

PORT OF COLUMBIA COUNTY
100 E STREET, COLUMBIA CITY, OR 97018
FEBRUARY 8, 2023
COMMISSION MEETING
8:30 A.M.

Revised

The Port of Columbia County Commission Meeting will be in person.
In accordance with state law, the meeting will be accessible via telephone or Zoom.
Members of the public who want to attend the meeting electronically should do so by:

<https://us02web.zoom.us/j/87310651067>

Meeting ID: 873 1065 1067

Passcode: 808580

Call-In

1 (253) 215-8782

- I. CALL MEETING TO ORDER** (President, Robert Keyser)
- A. Flag Salute**
B. Roll Call
- II. ADDITIONS TO AGENDA**
- III. CONSENT AGENDA** (The Board has agreed to implement a Consent Agenda. Implementation of the Consent Agenda means that all items marked with an asterisk (*) are adopted by a single motion unless a Member of the Board requests that such item be removed from the Consent Agenda and voted upon separately. Generally, Consent Agenda items are routine in nature and enable the Board to focus on other matters on the agenda.)
- A.* Approval of Minutes; January 11, 2023**
B.* Financial Reports; January 2023
C.* Approval of January Check Registers (A) in the total amount of \$345,546.56
D.* Approval of January Check Registers (B) in the total amount of \$29,435.01
- IV. COMMENTS FROM VISITORS** (Limited to 2 min. per person unless prior authorization is obtained)
- V. OLD BUSINESS**
- | | |
|--|------------------------|
| A. 2022 Audit Report – Kern and Thompson | Eric Zehntbauer |
| B. Dredging Project Update | MH |
| C. Marina Improvement Project Update | MH |
| D. Airport Use Permit Update (Through-The-Fence Access) | AB |
- VI. NEW BUSINESS**
- | | |
|---|------------|
| A. Resolution 2023-03 | AB |
| A RESOLUTION APPROVING A LEASE WITH EVEN CONSTRUCTION, INC. AT THE MULTNOMAH INDUSTRIAL PARK | |
| B. Resolution 2023-04 | BFG |
| A RESOLUTION TO UPGRADE CAMERAS, LICENSE PLATE READERS, AND NETWORK VIDEO RECORDING SYSTEM AT SCAPPOOSE BAY MARINE PARK AND BAYPORT RV PARK | |
- VII. EXECUTIVE DIRECTOR’S REPORT**
- VIII. COMMISSIONER REPORTS**
- IX. EXECUTIVE SESSION**
- The Board will hold an executive session to consider exempt public records, including, but not limited to, written legal advice from the Port’s legal counsel which is privileged under ORS 40.225 and exempt from disclosure under ORS 192.509(9) pursuant to ORS 192.660(2)(f). To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed under ORS 192.660(2)(h).
- X. ADJOURNMENT**

Pursuant to ORS 192.640 (1) the Port of Columbia County Board of Commissioners reserves the right to consider and discuss, in either Open Session or Executive Session, additional subjects which may arise after the agenda is published

Next Regularly Scheduled Meetings

February 22nd (TBD) Work Session at 6:00 p.m.

March 8th Comm. Mtg at 8:30 a.m.

Upcoming Events

March 7th at 5:30 p.m. SBM Adv. Com. Mtg

March 27th at 5:00 p.m. SA Adv. Com. Mtg

Agenda times and order of items listed are estimated and are subject to change without notice. This facility is ADA-accessible. If you need special accommodation, please contact the Port office at (503) 397-2888 or TTY (800) 735-1232, at least 48 hours before the meeting.

**PORT OF COLUMBIA COUNTY
JANUARY 11, 2023
COLUMBIA CITY, OR 97018**

The Port of Columbia County held a Commission meeting at 8:30 A.M. on Wednesday, January 11, 2023, at the Port Office, 100 E Street, Columbia City, Oregon, and via Zoom video conferencing, with the following present:

Commissioners

Robert Keyser	President
Chip Bubl	Vice President
Chris Iverson	2 nd Vice President
Nancy Ward	Secretary
Brian Fawcett	Treasurer

Guests

Natasha Parvey, NEXT
Nick Sorber
Duane Neukom
Deborah Hazen
Alta Lynch Zoom
Doug Bean Zoom
Cass Zoom

Staff

Sean P Clark	Executive Director
Bob Gadotti	Exec. Finance Mgr.
Robert Salisbury	Port General Counsel
Brittany Scott	Exec. Assist. /Office Coord.
Elizabeth Millager	Exec. Assist. Operations
Miriam House	Operations Manager
Elliot Levin	N. County Ops. & Terminal Mgr.
Amy Bynum	Real Est. & Bus. Dev. Mgr.
Gina Sisco	External Affairs Mgr.
Lacey Tolles	Data Res. & Projects Spec.
Susie Tolleshaug – Zoom	Administrative Assistant
Sydell Cotton – Zoom	Sr. Acct. & Payroll Spec.

Media

Anna Del Savio, Spotlight Zoom

The Port of Columbia County Commission meeting was called to order at 8:30 A.M. by President Robert Keyser. Mr. Keyser stated that we are having video difficulties to the guests on Zoom.

Consent Agenda

Chris Iverson moved, Brian Fawcett seconded a motion to adopt consent agenda items A, B, & C: December 14, 2022, minutes. Financial Reports for December 2022 and December Check Register (A) in the amount of \$359,788.27. Motion carried unanimously.

Chip Bubl moved, Nancy Ward seconded a motion to adopt consent agenda item D: December Check Register (B) for \$29,020.17. Chip Bubl, Nancy Ward, and Brian Fawcett voted aye. Chris Iverson and Robert Keyser abstained from voting, declaring a potential conflict of interest. Motion carried.

There was no public comment.

New Business

2022 Audit Report – Kern and Thompson

Eric Zehntbauer, Kern and Thompson, was not present. Bob Gadotti stated that there were no findings in the report. Everything is in perfect order.

Committee & Organization Assignments

Sean Clark asked the Commissioners to review the list of organizations and inform staff if they would like to attend any of the meetings.

Approval of 2023 Meeting Dates

Robert Keyser asked the Commissioners if they had any issues with the upcoming meeting dates. Everyone agreed that the dates were acceptable.

Resolution 2023-01

A RESOLUTION DESIGNATING THE BANK OF THE WEST AS THE DEPOSITORY FOR THE PORT AND AUTHORIZING BANKING SERVICES
Brian Fawcett moved, Nancy Ward seconded a motion to approve Resolution 2023-01, authorizing the Executive Director to sign the Bank of the West banking services acceptance letter dated December 9, 2022. Motion carried unanimously.

Resolution 2023-02

A RESOLUTION TO APPROVE THE SIGNING OF AMENDMENT 1 TO THE RAIL INTERGOVERNMENTAL AGREEMENT AND DISTRIBUTION AGREEMENT (COLUMBIA COUNTY DEVELOPMENT AGENCY)

Brian Fawcett moved, Chip Bubl seconded a motion to approve Resolution 2023-02, authorizing the signing of Amendment No. One to the Rail Intergovernmental Agreement and the Distribution Agreement, and directs the President of the Port Commission to sign both documents as presented. Chip Bubl, Nancy Ward, Robert Keyser, and Brian Fawcett voted aye. Chris Iverson voted nay. Motion carried 4-1.

Executive Director's Report

Provided and read by Sean Clark, which is attached to the file copy of the minutes.

Commissioner Reports

Nancy Ward mentioned it was very nice that Columbia County Commissioner Garrett is also interested in joining the Agricultural Committee meetings in the future. She also had lots of fun during the holidays.

Chris Iverson mentioned that he would like the Commissioners to create a priority list of projects and apply for grant funding. Mr. Clark advised that Port staff was already working on this, especially Lacey Tolles. Mr. Iverson also informed the Port staff that the ladders on the sides of the dock at the marina need to be installed. Mr. Iverson also gave thanks to Port employees Billy Brown and Kim Culver for fixing the sewer lines on a Saturday at the marina in adverse weather.

Brian Fawcett agreed with Mr. Iverson about creating a priority list of projects and also tracking these capital projects or infrastructure improvements that go beyond the year in which we are in.

Chip Bubl had nothing to report.

Robert Keyser said that he would like to congratulate Columbia County on closing the Port Westward Urban Renewal Plan. Because of this project, we had several projects that came in and ended up waiting, but we did get the Bio-Refinery out of it and two Portland General Electric (PGE) power plants that are more than \$500 million worth of investment because of the Urban Renewal Plan. Hats off to the people who have some foresight to do something that took a long time to see the payoff.

Executive Session

The Board held an executive session to consider exempt public records, including, but not limited to, written legal advice from the Port's legal counsel which is privileged under ORS 40.225 and exempt from disclosure under ORS 192.509(9) pursuant to ORS 192.660(2)(f). To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed under ORS 192.660(2)(h).

EXECUTIVE SESSION BEGAN AT 9:00 A.M.

THE COMMISSION RETURNED TO REGULAR SESSION AT 10:01 A.M.

Chris Iverson and others received a letter from Ed Freeman about the Through-the-Fence (TTF) operations at Scappoose Airport. Mr. Iverson asked for an update. Sean Clark provided an in-depth update on the response to Mr. Freeman's letter. Mr. Clark shared that the Port plans to get to yes. Mr. Iverson is in support of TTF but does not want to lose FAA funding. Robert Keyser suggested that we invite the FAA to a future meeting.

Chris Iverson asked for a status update on the marina dredging project. Miriam House replied that the timeline for the dredging is scheduled for October 2023. Everything is on schedule with Lower Columbia Engineering. Mr. Iverson inquired about the cost of the project. Ms. House replied that we expect a larger dredge footprint, and that soil sampling will tell us how deep and far we can go and what the cost estimate will be. Bob Gadotti advised that there is about \$500,000 set aside for the project.

Nancy Ward observed, "do we really have enough staff? And don't we need more people?" Ms. Ward said, "this is enormous, we are asking Miriam House, Gina Sisco, and Sean Clark to be in charge of so many things and I don't understand how we are asking people to keep up with it." Mr. Iverson stated that we need to prioritize projects.

Mr. Keyser would like to see the marina dredging project and TTF on the agenda as updates until further notice.

THERE BEING NO FURTHER BUSINESS BEFORE THE COMMISSION, THE MEETING ADJOURNED AT 10:22 P.M.

President

Secretary

February 8, 2023
Date Adopted by Commission



Finance Update January 2023

STAFF REPORT

DATE: February 08, 2023
TO: Commission Board
FROM: Bob Gadotti
Executive Finance Manager
RE: Finance Update as of January 31, 2023

Discussion:

This agenda item is a preliminary report of the Port's current financials as of January 31, 2023.

Cash and Investments: \$9,140,967.

YTD Revenues Collected: \$4,656,291 which is 60.30% of the annual budget of \$7,722,922.

YTD Expenses: \$3,248,789 which is 21.70% of the annual budget of \$14,955,276. The annual expense budget includes \$4,018,450 of contingency that will not be utilized.

January 2023 checks issued totaled \$374,981.57.

January Highlights

Preparing for 2023-2024 Budget process.
Capital Budget 2023-2024 staff reviewing
Mid-Year account reconciliation complete
Finance Manager and Property Manager positions remain open.

Port of Columbia County							
Income Statement							
For the period ending							
January 31,2023							
			Current Actual	Yr To Date Actual	Annual Budget	% Remaining	Prior Yr To Date Actual
Resources							
Property Taxes			211	2,922	-	0.0%	11,769
Licenses and Permits			44,076	317,702	563,935	43.7%	322,937
Rents and Reimbursements			533,229	3,271,939	5,784,328	43.4%	2,964,641
Terminal Services			81,317	265,759	411,202	35.4%	31,744
Bayport RVPark			14,487	88,993	161,996	45.1%	75,662
Parking Fees			849	19,953	32,185	38.0%	22,773
Launch Fees			2,518	22,067	53,456	58.7%	26,145
Other Marina Fees			235	1,976	4,286	53.9%	2,725
Grants			-	47,035	394,627	88.1%	(43,642)
Loan Proceeds			-	483,186	-	0.0%	-
Interest Earnings			25,431	113,389	38,036	-198.1%	21,536
InterGovernmental Income			-	-	-	0.0%	-
Contributions			-	-	250,018	100.0%	-
Miscellaneous Income			11,959	21,370	28,853	25.9%	42,492
Total Resources			714,312	4,656,291	7,722,922	39.7%	3,478,781
Requirements							
Personnel Services			176,367	1,241,155	2,177,364	43.0%	1,101,014
Materials and Services			120,861	1,246,345	2,037,779	38.8%	1,638,455
Capital Outlay			152,732	342,287	5,615,000	93.9%	340,908
Debt Service			-	419,002	1,106,682	62.1%	730,801
Contingency			-	-	4,018,450	100.0%	-
						0.0%	
Total Requirements			449,960	3,248,789	14,955,275	78.3%	3,811,179
Ending Fund Balance			264,352	1,407,502	-	0.0%	

**Port of Columbia County
Vendor Check Register Report - A**

Ck No	Vendor ID	Vendor Name	Date	Ck Amount	Ck Bk ID	Voided
43353	BUBL001	Chip Bubl	1/4/2023	\$ 150.00	BOW CHKG	No
43354	CINT002	Cintas Corporation No 3	1/4/2023	\$ 99.84	BOW CHKG	No
43355	CITY001	City of Columbia City	1/4/2023	\$ 243.29	BOW CHKG	No
43356	CITY003	City of St. Helens	1/4/2023	\$ 50.00	BOW CHKG	No
43357	CONN001	Connecta Satellite Solutions LLC	1/4/2023	\$ 44.78	BOW CHKG	No
43358	DAHL001	VASA Hldgs LLC dba	1/4/2023	\$ 830.37	BOW CHKG	No
43359	DEPA001	Department of Environmental Quality	1/4/2023	\$ 30,600.00	BOW CHKG	No
43360	FAWC001	Brian Fawcett	1/4/2023	\$ 150.00	BOW CHKG	No
43361	FOXI001	Foxit Software Incorporated	1/4/2023	\$ 628.95	BOW CHKG	No
43362	IVER001	Chris Iverson	1/4/2023	\$ 150.00	BOW CHKG	No
43363	KEYS001	Robert Keyser	1/4/2023	\$ 150.00	BOW CHKG	No
43364	NORW001	Norwest Engineering, Inc	1/4/2023	\$ 5,227.50	BOW CHKG	No
43365	PACI002	Pacific Coast Congress of Harbormasters and Port Managers	1/4/2023	\$ 265.00	BOW CHKG	No
43366	PITN001	Pitney Bowes	1/4/2023	\$ 165.12	BOW CHKG	No
43367	STAN002	The Standard	1/4/2023	\$ 1,641.32	BOW CHKG	No
43368	WARD001	Nancy Ward	1/4/2023	\$ 150.00	BOW CHKG	No
43369	BUBL001	Chip Bubl	1/4/2023	\$ 150.00	BOW CHKG	No
43370	BYNU001	Amy Bynum	1/4/2023	\$ 112.75	BOW CHKG	No
43371	CENT001	CenturyLink	1/4/2023	\$ 98.48	BOW CHKG	No
43372	CENT003	CenturyLink	1/4/2023	\$ 53.63	BOW CHKG	No
43373	CHAR001	Charter Communications	1/4/2023	\$ 225.64	BOW CHKG	No
43374	CITY002	City of Scappoose	1/4/2023	\$ 935.68	BOW CHKG	No
43375	CITY003	City of St. Helens	1/4/2023	\$ 110.65	BOW CHKG	No
43376	CLAT002	Clatskanie PUD	1/4/2023	\$ 59.66	BOW CHKG	No
43377	COLU008	Columbia River PUD	1/4/2023	\$ 4,236.45	BOW CHKG	No
43378	COMM001	Oregon Publications Corp	1/4/2023	\$ 110.00	BOW CHKG	No
43379	FAWC001	Brian Fawcett	1/4/2023	\$ 150.00	BOW CHKG	No
43380	IVER001	Chris Iverson	1/4/2023	\$ 150.00	BOW CHKG	No
43381	KEYS001	Robert Keyser	1/4/2023	\$ 150.00	BOW CHKG	No
43382	NWNA001	NW Natural Gas Company dba	1/4/2023	\$ 142.79	BOW CHKG	No
43383	PORT002	Portland General Electric	1/4/2023	\$ 7,573.84	BOW CHKG	No
43384	QUAL001	Quality Auto Parts	1/4/2023	\$ 51.98	BOW CHKG	No
43385	REDM001	Michael Redman	1/4/2023	\$ 297.00	BOW CHKG	No
43386	SHRE001	Shred Northwest, Inc	1/4/2023	\$ 60.00	BOW CHKG	No
43387	SONI001	Sound Security, Inc	1/4/2023	\$ 478.15	BOW CHKG	No
43388	THES001	The Seminar Group	1/4/2023	\$ 749.00	BOW CHKG	No
43389	VOYA001	Voya - State of Oregon	1/4/2023	\$ 2,835.00	BOW CHKG	No
43390	WARD001	Nancy Ward	1/4/2023	\$ 150.00	BOW CHKG	No
43391	DDME001	D & D Mechanical Inc	1/4/2023	\$ 351.50	BOW CHKG	No
43392	BUBL001	Chip Bubl	1/10/2023	\$ 150.00	BOW CHKG	No
43393	FAWC001	Brian Fawcett	1/10/2023	\$ 150.00	BOW CHKG	No
43394	IVER001	Chris Iverson	1/10/2023	\$ 150.00	BOW CHKG	No
43395	KEYS001	Robert Keyser	1/10/2023	\$ 150.00	BOW CHKG	No
43396	WARD001	Nancy Ward	1/10/2023	\$ 150.00	BOW CHKG	No
43397	ACEH001	Ace Hardware - St Helens	1/10/2023	\$ 372.54	BOW CHKG	No
43398	AMBI001	Ambient IT Solutions	1/10/2023	\$ 2,147.75	BOW CHKG	No
43399	CHRO0001	The Chronicle	1/10/2023	\$ 60.00	BOW CHKG	No
43400	CINT002	Cintas Corporation No 3	1/10/2023	\$ 49.92	BOW CHKG	No
43401	CITY003	City of St. Helens	1/10/2023	\$ 11,189.16	BOW CHKG	No
43402	CITY005	City of Clatskanie	1/10/2023	\$ 100.31	BOW CHKG	No
43403	CLAT002	Clatskanie PUD	1/10/2023	\$ 1,384.74	BOW CHKG	No
43404	COMC002	Comcast Business	1/10/2023	\$ 83.15	BOW CHKG	No

43405	DONS001	Dons Rental	1/10/2023	\$ 268.03	BOW CHKG	No
43406	FAST001	Fastenal Company	1/10/2023	\$ 84.09	BOW CHKG	No
43407	FINE001	Encore Business Solutions	1/10/2023	\$ 2,739.70	BOW CHKG	No
43408	FPRE001	F. Preston	1/10/2023	\$ 2,800.00	BOW CHKG	No
43409	GBMA001	GB Manchester	1/10/2023	\$ 540.00	BOW CHKG	No
43410	GLOB001	Global Security	1/10/2023	\$ 194.85	BOW CHKG	No
43411	GOVE002	Gove Enterprises, Inc	1/10/2023	\$ 100.00	BOW CHKG	No
43412	IVER001	Chris Iverson	1/10/2023	\$ 179.89	BOW CHKG	No
43413	LAWR001	Lawrence Oil Company	1/10/2023	\$ 85.10	BOW CHKG	No
43414	LESS001	Les Schwab Tire Center	1/10/2023	\$ 515.84	BOW CHKG	No
43415	LEVI001	Elliot Levin	1/10/2023	\$ 41.88	BOW CHKG	No
43416	MARI002	Maritime Fire & Safety Association	1/10/2023	\$ 540.00	BOW CHKG	No
43417	MYSY001	My System Shield LLC	1/10/2023	\$ 1,950.00	BOW CHKG	No
43418	NORW001	Norwest Engineering, Inc	1/10/2023	\$ 33,509.70	BOW CHKG	No
43419	NUIS001	John A. Norvell dba	1/10/2023	\$ 175.00	BOW CHKG	No
43420	QUIL001	Staples Inc dba	1/10/2023	\$ 180.56	BOW CHKG	No
43421	QUIN001	Quincy Water Association	1/10/2023	\$ 45.00	BOW CHKG	No
43422	SALI002	Robert Salisbury	1/10/2023	\$ 54.95	BOW CHKG	No
43423	SIER001	Sierra Springs	1/10/2023	\$ 31.77	BOW CHKG	No
43424	SISC001	Gina Sisco	1/10/2023	\$ 40.00	BOW CHKG	No
43425	STEL001	Richard Stellner	1/10/2023	\$ 3,396.38	BOW CHKG	No
43426	STEW001	Stewardship Solutions, Inc	1/10/2023	\$ 108.50	BOW CHKG	No
43427	SUNS001	Sunset Auto Parts	1/10/2023	\$ 288.77	BOW CHKG	No
43428	THOM001	Thomson Reuters-West Payment Center	1/10/2023	\$ 115.82	BOW CHKG	No
43429	USPO001	US Postal Service	1/10/2023	\$ 332.00	BOW CHKG	No
43430	WARD001	Nancy Ward	1/10/2023	\$ 152.74	BOW CHKG	No
43431	WELL001	Wells Fargo Financial Leasing, Inc	1/10/2023	\$ 108.14	BOW CHKG	No
43432	WILC001	Wilson Oil Inc dba	1/10/2023	\$ 185.29	BOW CHKG	No
43433	ZIPL001	Ziply Fiber	1/10/2023	\$ 118.12	BOW CHKG	No
43434	LOOPN001	LoopNet	1/10/2023	\$ 1,298.00	BOW CHKG	No
43435	PEAK001	Peak Electric Group, LLC	1/10/2023	\$ 33,550.00	BOW CHKG	No
43436	ATTM001	AT&T Mobility	1/19/2023	\$ 1,192.46	BOW CHKG	No
43437	BANK001	Bank of the West	1/19/2023	\$ 8,881.40	BOW CHKG	No
43438	CARQ001	General Parts Distribution	1/19/2023	\$ 26.47	BOW CHKG	No
43439	CENT001	CenturyLink	1/19/2023	\$ 337.51	BOW CHKG	No
43440	CHAR001	Charter Communications	1/19/2023	\$ 225.92	BOW CHKG	No
43441	CINT001	Cintas First Aid & Safety	1/19/2023	\$ 22.40	BOW CHKG	No
43442	CINT002	Cintas Corporation No 3	1/19/2023	\$ 149.76	BOW CHKG	No
43443	COLU004	Columbia Pacific EDD	1/19/2023	\$ 1,000.00	BOW CHKG	No
43444	COLU009	Columbia County	1/19/2023	\$ 290.61	BOW CHKG	No
43445	COLU024	Columbia County Rotary	1/19/2023	\$ 375.00	BOW CHKG	No
43446	COMC002	Comcast Business	1/19/2023	\$ 1,010.53	BOW CHKG	No
43447	HRAV001	HRA VEBA Plan	1/19/2023	\$ 8,500.00	BOW CHKG	No
43448	HUDS001	Hudson Garbage Service	1/19/2023	\$ 632.97	BOW CHKG	No
43449	HUDS002	Hudson Portable Toilet Service	1/19/2023	\$ 260.77	BOW CHKG	No
43450	KOLD001	Culligan	1/19/2023	\$ 86.65	BOW CHKG	No
43451	LCRH001	Lower Columbia Region HSC	1/19/2023	\$ 450.00	BOW CHKG	No
43452	LOWE001	Lower Columbia Engineering	1/19/2023	\$ 18,276.25	BOW CHKG	No
43453	MACK001	Mackenzie	1/19/2023	\$ 2,430.60	BOW CHKG	No
43454	MERC001	Merchants Exchange of Portland	1/19/2023	\$ 980.00	BOW CHKG	No
43455	METR001	Metro Overhead Door	1/19/2023	\$ 148.00	BOW CHKG	No
43457	NORW001	Norwest Engineering, Inc	1/19/2023	\$ 480.00	BOW CHKG	No
43458	NWNA001	NW Natural Gas Company dba	1/19/2023	\$ 106.79	BOW CHKG	No
43459	OREG010	Oregon Department of Revenue	1/19/2023	\$ 498.06	BOW CHKG	No
43460	OREI001	O'Reilly Auto Enterprises LLC	1/19/2023	\$ 144.94	BOW CHKG	No
43461	PAMP001	Oregon Publication Corporation	1/19/2023	\$ 52.00	BOW CHKG	No

