest convenience?

Thank you,



**Andreas von Flotow** | *President*  
**Hood Aero** | *Connecting People Through Aviation*  
d: 541.399.2464 | e: [Andreas@HoodAero.com](mailto:Andreas@HoodAero.com)

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# Commission Memo



Prepared by: Kevin Greenwood  
Date: May 21, 2024  
Re: Future Funding Opportunities for the Port

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With the recent North Apron development discussion, there has been interest in looking at opportunities for funding to build an Admin facility at the site. In addition, the slate of tax measures on the spring ballot for parks has highlighted the Port's relatively small standing property tax. (The Port assesses about 3-cents per \$1000 assessed value, or \$7 a year per average home.)

Commissioners Chapman and Bieker asked for this to be added as a discussion item.

**RECOMMENDATION:** Discussion.

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# Commission Memo



Prepared by: Kevin Greenwood  
Date: May 21, 2024  
Re: North Apron Development Update

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Much has transpired on the North Apron Development front. At the April 23<sup>rd</sup> meeting, the Commission gave consensus for staff to move forward on the following:

1. Discontinue the land use application with proposed hangars on westernmost site – completed.
2. The north side of the apron will be considered “public” for future port development. – acknowledged and codified.
3. Land Use application to be amended to allow for hangars on east side – pending
4. Developer responsible for offsite improvements. – acknowledged and codified
5. Agree to modify or end Memo of Understanding (MOU) with Aircraft Storage LLC (ASLLC) – completed by ending
6. Continue to pursue alternate funding for “public” north hangar development – acknowledged and codified.

## NORTH APRON – JEANETTE RD. ACCESS (EASTERNMOST DEVELOPMENT SITE)

1. Claudia Munk-von Flotow sent an email to County Planner, Nick Kraemer, on April 30, pulling the land use permit for Aircraft Storage LLC. About that same time, we agreed to end the Memo of Understanding (MOU).
2. Josh Coombs, who had been a sub-tenant of ASLLC, paid ASLLC for survey, architectural and other work with the intent of taking the lead on the Jeanette Rd. development. Staff has been working with Coombs and others to maintain momentum.
3. Fire Chief agreed to a turnaround “hammerhead” concept north of the eastside hangars.
4. Easement with Terry Brandt/WAAAM needs to be modified to allow for eastside development. Brandt has agreed to a modification.
5. Negotiations on the land lease continue with Commissioner Bieker monitoring.
6. Commission should give consensus to move forward with land use application with Coombs following the guidance from the April 23<sup>rd</sup> meeting (item 3). A development and/or lease agreement will come back to the Commission in June for approval.

## NORTHSIDE THROUGH THE FENCE AGREEMENT WITH TERRY BRANDT/WAAAM

As noted, the current easement with Brandt limits development on the easternmost development site. Staff has been working with WAAAM to correct the easement. Ashleigh Dougill has been reviewing Federal Aviation Administration (FAA) rules and determined that since early 2000s FAA prefers “licenses” and not “easements”. The easement was signed with Brandt in the 1990s. In addition, FAA prefers that the airport receive fees for the

license. The relationship between the Port and Brandt has proved to be beneficial for both parties for decades. Brandt exchanged land for easements decades ago. In addition, a value to the Port can be assumed by Brandt modifying the easement to allow the Port to generate land lease revenue, perhaps as much as \$320,000 over the 40-year term on the land leases. This value can be acknowledged as a fee for the license. Staff continues to work with WAAAM on this access and the final documents will come back to the Commission for approval.

#### FUNDING FOR ADMIN/PUBLIC BUILDING ON NORTH APRON

1. County emergency management will be applying for a FEMA grant for vertical construction of an emergency operations facility. This structure could be built and used as a public admin structure in addition to the airport ops center.
2. A 501(c)3 could be formed to receive private donations of which there appears to be some interest.
3. Executive Director will be meeting with Wes Cochran, EDA Rep., about airport investments on June 12.