43463	SHRE001	Shred Northwest, Inc	1/19/2023	\$ 60.00	BOW CHKG	No
43464	SUPP002	SupplyWorks	1/19/2023	\$ 61.24	BOW CHKG	No
43465	TVW0001	TVW	1/19/2023	\$ 884.75	BOW CHKG	No
43466	VOYA001	Voya - State of Oregon	1/19/2023	\$ 2,835.00	BOW CHKG	No
43467	WAST002	Waste Management of OR, Inc.	1/19/2023	\$ 32.92	BOW CHKG	No
43468	WELL001	Wells Fargo Financial Leasing, Inc	1/19/2023	\$ 108.14	BOW CHKG	No
43469	CENT001	CenturyLink	1/25/2023	\$ 53.98	BOW CHKG	No
43470	CINT002	Cintas Corporation No 3	1/25/2023	\$ 49.92	BOW CHKG	No
43471	CITY003	City of St. Helens	1/25/2023	\$ 9,687.96	BOW CHKG	No
43472	CLAT002	Clatskanie PUD	1/25/2023	\$ 49.37	BOW CHKG	No
43473	COLU008	Columbia River PUD	1/25/2023	\$ 50.50	BOW CHKG	No
43474	COMC001	Comcast	1/25/2023	\$ 2,139.82	BOW CHKG	No
43475	DELL001	Dell Financial Services LLC	1/25/2023	\$ 805.53	BOW CHKG	No
43476	KPFF001	KPFF, Inc	1/25/2023	\$ 22,123.25	BOW CHKG	No
43477	NWNA001	NW Natural Gas Company dba	1/25/2023	\$ 230.47	BOW CHKG	No
43478	PITN001	Pitney Bowes	1/25/2023	\$ 453.00	BOW CHKG	No
43480	STAN002	The Standard	1/25/2023	\$ 1,785.56	BOW CHKG	No
43481	VOYA001	Voya - State of Oregon	1/25/2023	\$ 3,410.00	BOW CHKG	No
43482	SCHA001	Schadco Railroad Construction	1/30/2023	\$ 94,520.00	BOW CHKG	No

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Total \$ 345,546.56

**Port of Columbia County
Vendor Check Register Report - B**

Check No	Vendor ID	Vendor Name	Check Date	Check Amount	Chk Bk ID	Voided
43462	SDIS001	SDIS	1/19/2023	\$ 875.52	BOW CHKG	No
43479	SDAO001	SDAO	1/25/2023	\$ 545.00	BOW CHKG	No
43456	MODA001	Moda Health	1/19/2023	\$ 28,014.49	BOW CHKG	No
3		Total		\$ 29,435.01		

To P/R

Request for Reimbursement and Commissioner Stipend

It is the policy of the Port of Columbia County to reimburse commissioners for legitimate expenses made or costs incurred by commissioners in the course of conducting Port business. All requests for reimbursement must include receipts or other adequate documentation. Vehicle reimbursement may be made for the use of a personal vehicle for official business only.

Date of Request 01.08.2023

EXPLOSION

600-6705-01-011- 36.88

Form RR-C (Rev. 01-2020)

To P/R ✓

Request for Reimbursement and Commissioner Stipend

JAN 9 2023

Commissioner Ward

Date of Request 01.08.2023

			Expense or Mileage Reimbursement				
Date	Description	Meeting Stipend	Miles Driven	July 1, 2022 Rate	Mileage	Meals and Other	Total
12.05.2022	Ag Committee Meeting	\$ 50.00	26		\$ 16.25		\$ 16.25
12.06.2022	Environmental Conference	\$ 50.00	48.4	0.6250	\$ 30.25		\$ 30.25
12.07.2022	Environmental Conference	\$ 50.00	48.4	0.6250	\$ 30.25		\$ 30.25
12.11.2022	Agenda Review & Meeting Prep	\$ 50.00		0.6250	\$ -		\$ -
01.12.1900	Board Meeting (+snacks)	\$ 50.00	26	0.6250	\$ 16.25	\$ 19.48	\$ 35.73
12.15.2022	Scappoose Economic Dev.	\$ 50.00	5.4	0.6250	\$ 3.38		\$ 3.38
Dec.	Misc phone calls	\$ 50.00		0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
TOTAL REQUESTED REIMBURSEMENT		\$ 350.00			\$ 96.38	\$ 19.48	\$ 115.86

I certify that the expenses sought to be reimbursed were incurred in the course of official PORT business and were paid by me from my own funds. I affirm the accuracy of this information.

Nancy Ward
Signature

600-6705-01.011 - 96.38
600-6725-01.020 19.48

To P/R ✓

**PORT OF COLUMBIA COUNTY
Request for Reimbursement and Commissioner Stipend**

JAN 05 2023

It is the policy of the Port of Columbia County to reimburse commissioners for legitimate expenses made or costs incurred by commissioners in the course of conducting Port business. All requests for reimbursement must include receipts or other adequate documentation. Vehicle reimbursement may be made for the use of a personal vehicle for official business only.

Commissioner Ivers on

Date of Request 1-5-2023

Date	Description	Meeting Stipend	Expense or Mileage Reimbursement				
			Miles Driven	July 1, 2022 Rate	Mileage	Meals and Other	Total
10-13-22	Calls + meetings						
10-24-22	Review Packet	\$50-		0.6250			50
10-26-22	Port Meeting	\$50-	6	0.6250	\$ 3.75		\$53.75
10-27-22	Calls from Public						
11-6-22	Calls from Staff & Commis	50		0.6250	\$ -		\$50
11-8-22	Review Packet	\$50-	0	0.6250	\$ -		\$50
11-9-22	Port Meeting	\$50-	6	0.6250	\$ 3.75		\$53.75
11-10-22	Calls with Staff						
11-30-22	& Commissioner Public	\$50		0.6250	\$ -	15	\$50
12-1-22	Dan Green Funeral						
12-2-22	50 lb of Flowers	\$ -	0	0.6250	\$ -	157.50	\$157.50
12-2-22	Calls with Robert						
12-12-22	Kemper + Staff	\$50-		0.6250	\$ -		\$50
12-13-22	Review Packet	\$50-		0.6250	\$ -		\$50
12-14-22	Port Meeting	\$50-	6	0.6250	\$ 3.75		\$53.75
12-15-22	Calls from Public						
1-4-22	& Staff	50		0.6250	\$ -		\$50
1-5-22	Meeting Reg	50	17	0.6550	\$ 11.14		\$61.14
	water line & seep			0.6250	\$ 10.63		\$60.63
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
				0.6250	\$ -		\$ -
TOTAL REQUESTED REIMBURSEMENT		\$ -			\$ -	\$ -	\$ -

I certify that the expenses sought to be reimbursed were incurred in the course of official PORT business and were paid by me from my own funds. I affirm the accuracy of this information.


Signature

POSTED

600-6705-01-013 - 22.39

600-6600-01-020 - 157.50



January 18, 2023

Columbia Commerce Center
ATTN: Ed Freeman
PO Box 1754
Lake Oswego, OR 97035

RE: ***Through the Fence at Scappoose Airport***

Dear Ed,

I wanted to thank you for your recent letter dated December 19, 2022. My plan as Executive Director for the Port of Columbia County is to do everything I can to get to a “yes” on your request. In that regard, I called you immediately upon receipt of the above letter and I thought we had a very positive conversation. After we spoke, I took the suggestion in your letter (to talk with Aaron Faegre) and moved forward by quickly setting up a meeting with Mr. Faegre. Port staff and Mr. Faegre met last week and had a very productive meeting. Suggestions at the meeting included holding a meeting of interested stakeholders.

Please find attached an **Airport Use Permit Application** for you to fill out and return. Our plan would be to move your request forward as quickly as possible, but please be advised that we do need to follow Port Rules and Regulations.

In terms of process, the completed Application and information would first be reviewed by the Scappoose Industrial Airpark Advisory Board for the purpose of recommending approval or denial of your request. In arriving at its recommendation, the Advisory Board shall determine whether the use (1) will complement current aeronautical activities; (2) will provide enhancement of appropriate property development adjacent to the airport property; (3) will enhance the usefulness of the airport to the local community; (4) will provide important tax base and jobs for the community; and (5) will enhance and improve the physical and/or financial operations of the airport.

Letter to Ed Freeman
RE: Through the Fence
January 18, 2023
Page 2

After giving due consideration to all of the above factors, a recommendation will then be made by the Advisory Board to the Port of Columbia County Commission to either grant, grant with conditions, or deny the request for access. The Port Commission will review the findings of the Advisory Board and approve the application with or without conditions or deny the application.

For a full explanation of this process, please see attached **Port Resolution 2005-003**. I would ask that you make sure to review the list of conditions for the granting of a permit (#1-10). The conditions for granting a permit shall include, but are not limited to, the list on pages 3-4 of Resolution 2005-003.

Please let me know if you have any other questions. We look forward to working with you on this exciting project. Thank you.

Sincerely,



Sean P. Clark
Executive Director
Port of Columbia County

Cc: Mr. Joseph Weston, Weston Investment Co.
Betsy Johnson & John Helm
Melanie Olson, Business Oregon
Joe Backus, City of Scappoose
Chris Iverson, Port of Columbia County
Paul Vogel, Columbia Economic Team
Aron Faegre
Laurie Oliver Joseph, Comm Dev. Director, City of Scappoose
Miriam House, Port of Columbia County
Amy Bynum, Port of Columbia County
Henry Schulte, Compass Commercial Real Estate
Doug Bean, Bean & Assoc.

RESOLUTION NO. 2005-003

A RESOLUTION ESTABLISHING RULES, REGULATIONS, AND PROCEDURES TO BE FOLLOWED REGARDING ACCESS TO THE SCAPPOOSE INDUSTRIAL AIRPARK FROM ADJACENT PROPERTY, AND REPEALING RESOLUTION 94-4.

WHEREAS, the Port of St. Helens ("Port"), owns and manages the Scappoose Industrial Airpark; and

WHEREAS, financial assistance for improvements at the Scappoose Industrial Airpark has been provided by the Federal Aviation Administration through its Airport Improvement Program; and

WHEREAS, the Port of St. Helens will continue to seek financial assistance for improvements at the Scappoose Industrial Airpark available through the Federal Aviation Administration; and

WHEREAS, there are grant assurances the Port of St. Helens agrees to follow when a grant is awarded by the Federal Aviation Administration and accepted by the Port of St. Helens, and

WHEREAS, development of property adjacent to the Scappoose Industrial Airpark is likely to occur in accordance with applicable local government land use agency (Columbia County/City of Scappoose) zoning designations; and

WHEREAS, an off-airport property owner may want to engage in an aeronautical activity or business and/or may desire aircraft access to the Scappoose Industrial Airpark via a "through the fence" arrangement with the Port of St. Helens; now, therefore,

BE IT RESOLVED by the Board of Commissioners of the Port of St. Helens as follows:

Section 1. PERMIT REQUIRED. No person, firm, corporation or other entity who desires to use or be served by the Airpark runway/taxiway system or who desires direct aircraft access to the Airpark runway/taxiway system shall engage in any "through-the-fence" aeronautical activity or business without first obtaining an Airport Use Permit ("Permit") from the Port of St. Helens. Unless the Board of commissioners find that circumstances warrant, a different period of time, Permits shall be issued for a period of 15 years, subject to periodic reviews for compliance with this Resolution and with other duly and regularly adopted Rules and Regulations for the Scappoose Industrial Airpark which do not unreasonably discriminate among airport users. No application for a permit shall be denied for arbitrary, capricious, unreasonable, or unjustly discriminatory reasons.

Section 2. APPLICATION. An application to the Port for an Airport Use Permit shall be made on an application form provided by the Port and shall contain, among other things, the following information:

- 1) A written explanation of the intended use of the off-airport property, describing in general terms and by using the federal Principal Business Activity (formerly Standard Industry) Code number, or its equivalent, the kind of business that will be conducted; the reason for the need for aircraft access to the airport; the probable number of aircraft to be located on the off-airport parcel; and the probable frequency or aircraft access that would be required.
- 2) A constructive drawing of the area to be developed, including the probable location, height, and description of structures to be constructed; the location and description of a security fence or gate to secure the aircraft operations areas of off-airport property from the other non-secured pedestrian/auto/truck areas of on-airport property; the proposed location of the proposed taxiway access in accordance with FAA specifications; (Refer to Federal Aviation Administration Advisory Circular No. 150/5300-13, regarding Airport Design, and AC/5370-10B regarding Construction Standards for specifications that must be followed); and the identification of the vehicular traffic pattern area clearly separated from aircraft traffic. Once specific buildings have been designed, FAA Form 7460-1, Notice of Proposed Construction or Alteration, must be submitted to the Port for forwarding to the FAA.
- 3) A statement that Applicant has complied, or will comply, with all local governmental and use regulations, including site design approval by the local agency having jurisdiction.

Section 3. ADVISORY BOARD REVIEW. This application and information shall be reviewed by the Scappoose Industrial Airpark Advisory Board for the purpose of recommending approval or denial of the applicant's request for direct aircraft access to the Scappoose Industrial Airpark from an off-airport parcel. In arriving at its recommendation, the Airport Advisory Board shall determine whether the use 1) will complement current aeronautical activities; 2) will provide enhancement of appropriate property development adjacent to the airport property; 3) will enhance the usefulness of the airport to the local community; 4) will provide important tax base and jobs for the community; 5) will enhance and improve the physical and/or financial operations of the airport. After having given due consideration to the above factors, a recommendation shall be made to the Board of Commissioners of the Port of St. Helens to either grant, grant with conditions or deny the applicant's request for access.

Section 4. COMMISSIONER REVIEW. The Board of Commissioners shall then review the findings of the Airport Advisory Board and approve the application with or without the conditions or deny the application.

Conditions to the granting and/or renewal of a permit shall include, but not be limited to, the following:

- 1) Each applicant owning, operating, leasing, or otherwise controlling aircraft based on privately owned property adjacent to the Scappoose Industrial Airpark and utilizing the runway/taxiway system shall register each such aircraft with the Port on a form prescribed by the Airport Manager.
- 2) Aircraft access points to the taxiway shall be restricted by a normally closed gate and fence system located either at the property line, or on the private property separating the aircraft operations areas from the other non-secured pedestrian/auto/truck areas. The gate and fence system shall be of a height, size, and type similar to those used by the Port at the Airpark and shall be installed, maintained, and insured by the Permittee during the life of the Airport Use Permit. Where a building connects to the fence and provides the security barrier, doors into the buildings shall be provided with monitored security or locking systems similar to that of other airport access gates. Upon approval of the gate/fence/building security arrangement, the Port shall be provided with gate openers and copies of access codes. Neither the gate opener, nor authority to pass "through-the-fence" shall be given by Permittee to third parties, except when given temporarily in the ordinary course of business to clients, customers and other invitee's of the permit holder. In cases of unforeseen emergency, whether mechanical, weather-related, safety-related or otherwise, Port of St. Helens representatives shall have the authority to enter upon the private property of the permit holder for the purpose of securing and protecting the Airpark and access to it.
- 3) The Permittee shall pay, in advance, to the Port an Airport Access Fee as established by approval and adoption by resolution of the Board of Commissioners of the Port of St. Helens. All fees and charges, if any, must be paid on or before their due date.
- 4) Before accepting a grant of financial aid which requires new and different grant assurances from those then in existence, the Board of Commissioners shall notify all Airport Use Permit holders and the Airport Advisory Committee of the proposed grant and give them an opportunity to comment. Upon acceptance, of the grant, Permittee shall conform in all respects to the grant requirements and assurances, as well as with all preexisting grant requirements and assurances entered into by the Port.
- 5) At no time, including during the construction period of an off-airport property by owner, shall safety and object free areas be obstructed in violation of FAA Airport Design Standards, except as approved by the Port in advance when needed for specific purpose already approved by the Port.
- 6) Aircraft storage (hangar or parking apron) shall be permitted only in conjunction with and as an incidental use to an otherwise permitted primary use by the Permittee.

- 7) Aircraft operations areas shall generally comply with FAA, Advisory Circular No. 150/5300-13, regarding Airport Design as now in effect or hereafter amended. Upon the recommendation of the Airport Advisory Board, the Board of Commissioners may modify these requirements when it determines that the intent of these provisions is substantially achieved. The taxiway access, constructed to FAA standards identified above, shall be constructed by the applicant and approved by the Port of St. Helens. The Permittee shall have the responsibility for future maintenance of the entire taxiway that extends onto Airpark property.
- 8) All applicable land use procedures and regulatory permits of the local government land use agency having jurisdiction must be followed and received before a Permit may be used. Any such permit or procedure not yet received shall be listed as a condition of approval.
- 9) Permittee and Permittee's officers, agents, employees, licensees, and invitees shall obey all applicable federal, state, local and the Scappoose Industrial Airpark rules and regulations at all times.
- 10) The granting of the Airport Use Permit for ingress/egress is a privilege, and is not a right; it does not continue in perpetuity or run with the land. The rights herein granted are personal to Permittee. Permittee shall not assign all or any part of its rights or interests under this Agreement, directly or indirectly, by operation of law or otherwise, nor shall it license or permit the use of rights herein granted in whole or in part by any other person, firm, corporation or successor without prior written approval of the Port. Any attempted assignment or transfer in violation of this Paragraph shall be void and of no effect with respect to the Port. However, a new owner or operator of Permittee's business shall have the right to apply for a permit in the manner prescribed by this Resolution.

Section 5. DECISION. Upon completion of its review of the application for a permit, consideration of the recommendation of the Airport Advisory Board and consideration of such other factors as the Board of Commissioners shall reasonably require, the Board of Commissioners shall grant, grant with conditions or deny the application, and such decision shall be forwarded promptly to the applicant.

Section 6. REVOCATION. The rights of ingress and egress (Permit) may be terminated at any time for cause.

The following shall constitute cause for revocation of this Permit:

- 1) Nonpayment of the permit fee.
- 2) A substantial change in the kind or type of activities, functions or operations of the business of Permittee.

- 3) Any sale, conveyance, assignment or other transfer of a majority interest in the ownership of Permittee's business.
- 4) The abandonment or termination of business operations by Permittee for a period of 6 months or longer.
- 5) Failure to provide reasonable security measures to prevent unauthorized access from Permittee's business premises to the Airpark, or knowingly permitting unauthorized access to the Airpark.
- 6) The foreclosure of Permittee's business by a third party.
- 7) The filing of a voluntary or involuntary bankruptcy by or against the Permittee.
- 8) Failure to comply with any federal, state or local rule or regulation relating to Permittee's business operations or use of the Airpark.
- 9) A violation of any of the terms or conditions of this Resolution.

The above list of reasons for revoking a permit shall not be an exclusive list, but no permit shall be revoked for arbitrary capricious, unreasonable or unjustly discriminatory reasons. If the Port has reason to believe that cause for termination exists, it shall deliver written notice to Permittee, by certified or registered mail, identifying with particularity the violations alleged to exist and affording Permittee 15 days within which to remedy the violation, if such remedy can be reasonably accomplished in that time period. If a longer period of time is required to remedy the alleged violation, it shall not be a default if Permittee has undertaken steps to correct the alleged violation, and continuously proceeds to make the correction within a reasonable period of time. Upon revocation of a permit, the Permittee shall restore fencing and other security measures or devices to the condition in which they were existing prior to issuance of the permit.

Section 7. ARBITRATION. If any dispute arises between the Port and Permittee, either party may request arbitration and appoint as an arbitrator an independent consultant having knowledge of aeronautical standards and practices. The other party shall also choose an arbitrator with such qualifications, and the two arbitrators shall choose a third. If the choice of the second or third arbitrator is not made within 10 days from the choosing of the prior arbitrator, then either party may apply to the presiding judge of the Columbia County Circuit Court to appoint the required arbitrator. The arbitration shall proceed according to the Oregon statutes governing arbitration, and the decision of the arbitrator shall have the effect therein provided. The arbitration shall take place in Columbia County, Oregon, or at such other place as may be mutually agreed. Costs of the arbitration shall be shared equally by all parties, but each party shall pay its own attorney fees incurred in connection with the arbitration.

///

Section 8. NOTICES. All notices required under this Resolution or the Airport Use Permit shall be deemed to be properly served if sent by registered or certified mail to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent to the Port of St. Helens at PO Box 598, St. Helens, Oregon 97051, and to Permittee at the address on its application. Date of service of such notice shall be the date such notice is deposited in a Post Office of the United States, Post Office Department, registered or certified postage prepaid.

Section 9. INDEMNITY. Permittee shall fully indemnify, save harmless and defend the Port, its elected or appointed officials, commissioners, officers, agents and employees from and against all demands, claims and actions and all expenses incidental to the investigation and defense thereof, based upon or arising out of damages or injuries to third persons or their property, caused by the fault or negligence in whole or in part of the Permittee, its subtenants, employees, subcontractors, invitees or licensees in the exercise of the rights granted by the Permit; provided that the Port shall give to the Permittee prompt and reasonable notice of such claims or actions, and the Permittee shall have the right to investigate, compromise and defend the same; further provided such claim is not the result of negligent act of Port.

Section 10. PUBLIC LIABILITY INSURANCE. Permittee shall procure and continuously maintain during the term of the Permit general aircraft public liability and property damage insurance with combined single limits, or their equivalent, of not less than \$1,000,000 for each occurrence and a \$2,000,000 aggregate for bodily injury and/or property damage. It shall also include contractual liability coverage for the indemnity provided under the Permit. Port may, by written notice to Permittee, demand that the limits of such insurance be raised to conform to ORS 30.270, and Permittee shall have the option either to increase the limits of insurance within six (6) months of the date of the notice or terminate the Permit. The insurance shall be in a form sufficient to protect Port and Permittee against claims of third persons for personal injury, death or property damage arising from the use of or exercise of rights under the Permit.

Section 11. REPEAL. Resolution 94-4 is hereby repealed.

25th Passed and adopted by the Board of Commissioners of the Port of St. Helens on this day of May, 2005, by the following vote:

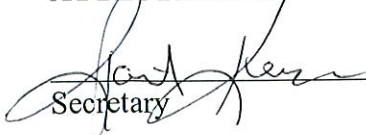
Ayes: 4

Nays: 0



President

ATTESTED BY:



Secretary

RESOLUTION NO. 2006-05

A RESOLUTION ESTABLISHING THROUGH-THE-FENCE FEES AT THE SCAPPOOSE INDUSTRIAL AIRPARK.

WHEREAS, the Port of St. Helens (Port), owns and manages the Scappoose Industrial Airpark; and

WHEREAS, by Resolution No. 2005-003, the Port adopted Rules, Regulations and Procedures for access to the Scappoose Industrial Airpark, and provided that "through-the-fence" fees would be adopted by Resolution at a later date; and

WHEREAS, after study and consultation with the Airport Advisory Committee, the Board of Commissioners of the Port wishes to adopt a "through-the-fence" fee schedule; now, therefore,

BE IT RESOLVED by the Board of Commissioners of the Port of St. Helens as follows:

Section 1: All persons, firms, corporations or other entities who desire to use or be served by the Scappoose Industrial Airpark runway/taxiway system or who desire direct aircraft access to the Scappoose Industrial Airpark runway/taxiway system and who are granted a Permit for such activities shall pay a Permit Fee calculated on the aircraft maximum gross landing weight as set forth in the following schedule:

Aircraft Weight Class	Weight Range	Monthly Fee Per Aircraft
Class 1	Up to 5,000 lbs	\$17.00 per month
Class 2	5,001 - 10,000 lbs	\$26.00 per month
Class 3	10,001 - 20,000 lbs	\$48.00 per month
Class 4	21,001 - 30,000 lbs	\$71.00 per month
Class 5	30,001 - 40,000 lbs	\$95.00 per month
Class 6	40,001 and over lbs	\$130.00 per month

Section 2: Notwithstanding the fee schedule set forth in Section 1, a fee of \$200.00 per month shall be charged in all cases as a minimum guaranteed Permit Fee.

Section 3: In those cases where a single Permittee has multiple aircraft based at the Scappoose Industrial Airpark, payment of the Permit Fee shall be accompanied by a report which lists the following information:

- a) Class of Aircraft;
- b) N-number for Aircraft;
- c) Type of Aircraft; and
- d) Hangar or Tie-down number where the aircraft is stored.

Section 4: A one-time application fee of \$250.00 shall be paid by each commercial operator who applies for a "through-the-fence" Permit at the time the application is submitted.

Section 5: The fees established by this Resolution may be reviewed at any time, but not less than annually, at which time they may be modified by the Board of Commissioners.

Section 6: The fees established by this Resolution shall take July 1, 2006.

PASSED AND ADOPTED this 14TH day of June, 2006 by the following vote:

Ayes: 5

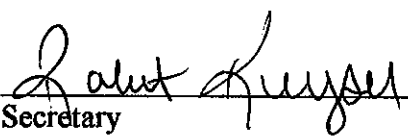
Nays: 0

PORT OF ST. HELENS.

By


Chairman

ATTESTED BY:


Secretary

RESOLUTION NO. 2009-12

**A RESOLUTION ADOPTING MINIMUM STANDARDS FOR FIXED
BASE OPERATORS AND AIRPORT TENANTS AT THE SCAPPOOSE
INDUSTRIAL AIRPARK AND REPEALING RESOLUTION 99-7.**

WHEREAS, the Board of Port Commissioners adopted minimum standards for the Scappoose Industrial Airpark in 1999 through Resolution 99-7 and amended the standards in 2007 through Resolution 2007-03; and

WHEREAS, the minimum standards help the Port comply with federal laws and with federal aviation grants, which require, among other things, that the Port refrain from granting exclusive rights to use the airpark; and

WHEREAS, the Port intends to continue to comply with federal laws and with federal aviation grants; and

WHEREAS, the Scappoose Industrial Airpark Advisory Board undertook an extensive review of the minimum standards; and

WHEREAS, the Airpark Advisory Board revised the minimum standards, attached hereto as Exhibit "A", and recommended their adoption to the Commission; and

WHEREAS, the Commission agrees with the recommendation of the Advisory Board; now, therefore,

BE IT RESOLVED that the Board of Commissioners of the Port of St. Helens does hereby adopt Exhibit "A", attached hereto and incorporated herein, as the minimum standards to be applicable to all tenants and fixed based operators at the Scappoose Industrial Airpark.

BE IT FURTHER RESOLVED that:

Resolution 99-7 and Resolution 2007-03 are hereby repealed.

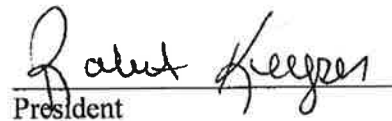
PASSED AND ADOPTED this 11th day of June, 2009, by the following vote:

AYES: 4

NAYS: 0

Port of St. Helens

By:


President

Attested By:


Secretary

Exhibit "A"

MINIMUM STANDARDS

For

Fixed Based Operators

And

Airport Tenants

**SCAPPOOSE INDUSTRIAL
AIRPARK**

Port of St. Helens

Oregon

As approved by the Board of Commissioners

Date: June 11, 2009

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SECTION 1: PURPOSE

1.1 Basis for Minimum Standards

1.1.1 The Port of St. Helens, a municipal corporation in the State of Oregon, is the owner of the Scappoose Industrial Airpark, and shall hereinafter be referred to as the PORT.

1.1.2 The Scappoose Industrial Airpark, hereinafter referred to as the AIRPORT, has been identified by the Oregon State Aviation Plan as a Category II airport which has been developed and improved with Federal Aviation Administration Airport Improvements Program (AIP) funds.

1.1.3 The adoption of minimum standards for commercial aeronautical activities at a Category II airport is intended to help ensure compliance with federal law, which prohibits the granting of exclusive rights to use an airport that has received federal funding through AIP funds. The FAA does not require the adoption of minimum standards, but recommends adoption to ensure that an airport is managed in compliance with federal law. The PORT intends to comply with federal law and in particular with FAA Advisory Circulars 150/5190-6 (Exclusive Rights at Federally Obligated Airports, dated January 4, 2007), and 150/5190-7 (Minimum Standards for Commercial Aeronautical Activities, dated August 4, 2006).

1.1.4 The following minimum standards and requirements for commercial aeronautical activities have been established in the public interest for the safe, efficient, and legal operation of the AIRPORT; to preclude the granting of an exclusive right to conduct an aeronautical activity in violation of Section 308(a) of the Federal Aviation Act of 1958; to conform to Title VI of the Civil Rights Act of 194 and Part 21 of the Department of Transportation Regulations; and to assure to all lessees the availability of airport property on fair and reasonable terms and without unjust discrimination.

1.1.5 In addition, the implementation of minimum standards will assist the PORT in the management of the AIRPORT by:

- Establishing uniform requirements and their application to all prospective operators.
- Maintaining compliance with federal grant assurances.
- Maintaining the orderly and efficient development of the AIRPORT and its commercial aeronautical services.
- Establishing a consistent level of entry into aeronautical service.
- Ensuring adequate services and facilities by Fixed Base Operators (FBOs) to meet the needs of AIRPORT users.

1.1.6 Minimum standards are also intended to help meet broader goals of the PORT and the State of Oregon. These include developing aviation as an integral part of Oregon's transportation network; creating and implementing strategies to protect and improve Oregon's aviation system; encouraging aviation-related economic development; supporting aviation safety and education; and increasing commercial air service and general aviation in Oregon.

1.1.7 The PORT also has the following, more specific objectives:

- That any person who uses or accesses AIRPORT property or facilities for commercial activity shall compensate the PORT at fair market value (fair market rent) for such uses and privileges.
- That no person receives a competitive advantage through free or less-than-fair market value (in providing rent) to utilize AIRPORT facilities, when other comparable commercial operators are compensating the PORT at fair market value for the same use; unless the PORT, in its discretion, elects to negotiate a lower rent amount (or other benefit) for that lessee/operator, in exchange for an as-determined desirable public benefit.
- That AIRPORT public areas, roads, taxiways, runways and aprons remain available and open for public aeronautical use.

1.1.8 Minimum standards are adopted to provide the threshold entry requirements for those persons desiring to provide commercial aeronautical services to the public at the AIRPORT. The standards are established based upon the conditions at the AIRPORT, the existing and planned facilities at the AIRPORT, and the current and future aviation role of the PORT. The prospective commercial aeronautical operator shall agree to offer the described minimum level of services in order to obtain an agreement, permit or lease to operate at the AIRPORT. All operators are encouraged to exceed the "minimum" in terms of quality of facilities and services.

1.2 Commercial Activity Authorization

1.2.1 "Commercial Activity" is defined as the conduct of any aspect of a business, concession, operation, or agency in order to provide goods or services to any person for compensation or hire. An activity is considered a commercial activity regardless of whether the business is nonprofit, charitable, or tax-exempt.

1.2.2 The "terms and conditions" established for commercial activities may be applied to any grant of the privilege of using or improving the airport, including to those who use the airport with a "through the fence" agreement from private property adjacent to the AIRPORT. When the PORT determines that a person is engaged or proposes to engage in commercial activity, PORT may grant that person permission to do so, may

issue that a person a permit with restrictions or conditions, may require the person to enter into a lease or agreement with the PORT, or may deny such permission.

1.2.3 The PORT will consider the following criteria in determining whether a commercial aeronautical activity will be authorized to conduct business:

- The terms and conditions in place for any existing commercial operators at the airport providing comparable services.
- The impact of the new commercial activity on public safety and convenience. The PORT will impose any conditions and restrictions necessary to ensure safety in the air and on the ground, and to preserve unobstructed traffic patterns and runway approaches.
- The amount of space at the airport, the customary uses of the airport, and the compatibility of the new commercial activity with present and planned development at the airport.
- The degree to which the new commercial activity complies with federal, state and local laws and regulations, including land use regulations.
- Whether the new commercial activity is conducted for profit or not-for-profit, and the degree to which it promotes aviation, safety or education.

SECTION 2: REQUIREMENTS

2.1 Definitions

2.1.1 Fixed Base Operator (FBO): any person, firm, or corporation performing any of the functions or furnishing any of the services at the AIRPORT hereafter set forth as Fixed Base Operations.

2.1.2 Airport Tenant (Tenant): any person, firm, or corporation leasing or licensing property at the AIRPORT who is not an FBO. An Airport Tenant may hangar its aircraft on leased or ~~owned~~ licensed property subject to the provisions of the appropriate attached category below. Except for those who fall under Category "G" below, an Airport Tenant may also be considered a Commercial Tenant, and will be subject to the terms of paragraph 1.2, and this section 2.

2.1.3 Lease: Any agreement, including a license, which authorizes the use of Port property.

2.2 Eligibility Requirements

2.2.1 Any person, firm, or corporation capable of meeting the minimum standards set forth herein (as applicable) for any of the stated categories (as defined below) is eligible to become an FBO or Tenant at the AIRPORT, subject to the execution of a written lease containing such terms and conditions as may be determined by the PORT.

2.2.2 An FBO or Tenant shall not engage in any business or activity at the AIRPORT other than that authorized under their particular category or categories. Any FBO desiring to extend its operation into more than one category or to discontinue operations in a category, shall first apply in writing to the PORT for permission to do so, setting forth in detail the reasons and conditions for the request. The PORT shall then grant or deny the request on such terms and conditions as the PORT deems to be prudent and proper under the circumstances and is in the best interests of the public as determined by the Port.

2.3 Lease Requirements

2.3.1 It is the intent of the PORT that all leases written and executed by the PORT with FBOs or Tenants shall make reference to and include this Minimum Standard document, as an enforceable provision of such lease.

2.3.2 The PORT will not accept an original request to lease land area at the AIRPORT unless the potential FBO or Tenant puts forth a written proposal which defines the scope of operations proposed, including the following:

- The services to be offered
- The amount of land desired to be leased
- The building space to be constructed or leased
- The number of aircraft to be provided
- The number of persons to be employed
- The hours of proposed operation
- The amount and types of insurance coverage to be maintained
- Evidence of financial capability to perform and provide the above services and facilities

2.3.2 Leases to FBOs and Tenants shall be limited to no more than twenty (20) years. Upon request, the PORT may agree to extend the lease for up to two additional ten-year terms, after satisfactory re-negotiation of the terms and conditions of the lease between the PORT and the Lessee. During the term of any lease, the rental rate shall be re-established annually, based upon the change, if any, in the Consumer Price Index for All Urban Consumers, Portland, as published by the United States Bureau of Labor Statistics, (NOTE: The rental rate shall not decrease below that of the prior period.)

2.3.4 All contracts and leases between an FBO or Tenant and the PORT shall be

subordinate to the right of the PORT during time of war or national emergency to lease the landing area or any part thereof to the United States Government for military use, and, if any such lease is executed, the provisions of any contracts or leases between such operators and the PORT, insofar as they are inconsistent with the provisions of the lease to the government, shall be suspended.

2.4 Financial Requirements

2.4.1 All FBOs and Tenants at the AIRPORT shall be financially sound and professional business enterprises, with adequately staffed and equipped facilities, including suitable office facilities, and who observe normal or specifically required business hours as appropriate to the type of business.

2.4.2 The rates or charges for any and all activities, products and services of such business shall be determined by the FBO or Tenant, subject to the requirement that all such rates or charges shall be reasonable and be equally and fairly applied to all users of the services.

2.4.3 All FBOs and Tenants shall, pursuant to their lease and at their own expense, promptly pay when due all taxes and assessments against the land, buildings or other structures placed on the premises by them, as well as all taxes and assessments against the personal property used by them in their operations.

2.4.4 All FBOs and Tenants shall, pursuant to their lease and at their own expense, provide and pay for all lights, gas, electricity, telephone, internet connectivity, water, sewer and garbage collection services (as applicable), used or incurred anywhere in or about the leased premises, and shall pay such charges promptly when due.

2.5 Insurance Requirements

2.5.1 All FBOs and Tenants shall protect, hold harmless, indemnify and defend the public generally, the customers or clients of such FBOs, and the PORT from any and all lawful damages, claims, or liability resulting from their conduct. They shall carry comprehensive general liability insurance with a company authorized to do business in the State of Oregon with initial limits of not less than \$1,000,000 for each occurrence and a \$2,000,000 aggregate for bodily injury and/or property damage. The policy shall also include contractual liability coverage for the indemnity provided under the lease. The insurance shall be in a form sufficient to protect the PORT and FBO or Tenant against claims of third persons for personal injury, death or property damage arising from the use, occupancy or condition of the premises or improvements on the premises.

2.5.2 The PORT may, by written notice to the FBO or Tenant, require that the limits of such insurance be raised, and the FBO or Tenant shall have the option either to increase the limits of insurance within six months of the date of the notice or terminate the lease.

2.6 Facility and Service Requirements

2.6.1 Each FBO or Tenant shall provide its own buildings, personnel and equipment, and other requirements as herein stated, upon land leased from the PORT, unless other provisions have been made and agreed upon.

2.6.2 All construction required of such FBOs or Tenants shall be in accordance with design and construction standards required or established by the PORT for the facility or activity involved. Title to any and all buildings and appurtenances, which may be built on PORT property, shall revert to the PORT, when and if the subject FBO vacates the lease for any reason. All FBOs shall be required to furnish the PORT payment and performance bonds commensurate with any construction required under standards herein fixed, or under any contract or lease by and between such FBO and the PORT.

2.6.3 In the event the PORT constructs the physical plant facilities (hangars, etc.) for use by any FBO or Tenant under the provisions of any lease or other contract, such lease or contract shall be on such terms and conditions as to guarantee a full return of the investment within the term of this lease or twenty (20) years, whichever is less, plus interest and reasonable rental for use during such period.

2.6.4 FBOs at the AIRPORT shall provide a suitable lounge/waiting room, and restroom facilities, for their customers, and shall make telephone service and internet access conveniently and readily available for customer use.

2.6.5 The FBO or Tenant shall remove from the airport or otherwise dispose of all garbage, debris, and other waste, including hazardous materials (whether solid or liquid) arising out of its occupancy of the premises or out of its operations in accordance with all local, state, and federal regulations. Lessees shall keep and maintain their premises in a neat and orderly manner. Towards that end, Lessees shall also attempt to minimize outdoor (uncovered) storage of all materials, equipment and vehicles, to the extent practical. Lessee shall keep the grass cut and the buildings painted, where specified by the terms of the lease. Any garbage, debris, or waste which may be temporarily stored in the open shall be kept in suitable garbage or waste receptacles, equipped with tight fitting covers, and will be of a design to safely and properly contain whatever may be placed in them. The Lessee shall use extreme care when removing all such waste.

2.6.6 An FBO shall, at all times during the continuance of the term of the lease and any renewal or extension thereof, conduct, operate and maintain for the benefit of the public, the Fixed Base Operation provided for and described therein, and all aspects and parts and services thereof as defined and set forth, and will make all such services available to the public. It will devote its best efforts for the accomplishment of such purposes and shall at all times make charges to patrons and customers for all merchandise or materials and services furnished or rendered, but will refrain from imposing or levying excessive or otherwise unreasonable charges fees for any facilities or services. Notwithstanding anything contained in a lease that may be or appear to the contrary, it is expressly

understood and agreed that the rights granted hereunder are non-exclusive and the PORT reserves the right to grant similar privileges to another operator or operators on other parcels of the airport when, at its sole discretion, the PORT feels it is in the best interests of the PORT.

2.7 Sublease of Premises

2.7.1 No FBO or Tenant shall sublease or sublet any premises leased by them from the PORT or assign any such lease without the prior written approval of the PORT, and any such subletting or assignment shall be subject to all of the minimum standards herein set forth.

2.7.2 In the event the FBO or Tenant sublets any portion of its lease, the sub lessee must agree to assume the full obligations of the lease as set out herein and must agree to fully cooperate with the PORT in maintaining compliance with these standards. The sub lessee shall immediately comply with any reasonable request or direction from the PORT as it relates to the enforcement of these standards.

2.7.3 In the event that the FBO, Tenant, or sub lessee fails to comply fully with these standards or fails to comply with the reasonable request or direction of the PORT as it relates to these standards, said FBO, Tenant, or sub lessee shall be in default. Said FBO or Tenant is responsible for the performance of the sub lessee.

2.8 General

2.8.1 All FBOs and Tenants shall abide by and comply with all federal, state, county and city laws and ordinances, the rules and regulations of the PORT, and the rules and regulations of the Federal Aviation Administration (FAA), as applicable.

2.8.2 All FBO and Tenants shall have the right, in common with others so authorized, to use common areas of the airport, including runways, taxiways, aprons, floodlights, landing lights, signals and other conveniences, for the takeoff, flying and landing of aircraft operated in conjunction with their business activities.

2.8.3 The PORT reserves the right, with or without advance notice, to take any actions it considers necessary to protect the aerial approaches to the airport against obstructions, together with the right to prevent any FBO or Tenant from erecting or permitting to be erected, any building, sign, or other structure on the airport which, in the opinion of the PORT, would limit the usefulness of the airport or constitute a hazard to aircraft.

2.8.4 The PORT reserves the right to further develop or improve any and all areas of the AIRPORT as it sees fit, regardless of the desires or views of any FBO or Tenant and without interference or hindrance from any FBO or Tenant.

2.8.5 All operations conducted at the AIRPORT shall be conducted in the safest manner possible and for the maximum benefit of the flying public and the citizens of the surrounding area.

SECTION 3: FBO / TENANT CATEGORIES

3.1 CATEGORY A: FLIGHT INSTRUCTION AND AIRCRAFT RENTAL

Requirements:

3.1.1 Have available a minimum of one instructor pilot with appropriate and current Federal Aviation Administration credentials and certificates.

3.1.2 Provide and at all times maintain a minimum of two (2) aircraft owned or leased by this FBO which are properly equipped and FAA-certified for flight instruction and rental.

3.1.3 Lease from the PORT under terms agreeable to the PORT for its exclusive use land on which shall be located all required improvements and provide classroom and/or office space, to include restrooms, telephone, and adequate parking for customers.

3.1.4 Demonstrate the continuing ability to meet requirements for certification of flight instructor personnel and aircraft by the FAA.

3.1.5 Assure that personnel operating rental equipment obtained from the subject FBO have appropriate and current FAA credentials and certificates.

3.2 CATEGORY B: AIRCRAFT CHARTER AND TAXI

Requirements:

3.2.1 Have available a minimum of one (1) pilot with current FAA credentials and certificates.

3.2.2 Lease from the PORT under terms agreeable to the PORT for its exclusive use land and/or buildings for passenger shelter, restrooms, telephone, etc.

3.2.3 Provide satisfactory arrangements for the checking in of passengers, handling of luggage, ticketing, and ground transportation, etc.

3.2.4 Provide and at all times maintain a minimum of one (1) currently certified and airworthy aircraft owned or leased by and under the exclusive control of this FBO, properly certificated for air charter or air taxi service.

3.3 CATEGORY C: CROP DUSTING AND SPRAYING

Requirements:

3.3.1 Insure suitable equipment, facilities, trained personnel, and procedures for the safe loading, unloading, storage and containment of any hazardous chemical materials. Should any spillage of such materials occur, the PORT shall be notified immediately, and prompt and thorough cleanup shall be completed by the operator or their designated contractor in accordance with federal, state, and local regulations, at no cost to the Port.

3.3.2 Furnish a minimum of one (1) aircraft with pilot. The aircraft will be suitably equipped for agricultural operations with adequate safeguard against spillage of chemical spray mixtures or materials on runways and taxiways or dispersal by wind force to other operational areas of the airport. The pilot shall have appropriate and current FAA credentials and certificates.

3.3.3 Maintain a valid pesticide applicator's license and a valid commercial spray license, and provide copies of current licenses to the PORT.

3.4 CATEGORY D: AIRCRAFT/ENGINE/PROPELLER/ACCESSORY MAINTENANCE

Requirements:

3.4.1 Lease from the PORT under terms agreeable to the PORT for its exclusive use suitable land on which shall be located all required improvements, including hangar, shop, and storage space.

3.4.2 Furnish facilities and equipment for airframe and power plant repairs with at least one (1) duly FAA-certified A & P Mechanic and such other personnel as may be necessary. Such airframe and power plant repair shall include facilities for both major and minor repair of aircraft and engines used in private aviation in this area.

3.4.3 An FBO or Tenant in this category may engage in the buying and selling of new and used aircraft, aircraft parts and equipment.

3.5 CATEGORY E: RADIOS/INSTRUMENTS/ELECTRONICS MAINTENANCE

Requirements:

3.5.1 Lease from the PORT under terms agreeable to the PORT for its exclusive use suitable land on which shall be located all required improvements, including shop and storage space.

3.5.2 Have available on a full-time basis FAA-certified technicians in the field of aircraft electronics and/or aircraft instruments with a proper Federal Communications Commission (FCC) license to conduct complete aircraft transmitter, receiver and antenna repair.

3.5.3 Provide satisfactory arrangements for access to and storage of aircraft being worked upon.

3.6 CATEGORY F: AVIATION PETROLEUM PRODUCTS AND RAMP SERVICES

Requirements:

3.6.1 Provide and maintain a minimum of 5,000 gallon tank storage capacity for each grade of aviation fuel usually required for aircraft using the airport; such storage tanks shall be installed in accordance with all federal, state, and local rules and regulations.

3.6.2 Maintain separate pumping equipment for each grade of fuel meeting all applicable safety requirements, with reliable metering devices subject to independent inspection, and with a pumping efficiency capable of servicing all aircraft normally using the airport.