**RECOMMENDATION:** Discussion and consensus to move forward on the land use application with Josh Coombs



-2x 100x50' hangars

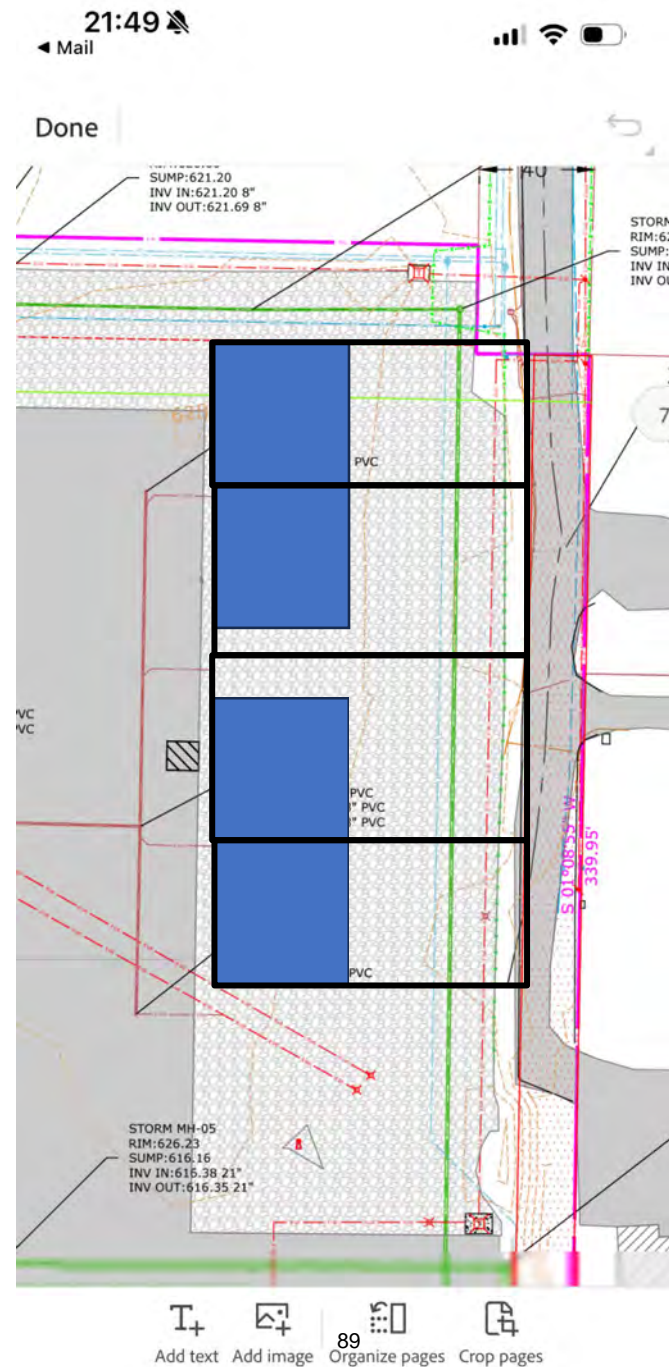
-4 50x50 hangar bays

-43x14' hi fold hangar doors

-20' spacing for fire code, same length N/S as 4 buildings with 10' spacing in previous site plan

-Leaves 70' of spacing for additional 50x60 or larger building in previous site plan (bldg 5). Port will need to move a lot of electrical infrastructure to make that happen. Or, restroom/flight planning building near fuel tank to replace porta potty?

-Fire access North side of hangar 1



Previous draft #4



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# Commission Memo



Prepared by: Debbie Smith-Wagar, Finance Director  
Date: May 21, 2024  
Re: Dues and Memberships

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Over the years the Port has participated in various organizations and paid dues to help support community organizations. As the Port moves to become self-sufficient without relying on bridge tolls, one of the things the Commissioners reviewed last year was an extensive list of dues and memberships. The attached report details the information that was summarized in the budget.

We are beginning to get requests for fiscal year 2024-2025 payments. With that in mind, we wanted the Commissioners to have a chance to discuss the specific items in the budget before any payments are made.

The structure is different this year due to the change in the funds. In prior years all dues and memberships were reported in the General Fund, even when they were specific to certain operational areas. The new fund structure allows the dues and memberships to be coded to the specific area that benefits from the association. That said, the majority of dues and memberships are still in the Administration Fund as they benefit the Port as a whole.

One item in this year's budget that was not included in last year's is the Art of Community. The Art of Community provides the art pieces on the waterfront. This has been an on-going successful relationship between the Port and that organization. The art helps make the waterfront a special place for a relatively low-cost to the Port and helps support local artists. This request for \$3,500 is for two years, so it is effectively \$1,750 per year (paid in one lump sum). The Port has supported this group in the past and that is why there is currently artwork on the waterfront.

New this year is the Society of Human Resource Management (SHRM). SHRM is a well-recognized human resource group. As employment law gets more complicated, the Port would like to invest in a couple of our employees to get them well-versed in human resource requirements. The benefits are two-fold: well-educated employees can help reduce potential liability to the Port by providing guidance on how to handle employee issues and can save on legal fees by helping the Port determine when to get lawyers involved.

**RECOMMENDATION:** Discussion on dues and memberships and consensus on moving forward.

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**PORT OF HOOD RIVER  
DUES AND MEMBERSHIPS  
BUDGET YEAR 2024-2025**

	<b>Budget</b>	
	<b>2023-24</b>	<b>2024-25</b>
<b><u>Administration Fund</u></b>		
<b>Executive/Contracting</b>		
Special Districts Assoc of OR	4,500	5,250
Oregon Public Ports Assn.	7,500	7,500
Rotary Club HR	1,200	1,200
Oregon Economic Dev. Assn.	300	-
Oregon Ethics Commission	700	1,500
Oregon Purchasing Dues	500	500
Gorge Sailing/WAAAM/Other	1,000	1,000
Mid-Columbia Economic Development	2,900	3,600
Mid-Columbia Energy Council	10,000	5,000
Mid-Columbia Economic - EDG Group	1,000	1,000
OCCMA	-	450
Art of Community	-	3,500
HR Chamber/DBA/Other	3,300	2,650
	<b>32,900</b>	<b>33,150</b>
<b>Communications/IT</b>		
Gorge Technology Alliance	600	700
One Gorge	2,500	500
	<b>3,100</b>	<b>1,200</b>
<b>Finance/Accounting/General Office</b>		
Government Finance Officers Association	400	500
Single Audit Resource Center	125	125
OSCPA	360	375
OGFOA	400	500
	<b>1,285</b>	<b>1,500</b>
<b>Human Resources/Payroll</b>		
Society of Human Resource Management	-	550
Other	-	450
	<b>-</b>	<b>1,000</b>
<b>Maintenance</b>		
Other - perhaps American Public Works Assn?	-	1,000
	<b>-</b>	<b>1,000</b>
 <b>Total: Administration Fund</b>	<b>37,285</b>	<b>37,850</b>
<b><u>Bridge Fund</u></b>		
Pacific NW Waterways	2,500	-
IBTTA	7,000	7,500
<b>Total: Bridge Fund</b>	<b>9,500</b>	<b>7,500</b>
<b><u>General Fund</u></b>		
Oregon Airport Mgmt Assn.	500	500
<b>Total: General Fund</b>	<b>500</b>	<b>500</b>
 <b>Total All Dues and Memberships</b>	<b>47,285</b>	<b>45,850</b>

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Executive Director's Report  
May 21, 2024

## **ADMINISTRATION – KEVIN GREENWOOD, EXECUTIVE DIRECTOR**

- *Supporting Anne Medenbach on lease negotiations at several of our buildings. Her background and knowledge of port properties has been helpful.*
- *Gretchen Goss is preparing articles for July newsletter.*
- *Waterfront Parking installation pre-application meeting with City is scheduled for May 29<sup>th</sup>. If the bridge replacement project is required to mitigate loss of 6(f) lands, both of these light industrial sites could be eligible mitigation sites.*
- *Oregon City/County Managers Association annual conference will be held in Hood River, June 26-28. Have been invited to participate.*
- *Negotiations on architectural services have slowed due to uncertainty on when funding will be available. Working with retired architect to evaluate initial proposal before next round starts in early June. The replacement project will be required to reimburse the Port for relocation costs, however the Port may need to use other funding sources aside from tolls to complete the initial remodel.*
- *County is convening a Powerdale Camping meeting June 3<sup>rd</sup> to strategize on removing illegal camp sites up the Hood River. The Port's security officer will be attending.*
- *Rapid ReadyMix equipment has been disassembled and laying flat on the parcel along with the concrete debris. Dan Peterson, the Port's outside counsel, has advised the Port to continue billing RRM. Ultimately, the Port will make an administrative claim within the bankruptcy for those amounts.*
- *Met with General Manager of the Portland Yacht Club. Discussion went well. All phone calls requested by Coast Guard complete. Formal notice proposal to be submitted June 1.*
- *The property transaction has closed between the Port and the Mt. Hood Railroad for the two smaller pieces on Lower Hanel Mill Rd.*
- *Port staff has been taking shifts in parking enforcement to get a better understanding of the operational side of the paid parking program.*