3.6.3 Provide and maintain metered filter-equipped dispensers fixed or mobile for dispensing each grade of aviation fuel usually required for aircraft using the airport. Mobile dispensing truck(s) shall have a minimum of 300 gallon capacity for each grade of fuel.

3.6.4 There shall be no fueling directly from a common carrier transport truck except into storage tanks.

3.6.5 Lease from the PORT under terms agreeable to the PORT for its exclusive use land on which shall be located all required improvements for aircraft parking and tie-down areas, with adequate tie-down facilities for a minimum of ten (10) aircraft. Demonstrate capability to efficiently and safely conduct or move aircraft to such areas and park them in compliance with all state and local regulations.

3.6.6 Be required to install at all fueling locations adequate grounding rods to reduce the hazards of static electricity, maintain adequate fire extinguishers, and follow all applicable federal, state and local regulations.

3.6.7 Insure suitable equipment, facilities, trained personnel, and procedures for the safe loading, unloading, storage and containment of any hazardous chemical materials. Should any spillage of such materials occur, the PORT shall be notified immediately, and prompt and thorough cleanup shall be completed by the operator or their designated contractor in accordance with federal, state, and local

regulations, at no cost to the Port.

3.6.8 Construct or have available a building conveniently located and comfortably heated with waiting room for passengers and crew of transient aircraft while being fueled, as well as a restroom and public telephone.

3.6.9 An FBO or Tenant in this category may engage in the buying and selling of new and used aircraft, aircraft parts and equipment.

3.7 CATEGORY G: OTHER AIRPORT TENANT (NON-COMMERCIAL)

Requirements:

3.7.1 Lease from the PORT under terms agreeable to the PORT for its exclusive use land and/or a building which shall be improved in accordance with applicable standards pertaining to the AIRPORT.

3.7.2 Be prohibited from engaging in any of the activities of FBOs or Commercial Tenants as defined by Categories "A" through "F", unless specifically approved by the PORT in the lease agreement between the PORT and the Tenant.

3.7.3 Be responsible for assuring that aircraft owned by the Tenant, or operated from the property leased or occupied by the Tenant, are operated by personnel who hold appropriate and current FAA credentials and certificates.

3.8 CATEGORY H: FLYING CLUBS

The following requirements pertain to all flying clubs desiring to base their aircraft on the airport and requesting an exemption from the minimum standards:

3.8.1 The club's aircraft shall not be used for rental by non-members, and by no one for commercial operations as defined by Categories "A" through "F". Student instruction can be given in club aircraft to club members only.

3.8.2 In the event that the club fails to comply with these conditions, the PORT shall notify the club in writing of such violations. If the club fails to correct the violations within fifteen (15) days, the PORT may take any action deemed advisable by the PORT including, but not limited to, exclusion from the AIRPORT or revocation of the lease.

3.8.3 Each aircraft owned by the flying club must carry comprehensive general liability insurance in a company authorized to do business in the State of Oregon with initial limits of not less than \$1,000,000 for each occurrence and a \$2,000,000 aggregate for bodily injury and/or property damage. It shall also include contractual liability coverage for the indemnity provided under the lease. The insurance shall be in a form sufficient to protect, hold harmless, indemnify and defend the PORT and the flying club against

claims of third persons for personal injury, death or property damage arising from the use, occupancy or condition of the aircraft or improvements on the premises, and shall be evidenced by certificates furnished to the PORT naming the PORT as additional insured and bearing endorsements requiring ten days written notice to the PORT prior to any change or cancellation of the policy.

3.9 CATEGORY I: FBO NOT ON THE PROPERTY OF THE PORT

Policies and requirements:

3.9.1 No adjoining property owner may use the AIRPORT as a matter of right, but must obtain an Airport Use Permit from the PORT. A Permit allows ingress/egress and constitutes agreement with the Rules, Regulations, and Procedures to be followed regarding access to the AIRPORT from adjacent property (known as "Through-the-Fence" activities), as established by PORT Resolution No. 2005-003 (and any subsequent amendments thereto). A copy of this resolution is attached as Exhibit "A" for reference. A summary of key points:

- Permits are granted for a period of not more than fifteen (15) years, with periodic review for compliance with terms, conditions, rules and regulations. Approval provides the privilege of ingress/egress, not a right, and does not run in perpetuity nor run with the land involved. Rights granted with permit approval are personal and may not be transferred or assigned without permission from the PORT.
- Application must be made using a form available from the PORT, with a written explanation of intended use, including justification for access, number of aircraft expected and probable frequency of access. A detailed facility/construction diagram shall also be developed and provided.
- The proposal will be reviewed by the Scappoose Industrial Airpark Advisory Board and the Board of Commissioners of the PORT. Detailed procedures, review and approval criteria, as well as reasons for permit revocation, can be found in the attached resolution.

3.9.2 The fees applicable to all persons, firms, corporations or other entities who desire to use or be served by the AIRPORT runway/taxiway system, or who desire direct aircraft access to the AIRPORT runway/taxiway system, and who are granted a Permit for such "Through-the-Fence" activities, are outlined in PORT Resolution No. 2006-05 (and any subsequent amendments thereto). A copy of this Resolution is attached as Exhibit "B" for reference, and details monthly fee requirements as well as the permit application fee. This resolution and the fee schedule may be amended by subsequent revisions.

3.9.3 All "Through-the-Fence" operators are also subject to the AIRPORT's Rules and Regulations, as enacted by the PORT. A copy of these Rules and Regulations is attached as Exhibit "C" for reference.

3.10 CATEGORY J: BANNER TOWING OPERATIONS

Policies and requirements:

3.10.1 No banner towing operations shall occur at the AIRPORT unless a Banner Towing Operation Application has been submitted to, and is accepted by, the PORT.

3.10.2 Banner tow operators will complete and sign a Banner Towing Operation Application that outlines the following:

- Nature, scope and anticipated timeline of proposed banner towing activities
- Aircraft type and registration number
- Registered owner of aircraft
- Banner tow operator's Pilot License Ratings
- Current Certificate of Waiver or Authorization (FAA Form 7711-1)
- Current general liability insurance certificate
 - Note: Banner tow operators shall provide a minimum certificate of general liability insurance in the amount of \$1,000,000 (combined single limit, each occurrence) and \$2,000,000 aggregate, with the PORT named as additional insured.

3.10.3 An accepted Banner Towing Operation Application shall be valid until the earliest of the following: a) the expiration of the banner tow operator's FAA Certificate of Waiver of Authorization; or b) the expiration of the banner tow operator's Certificate of Insurance. Note: Towing in order for the FAA to observe proficiency to obtain Certificate of Waiver is allowed.

3.10.4 Banner towing operations will be conducted only from the banner tow operating area shown on the attached drawing as Exhibit "D".

3.10.5 Banner tow operators and ground crews will be knowledgeable of and abide by all applicable Federal Aviation Regulations (FARs), and the Rules and Regulations for the AIRPORT.

3.10.6 Banner tow operators will notify the PORT at (503) 397-2888, Monday through Friday (8:00 AM – 5:00 PM) or leave a message on voice mail after hours at least twenty-four hours prior to an operation and supply the following:

- Date(s) and Time(s)
- Aircraft I.D.
- Number of operations scheduled

Exhibit C

SCAPPOOSE INDUSTRIAL AIRPARK

RULES AND REGULATIONS

Enacted by
The Port of St. Helens
Oregon

1976

(f) Unusual performance tests of aircraft on or from airport premises will be done only with the express approval of the Airport Manager and only in the manner and area designated by the Airport Manager.

(g) All aircraft shall land and take-off only on designated useable runways unless specifically authorized by the Airport Manager to use other areas of the airport.

(h) No persons shall land or take-off from the airport unless the aircraft is equipped with properly functioning brakes or other positive means to insure adequate ground control.

(i) Formation flying is prohibited in the traffic pattern on take-off or landing without approval of Sponsor's agent.

(j) Aircraft shall be halted and all engines stopped at a prudent distance before entering any hangar or building.

(k) No aircraft shall remain on the landing or take-off area for the purpose of instructing students between flights.

(l) No aircraft engine shall be started or run-up in any hangar, or when the aircraft is tailed toward hangar doors, or positioned in such a manner to constitute a danger to persons or property. Engine run-ups and tests shall not be performed in areas or at such times as may be restricted by the Airport Manager.

(m) No person shall start an aircraft engine unless he has taken adequate precautions to prevent aircraft movement and remains in such a position to enable him to shut off the engine if necessary.

(n) Aircraft shall be taxied, at all times at a safe and reasonable speed, in the control of a competent aircraft operator. Except as may be specifically directed otherwise, all aircraft operators shall taxi at their own discretion.

(o) No passenger or freight shall be loaded or unloaded from any aircraft unless and until all engines on the aircraft have come to a complete stop.

(p) Operators of aircraft shall close, and keep closed, gates which lead to any ramp at all times except when necessary for the loading and unloading of aircraft.

(q) Spectators shall not be permitted on any ramp without approval of the Airport Manager, his representative, or one of the Fixed Base Operators.

(r) Instructions from an authorized control tower shall take precedence over any of the preceding rules.

(s) The Airport Manager may regulate touch-and-go landings whenever traffic volume is such that regulation is necessary for the safe and orderly operation of the airport.

(t) The Airport Manager may refuse clearance or delay any flights or other operations at the airport

when, in his discretion, he deems such action necessary in the interest of safety.

IV. FIRE SAFETY RULES

All persons using the airport shall comply with the following Fire Safety Rules.

(a) No person shall store or stock material or equipment so as to constitute a fire hazard.

(b) No person shall store or place any flammable liquids, solids, gases, signal flares or similar hazardous materials within any hangar or buildings except in areas or rooms specifically approved by the Fire Chief. The storage of flammable liquids within buildings shall be under permit issued by the Fire Chief. Such storage shall be in approved containers bearing the label of the Underwriters Laboratories, Inc. (five (5) gallon maximum container).

(c) All tenants of buildings shall provide metal containers, approved by the fire chief, equipped with self-closing covers for the storage of oily wastes, rags and similar combustible materials. All such wastes shall be removed by the tenant daily.

(d) All tenants of buildings shall maintain the floors of hangars, hangar ramps, and adjacent areas free and clear of oil, grease, and other flammable materials.

(e) No person shall use flammable substances for cleaning floors of hangars or other buildings.

(f) The cleaning of aircraft engines or other parts using solvents shall be limited in scope and only non-flammable or high flashpoint (100 degrees F or greater) solvents shall be used. Drip and collecting pans shall be used during any cleaning process.

(g) No person shall dispose of gasoline, oil, solvent or other flammable waste products in any drain, manhole, open ditch, or other airport areas.

(h) Painting and doping of aircraft with flammable fluids shall be conducted only in areas or in buildings approved by the Fire Chief.

(i) No person shall smoke any cigarette, cigar or pipe, or strike any match or kindle, or any flame whatsoever within fifty (50) feet of any aircraft while being fueled, or within fifty (50) feet from fuel islands or any flammable liquid container, or within any hangar or aircraft workshop located upon the airport, except as approved by the Fire Chief. Smoking may be permitted within areas designated by the Fire Chief.

(j) Cutting, welding, and spray painting operations shall be conducted only within areas or buildings approved by the Fire Chief.

(k) All electrical wiring, fixtures and appliances shall be installed and maintained in accordance with approved local codes and ordinances.

(l) Each Fixed Base Operator shall institute training programs for employees in the use of portable fire extinguishers equipment and methods of evacuating or relocating occupants of the premises in case of fire or other emergency.

(m) Portable fire extinguishers shall be provided and installed by the Fixed Base Operators as directed by the Fire Chief as to number, type and location.

(n) Portable fire extinguishers shall not be moved from designated locations for any reason other than as a precaution against an immediate hazard or to be recharged.

(o) Access to all fire extinguishing equipment shall be kept free and unobstructed at all times. Portable fire extinguishers shall be inspected periodically by the Fire Chief.

(p) Fire prevention inspection shall be made by the Fire Chief and fire drills shall be held at his discretion.

(q) Every person who becomes aware of any fire or smoldering combustion of any unwarranted insidious nature which is not confined within equipment designed for fire or which is any hazard to the premises shall report said fire or smoldering combustion without delay to the local Fire Department.

(r) All persons shall comply with all fire safety regulations established by the local governmental entity having jurisdiction for fire protection at the Airport.

V. PENALTIES

1. Each person violating these Rules and Regulations shall be guilty and upon conviction shall be punished by a fine of not more than \$250.00.

2. In addition to penalties otherwise provided, any person violating these rules or refusing to comply therewith may be promptly removed or ejected from the airport by or under the authority of the Airport Manager and may be deprived of future use of the airport and its facilities.

VI SEVERABILITY

If any section, subsection, paragraph, sentence, clause or phrase of these Rules and Regulations is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance, it being hereby expressly declared that this Ordinance and each section, subsection, paragraph, sentence, clause and phrase thereof would have been adopted irrespective of the fact that any one or more clause or phrase be declared invalid or unconstitutional.

SCAPPOOSE INDUSTRIAL AIRPARK

The following Rules and Regulations have been adopted with respect to the use of the Scappoose Industrial Airpark.

I. DEFINITIONS

For the purpose of this chapter, the following phrases, words and their derivatives shall have the meanings given herein:

(a) "Aircraft" means any contrivance used or designated for navigation of or flight in the air.

(b) "Aircraft Ground Movement Area" means the runways, taxiways and parking apron of the airport.

(c) "Airport" means each and every airport and all airport property owned, operated and controlled by the Sponsor. It shall include all improvements, facilities and appurtenances.

(d) "Competent Aircraft Operator" means a person holding a valid aircraft operator license from the Federal Aviation Administration or a person who, in the opinion of the Airport Manager, has the requisite skill and knowledge to perform limited ground operations.

(e) "Fire Chief" means the Fire Chief, or his authorized representative, of the local government entity having responsibility for fire protection in the airport area.

(f) "Fixed Base Operator" means a person under contract to the Port of St. Helens as a concessionaire at the airport.

(g) "Habitually Situated" means that an aircraft is based at the airport for a period of time in excess of one week.

(h) "Maintain Aircraft" means any form of service, maintenance or repair of aircraft.

(i) "Operate Aircraft" means the self-propelled, pushed or towed movement of aircraft on the ground or the movement of aircraft in flight.

(j) "Owner" means any person, firm or corporation designated as legal owner on any certificate, permit or license required for an aircraft by the United States.

(k) "Sponsor" means the airport owner, or owners, in this case, the Port of St. Helens.

II. GENERAL

1. **FINANCIAL RESPONSIBILITY.** Any owner of an aircraft habitually situated at the airport shall be financially responsible. Any such owner shall, upon request, furnish the Sponsor with evidence of financial responsibility. The minimum financial responsibility required pursuant to this section shall be as follows:

- (a) Property damage, fifty thousand dollars;
- (b) Bodily injury or death, excluding occupants of aircraft, one person, fifty thousand dollars;

(c) Bodily injury or death, excluding occupants of aircraft, two or more persons, one hundred thousand dollars.

2. **EVIDENCE OF FINANCIAL RESPONSIBILITY.** Acceptable evidence of financial responsibility shall consist of a certificate of insurance or a bond issued by an insurance company or a surety company duly authorized to transact business in the State.

3. **EFFECT OF NONCOMPLIANCE.** If the owner of an aircraft habitually situated at the airport fails or refuses to furnish the Sponsor with the required evidence of financial responsibility when so requested, the owner shall thereafter be prohibited from basing any aircraft which he may own at the airport until such time as he complies with the provisions of this chapter.

4. **BUSINESS ACTIVITIES.** No person shall use the airport in any manner whatsoever for any commercial, profit, gainful, or revenue producing purpose, including, without limitation, flight instruction or mechanical work, without written approval of the Sponsor. No person shall distribute, post or display any commercial or noncommercial signs, circulars, handbills or advertisements on the airport without the consent of the Airport Manager. No person shall solicit funds for any purpose on the airport.

5. **AIRPORT MANAGER.** The operation of the airport shall be under the direction of the Sponsor, who shall designate an Airport Manager who shall have the initial responsibility for all airport business and operations.

6. **RULES AND REGULATIONS.** The Sponsor shall have the power to adopt, amend and repeal rules and regulations for the operation and maintenance of the airport. Such rules and regulations may include a Schedule of Fees for the use of the airport.

7. **COMPLIANCE WITH LAWS AND REGULATIONS.** No person shall operate or maintain any aircraft at the airport except in strict conformity with all ordinances, rules and regulations of the Sponsor, and the regulations of the Federal Aviation Agency and all other applicable laws. All operators of aircraft are responsible for complete knowledge of all laws, rules and regulations relating to the operation of aircraft.

8. **ASSUMPTION OF LIABILITY.** The privileges of using the airport and its facilities shall be conditioned upon the assumption of full responsibility, liability and risk by the user thereof. The Sponsor, its agents and employees shall not be liable for loss, damage or injury to persons or property arising out of any accident of any nature whatsoever, or from any cause whatsoever, including, but not limited to, fire, theft, vandalism, wind, flood, earthquake, collision, or Act of God.

9. **CHARGES FOR PARKING AIRCRAFT.** Charges for parking aircraft shall be subject to periodic review and revision. Daily rates shall apply to all aircraft parked overnight. Aircraft owned and operated by the Federal Government are exempt from the payment of daily rates.

10. **PAYMENT OF PARKING AND AIRPORT USE CHARGES.** Payment for monthly reserved space and airport use charges is due and payable in advance for each calendar month. Charges for commencing or terminating the use of parking space other than on the first of the calendar month shall be prorated for that month. Payment of the daily aircraft parking charges shall be made prior to the departure of aircraft unless credit arrangements have been approved by the Airport Manager.

11. **SALE OF AVIATION FUEL, OIL AND LUBRICANTS.** The sale of aviation fuel, oil and lubricants shall be on a concession basis between the Sponsor and fixed Base Operators. Fuel Flowage fees shall be paid by concessionaires to the Sponsor at rates established in the Fixed Base Operator contracts.

12. **ANIMALS.** No person shall enter the aircraft ground movement area with any animals. Dogs and other animals may be permitted in other areas of the airport and in the aircraft tie-down area only if restrained by leash or confined in such a manner as to be under control.

13. **DAMAGE TO AIRPORT.** Any person causing damage to the airport or any airport property shall be responsible for the cost of repair or replacement. All damage shall be promptly reported to the Airport Manager.

14. **DAMAGE TO AIRCRAFT.** Witnesses to and participants in any accident causing damage to aircraft in the airport area shall promptly make a full report of such accident to the Airport Manager or his representative. Aircraft operators, owners or their agents shall be responsible for and shall cooperate and assist in, the prompt removal of damaged aircraft, parts, property or debris resulting from any accident, provided however, that the Airport Manager or officials of the Federal Aviation Agency may prohibit the movement or removal of any damaged aircraft or property.

15. **CLEANLINESS.** All persons using the airport shall place all rubbish, garbage, or other debris in appropriate containers.

16. **AUTOMOBILES.** All persons using the airport shall operate automobiles and/or trucks in accordance with the following rules.

(a) Vehicles shall be parked within designated parking areas only.

(b) Vehicles shall not be operated beyond roads and parking area limits without prior consent of the Airport Manager.

(c) No common carrier, vehicle for hire shall load or unload passengers or stand at the airport in any place other than in the area designated by the Airport Manager.

(d) Vehicles shall not be operated on the apron except by persons assigned to duty there or others authorized by the Airport Manager.

(e) No person shall operate any vehicle in any of the landing areas unless authorized to do so by the Airport Manager, and then only in the manner prescribed.

(f) Vehicle speed shall be limited to fifteen (15) miles an hour within the airport parking areas.

(g) The Airport Manager shall have authority to move vehicles parked in improper locations and the owners of such vehicles shall be responsible for the payment of any towing charges necessitated thereby.

17. **FIREARMS.** No person except peace officers, authorized Federal, State and local employees, or members of the armed forces of the United States on official duty shall carry any firearms or explosives on the airport without prior permission of the Airport Manager. No person shall hunt, conduct target practice or discharge firearms on the airport.

III. OPERATIONS

AIRCRAFT OPERATING RULES. No aeronautical activity shall be conducted at the airport except in conformance with current Federal Air Regulations. In addition, the following rules shall apply:

(a) No aircraft shall be parked in any area not designated for such purpose by the Airport Manager without prior consent of the Airport Manager. Parked aircraft shall have parking brakes set and/or the wheels firmly blocked to prevent movement and/or be firmly secured to the ground by ropes or other appropriate means.

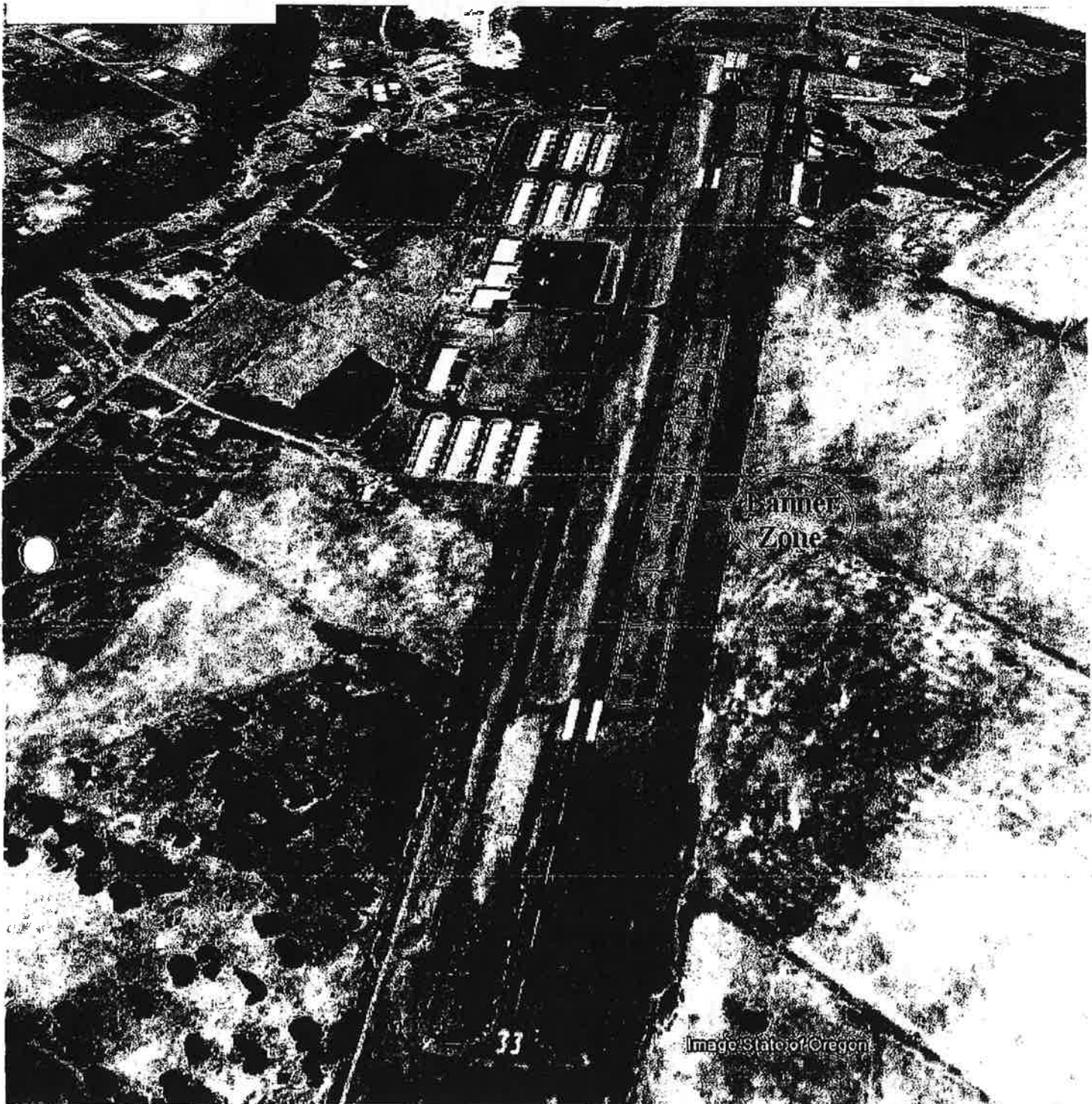
(b) Low flying within the confine of the traffic pattern, except in emergencies or when necessary to climb to the designated pattern altitude or descend to a landing, is prohibited.