### **LOT 1 ROUNDABOUT PROGRESS**

- *KPFF/WSP submitted responses back to ODOT's technical team on May 3<sup>rd</sup>. Subsequent response included scheduling meeting with Reg. 1 Administrator. Held strategy meeting with WSP on how to prepare as it is likely ODOT will be pulling the \$500k Immediate Opportunity Funds off the project.*
- *Met with EDA to introduce Scott Keillor. Port has a few months to submit amendment; grant is good for five years. EDA understands need for amendment. Need ODOT approval before submitting.*
- *Grant activity on hold until we get ODOT approvals.*

## **AIRPORT ACTIVITIES**

- *Attended pre-application meeting with FAA and the port's consultant, PAE, regarding the So. T-hangar development. The Port is working with FAA to develop a grass taxiway that would be exempt from federal run-off review. Hangar construction would be complete in Spring 2026.*
- *Negotiations continuing with Josh Coombs on eastern development of North Apron.*
- *Working with Terry Brandt/WAAAM to refine the through-the-fence-agreement easement/license on the North Apron*
- *Continuing to monitor and investigate other funding opportunities for the public-facing administrative building. FEMA, EDA and private donations seem to be best options currently.*
- *Have met with airport neighbor about their trees interference with the airport weather station. FAA is willing to consider a tree survey that could result in some tree removal which could be most cost effective method for improving pilot data.*
- *Staffed recent Airport Advisory Committee meeting.*
- *Working to scope and negotiate contract with Jeff Renard, Aviation Management Services LLC, about six-month service contract for airport operations, project management, FBO RFP development and operational assessment.*
- *Received request from Hood Aero regarding a through-the-fence-agreement on the South Apron.*
- *Working with Ashleigh to develop a highest-bid leasing arrangement for open hangars.*

## **ADMINISTRATION – PATTY ROSAS, EXECUTIVE ASSISTANT**

- *Working with Gretchen Goss Creations on the Port Newsletter*
- *Provided a tour to Universal Field Services with Ryan Klapprich for the Port Admin Building relocation.*
- *Preparing for a website upgrade in coming months.*
- *Attended the Regional Human Resources Training through SDAO.*

## **FINANCE – DEBBIE SMITH-WAGAR, FINANCE DIRECTOR**

- *Software: We have moved on to training on the payroll and human resources modules. Most of the work still to be done involves getting the system set up properly for tracking and reporting the information the way we want.*
- *Replacement Bridge: The process to get a TIFIA loan approved continues. The process to get an indicative credit rating from KBRA (Kroll) continues. KBRA changed staff in the process and the new analysts are digging into the information a little deeper. We will submit the formal letter of interest (LOI) as soon as the indicative rating is received.*
- *Tolling Interoperability: We continue to work with the Washington Department of Transportation to become interoperable between our BreezeBy system and their Good2Go system. They have a few more departments that are involved, and our P Square representative is working with them to get the back-office systems to talk to each other. We are on schedule to be interoperable by early next calendar year. We are also working with the Port of Cascade Locks to determine how (or if) they want to move forward with interoperability.*
- *BreezeBy Software: Our back-office tolling system (the software is called ETBOS) is moving to the cloud in a few weeks. The update has been in the works for a year or more, but testing*



is wrapping up, and P Square conducted a demonstration/training session with our front office staff.

- Time tracking: Our Deputy Finance Manager, Jana Scoggins, rolled out spreadsheets to the various departments to start tracking their time as preparation for the new software. There were several revisions as Jana made the spreadsheets easier to use while still tracking the information we want to capture.

**WATERFRONT/MARINA – DARYL STAFFORD, WATERFRONT MANAGER**

- Cider Fest event coordinators reported that it was a huge success with estimated attendance of over 4,000 people even though the weather wasn't ideal.
- Ashleigh Dougill will be preparing a resolution for Commission adoption stating that the Port's parking program is exempt from requiring a cash payment option as the transaction is "over the internet." This was discovered when a citizen felt that the Port must require a coin/cash option for parking payment.
- The Port still has an opening for the Parking Enforcement position. Members of the Port office staff have been stepping up to the plate and helping out by picking up additional work on the weekends and after hours.
- Waterfront Text-to-Pay Waterfront parking revenue totals \$15,337 YTD as of 5/15/24.
- 2024 Waterfront Annual Parking pass sales are down from 2023.