(c) No aircraft shall takeoff or land except in conformance with the approved traffic pattern, emergency landings excepted.

(d) Aircraft shall not cross or enter upon any runway until the pilot has stopped and assured by visual inspection that there is no danger of collision with any person or object.

(e) Taxiing in and out of hangars is specifically prohibited.

Exhibit "D"





STAFF REPORT

Even Construction, Inc. Lease

DATE: February 8, 2023
TO: Port Commission
FROM: Amy Bynum
Real Estate & Business Development Manager
RE: Even Construction, Inc. – New Lease

Discussion

Even Construction, Inc (“Even”) is a water-dependent floating home manufacturer leasing dock space, bare land, and subleasing Department of State Lands (DSL) submerged land. Even has been a tenant in good standing at the Multnomah Industrial Park since 2007. Even has had a month-to-month tenancy since their lease expired in 2020 so the approval of the attached Lease is an important step toward long-term tenancy to facilitate Even’s business operations.

Summary of lease terms:

1. Premises: 12,394 square feet (SF) of dock & 11,404 SF bare land
2. Sublease: 74,800 SF of subleased DSL submerged land classified as Log Raft and Marine Industrial billed annually
3. Purpose: Use of the Premises shall be to construct floating homes or other floating structures, including the construction and launching of floats built for such structures, and to stage and store any related materials, tools and equipment used in such construction
4. Term: Five-year lease with two successive five-year renewal terms
5. Basic Rent: \$1,475, includes annual CPI adjustments, credit card fees, security deposit, & delinquency charges
6. Additional Charges: Net Net Net (NNN) lease, DSL sublease charges of \$861 per year, Common Area Maintenance Charges, Attorney Fees & Staff Costs, & Water Usage

Recommendation

Adoption of Resolution No. 2023-03, authorizing the Board President to execute a new lease with Even Construction.

RESOLUTION NO 2023-03

**A RESOLUTION APPROVING A LEASE WITH EVEN
CONSTRUCTION, INC. AT THE MULTNOMAH INDUSTRIAL PARK**

WHEREAS, Even Construction, Inc., (“Even”) a floating home construction & design firm and an existing tenant at the Multnomah Industrial Park, has been working with Port Staff to support continued long-term tenancy to facilitate their business operations; and

WHEREAS, Even has been a tenant in good standing with the Port since 2007; and

WHEREAS, Even and Port staff have successfully negotiated a lease for the dock space & the subleased submerged land and adjacent property, on terms agreeable to both parties; and

WHEREAS, Port staff recommends the adoption of the new lease, which is attached; now, therefore

BE IT RESOLVED by the Board of Commissioners of the Port of Columbia County as follows:

The Board authorizes the Board President to execute a new lease with Even Construction, Inc.

PASSED AND ADOPTED this 8th day of February 2023, by the following vote:

AYES: _____ NAYS: _____

Port of Columbia County

ABSTAINED: _____

By: _____
President

Attested By:

Secretary

LEASE

BETWEEN THE

PORT OF COLUMBIA COUNTY

AND

EVEN CONSTRUCTION, INC.

AND REFERENCING A SUBLEASE WITH THE

OREGON DEPARTMENT OF STATE LANDS

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LEASE

This LEASE (the "**Lease**"), effective the ____ day of _____, 2023 (the "**Effective Date**") by and between THE PORT OF COLUMBIA COUNTY, a Municipal corporation of the State of Oregon (the "**Port**"), and EVEN CONSTRUCTION, INC. ("**Lessee**").

1. AGREEMENT TO LEASE; DESCRIPTION OF PREMISES

Subject to the terms and conditions herein, the Port hereby leases to Lessee, and Lessee leases from the Port, exclusive use of premises in the Multnomah Industrial Park in St. Helens, Oregon consisting of approximately 12,394 square feet ("SF") of dock space, 11,404 SF of bare land and to sublease approximately 74,800 SF of submerged land area which is currently being leased by the Port from the State of Oregon Department of State Lands. The dock and bare land areas are depicted in yellow, and the submerged land area is depicted in pink and blue on **Exhibit A** (together, the "**Premises**"), attached hereto and incorporated herein.

1.1 Use of the Premises

Lessee's use of the Premises shall be to construct floating homes or other floating structures, including the construction and launching of floats built for such structures, and to stage and store any related materials, tools and equipment used in such construction, in compliance with all applicable rules and regulations ("**Allowed Use**"). No use other than the Allowed Use may be made of the Premises without the prior written approval of the Port, which approval shall be given or denied at the sole discretion of the Port. No Hazardous Substances (as that term is defined in Section 6.1.2) may be used, stored, or otherwise handled on or near the Premises, except as permitted under Section 6.4 of this Lease. Lessee will comply strictly with all present and future rules and regulations of all federal, state, and local governmental bodies having jurisdiction over Lessee's activities occurring within the Premises.

1.2 Lease with State

The submerged land area that forms the subleased part of the Premises is being leased by the Port from the Oregon Department of State Lands (DSL) by virtue of a lease effective June 17, 2008, as subsequently amended, attached and incorporated by reference ("DSL Lease"). The DSL Lease is superior to this Lease, and in the event of any conflict between the terms, conditions and reservations contained in the DSL Lease and this Lease, the DSL Lease shall prevail. It is the purpose of this Section to require Lessee to avoid any conduct or action that would constitute a default or breach of either this Lease or the DSL Lease.

1.3 Other Use Agreements

Lessee's use of other existing shared infrastructure within the Multnomah Industrial Park, including but not limited to rail services and boat launch ("Existing Shared Infrastructure"), shall be subject to other use agreements with other users of the Existing Shared Infrastructure at the Port's sole and absolute discretion. Lessee shall cause the area

including the Existing Shared Infrastructure to be maintained and kept in good repair and shall cause the same to be free and clear of all rubbish and debris. Lessee will make reasonable efforts to cause its employees, agents, assigns and invitees to exercise compliance with all applicable laws and safety regulations.

1.4 Compliance with the Law

Lessee's use of the Premises must comply with all applicable laws, ordinances, rules and regulations of the State of Oregon and the United States, and all city, county or other public government authorities or agencies, including, but not limited to, building permit requirements, local fire code, zoning and occupancy codes. Lessee shall also comply with all Port Rules, as amended and updated from time to time, a copy of which the Port has provided Lessee. Lessee shall promptly provide to the Port copies of all written communications (including electronic communications) from any such government entities which relate to Lessee's noncompliance or alleged noncompliance with any law or other government requirements. In no event shall Lessee be permitted to seek or obtain approval to rezone, change the use of, or obtain other land use or land division approvals for, the Premises without the Port's prior written approval, which may be granted, conditioned or denied in the Port's sole discretion.

2. TERM

2.1 Initial Lease Term

The term of this Lease ("**Term**" or "**Lease Term**") shall commence on the Effective Date (the "**Lease Commencement Date**") and shall continue for five years from the Effective Date ("**Expiration Date**") unless sooner terminated or extended pursuant to the terms of this Lease.

2.2 Lease Year

As used in this Lease, "**Lease Year**" shall mean, in the case of the first Lease Year, the period beginning on the Lease Commencement Date and ending on the following June 30, and thereafter, each successive twelve (12) month period beginning July 1 and ending June 30 during the Term.

2.3 Extension Options

So long as no uncured Event of Default (defined in Section 10) exists under this Lease, Lessee shall have options to extend ("**Extension Options**") the Expiration Date of this Lease for two (2) successive terms (each an "**Extension Term**"). Each Extension Term shall be for five (5) years.

2.3.1 Lessee's Notice of Intent to Extend

Lessee must notify the Port in writing of Lessee's intent to extend the Lease. Such notice by Lessee must be given not more than three hundred sixty (360) days and not less than one hundred eighty (180) days prior to expiration of the then-current Lease Term or Extension Term, as applicable (the "**Extension Notice**"). This notification by Lessee to Port will begin the negotiation between Port and Lessee. Failure of Lessee to deliver the Extension Notice as provided in this Section 2.3.1 shall automatically extinguish any applicable Extension Option.

2.3.2 Conditions of Extension

The terms and conditions of the Lease for each Extension Term shall be the same as those for the initial Lease Term except that: (a) Basic Rent shall be increased at the beginning of each Extension Term in accordance with the formula set forth in Section 3.2; (b) the Security Deposit will be adjusted to reflect adjustment in Basic Rent or Additional Rent as provided in Section 3; (c) insurance provisions will be updated, subject to the provisions of Section 7.5; (d) environmental provisions will be updated, as necessary, to comply with then current Environmental Laws, Environmental Audit requirements and Best Management Practices as those terms are defined in Section 6; and (e) the Port will require any modifications or changes legally required to bring the Lease into compliance with then current law, government regulations or government mandates (except that any improvements the use or design of which are grandfathered or otherwise permitted under then-existing law or regulations need not be modified or upgraded) (collectively, items (c) through (e) in this Section 2.3.2 are the "**Extension Amendments**"). Upon receipt of Lessee's notice of intent to extend pursuant to Section 2.3.1, the Port shall have sixty (60) days thereafter to notify Lessee, in writing, of the proposed Basic Rent, any proposed adjustments to the Security Deposit, including the basis for the adjustment, and any Extension Amendments required by the Port as a condition of granting the then applicable Extension Option, together with a proposed Amendment to the Lease ("**Amendment Form**") (collectively, "**Notice of Amendments and Proposed Rent**"). Lessee shall have thirty (30) days from receipt of the Notice of Amendments and Proposed Rent to notify the Port in writing of Lessee's disapproval of any term thereof. If Lessee fails to deliver written notice of Lessee's disapproval of any term in the Notice of Amendments and Proposed Rent, then Lessee shall be deemed to have approved the Extension Amendments, Base Rent and adjusted Security Deposit and shall be obligated for the Extension Term. Lessee shall be responsible for completing all general maintenance, repair and clean-up requirements set forth in Section 4.10, on or before the first day of any Extension Term.

2.4 Holdover

If Lessee does not vacate the Premises at the time required (upon expiration or termination of the Lease), the Port shall have the option to treat Lessee as a tenant from month to month, and Lessee shall pay Rent at an increased rate of 150% above the then-applicable Rent as outlined in Section 3 ("Holdover Rent Increase"), subject to all the provisions of this Lease except the provisions for term. The holdover tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given not less than 30 days prior to the termination date, which shall be specified in the notice. Lessee waives any notice which would otherwise be provided by law with respect to a month-to-month tenancy.

3. RENT

3.1 Basic Rent and Additional Rent

Basic Rent will be payable on or before the first of each month calculated as follows ("**Rental Rate**"): the square footage (SF) of the dock (12,394 SF) at a rate of \$1.06

per SF per year; plus, the SF of the bare land (11,404 SF) at a rate of \$0.40 per SF per year, divided by 12 and rounded to the closest dollar amount for a total rent of One Thousand Four Hundred Seventy-Five Dollars and no Cents (\$1,475) ("**Basic Rent**"). All Basic Rent is subject to Rent Adjustment as described under Section 3.2. Basic Rent for any partial month shall be pro-rated accordingly. All other sums which become payable by Lessee under this Lease shall be considered "**Additional Rent**".

3.1.1 Department of State Land (DSL) Charges

In addition to Basic Rent and any other Additional Rent charges, Lessee will pay to the Port the annual charges imposed by DSL in December annually rounded to the nearest dollar amount, and paid by the Port, for the rental and use of approximately 74,800 SF of submerged and submersible land defined as part of the Premises herein. The sublease rate is calculated as follows: the square footage of "Log Raft" classified land (45,117 SF) at a rate of \$0.0104 per year; plus, the SF of the "Marine Industrial" classified land (29,719 SF) at a rate of \$0.0132 per SF per year for a total additional rent of Eight Hundred Sixty-One Dollars and no Cents per year (\$861) ("DSL Charges"). The rates and classifications therein are determined by DSL and are subject to adjustments as defined in Section 1.2. Should Lessee request or require any revisions or amendments to the DSL lease, Lessee shall be responsible for payment of any fees required by the State to process such an amendment.

3.1.2 Multnomah Industrial Park Common Areas

The land and improvements constructed and to be constructed thereon as shown on **Exhibit B** attached and incorporated herein shall hereafter be designated as the Common Areas within the Multnomah Industrial Park ("Park Common Areas"). In addition to any other rights granted by law or by this Lease, the Port reserves the right, without limitation, to: adjust the boundaries of, expand or delete all or part of the Park Common Areas; to permit the use of the Park Common Areas by others in such as manner as the Port may from time to time determine to close all or any portion of the Park Common Areas (so long as Lessee has reasonable driveway ingress and egress into and from the Leasehold, provided that the Port shall have no liability for any blockage of such ingress or egress caused by third parties who are not Port employees, agents or contractors); to construct improvements in the Park Common Areas; and to evict anyone from the Park Common Areas who fails to comply with any applicable laws, including rules and regulations applicable to the Multnomah Industrial Park or other Port property as adopted by the Port.

Lessee shall have a nonexclusive right to use Park Common Areas in common with the Port and with others to whom the Port has granted or may grant such right. The term "Park Common Areas" means existing parking areas, roadways, sidewalks, driveways, surrounding landscaping and grounds, and any other areas within the Multnomah Industrial Park not leased by any specific tenant but used in common by Multnomah Industrial Park tenants and other Port authorized users, now or hereafter designated as Park Common Areas by the Port, and Lessee shall pay the Common Area Maintenance Charges as set forth herein. Lessee shall not, without the prior written consent of the Port, use any vehicles or equipment, or make any use of the Park Common Areas that would violate any local noise ordinance, or cause substantial vibrations, fumes, or electronic interference. Lessee shall not permit anyone

else to use the Park Common Areas nor shall Lessee permit anything to be done on the Park Common Areas that: (a) creates any condition that may be a safety hazard, or (b) creates a nuisance.

3.1.3 Common Area Maintenance Charges

In addition to Basic Rent and any other Additional Rent charges, Lessee shall pay the Port the Lessee's "Proportionate Share" of Common Area Maintenance Charges ("CAM Charges") during the lease term for all Park Common Areas of the Multnomah Industrial Park on an annual basis at the beginning of each fiscal year (July 1) for each subsequent year. CAM Charges reflect all costs and expenses incurred by the Port for operating, repairing, servicing, and maintaining the Park Common Areas. Such costs may include, but are not limited to: security services, repair and renovations and other fees relating to connection and use of drainage, water, power, sewer and septic systems, landscaping, litter control, electricity for street lights, maintenance of street lights, fire protection, signage, irrigation and grounds care, all maintenance, improvements and installation of sidewalks, curbs, parking areas, roads, security gateways, lighting fixtures, public restrooms, sweeping, restriping, resurfacing, snow & storm debris removal. CAM Charges are currently administered by the Port, but the Port reserves the right to establish and assign its rights and responsibilities related to the CAM Charges to any other entity at the Port's sole discretion, and after such assignment to include reasonable costs attributable to such support services to administer the Port's obligations relating to the Park Common Areas. The Port shall be released from responsibility for the operation, repair, servicing, and maintenance of such portions of the Common Areas that the Port assigns to such other entity.

The Proportionate Share of CAM Charges for the Lessee will be calculated based on the square footage of the leasehold as depicted in **Exhibit A** as a proportion of the total square footage of the Industrial Park as depicted in **Exhibit B**.

CAM Charges will be estimated on an annual basis at the beginning of each fiscal year (July 1) by the Port and shall be adjusted depending on the actual costs for the preceding twelve months. Lessee shall pay monthly, commencing at the Effective Date, as additional Basic Rent due under the terms hereof, a sum equal to Lessee's Proportionate Share of the estimated costs for said twelve (12) month period, divided by 12. At the end of the fiscal year (June 30) the Port shall determine the actual costs of the foregoing costs from the prior year and the Lessee shall pay its Proportionate Share of the difference between the estimated costs and the actual costs to the Port with the next payment of Monthly Rent. If the actual costs are less than the estimated costs, the Port will credit the amount of the excess payment to the Lessee.

The Port shall operate, repair, service and maintain the Park Common Areas in good working condition. In performing such repair, service or maintenance, the Port will use commercially reasonable efforts to minimize interference with the operations of Lessee or its Sublessees on the Property. In addition, such repair, service, and maintenance shall not block any Lessee access to the Leasehold without Lessee's approval.

3.1.4 Attorney Fees and Staff Costs to Be Paid by Lessee During Term of Lease

Lessee hereby acknowledges and agrees that, in the event Lessee requests that the Port incur attorney fees and staff costs for any work which is solely the result of Lessee requesting that such work be completed, then Lessee shall bear the responsibility to pay for any and all Port costs associated with such a request made by Lessee. Prior to the commencement of any work, Lessee agrees to sign an Agreement to Pay Costs (see attached example as **Exhibit C**, incorporated by reference). Under this arrangement, if the funds are unavailable or the Port chooses not to withdraw the funds directly from the Security Deposit pursuant to Section 3.7, Lessee will pay a deposit to the Port prior to commencement of any work. The Port General Counsel or other Port legal representative ("Port Attorney") in consultation with Port Staff will then establish a nonrefundable, fixed fee amount for the work to be completed. If the deposited funds are exhausted or are otherwise unavailable to be withdrawn from the Security Deposit, Port Attorney and Port Staff may cease work until such time as Lessee makes an additional nonrefundable, fixed fee deposit for costs as determined by Port Staff in consultation with Port Attorney. Any such additional deposit(s) shall be paid immediately by Lessee in order for any work to continue. In the event any costs remain unpaid by Lessee after work is completed and such funds cannot be withdrawn from the Security Deposit, Lessee shall pay all such additional nonrefundable, fixed fee costs to Port within 30 days after receiving notice from the Port.

3.1.5 Additional Rent: Water Usage

Lessee shall pay monthly to the Port within 30 days of billing the charges, if any, for water usage by Lessee on the Premises. Monthly water readings shall be obtained by Port personnel for Lessee's water consumption and converted to a monthly charge.

3.2 Rent Adjustment

Except as provided below, on the first day of each successive Lease Year subsequent to the Effective Date, the amount of Basic Rent for each such one-year period will be adjusted to reflect the effect which inflation has had on the purchasing power of the dollar, but in no event will said rent be less than the Basic Rent paid per month during the immediately preceding Lease term. This adjustment will be based upon the change, if any, from the ALL-ITEMS INDEXES CONSUMER PRICE FOR ALL URBAN CONSUMERS, PORTLAND, OREGON, as published by the U.S. Bureau of Labor as of the date nearest the commencement of this Lease, as compared with the same Consumer Price Index published as of the period preceding the expiration of the preceding year of this Lease (the "CPI Rate").

Every Five (5) years, and in the event the Port and Lessee successfully negotiate an Extension Term as provided in Section 2.3 above, to be effective as of the July 1st preceding each Extension Term (each such date an "**Adjustment Date**"), monthly Basic Rent shall be adjusted by the lease comparable rates provided by the Port. Should no comparable leases be available the Port may use Fair Market Value (defined in Section 3.2.1), multiplied by ten percent (10%) divided by twelve (12). After each Extension Term Basic Rent for each successive one-year period will be adjusted to reflect the effect which inflation has had on the purchasing power of the dollar (each

such date an "**Adjustment Date**"), but, in no event will said rent be less than the Basic Rent paid per month during the immediately preceding Lease term. This adjustment will be based upon the change, if any, from the ALL-ITEMS INDEXES CONSUMER PRICE FOR ALL URBAN CONSUMERS, PORTLAND, OREGON, as published by the U.S. Bureau of Labor as of the date nearest the commencement of this Lease, as compared with the same Consumer Price Index published as of the period preceding the expiration of the preceding year of this Lease (the "CPI Rate"). However, in no event shall Basic Rent for any Extension Term be less than the Basic Rent in effect immediately prior to the Adjustment Date.

3.2.1 Fair Market Value

As used in this Lease, "**Fair Market Value**" shall mean the most probable lease price in terms of money which the land and improvements should bring in a competitive and open market under the condition's requisite to a fair sale or lease, the buyer/lessee and seller/lessor each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale/lease as of the applicable Adjustment Date and the passing of title from seller/lessor to buyer/lessee under the conditions whereby: (a) the buyer/lessee and seller/lessor are typically motivated; (b) each party is well informed or advised and is acting in what it considers its own best interests; (c) a reasonable time is allowed for exposure in the open market; (d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; (e) the price represents the normal consideration for the property sold or leased unaffected by special or creative financing or sales concessions granted by anyone associated with the sale/lease; and (f) the land and improvements are clean and uncontaminated. Fair Market Value further means the value of the land and improvements based on: (a) its use as an industrial property, or if such land and improvements are no longer being used for an industrial use, the then highest and best legal use of such land and improvements; and (b) the value of the land exclusive of any improvements except those installed and paid for solely by the Port and not reimbursed solely by Lessee. Furthermore, sale/lease transactions used in the determination of Fair Market Value shall be of property with comparable infrastructure improvements, including, but not limited to, road access and utilities, common areas and other comparable site amenities.

3.2.1.1 Appraisal

If Lessee disagrees with the Port's new Basic Rent for any renewal option period, then the Port and Lessee will each have thirty (30) days from the date the Port receives Lessee's notice objecting to the Port's new Basic Rent to select an independent Oregon licensed appraiser to determine the current Fair Market Value. Notwithstanding the foregoing, in no event shall the appraisal process begin until Lessee has given notice to the Port exercising its option to renew according to Section 2.3.1. The selected appraisers shall be members of the Appraisal Institute ("**MAI**"), unless otherwise agreed upon, in writing, by the parties, and shall be experts in the appraisal of industrial property in Oregon, with at least five (5) years of commercial appraisal experience, including experience in appraising industrial properties of the nature of the property. Each party must notify the other, within the thirty (30)-day time frame, of the name, address and telephone number of such party's selected appraiser. The selected appraisers, within sixty (60) days of being selected, must complete their final appraisal reports and deliver copies of the appraisal reports concurrently to the Port and to Lessee ("**First Appraisal**"). If the

two appraisers and the parties cannot come to an agreement concerning the Fair Market Value within fifteen (15) days of issuance of both appraisal reports, the two appraisers will select a third MAI appraiser to determine which appraisal comes closest to the Fair Market Value. The appraisers shall conduct a full and independent appraisal of the Property and deliver the report documenting his/her findings concurrently to the Port and to Lessee ("**Final Appraisal**"). The Final Appraisal will take into consideration all information contained in both the Port's and Lessee's appraisals and the third appraiser's own independent analysis, upon which the third appraiser will then choose, as the Fair Market Value, either the Port's appraisal or Lessee's appraisal, based on which one comes closest to the third appraiser's independent appraisal. The third appraiser shall not propose a middle ground or any modification of either of the two proposed determinations of Fair Market Value. The determination of Fair Market Value by the third appraiser shall be final and binding upon the parties. All court costs and appraisal costs incurred pursuant to this Section shall be shared equally by the Port and Lessee.

3.2.2 Effective Date of Adjustment; Payment of Adjustments

Lessee acknowledges that adjustments to the Basic Rent will be effective as of the Adjustment Date, even though the new rate may not be able to be calculated until after the Adjustment Date. Lessee agrees to (i) begin paying the increased Basic Rent upon notification by the Port; and (ii) pay any difference between the Basic Rent actually paid to the Port after the Adjustment Date and the adjusted Basic Rent due for such period within thirty (30) days of notification by the Port.

3.3 Rent Payments

3.3.1 Due Dates

Lessee shall make payment of the Basic Rent commencing on the Effective Date and on or before the first (1st) day of each and every calendar month thereafter during the Lease Term and any Extension Terms ("**Due Date**"). In the event that proration of Basic Rent is required under this Lease, Basic Rent shall be prorated on a thirty (30)-day month. All other Additional Rent shall be paid within thirty (30) days of the issuance by the Port of an invoice submitted to Lessee or within the time period otherwise expressly provided in this Lease. Payment of Rent shall be made without demand, notice, offset, abatement, or deduction of any kind, to the Port at the following address or such other address as the Port may later designate as provided herein, or by direct deposit to an account specified by the Port:

Port of Columbia County
PO Box 190
100 E. Street
Columbia City, OR 97018

3.3.2 Credit Card Fees to Be Paid By Lessee

All rent and other amounts paid using credit cards will be subject to all processing fees and assessments, including any charge-back fees at the Port's sole and absolute discretion. These fees will be billed as Additional Rent the following month.

3.4 Delinquency Charge

All Rent and other amounts not paid when due shall bear a "Delinquency Charge" of one- and one-half percent per month (18% per year) if the total balance remains unpaid for five (5) or more days following its due date. Such interest shall be charged from the due date until the Rent or other amount is paid in full. This Delinquency Charge is subject to periodic change, subject to any limitation on the maximum rate of interest allowed by law, at the Port's sole discretion. No change shall occur, however, without at least thirty (30) calendar days prior written notice to Lessee. Imposition of a Delinquency Charge shall not constitute a waiver of any other remedies available to the Port for failure to timely pay Rent.

3.5 Returned Checks

If Lessee's check for payment of Rent due under this Lease is returned to the Port for any reason, the payment shall be considered not to have been made and shall be delinquent. In addition to the Delinquency Charge set forth in Section 3.4, the Port may charge Lessee a returned check fee of Thirty-Five Dollars (\$35.00), per returned check, which Lessee agrees is a reasonable fee for the additional administrative time and expense incurred by the Port in having to deal with the returned check. The return check fee is subject to periodic change by the Port. No change shall occur, however, without at least thirty (30) days prior written notice to Lessee. The Delinquency Charge shall continue to accrue until the returned check fee is paid, the check can be cashed, and the Port receives all funds due.

3.6 Acceptance of Rent

The Port's acceptance of a late or partial payment of Rent and/or a Delinquency Charge shall not constitute a waiver of any Event of Default, nor shall it prevent the Port from exercising any of its other rights and remedies granted to the Port under this Lease or by law. Any endorsements or statements on checks of waiver, compromise, payment in full or any other similar restrictive endorsement shall have no legal effect. Lessee shall remain in violation of this Lease and obligated to pay all Rent due even if the Port has accepted a partial or late payment of Rent.

3.7 Security Deposit

On or before the Effective Date Lessee shall deposit with the Port the sum of two months' rent, one year of property taxes, and one year of insurance premiums as a Security Deposit ("**Security Deposit**").

The Security Deposit shall be in the form of cash or letter of credit in favor of the Port without penalty and without approval of Lessee, in a form and bank acceptable to the Port. The Security Deposit shall secure Lessee's full and faithful performance and observance of all of Lessee's obligations under this Lease and under any other written agreement between Lessee and the Port. The Security Deposit shall not be considered to be held in trust by the Port for the benefit of Lessee and shall not be considered an advance payment of Rent or a measure of the Port's damages in the case of an Event of Default by Lessee. The Port may, but shall not be obligated to, draw upon and apply the Security Deposit to: (a) pay any Rent or any other sums

due to the Port by Lessee and not paid on or before the date it is due and the Port shall not be required to give notice or opportunity to cure before drawing on the Security Deposit; or (b) to remedy any other Event of Default of this Lease, after Lessee has received notice and opportunity to cure, if such notice and opportunity to cure is required under this Lease. If the Port applies any of the Security Deposit to any of the above, Lessee shall, immediately upon demand, replenish the Security Deposit to its full amount. If Lessee fully performs all of its obligations under this Lease, the Security Deposit, or any balance remaining, will be released within thirty (30) days from the Expiration Date or termination of this Lease and delivery of the Premises to the Port. However, if any question exists concerning Lessee's full compliance with the Lease or if there is any obligation under this Lease to be performed after the Expiration Date or earlier termination of this Lease, the Port shall be entitled to require that the Security Deposit remain in place until the Port is fully satisfied that there has been no Default of the Lease and all obligations due under this Lease have been fully performed. In addition to any other remedy provided in this Lease or at law, the Port shall have the option but not the obligation to use the Security Deposit or a portion thereof to offset any costs or damages incurred as a result of Lessee's failure to perform its obligations at the termination or expiration of the Lease. The Security Deposit will be adjusted at every Extension Term to be equal to two (2) months-worth of the then Basic Rent plus one (1) year of Property Insurance and one (1) year worth of the estimated real property taxes for the Property, or if available, the then current real property taxes for the Property, but in no event less than the most recent adjusted Security Deposit. Notwithstanding the above provisions of this Section 3.7, the Port shall have the right at any time during the Lease Term or any Extension Term to require Lessee to deposit an additional Security Deposit with the Port and/or provide additional financial assurance reasonably acceptable to the Port, in an amount or amounts reasonably determined by the Port to be commensurate with any increased risk associated with any of the following events: (i) as a condition of Port approval, as provided in Section 6.4, of Lessee's or any Sublessee's use, storage, handling, processing, manufacturing or recycling of Hazardous Substances not authorized under the first two sentences of Section 6.4.1; (ii) if the Port has given notice of violation of any provision of this Lease more than three (3) times during any consecutive twelve (12) month period; or (iii) upon Lessee's exercise of any Extension Option, to adjust for added risks such as increases in Basic Rent, property taxes, and other Additional Rent pursuant to Section 2.3.2.

3.8 Taxes

Lessee shall reimburse the Port for any Premises (property) taxes paid by the Port, such reimbursement being due within 30 days of billing by the Port. Lessee shall also pay all other taxes and assessments of any public authority levied against the Premises or upon any taxable interest of Lessee acquired pursuant to this Lease or any taxable possessory right Lessee may have in or to the Premises or the improvements located thereon, as well as all taxes on all taxable Premises, real or personal, owned by Lessee in or about the Premises, including any other tax or charge levied wholly or partly in lieu thereof (together, the "**Taxes**"). Lessee shall make all payments on or before the date payment is due. Lessee shall supply the Port with proof that Taxes have been timely paid. Lessee shall be permitted to pay Taxes in installments, as allowed by the tax assessing authority. In the event that Lessee fails to pay Taxes on or before their due date, then, in addition to all other remedies set forth in Section 10.2, the Port shall automatically

have the right, but not the obligation, to pay the Taxes and any interest and penalties due thereon, with no notice to Lessee, and Lessee shall immediately reimburse the Port for any sums so paid upon receipt from the Port of: (i) written notice that the Port has paid the Taxes; and (ii) documentation of such payment. Notwithstanding the foregoing, Lessee shall also be allowed to contest the validity of any assessment on the Premises without the Port stepping in and paying Taxes on Lessee's behalf as long as monies sufficient to pay the Taxes and interest are placed in escrow with an escrow agent approved by the Port, with irrevocable escrow instructions to pay the Port the funds immediately upon demand by the Port (which demand shall not be made until the earlier of: (a) the conclusion of such contest and exhaustion of appeals; or (b) the termination of this Lease. In any case, all Taxes must be paid prior to any foreclosure proceeding by a taxing authority being instituted or before the Port incurs any liability as a result of such failure to pay the Taxes. Lessee understands that should this Lease expire prior to the end of any given fiscal tax year ("**Tax Year**") that Lessee will nonetheless be responsible to pay real Premises taxes assessed for the entire Tax Year. The Tax Year for Columbia County is currently July 1 through June 30.

3.9 NonRemonstrance

Lessee waives any right to remonstrate against and shall support local improvement districts or similar shared funding mechanisms to fund future utility and roadway improvements pertaining to the Premises, should such mechanisms be used. Lessee and the Port shall cooperate in working with the city, county and/or state on the allocation of costs among the benefited properties and Lessee shall promptly sign the necessary waiver forms requested by the city, county and/or state.

4. LESSEE'S OTHER OBLIGATIONS

4.1 Construction of Improvements

4.1.1 Port Approval and Ownership

Lessee shall undertake no construction, no alteration, or changes on or to the Premises, including the improvements, without the prior written approval of the Port. Any construction work must comply with the local permit requirements and completed by a licensed contractor. All such renovation work shall be deemed part of the improvements, and Lessee shall have no right, title or interest in the improvements except for the leasehold provided in this Lease. Upon termination of this Lease, all improvements located on the Premises shall remain property of the Port, unless otherwise previously authorized by the Port.

4.1.2 Wetlands Prevention

Lessee shall not create any "wetlands" (as defined under any federal, state, regional or local jurisdiction) on the Premises during the term of this Lease or extension thereof, or on any adjacent Port-owned or non-Port owned premises. Lessee shall also manage the Premises so that no wetlands are allowed to form on the Premises and so that Lessee's development and use of the Premises does not cause the formation of wetlands on any adjacent Port owned or nonPort owned Premises. If the Port believes that wetlands are likely to form on the Premises and Lessee has not taken corrective action, the Port shall have the right, but not

the obligation, upon ten (10) days prior written notice to Lessee (except in the case of an emergency), to enter onto the Premises to correct the situation and charge Lessee for such work. Lessee shall reimburse the Port for such work within thirty (30) days of receipt of invoice from the Port. Lessee shall cooperate with and perform any obligations required under any wetlands corrective or remediation plan.

4.2 Ownership of Improvements

The Port shall be the sole owner of improvements made or paid for by the Port and Lessee shall not take depreciation or any other form of tax deduction, based on any improvements made or paid for by the Port. In the event that (a) Lessee requests and the Port agrees to construct a specific improvement on the Premises for Lessee's use; (b) Lessee reimburses the Port in full for such improvement; and (c) the parties agree in writing prior to such construction that Lessee shall become the owner of the improvement upon the Port's completion and Lessee's reimbursement to the Port for such improvement, then upon completion such improvement shall be considered "**Lessee Improvements**" owned by Lessee, subject to the Port's reversionary rights as set out in Section 9.1.

4.3 Signs

Lessee shall contact the Port in order to place any signage in front of the industrial park. Lessee shall not erect, install, nor permit upon the Premises any sign or other advertising device without first obtaining the Port's written consent, which the Port may withhold or condition in its sole discretion. Lessee shall remove all signs and sign hardware upon termination or expiration of this Lease and restore the sign location to its former state, unless the Port elects to retain all or any portion of the signage.

4.4 No Liens

Lessee agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been provided or ordered with Lessee's consent to the Premises. Lessee shall not suffer or permit any liens to attach to all or any part of the Premises by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, Lessee or anyone occupying or holding an interest of Lessee in all or any part of the improvements through or under Lessee. If any lien is filed against the Premises which Lessee wishes to protest, then Lessee shall promptly deposit cash with the Port, or procure a bond acceptable to the Port, in an amount sufficient to cover the cost of removing the lien from the Premises or file a bond or deposit money and cause the Premises to be freed of the lien pursuant to ORS 87.076 et. seq. Notwithstanding any notice and cure periods provided in Section 10.1, failure to remove the lien or furnish the cash or bond acceptable to the Port or to cause the Premises to be freed of the lien pursuant to ORS 87.076 et. seq. within thirty (30) days of receipt of notice of the lien shall constitute an Event of Default under this Lease and the Port shall automatically have the right, but not the obligation, to pay the lien off with no further notice to Lessee and Lessee shall immediately reimburse the Port for any sums so paid to remove any such lien. Except as provided in Section 12, Lessee shall not encumber the Premises or any Lessee Improvements thereon without prior written approval of the Port, which may be withheld or conditioned in the Port's sole discretion.

4.5 Utilities and Services

The Port makes no representations or warranties regarding the availability and/or quality of utilities and other services available to the Property. Lessee is responsible for verifying, obtaining and paying for all utility installations and connections and all utility services necessary for Lessee's operation. Lessee shall be responsible for paying all fees and charges imposed by the various utilities furnishing those services, including those paid for and apportioned by the Port. Fees shall include, but are not limited to, all installation and connection fees and charges and monthly or periodic fees and assessments charged by the utilities and by any governmental agencies having jurisdiction over the Premises. Before Lessee installs any other utility lines on, under, or above the Premises, Lessee must first obtain the Port's written approval to do so. Before approval is granted Lessee must provide the Port with a detailed survey showing the exact location of such lines, along with a precise mete and bounds description of the same. In no event shall the Port be obligated to use any of its powers to acquire easement or utility access for Lessee.

4.6 Safety Requirements

Lessee shall conduct its operations, activities and duties under this Lease in a safe manner and shall comply with all safety standards imposed by applicable Laws. Lessee shall ensure compliance with the same by all subcontractors and all other persons transacting business with or for Lessee in any way connected with the conduct of Lessee pursuant to this Lease. Lessee shall comply with any safety rules adopted by the Port after thirty (30) days' notice of such adopted rules to Lessee, unless exigent circumstances require immediate compliance therewith.

4.7 Fire Safety

Lessee shall exercise due and reasonable care and caution to prevent and control fire on the Premises and, to that end, shall fully maintain the existing fire suppression system on the Premises, and shall provide and maintain any other fire protection equipment as may be required or appropriate for Lessee's use of the Premises pursuant to applicable Laws and the Port's fire insurance carrier, for the purpose of protecting the Premises and restricting the spread of any fire from the Premises. The Port will provide a preventative maintenance schedule for the existing system and suitable training to Lessee's personnel within 30 days of the Effective Date. Lessee shall comply with any fire safety rules adopted by the Port after thirty (30) days' notice of such adopted rules to Lessee, unless exigent circumstances require immediate compliance therewith.

4.8 Security

Lessee shall be fully responsible for security of the Premises and the Port shall have no responsibility or liability under this Lease for security of the Premises.

4.9 Waste, Removal and Demolition

Lessee shall not cause or permit any waste or damage, disfigurement or injury to the Premises or the improvements. Subject to Section 8, Lessee shall not remove or demolish, in whole or in part, any improvements on the Premises without the prior written approval of the

Port, which the Port may condition upon the obligation of Lessee to replace the same by an equal or better Improvement or other Improvement specified in such approval.

4.10 Maintenance

Lessee shall keep and maintain the Premises (including any structures, grounds, all improvements, and Lessee Improvements, systems, utilities and equipment) in good condition and shall carry out preventive maintenance, repairs, and replacements necessary and appropriate to maintain such condition. Lessee shall cause the Premises to be maintained and kept in good repair and shall cause the same to be free and clear of all rubbish and debris. Lessee will make reasonable efforts to cause its employees, agents, assigns and invitees to exercise compliance with all applicable laws and safety regulations.

4.11 Conduct of Business

At all times during the Lease Term and any Extension Terms, Lessee shall be registered and in good standing to do business in Oregon. Lessee shall notify the Port of any cessation in operations that are expected to last more than four (4) weeks and must continuously secure and maintain the Premises at all times during the Lease Term and any Extension Terms. In the event Lessee's cessation in operations lasts longer than eight (8) weeks, the Port shall have the right, but not the obligation, to terminate this Lease.

4.11.1 Marine Access

Lessee shall avoid blocking or obstructing the main access channel to the Scappoose Bay Marine Park, except for short periods of time as necessary for the delivery of materials or movement of floats or floating structures.

4.12 Local Contractor Consideration

In making any type of Port Improvements or Lessee Improvements, Lessee shall use best efforts to provide notice in the local area of such work, and to provide an equal opportunity for local businesses with appropriate certifications and qualifications to compete for such business opportunities or participate as a subcontractor in such work.

5. PORT AUTHORITY AND OBLIGATIONS

5.1 Quiet Enjoyment

Subject to Lessee performing all of Lessee's obligations under this Lease and subject to the Port's rights under this Lease and its rights of condemnation under Oregon law, Lessee's possession and quiet enjoyment of the Premises will otherwise not be disturbed by the Port or its officers, commissioners, agents, employees and contractors.

5.2 Delivery of Premises

Lessee shall have the right to possession of the Premises on the Effective Date. The Port shall have no liability to Lessee for any delay in delivering possession; however, all of Lessee's monetary obligations hereunder, including without limitation Lessee's obligation to pay Basic Rent, will be abated, delayed and forever excused until possession is actually delivered to Lessee. Lessee shall have a right to terminate this Lease if possession is not delivered by Effective Date.

5.3 Condition of Premises

The Port makes no warranties, guarantees or averments regarding the condition of the Premises, including, without limitation, the suitability of the Premises for Lessee's intended uses or the availability of accessible utilities or roadways needed for Lessee's intended purposes, or zoning, development, or occupancy requirements. Lessee confirms that the Port or any agent of the Port has made no representation or warranty as to the Premises except as provided in this Lease. Lessee has inspected the Premises and accepts the Premises in "**AS IS**" condition, with all defects and conditions known and unknown, upon taking possession. The Port shall have no liability to Lessee and Lessee shall have no claim against the Port for any damage or injury caused by any condition of the Premises. Unless otherwise agreed to, in writing, by the Port, the Port shall have no responsibility to bring the Premises into compliance with any laws, including, without limitation, any building or occupancy codes. Lessee shall be solely responsible for thoroughly inspecting the Premises and ensuring that it is in compliance with all laws.

5.4 Port Construction and Repair Obligation on Premises

The Port shall have no responsibility for the repair or maintenance of the Premises or for construction of any roadways, utilities or any other improvements on or off of the Premises unless otherwise specifically provided in this Lease. Should the Port undertake any repair or maintenance work on the Premises, the Port shall have no liability for interference with Lessee's use of the Premises which might result from the Port's repair and maintenance efforts and no such efforts shall be construed as a constructive eviction or other eviction of Lessee. Notwithstanding the foregoing and to the extent allowed by law, the Port will be responsible to Lessee for any actual damages caused by the gross negligence or willful misconduct of the Port or any agent, employee or contractor of the Port who performs work which damages Lessee's Premises (but in no event for lost profits or consequential damages). Any repair of damage caused by negligence or breach of this Lease by Lessee, employees, agents, contractors or invitees, shall be Lessee's responsibility and shall be made at Lessee's sole expense.

5.5 Port and Third-Party Access

The Port shall have the right to enter upon the Premises for the purposes of: (a) confirming the performance by Lessee of all obligations under this Lease; and (b) doing any other act which the Port may be obligated or has the right to perform under this Lease. Such entry shall be made with reasonable advance written notice of at least twenty-four (24) hours and during normal business hours to Lessee, pursuant to the notice provisions of Section 15.4 except in cases of emergency. In an emergency, the Port shall have the right to use any and all means which the Port may deem reasonable to obtain entry onto the Premises or into any building located on the Premises without liability to Lessee. Lessee may have its representative, if such a representative is reasonably available, accompany the Port. If prior notice of an inspection is not provided under the circumstances set forth in this Section 5.5, the Port shall notify Lessee of the scope and findings of the inspection as soon as practicable after it occurs.

6. ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

6.1 Definitions

For the purposes of this Lease, the following definitions shall apply:

6.1.1 Environmental Laws

"**Environmental Laws**" shall include any and all federal, State of Oregon, regional and local laws, regulations, rules, permit terms, codes, ordinances and guidance documents now or hereafter in effect, as the same may be amended or recodified from time to time, and applicable decisional law, which govern materials, substances, regulated wastes, emissions, pollutants, water, storm water, ground water, wellfield and wellhead protection, cultural resources protection, animals or plants, noise, or products and relate to the protection of health, natural resources, safety or the environment.

6.1.2 Hazardous Substance

"**Hazardous Substance**" shall include any and all substances defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials or any other similar term in or under any applicable Environmental Laws. Hazardous Substance shall also include, but not be limited to, fuels, petroleum and petroleum-derived products.

6.1.3 Environmental Audit

"**Environmental Audit**" means an environmental site assessment or compliance audit conducted of the Premises consistent with CERCLA Section 9601(35)(B), 42 U.S.C., 40 C.F.R. part 312, ORS 465.255(6), and any other applicable or relevant and appropriate assessment or auditing standard, including ASTM Standard E2107-00 Standard Practice for Environmental Regulatory Compliance Audits, or its successor, as the same may be amended or recodified from time to time.

6.1.3.1 Initial Audit

Lessee will have the option of conducting an Environmental Audit assessment and work before the Lease Commencement Date. The Environmental Audit ("**Initial Audit**"), shall document the onsite environmental condition of the Premises as of the Lease Commencement Date. Lessee and the Port acknowledge the Lease the Initial Audit may be used to determine (but shall not be completely determinative of) Lessee's environmental liability in connection with the Premises.

6.1.3.2 Special Audit

If the Port, at any time during the term of the Lease or any extension thereof, has reason to suspect that there has been a Hazardous Substance Release or there is an imminent threat of a Hazardous Substance Release caused by Lessee, Lessee's employees, agents, contractors, licensees, or invitees (including occurring in connection with their occupancy, possession or use of the Premises), the Port may, after written communication of those reasons to Lessee, without limiting its other rights and remedies, conduct an Environmental Audit of the Premises ("**Special Audit**"). If the Special Audit confirms a Hazardous Substance Release which Lessee, Lessee's employees, agents, contractors, licensees, or invitees caused

(including occurring in connection with their occupancy, possession or use of the Premises), then Lessee will be required to reimburse the Port for the reasonable costs of the Special Audit as an Environmental Cost. If no Material Violation is found, the Port will pay for the Special Audit.

6.1.3.3 Exit Audit

At the expiration or termination of this Lease, the Lessee may conduct, at Lessee's expense, an Environmental Audit ("**Exit Audit**") of the Premises and related property to determine: (i) the environmental condition of the Premises; (ii) whether any Hazardous Substance Release which Lessee, Lessee's employees, agents, contractors, licensees, or invitees caused (including occurring in connection with their occupancy, possession or use of the Premises) has occurred or exists on or about the Premises; and (iii) whether there is evidence of any violation of Environmental Laws or the environmental provisions of this Lease which Lessee, Lessee's employees, agents, contractors, licensees, or invitees caused (including occurring in connection with their occupancy, possession or use of the Premises). The Exit Audit shall be performed not more than sixty (60) days prior to the scheduled Expiration Date of this Lease and a complete copy of the results of the Exit Audit shall be provided to each party, prior to actual termination. In the event this Lease is terminated prior to the scheduled Expiration Date for any reason, Lessee may complete the Exit Audit within sixty (60) days of such actual termination date of this Lease. The Port shall have the right to approve the scope of and consultant for the Exit Audit, though such approval shall not be unreasonably withheld.