<b>YTD 2024 Annual Pass Total</b>	<b>212</b>	<b>\$ 65,025.00</b>
<b>YTD 2023 Annual Pass Total</b>	<b>369</b>	<b>\$ 75,300.00</b>

2024 Waterfront Annual Parking Passes									
	BoatRamp- Cost \$100		Boat Ramp: Senior - Cost \$75		Regular Length Passenger Vehicles 20' and under- Cost \$200		Overlength Vehicles (over 20'), RVs of all lengths, and vehicles with trailers- Cost \$350		Total
	# Sold	Sales Amount	# Sold	Sales Amount	# Sold	Sales Amount	# Sold	Sales Amount	
January	1	\$ 100.00	2	\$ 150.00	32	\$ 6,400.00	2	\$ 700.00	\$ 7,350.00
February	5	\$ 500.00	2	\$ 150.00	39	\$ 7,800.00	2	\$ 700.00	\$ 9,150.00
March	3	\$ 300.00		\$ -	78	\$ 15,600.00	2	\$ 700.00	\$ 16,600.00
April	5	\$ 500.00	3	\$ 225.00	149	\$ 29,800.00	4	\$ 1,400.00	\$ 31,925.00
<b>Total</b>	<b>14</b>	<b>\$ 1,400.00</b>	<b>7</b>	<b>\$ 525.00</b>	<b>181</b>	<b>\$ 36,200.00</b>	<b>10</b>	<b>\$ 3,500.00</b>	<b>\$ 65,025.00</b>

**BRIDGE/TRANSPORTATION – RYAN KLAPPRICH, FACILITIES MANAGER**

- Herbicide spray parks/airport.
- Finished master re-key of Big 7.
- Repair of shower bathroom water lines.
- Irrigation repairs all yards.
- Put out all picnic benches at hook, event site and parks.
- Annual pump out station testing for moorage.
- Wetland mitigation project weed eating.
- Houseless camp clean up at Jay Mar.

- *Park mowing/weed eating.*
- *Foot bridge deck replacement/light repair*
- *Attended the Pacific Northwest Bridge conference.*
- *Dock repairs boat moorage.*
- *Sign installation event site.*
- *Finished burning pile at Hanel Mill site.*

~~###~~

**Airport Activity:**

Favorable flying conditions in April brought an increase in about 100 flight events over those seen the previous month. Anticipate periods of rain and low clouds in May but an overall increase in flight operations.



**Night Flights:**

No internal night flights were flown in April. No large events scheduled for May.



**Flight Training:** Hood Aero conducted 32 training events in April with an anticipated increase in May. We have seen an increase in customer demand for training to be conducted in Hood River vice Dallesport. We also have begun offering float plane training which made up the

majority of April training flights.

**Flight Training Events**



**Maintenance Activity:**

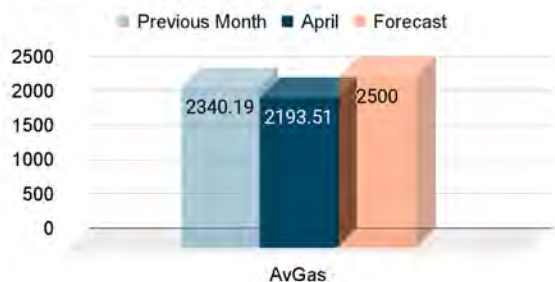
4 general maintenance events took place throughout April. The shop will have multiple annual inspections coming in May.

**Maintenance Events**



**Fuel Sales:** Fuel sales showed a slight decrease over last month. May could bring periods of rain and unfavorable conditions early in the month. Anticipate an increase in fuel sales next month.

**Fuel Sales (Gallons)**



**Fuel Flowage Fees:**

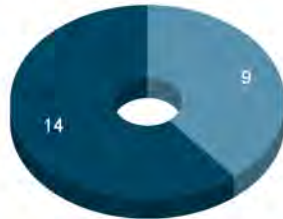
\$219.35 paid in flowage fees to the Port of Hood River in April. Based on .10 per gallon and a rounded sale of 2193.51 gallons.

**Tie Down Activity:**

- 23 total spots.
- 61% utilization for April averaged.
- \$676 collected for tie down fees in April.

Tie Down Utilization

- Available Tie Downs
- Rented Tie Downs Long Term



**Noise Feedback:**

No noise complaints received by the FBO in April.

**Pilot Feedback:**

No specific pilot feedback was received by the FBO in April.

**Airport Surfaces:**

	Condition	Notes.
Rwy 7/25		
Grass Strip		
N. Ramp		

S. Ramp		
S. Gravel		
Taxiways		

**Facilities:**

	Condition	Notes.
N. Hangars		
S. Hangars		
FBO		
MX Hangar		
Ops Hangar		
Collins Hangar		
Blue Hangar		

**Lighting:**

- No issues noted with airport

**Other:**

- None noted