6.2 Environmental Inspection

The Port reserves the right, at any time, after reasonable advance written notice to Lessee, of two (2) Business Days (as defined in Section 15.15 below) or more (except that no notice to Lessee shall be required in the event the Port reasonably believes that there exists a condition constituting an imminent and substantial endangerment) to inspect the Premises and Lessee's operations on and use of the Premises: (i) for the presence of or Lessee's management of Hazardous Substances; (ii) for the purpose of sampling Lessee's storm water discharge; (iii) for compliance with Environmental Laws or the environmental provisions of this Lease; and (iv) to facilitate the Port's environmental management, permitting and analysis related to the Premises or any other premises of the Port. Lessee shall use commercially reasonable efforts to arrange these inspections on behalf of the Port. The Port agrees to use commercially reasonable efforts to conduct such inspections in a manner that will minimize disruption to Lessee's use of the Premises. Lessee may have its representative, if such a representative is reasonably available; accompany the Port during an inspection authorized by this Section 6.2. The Port shall notify Lessee of the scope and findings of the inspection as soon as practical after it occurs.

6.2.1 Environmental Cost

"**Environmental Cost**" shall include, but is not limited to, costs and damages arising from or relating to: (a) any actual or claimed violation of or noncompliance with any applicable Environmental Laws; (b) claims for damages, response costs, any audit costs, fines, fees or other relief relating to matters addressed in any applicable Environmental Laws; (c) injunctive relief relating to matters addressed in any applicable Environmental Laws; (d) Hazardous Substance Releases; and (e) violations of any environmental provisions of this Lease.

"Environmental Cost" as used in this Section 6 and elsewhere in this Lease shall include but not be limited to: (i) costs of preliminary assessment, evaluation, testing, analysis, remedial investigation, feasibility study, removal, remedial action, disposal, monitoring and maintenance, natural resources injury assessment, restoration and compensation; (ii) the cost of decommissioning and removing any underground or aboveground storage tank(s); (iii) Port, Oregon Department of Environmental Quality ("**DEQ**"), United States Environmental Protection Agency ("**EPA**") and Natural Resource Trustees oversight costs; (iv) fees of attorneys, engineers, consultants, experts, and Port employees and costs, whether or not taxable as costs, incurred at, before or after trial, on appeal or petition for review, or in any bankruptcy or administrative proceedings; (v) lost revenue; and (vi) diminution of value, loss, or restriction on use of Premises, including diminution of value resulting from the residual risk associated with a risk based cleanup.

6.2.2 Hazardous Substance Release

"Hazardous Substance Release" shall include the spilling, discharge, deposit, injection, dumping, emitting, releasing, leaking or placing of any Hazardous Substance into the air or into or on any land or waters. However, Hazardous Substance Release excludes a release specifically authorized by a then-current and valid permit or authorization issued under applicable Environmental Laws or a de minimus release of Hazardous Substances on an impervious surface that does not and will not likely, either individually or cumulatively with other releases of Hazardous Substances, come in contact with surface water contained in a river water body, or with groundwater, that is appropriately responded to under Environmental Laws, and that is promptly reported to the Port under Section 6.8.

6.2.3 Best Management Practices

"Best Management Practices" shall mean those environmental or operational standards which are either: (a) applicable to a particular business or industry group as a matter of common and accepted practices; (b) adopted or articulated by any of the following: trade associations or professional associations for the particular business or industry group; the business or industry group's own standard operating procedures; or (c) practices specifically defined or identified for a particular business operation or industry group by regulatory agency guidelines.

6.2.4 UST Facility

"UST Facility" shall include underground storage tanks, underground piping, dispensers, related underground and aboveground structures and equipment, including without limitation spill containment features and oil water separators, and the surrounding area used in connection with the operation, activity or purpose for which the entire system is designed, including without limitation the fueling of motor vehicles and the containment of Hazardous Substances or other materials.

6.2.5 AST Facility

"AST Facility" shall include mobile storage tanks and aboveground storage tanks, aboveground piping, dispensers, related underground and aboveground structures and equipment, including without limitation spill containment features and oil water separators, and

the surrounding area used in connection with the operation, activity or purpose for which the entire system is designed, including without limitation the fueling of motor vehicles and the containment of Hazardous Substances or other materials.

6.3 General Environmental Obligations of Lessee

Lessee shall manage and conduct all of its activities on or relating to the Premises: (a) in compliance with all applicable Environmental Laws and the environmental provisions of this Lease; (b) in reasonable cooperation with the Port (but at no significant additional cost to Lessee) in the Port's efforts to comply with applicable laws and regulations; and (c) in compliance with Best Management Practices applicable to Lessee's use of the Premises. Lessee shall manage and, as appropriate, secure the Premises and Lessee's occupation or use of the Premises so as to prevent any violation of law and regulations by any party.

6.4 Hazardous Substances Use on Premises

Lessee shall not use, store, handle, manage, generate, manufacture, dispose of, recycle, or process on the Premises any Hazardous Substances ("**Hazardous Substance Use**") except as provided in Sections 6.4.1, 6.4.2, and 6.4.3. Lessee shall maintain Material Safety Data Sheets ("**MSDS Materials**") for each and every Hazardous Substance Use by Lessee, Lessee's agents, employees, contractors, licensees, invitees, to the extent required under Environmental Laws. In order to ensure that the MSDS Materials are available to the Port in the event of a spill or other emergency, the MSDS Materials shall be kept current at all times and a copy of the MSDS Materials shall be kept in a place known to and easily accessible to the Port. Lessee shall dispose of all Hazardous Substances according to applicable Environmental Laws. Except as specifically allowed by state or federal discharge permits, Lessee shall not dispose of any Hazardous Substance, regardless of the quantity or concentration, into any storm or sanitary sewer systems within the Premises, to the ground, into surface water or groundwater, or on other Premises of the Port. Whenever appropriate, Lessee shall strive to minimize Hazardous Substance Use and identify and use non-hazardous alternatives in Lessee's operations.

6.4.1 Permitted Use of Hazardous Substances

Lessee shall be permitted to store, handle, or use limited quantities of certain Hazardous Substances in the following incidental and limited manner, the storage and use of which shall be in compliance with any Environmental Law and shall be in limited, reasonable and customary quantities (each such use a "**Permitted Use of Hazardous Substances**"). Such Permitted Use of Hazardous Substances shall include and be limited to the following: (a) Hazardous Substances contained in office, janitorial and landscape supplies and cleaning fluids of types and quantities ordinarily used for maintenance of the Premises; (b) petroleum products and lubricants fully contained in equipment, machinery and vehicles on the Premises; and (c) Hazardous Substances contained in equipment, machinery and materials used in the construction and installation of any improvements on the Premises, excluding any stockpiling of Hazardous Substances in connection with such construction or of Off-Site Waste-Like Materials (defined in Section 6.5) containing any Hazardous Substances.

6.4.2 Conditional Hazardous Substances Use with Port Approval

If Lessee's proposed Hazardous Substance Use falls into one or more of the following categories, such use shall be in the Port's sole discretion: (a) a conditionally exempt small quantity generator or small quantity generator of hazardous waste under the Resources Conservation and Recovery Act ("**RCRA**"); (b) requires an Operating Permit under either federal or state Clean Air laws; (c) requires a National Pollution Discharge Elimination System (NPDES) permit; (d) requires response planning or reporting under the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. §§ 11001-11050; (e) materials regulated under the Federal Insecticide, Fungicide, Rodenticide Act (FIFRA); and (f) any other use that creates a material risk to human health or the environment, including, but not limited to, uses that may result in explosion, evacuation, or imminent threat to the waterways, groundwater, land, or air (each such use under items (a) through (f) of this Section 6.4.2 is a "**Conditional Hazardous Substance Use**").

6.4.3 Above ground and Mobile Hazardous Substances Storage Tanks

Lessee may not install, maintain or operate an AST Facility (including fueling trucks), or use fueling entities based offsite for the storage, transportation, transfer and dispensing on the Premises of Hazardous Substances. Any use of above-ground or mobile storage tanks on the Premises shall be reviewed by the Port on a case-by-case basis and subject to the Port's approval, which may be withheld or conditioned in the Port's sole discretion.

6.4.4 Port Review of Lessee's Proposed Hazardous Substance Use

When seeking the Port's prior approval of a Hazardous Substance Use on the Premises, whether by Lessee, or by an existing Lessee shall submit to the Port the following information: (a) quantities and list of any Hazardous Substances proposed to be stored or used; (b) MSDS Materials on all the Hazardous Substances; (c) a description of the intended Hazardous Substance Use; and (d) a copy of any spill and containment plans, and/or management plans for the Hazardous Substance Use required by any local, regional, state or federal agencies under any applicable law ("**Lessee's Submittals**"). The Port review of the proposed Hazardous Substance Use shall consist of verifying that it is a Permitted Use of Hazardous Substances under Section 6.4.1 or is acceptable to the Port with conditions, as set forth in Section 6.4.2.

6.4.5 Notice of Port's Review of Hazardous Substance Use

The Port shall notify Lessee of the Port's decision within twenty (20) Business Days of receipt of Lessee's Submittals ("**Other HSU Notice**") and the rest of the provisions in this Section 6.4.5 shall apply. If the Port requests additional information or the proposed Hazardous Substance Use is complex, in the Port's reasonable opinion, the review period shall be extended by an additional ten (10) Business Days after the requested information has been provided. If the Port, in its reasonable discretion, deems it necessary to hire outside consultants to complete the review process due to the complexity of the proposed Hazardous Substance Use or lack of sufficient information for evaluation of the proposed use, Lessee shall bear the expense of such consultants and the time frame for review may be extended as the Port, in its reasonable discretion, deems necessary due to the complexity of the proposed use. Such Other HSU Notice may be given by facsimile transmission in accordance with Section 15.4. If the Port fails to give

Lessee such Other HSU Notice in writing within the time period, together with any applicable extensions, as provided under this Section 6.4.5, Lessee shall notify the Port in writing and the Port shall have an additional seven (7) days to send Lessee the Port's decision on the proposed Hazardous Substance Use. If the Port fails to provide such Other HSU Notice to Lessee within such additional seven (7) day period, the proposed Hazardous Substance Use shall be deemed acceptable to the Port, provided, however, in no event shall the Port's failure to respond constitute an approval of any term that violates Environmental Laws or other applicable laws and regulations or any provision of this Lease.

6.4.6 Conditions of Hazardous Substance Use Approval

If Port approval is required under this Lease for a proposed Hazardous Substance Use, the conditions of Port approval for such proposed Hazardous Substance Use may include, but not be limited to, requiring Lessee to do one or more of the following: (a) secure additional or increased pollution control insurance or meet other insurance requirements; (b) accept limits or restrictions on the Hazardous Substance Use to assure compatibility with area uses or with any AST or MST Tank Agreement; (c) prepare and submit for Port approval a Spill Prevention, Control and Countermeasures Plan for the Hazardous Substance Use; and (d) submit to the Port copies of any reports or notifications to any regulatory agency relating to the Hazardous Substance Use prior to or at the beginning of the Hazardous Substance Use and periodically throughout the Lease Term.

6.4.7 Discharge and Treatment of Industrial Wastewater

No industrial wastewater discharge shall be made by Lessee into the ground, any surface waters, other body of water, or any Port-owned conveyance or storage system unless such discharge meets the requirements of all applicable laws and regulations. The Port shall have the right, but not the duty, in its sole discretion, to review and approve or disapprove any industrial wastewater management, treatment or discharge system constructed or modified by on behalf of Lessee on the Premises during the term of this Lease.

6.5 Off-Site Waste-Like Materials

Lessee shall not allow any person to store, manage, treat, deposit, place or dispose of slag, debris, recycled concrete, recycled asphalt, construction or demolition debris, wood waste, dredged material, Hazardous Substance-contaminated material, or other wastes from off of the Premises ("**Off-Site Waste-Like Materials**") on the Premises without the prior written approval of the Port, which approval may be granted, conditioned or denied in the Port's sole discretion. In the event that the Port in its sole discretion is not satisfied with the origin and likely contents of such Off-Site Waste-Like Materials, the Port may require Lessee, at Lessee's cost, to test such materials to ensure that, in the Port's sole opinion, such materials contain no unacceptable levels of Hazardous Substances.

6.6 Lessee's Liability

6.6.1 Hazardous Substance Releases

Except as provided in Section 6.6.2, Lessee shall be responsible for any Hazardous Substance Release occurring on the Premises or emanating and originating from the Premises

onto or into other properties, or in the air or in adjacent or nearby waterways (including ground water) and any Environmental Cost resulting therefrom, which results from or occurs in connection with Lessee's occupancy, use or possession of the Premises (including acts of uninvited third parties who cause a Hazardous Substance Release to occur on the Premises) (a) occurring at any time during the Lease Term or extension thereof; (b) occurring at any time during any holdover period; or (c) occurring during the Lease Term or extension thereof and continuing after the Lease Term or extension thereof (the **"Triggering Environmental Event"**).

6.6.2 Limitation of Lessee's Liability

Notwithstanding anything to the contrary provided in Section 6.6 of this Lease, Lessee shall have no responsibility or liability for any Triggering Environmental Event that Lessee can demonstrate: (a) existed on the Premises prior to the Effective Date of this Lease (except if caused by Lessee or Lessee's agents, employees or contractors); (b) is caused by the Port or its agents, employees or contractors after the Effective Date of this Lease; (c) results exclusively from a Hazardous Substance Release that constitutes a contiguous properties situation, as defined in 42 U.S.C.A. § 9607(q) involving a release that occurred from an off-site location not owned, operated, leased or otherwise controlled by Lessee, and migrated onto the Premises; or (d) first occurred after Lessee's vacation of the Premises. The Port shall be responsible, to the extent required by law, for any Triggering Environmental Event caused by the Port, its agents, employees, or contractors, whether occurring before or after the Effective Date of this Lease.

6.7 Environmental Remediation

6.7.1 Immediate Response

In the event of a violation of applicable Environmental Laws for which Lessee is responsible under this Lease, a violation of an environmental provision of this Lease for which Lessee is responsible under this Lease, a Hazardous Substance Release for which Lessee is responsible under this Lease, or the threat of or reasonable suspicion of a Hazardous Substance Release for which Lessee is responsible under this Lease, Lessee shall immediately undertake and diligently pursue all acts necessary or appropriate to do the following: (a) eliminate the threat or reasonable suspicion of such Hazardous Substance Release; (b) correct the violation of Environmental Laws or of environmental provisions of this Lease; and/or (c) investigate, contain, stop, and accomplish source control (if the source is on the Premises) for, Hazardous Substance Releases for which Lessee is responsible under this Lease and remove such Hazardous Substance Releases to the extent required by Environmental Laws and consistent with the permanent remediation requirements of Section 6.7.2. If the source is off the Premises, Lessee will immediately notify the Port upon becoming aware of the Hazardous Substance Release.

6.7.2 Remediation

Lessee shall promptly undertake all actions necessary or appropriate to ensure that any Hazardous Substance Release for which Lessee is responsible under this Lease is permanently remediated and that any violation of any applicable Environmental Laws for which Lessee is responsible under this Lease or any violation by Lessee of an environmental provision of this Lease is corrected. In addition, with respect to any Hazardous Substance Release for which Lessee is responsible under this Lease, Lessee shall restore the Premises or other affected

Premises or water to such condition that: (a) a determination of "**No Further Action**" has been obtained from the DEQ; (b) no ongoing monitoring of Hazardous Substances on the Premises is required under applicable Environmental Laws; (c) no Hazardous Substances are left in place and capped with either soil or other material; and (d) there are no restrictions or institutional controls under applicable Environmental Laws on the use or development of the Premises other than those consistent with current and reasonably anticipated future land uses at the Premises and surrounding properties. Nothing in this Section 6.7.2 shall require Lessee to remediate any Hazardous Substance Release for which Lessee is not responsible under Section 6.6.1 or for which Lessee's liability is limited as provided in Section 6.6.2.

6.7.3 Natural Resources Damages Assessment and Restoration

Lessee shall promptly undertake, at Lessee's sole expense, all actions necessary to ensure that any natural resources damages associated with the Premises for which Lessee is responsible under this Lease, and the violation of Environmental Laws, the environmental provisions of this Lease or any Hazardous Substance Release by Lessee, contractors, invitees, agents, or employees, is investigated, determined, quantified, assessed, and permanently restored and compensated for, such that a "No Further Action" determination is obtained from all natural resources trustees with jurisdiction over the Hazardous Substance Release.

6.7.4 Report to the Port

Within thirty (30) days following completion of any assessment, investigation, feasibility study, containment, removal, or remedial action required by this Lease, Lessee shall provide the Port with a written report outlining, in detail, what has been done and the results thereof.

6.7.5 Port's Approval Rights

Except in the case of an emergency or an agency order requiring immediate action, Lessee shall give the Port advance notice before beginning any investigatory, remediation or removal procedures. The Port shall have the right to approve or disapprove (which approval shall not be unreasonably withheld, conditioned or delayed) the proposed investigatory, remediation and removal procedures and the company(ies) and/or individuals conducting such procedures which are required by this Lease or by applicable Environmental Laws, whether on the Premises or on any affected Premises or water. The Port will have the right to require Lessee to request oversight from the DEQ or to require Lessee to participate under an agreement in DEQ's voluntary cleanup program regarding any investigatory, containment, remediation and removal activities and/or require Lessee to seek a formal determination from DEQ of No Further Action.

6.8 Notice

Lessee shall promptly notify the Port upon becoming aware of: (a) a violation or alleged violation of any applicable Environmental Laws related to the Premises or to Lessee's occupation or use of the Premises or any environmental provision of this Lease; and (b) any Hazardous Substance Release on, under or adjacent to the Premises or threat of or reasonable suspicion of any of the same. If Lessee fails to notify the Port of a matter as required in this Section 6.8, and if the Port does not otherwise acquire knowledge of the matter, Lessee shall be liable for any

aggravation of a Hazardous Substance Release that could reasonably have been avoided if such notification by Lessee had been provided.

6.9 Split Sampling

Except in the case of an emergency or an agency order requiring immediate action, Lessee shall notify the Port at least forty-eight (48) hours in advance of any proposed sampling associated with a Hazardous Substance Release in order to allow the Port to be present or to collect duplicate (or "split") samples so that the Port may conduct its own analysis. Lessee shall provide the Port with copies of any sampling results and associated chain-of-custody and quality assurance and quality control information within ten (10) days of request by the Port.

6.10 Port's Right to Perform on Behalf of Lessee

In the event Lessee is in default of any of its obligations under this Section 6 or any Environmental Laws, the Port shall have the right, after written notice to Lessee and a period of thirty (30) Business Days provided for Lessee to cure, to perform such obligations and charge Lessee all resulting Environmental Cost, together with interest at the Delinquency Rate, from the date the expense is incurred by the Port until the date paid. The Port may not commence performance on behalf of Lessee under this Section 6.10 if, during the thirty (30) day period, Lessee promptly begins and diligently pursues to completion the performance of the obligations set forth in the Port's notice. Notwithstanding the foregoing, in the event the Port determines that an emergency exists, and Lessee is either unwilling or unavailable to take immediate and appropriate action, the Port may take commercially reasonable action, and charge Lessee all resulting Environmental Cost from the date the expense is incurred by the Port until the date paid. If such Environmental Cost is not reimbursed within thirty (30) days of written demand, the Delinquency Charge will be imposed retroactive to the date the Environmental Cost was incurred. The Port agrees to make a good faith effort to attempt to notify Lessee before beginning any clean-up operation.

7. INDEMNITY, INSURANCE

7.1 Lessee's General Indemnity; Reimbursement of Damages

Lessee agrees to defend (using legal counsel reasonably acceptable to the Port), indemnify, and hold harmless the Port from and against and reimburse the Port for any and all actual or alleged claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, Environmental Cost and/or penalties (collectively "**Costs**") which may be imposed upon, claimed against or incurred or suffered by the Port and which, in whole or in part, directly or indirectly, arise from the following, unless exclusively resulting from the Port's gross negligence or willful misconduct: (a) any act, omission or negligence of Lessee; (b) any use, occupation, management or control of the Premises by Lessee, whether or not due to Lessee's own act or omission and whether or not the resulting damage occurs on the Premises; (c) any condition created in or on the Premises by any party (other than the Port), including without limitation any accident, injury or damage occurring in or on the Premises after the Lease Commencement Date; (d) any Triggering Environmental Event for which Lessee is responsible under this Lease, including without limitation any injury or

damage occurring therefrom; and (e) any breach, violation or nonperformance of any of Lessee's obligations under this Lease. For purposes of this Section 7.1 (a) through (e), Lessee shall be deemed to include Lessee and Lessee's partners, officers, directors, employees, agents, invitees, and contractors, and the Port shall mean the Port, its commissioners, directors, agents and employees. Neither Lessee's partners, officers, directors, employees, and agents nor the Port's commissioners, directors, agents, and employees shall be held personally liable under the provisions of this Section 7.1.

7.2 Insurance Requirements

Insurance requirements set forth below do not in any way limit the amount or scope of liability of the Lessee under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage the Port is willing to accept to help insure full performance of all terms and conditions of this Lease. The Port requires and shall be entitled to any broader coverage and/or higher policy limits maintained by the Lessee. Any and all available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be made available to the Port. All insurance required by Lessee under this Lease shall meet the following minimum requirements.

7.2.1 Certificates; Notice of Cancellation

On or before the Effective Date and thereafter during the Lease Term (and any extension thereof), Lessee shall provide the Port with current certificates of insurance, including a copy of the additional insured endorsement required in Section 7.2.2, executed by a duly authorized representative of each insurer, evidencing the existence of all insurance policies required under this Section 7. The Port shall receive at least thirty (30) days' written notice prior to cancellation, non-renewal, or material change in any policy required under this Section 7. Insurance must be maintained without any lapse in coverage during the Lease Term. The Port shall also be given copies of Lessee's policies of insurance, upon request. Failure of the Port to demand such certificates or other evidence of full compliance with these insurance requirements or failure of the Port to identify any deficiency or noncompliance with coverage requirements shall not be construed as a waiver of Lessee's obligation to maintain the insurance required by this Lease.

7.2.2 Additional Insured; Separation of Insureds

The Port shall be named as an additional insured in each general liability policy, other than employer's liability. Such insurance shall provide crossliability coverage equivalent to the standard Separation of Insureds clause published by the Insurance Services Offices ("ISO") or a successor organization.

7.2.3 Primary Coverage

The required policies shall provide that the coverage is primary and will not seek any contribution from any insurance or self-insurance carried by the Port.

7.2.4 Company Ratings

All policies of insurance must be written by companies having an A.M. Best rating of "A" or better, or equivalent. The Port may, upon thirty (30) days' written notice to Lessee, require Lessee to change any carrier whose rating drops below an "A" rating.

7.2.5 Deductibles and Retentions

Any deductible or self-insured retention of the per occurrence or per accident limit of a required policy in excess of the following is subject to approval by the Port: three percent (3%) of the insured value for earthquake with ONE HUNDRED THOUSAND DOLLARS (\$100,000) minimum per occurrence; ONE HUNDRED THOUSAND DOLLARS (\$100,000) for flood and pollution; and FIFTY THOUSAND DOLLARS (\$50,000) for any other coverage required in this Section 7.

7.3 Required Insurance

At all times during this Lease, Lessee shall provide and maintain the following types of coverage.

7.3.1 General Liability Insurance

Lessee shall maintain an occurrence form commercial general liability policy or policies insuring against liability arising from premises operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) occurring on or in any way related to the Premises or occasioned by reason of the operations of Lessee in an amount of not less than TWO MILLION DOLLARS (\$2,000,000) or the Lessee's policy limits, per occurrence.

7.3.2 Property Insurance

The Port shall throughout the Lease Term keep the Premises and all other buildings which are owned by the Port on the Premises insured against loss by fire and other hazards by such policies as determined by the Port. However, Lessee shall reimburse the Port, at least annually for the cost of such insurance by paying to the Port such cost within thirty (30) days of billing by the Port. Lessee shall bear the expense of any insurance insuring the property of Lessee on the Premises against such risks but shall not be required to insure.

7.3.3 Automobile Liability Insurance

In the event that automobiles are used in connection with Lessee's business or operations at the Premises, Lessee shall maintain an automobile liability policy or policies insuring against liability for bodily injury, death, or damage to Premises, including loss of use thereof, and occurring in any way related to the use, loading or unloading of any of Lessee's automobiles (including owned, hired and non-owned vehicles) on and around the Premises. Coverage shall be in an amount of not less than TWO MILLION DOLLARS (\$2,000,000) or the Lessee's policy limits, whichever is greater, for each accident.

7.3.4 Workers' Compensation Insurance

Lessee shall maintain in force Workers' Compensation insurance for all of Lessee's employees in accordance with all requirements of Oregon law. Lessee shall also maintain employer's liability coverage in an amount of not less than ONE MILLION DOLLARS (\$1,000,000) per accident and ONE MILLION DOLLARS (\$1,000,000) per employee for disease. In lieu of such insurance, Lessee may maintain a self-insurance program meeting the requirements of the State of Oregon and a policy of excess workers' compensation and employer's liability insurance.

7.3.5 Personal Property Insurance

Lessee will be responsible to ensure all Lessee's own Personal Property such as removable decorations, detached floor coverings, signs, blinds, furnishings, Lessee Improvements, betterments, and trade fixtures, which items will not be covered by Port's insurance and for which Port and its insurance carriers will have no liability.

7.3.6 Lessee's Risks

Lessee shall be responsible for obtaining any insurance it deems necessary to cover its own risks, including without limitation: (a) personal property, and/or (b) automobile physical damage and/or theft. In no event shall the Port be liable for any: (i) business interruption or other consequential loss sustained by Lessee; (ii) damage to, or loss of, personal property; or (iii) damage to, or loss of, an automobile.

7.4 Waiver of Subrogation

Lessee waives any right of action that it and/or its insurance carrier(s) might have against the Port (including the Port's commissioners, employees and agents) for any loss, cost, damage, or expense (collectively "**Loss**") covered by any property insurance policy or policies maintained or required to be maintained pursuant to this Lease. Lessee also waives any right of action it and/or its insurance carrier(s) might have against the Port (including the Port's commissioners, employees and agents) for any Loss to the extent such Loss is a property loss covered under any applicable automobile liability policy or policies required by this Lease. If any of Lessee's applicable insurance policies does not allow the insured to waive the insurer's rights of recovery prior to a Loss, Lessee shall cause such policies to be endorsed to allow the waivers of subrogation required by this Section 7.4.

7.5 Periodic Review

The Port shall have the right to periodically review, including at the beginning of each Extension Term, the types, minimum coverage, limits and terms of insurance coverage for consistency with then current types, minimum coverage, limits and terms of insurance coverage for similar operations. If the Port determines that certain types of insurance are not generally available in the marketplace at reasonable terms and pricing for similar operations, Lessee shall not be required to carry such insurance until such insurance becomes available for similar operations. In the event the Port reasonably determines that such types, minimum coverage, limits, and/or terms should be changed to be consistent with then current types, minimum coverage, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations, the Port will give Lessee a minimum of thirty

(30) days' notice of such determination and Lessee shall modify its coverage to comply with the new insurance requirements of the Port. Lessee shall also provide the Port with proof of such compliance by giving the Port an updated certificate of insurance within fifteen (15) calendar days of Lessee's receipt of such updates. Lessee shall have the right to periodically request the Port to conduct a review of the then current types, minimum coverage, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations if Lessee believes the current types, minimum coverage, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations have changed. The Port shall reasonably consider such request to determine if Lessee's current coverage comports with what is generally available in the marketplace at reasonable terms and pricing for similar operations and make changes to the insurance requirements under this Lease accordingly.

7.6 Survival of Indemnities

The indemnity agreements set forth in this Section 7 shall survive the expiration or earlier termination of this Lease and be fully enforceable thereafter.

8. DAMAGE AND DESTRUCTION

8.1 General

Lessee shall promptly notify the Port of damage or destruction of any improvements located on the Premises ("Casualty"). In the event (i) the Premises are made wholly untenable by fire or other casualty and the Port shall decide not to restore or repair same, (ii) 50% or more of the Building is so damaged by fire or other casualty that the Port shall decide to demolish or not rebuild the same, (iii) the Premises are made partially untenable during the last year of the Term, or (iv) any mortgagee applies the insurance proceeds to reduce its loan balance and the remaining proceeds, if any, are insufficient to pay for the repair or restoration of the Premises and Building, then, in any of such events, the Port shall have the right to terminate this Lease by notice to Lessee within sixty (60) days after the date of such fire or other casualty and Rent shall be apportioned on a per diem basis and paid to the date of such fire or other casualty. Notwithstanding anything to the contrary herein set forth, the Port shall not be obligated to repair or restore the Premises or the Building (and in such event shall exercise its termination right set forth above) if the damage or destruction is due to an uninsurable casualty, or insurance proceeds are insufficient to pay for such repair or restoration, or if any mortgagee applies proceeds of insurance to reduce its loan balance and the remaining proceeds available to the Port are not sufficient to pay for such repair or restoration. Lessee shall fully cooperate with the Port and the Port's insurance carrier in connection with any Casualty.

a) In the event the Premises are made wholly or partially untenable, and this Lease is not terminated by the Port under this Section 8, then this Lease shall continue in effect and the Port shall proceed diligently to repair and restore the Premises, subject, however, to (i) reasonable delays for insurance adjustments, and (ii) delays caused by forces beyond the Port's reasonable control. In such an event, the rent shall abate in proportion to the non-usability of the Premises during the period while repairs are in progress.

b) The Port shall have no liability for any loss, cost, expense, damage, or compensation whatsoever (including any claim for inconvenience, loss of business or annoyance) by reason of any restoration of the Premises or the Building under this Section 8.

c) If the Port does not elect to terminate this Lease pursuant to this Article, the damage is not the result of Lessee's gross negligence or willful misconduct, the damage substantially interferes with Lessee's access to or usage of a material portion of the Premises, and the Port's restoration work cannot be or is not completed within three hundred sixty-five days (365) days after the date of the damage, then Lessee may elect to terminate this Lease by notifying the Port in writing of such termination upon thirty (30) days' notice.

d) In the event of a casualty in which the Lessee Improvements are damaged or destroyed, Lessee shall proceed diligently to repair and restore such Lessee Improvements to the extent insurance proceeds are available or would have been available had Lessee carried all insurance required to be carried by Lessee under this Lease but did not so carry.

8.2 Restoration

In the event of any Casualty, Lessee shall cooperate with the Port in the restoration and/or replacement of the damaged improvements and damage to the Premises. If Lessee intends not to operate on the Premises for any period of time following a Casualty, Lessee must take appropriate measures to secure the Premises during any period of such non-use and to prevent unauthorized parking or other unauthorized uses on the Premises.

8.3 Termination of Lease Following Casualty

If the building should be totally destroyed by fire, tornado or other casualty, or if it should be so damaged thereby that rebuilding or repairs cannot in the Port's estimation be completed within two hundred (200) days after the date upon which the Port is notified by Lessee of such damage, this Lease shall terminate and the Basic Rent shall be abated during the unexpired portion of this Lease, effective upon the date of the occurrence of such damage. The Port shall give notice to Lessee in writing of its determination to terminate this Lease within ninety (90) days following the date of the occurrence of such damage. If the building should be damaged by any peril covered by the insurance to be provided by the Port (but only to such extent the rebuilding or repairs can in the Port's estimation be completed within two hundred (200) days after the date upon which the Port is notified by Lessee of such damage), this Lease shall not terminate, and the Port shall at its sole cost and expense thereupon proceed with reasonable diligence to rebuild and repair such building to substantially the condition in which it existed prior to such damage to the extent that insurance proceeds are available to rebuild, except that the Port shall not be required to rebuild, repair or replace any part of the partition, fixtures, additions and other improvements which may have been placed in, or about the Premises by Lessee. If the Premises are untenable in whole or in part following such damage, the Basic Rent payable hereunder during the period in which they are untenable shall be reduced to such extent as may be fair and reasonable under all the circumstances. In the event that the Port shall fail to complete such repairs and rebuilding within two hundred (200) days after the date upon which the Port is notified by Lessee of such damage, Lessee may at its option terminate this Lease by delivering written notice of termination to the Port as Lessee's exclusive remedy.

9. TERMINATION

9.1 Duties on Termination

Upon the Expiration Date or earlier termination of this Lease for any reason, Lessee shall complete all of Lessee's obligations under this Lease, including, but not limited to, meeting all of Lessee's environmental requirements under Section 6 (including without limitation the payment of all Environmental Costs for which Lessee is responsible under this Lease), delivering to the Port all keys and all manuals, warranties and other information in Lessee's possession relating to any of the improvements and surrendering the Premises and all improvements in good clean condition, reasonable wear and tear excepted (subject to the requirement to remove the improvements as set forth in this Lease). All Lessee Improvements shall, at the Port's sole option, be deemed Port Premises (including any buildings constructed on the Premises) and shall not be removed unless the Port directs Lessee to remove such Lessee Improvements, in which case Lessee shall remove the Lessee Improvements and then restore the Premises. All repairs or removals for which Lessee is responsible shall be completed at Lessee's cost prior to termination of this Lease and surrender of the Premises. Except in the event of early termination pursuant to the terms of this Lease, the Port shall give Lessee written notice not later than sixty (60) days prior to the end of the initial Lease Term or the then current Extension Term ("**Removal Notice**") of the Port's election to have Lessee remove the Lessee Improvements. If the Port fails to timely provide such Removal Notice, such failure shall not be deemed a Default under this Lease and Lessee's obligation to remove the Lessee Improvements, if desired by the Port, shall not be extinguished; however, the date upon which the Lessee Improvements must be removed and any damage to the Premises repaired by Lessee shall be extended by the number of days the Removal Notice was late. If the Lessee Improvements are damaged after the Port has indicated in its Removal Notice that the improvements could remain, the Port may elect, in its sole discretion, to require Lessee to remove the Lessee Improvements and restore the Premises.

10. DEFAULT

10.1 Event of Default

The occurrence of any of the following shall constitute an "**Event of Default**" (also referred to as a "**Default**").

10.1.1 Default of Monetary Obligations

An Event of Default shall occur if Lessee fails to pay any monetary obligation required under this Lease and such failure to pay is not cured within ten (10) days after written notice to Lessee by the Port, except that a failure to pay Basic Rent must be cured within ten (10) days of its due date without notice from the Port.

10.1.2 Default in Covenants

An Event of Default shall occur if Lessee violates any term, covenant or condition of this Lease (other than as provided in Sections 10.1.1 and 10.2.3) and such violation is not cured within thirty (30) days after written notice to Lessee by the Port describing the nature of the violation. If the violation is of such a nature that it cannot be completely cured within the thirty (30) day period, this provision shall be complied with if Lessee begins diligent correction of the

violation within such thirty (30) day period and, thereafter, proceeds in good faith and with all due diligence to effect the cure as soon as reasonably possible. If Lessee violates the same provision of this Lease more than three (3) times in any calendar year, then the Port may declare an immediate Event of Default for which no opportunity to cure need be given, except as provided in Section 10.2.1.

10.1.3 Bankruptcy/Insolvency

The Insolvency of Lessee shall be an immediate Event of Default for which no notice or opportunity to cure need be given. For the purposes of this Lease, and to the extent permitted by the United States Bankruptcy Code, "**Insolvency**" shall mean: (a) an assignment by Lessee for the benefit of creditors; (b) the filing by Lessee of a voluntary petition in bankruptcy; (c) dissolution of Lessee; (d) the appointment of a receiver of the properties of Lessee and failure of Lessee to secure discharge of the receiver within ninety (90) days; (e) the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within ninety (90) days after filing; and (f) attachment of, or the levying of execution on, the leasehold interest and failure of Lessee to secure discharge of the attachment, or release of the levy of execution, within ninety (90) days.

10.2 Remedies on Event of Default

Immediately upon the occurrence of an Event of Default, the Port may, at its option, exercise any of the following rights and remedies, in addition to any other rights and remedies provided elsewhere in this Lease or otherwise at law or in equity.

10.2.1 Termination of Lease

The Port may terminate this Lease and Lessee's right to possession of the Premises. However, the Port shall provide Lessee with an additional thirty (30) days' prior written notice of the Port's intention to terminate this Lease for an Event of Default, during which time period Lessee shall have another opportunity to fully cure the Default and avoid termination even though an Event of Default has already occurred. If Lessee fails to fully cure the Default within thirty (30) day notice period, provided under this Section 10.2.1, the Port may automatically terminate this Lease and Lessee's right to possession of the Premises with no additional notice. No other extensions of time will be granted, and no partial cure shall be accepted.

10.2.2 Re-entry

Either with or without terminating this Lease or accepting surrender, the Port may reenter the Premises, or any part thereof, by suitable action or proceeding at law, or as otherwise permitted by applicable law, without being liable for indictment, prosecution or damages therefor, and may repossess the Premises and remove any person or Premises therefrom, to the end that the Port may have, hold and enjoy the Premises.

10.2.3 Re-letting

Following such reentry either with or without acceptance of surrender, the Port may re-let the whole or any part of the Premises from time to time, either in the name of the Port or otherwise, to such Lessees, for such terms ending before, on or after the Expiration Date of this Lease and upon such conditions as the Port may determine to be appropriate. Acts of

maintenance, preservation or efforts to re-let the Premises, or the appointment of a receiver upon initiative of the Port to protect the Port's interest under this Lease, shall not constitute a termination of the Lease or an acceptance of surrender of the Lease. The Port, at its option, may make such physical changes to the Premises as the Port, in its discretion, considers advisable and necessary in connection with any such re-letting, without relieving Lessee of any liability under this Lease or otherwise affecting Lessee's liability.

10.2.4 Right to Sue More than Once

The Port may sue periodically to recover damages and no action for damages shall bar a later action for damages subsequently accruing.

10.3 No Waiver of Default

No failure by the Port to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of partial Rent during the continuance of any such breach, constitutes a waiver of any such breach or of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Lessee, and no breach by Lessee, shall be waived, altered, or modified, except by a written instrument executed by the Port. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

10.4 Remedies Cumulative and Nonexclusive

Each right and remedy in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease, or existing at law or in equity, including, without limitation, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by the Port of any such rights or remedies will not preclude the simultaneous or later exercise by the Port of any other such rights or remedies. All such rights and remedies are nonexclusive.

10.5 Curing Lessee's Default

If Lessee fails to perform any of Lessee's obligations under this Lease, and such failure becomes an Event of Default, the Port, without waiving such failure, may (but shall not be obligated to) perform the same for the account of and at the expense of Lessee, with whatever notice is reasonably possible, if any, in a case of emergency, and in any other cases, only if such failure to begin cure or diligently pursue cure continues after the expiration of thirty (30) days from the date the Port gives Lessee notice of the failure. The Port shall not be liable to Lessee for any claim for damages resulting from such action by the Port except to the extent caused by the gross negligence or willful misconduct of the Port, its agents, employees and contractors (but in no event for lost profits or consequential damages). Lessee agrees to reimburse the Port, upon demand, any amounts the Port spends in curing Lessee's Default.

10.6 Administrative Costs

If the Port gives Lessee one (1) written notice of a violation of a specific provision of this Lease and Lessee violates the same provision again during any twelve (12) month period of the Lease Term, in addition to all other rights and remedies set forth herein, Lessee agrees to

reimburse the Port for its reasonable administrative costs incurred as a result of any notice of any subsequent violation. Failure by Lessee to pay such costs shall be deemed an Event of Default.

10.7 Default by Port

In the event of any Default by the Port, prior to being entitled to maintain any action, Lessee shall give the Port written notice specifying such Default with particularity, and the Port shall have thirty (30) days within which to cure any such Default, or if such Default is nonmonetary and cannot reasonably be cured within thirty (30) days, the Port shall then be deemed in compliance with this provision so long as it begins the cure within the thirty (30) day period and diligently pursues the cure to completion. Unless and until the Port fails to so cure such Default after such notice, Lessee shall not have any remedy or cause of action by reason thereof. All obligations of the Port hereunder shall be construed as covenants, not conditions, and all such obligations shall be binding upon the Port only during the period of its ownership of the Premises and not thereafter.

11 TRANSFER BY THE PORT

At any time after the Effective Date of this Lease, the Port shall have the right to transfer its interest in the Premises or in this Lease. In the event of such a transfer, Lessee shall attorn to said transferee and recognize transferee as the new lessor under the Lease. Thereafter, the Port shall be relieved, upon notification to Lessee of the name and address of the Port's successor, of any obligations accruing from and after the date of the transfer so long as the transferee agrees to assume all obligations of the Port under this Lease.

12 ASSIGNMENT OF INTEREST OF RIGHTS

Lessee shall not sell, assign, mortgage or otherwise transfer its interest in this Lease, the improvements, the Lessee Improvements and or/the Premises, either voluntarily or by operation of law, without the prior written consent of the Port, which may be granted, conditioned or denied in the Port's sole discretion.

13 CONDEMNATION

13.1 General

In the event any public or private entity having the power of eminent domain exercises its right or power of eminent domain, the parties' rights and obligations shall be governed by the common law of the State of Oregon, the applicable Oregon statutes, and this Lease. To the extent allowed by law, in the event of conflict among the statute, common law and this Lease, this Lease shall prevail. If the condemning authority is the Port, Lessee agrees that it will not contest the Port's right to condemn the Premises, or any portion thereof, for whatever purpose the Port deems necessary, but Lessee may contest the value payable to Lessee due to such condemnation. In cases where the condemning authority is an entity other than the Port, Lessee and the Port agree to cooperate, in good faith, to resolve any issues relating to value and/or authority to condemn.

13.2 Definitions

As used in this Lease, the following definitions shall apply:

13.2.1 Partial Taking

"**Partial Taking**" means the taking by right of eminent domain or other authority of law, or a voluntary transfer under the threat of the exercise of the right of eminent domain or other authority, of any portion of the Premises which does not constitute a Total Taking.

13.2.2 Total Taking

"**Total Taking**" means the taking by right of eminent domain or other authority of law, or a voluntary transfer under the threat of the exercise of the right of eminent domain or other authority, of so much of the Premises as is necessary for Lessee's occupancy that the Premises, after the taking, is no longer suitable for Lessee's intended use.

13.2.3 Taking

"**Taking**" refers to either a Partial Taking or a Total Taking.

13.2.4 Date of Taking

"**Date of Taking**" means: (i) the date on which the condemning authority takes legal ownership or actual physical possession of the Premises being condemned; (ii) the date given in a written notice from the condemning authority as the date that it is deemed to have taken possession or is granted possession by a court; or (iii) such date as is agreed to, in writing, in the event of a sale in lieu of condemnation.

13.2.5 Premises Award

The "**Premises Award**" shall mean the Fair Market Value of the Premises (as defined in Section 3.2.1 above), including the Premises and all infrastructure improvements made to the Premises by any party and including the Port's Reversionary Interest in Lessee Improvements (defined in Section 13.2.7), but excluding the Leasehold Award, described in Section 13.2.6, which Lessee shall be entitled to claim. The Premises Award shall also include any consequential damages to any part of the Premises that may not be taken. The Premises Award is payable solely to the Port.

13.2.6 Leasehold Award

The "**Leasehold Award**" shall mean the sum of: (i) the present value, determined as of the Date of Taking, of Lessee's Improvements; (ii) the present value, determined as of the Date of Taking, of Lessee's interest in the leasehold estate, including any claim for reimbursement of any prepaid Rent including prepaid Basic Rent; and (iii) provided the Lease is not terminated, any consequential damages such as the cost of any alterations, modifications, or repairs which may be reasonably required by Lessee in order to place the remaining portion of the Premises not taken in a suitable condition for the continuance of Lessee's occupancy. The Leasehold Award is payable solely to Lessee. No portion of the value attributable to the Premises or improvements owned, made by or paid for by the Port or other government authority, or any

infrastructure improvements, or the Port's residual interest in other improvements, shall be considered a part of the Leasehold Award.

13.2.7 Port's Reversionary Interest

The "**Port's Reversionary Interest**" shall mean the present value, determined as of the Date of Taking, of any right of the Port under this Lease to receive the taken Lessee Improvements at the end of the Lease Term.

13.2.8 Distribution of Takings Award

The Port shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety and not subject to any trust, the entire Premises Award. Lessee shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety and not subject to any trust, the entire Leasehold Award. It is the intent of the parties that the Premises Award and the Leasehold Award will equal the total amount of the award paid as a result of a Taking of the Premises.

13.3 Total Taking

If a Total Taking occurs during the Lease Term, this Lease will terminate as of the Date of Taking.

13.4 Partial Taking

If a Partial Taking occurs during the Lease Term, this Lease shall terminate as of the Date of Taking as to the portion of the Premises taken. The Lease will continue in full force and effect as to the remainder of the Premises unless Lessee reasonably determines that the remaining portion of the Premises is inadequate for Lessee's purposes, in which event Lessee may elect to terminate the Lease within thirty (30) days of the date of the Taking by providing the Port written notice of termination, to be given in accordance with Section 15.4. If notice of termination is not received by the Port within thirty (30) days of the Partial Taking, the Lease will continue in full force and effect as to the remainder of the Premises. Unless the Taking is by the Port, there shall be no refund of any prepaid Basic Rent by the Port to Lessee, but Lessee may make a claim for such prepaid Rent against the condemning authority, as part of the Leasehold Award. Lessee shall promptly make, at Lessee's sole expense, all necessary repairs or alterations to restore the remaining Premises after a Partial Taking.

13.5 Claims Against Condemning Authority

In any case where the Port is not the condemning authority, Lessee and the Port agree to work together, in good faith, in making their respective claims against the condemning authority, in accordance with the provisions of this Section 13. The Port also agrees to work together, in good faith, with any of Lessee's Permitted Leasehold Mortgagees, in making their respective claims against the condemning authority, in accordance with the provisions of this Section 13. Each party shall be responsible for making its own claim for court costs and attorney fees incurred in the condemnation proceedings.

13.6 Adjustment of Award

To the extent that the court does not distribute the Takings award in accordance with the distribution rights set forth in this Section 13, the parties agree, upon receipt of the award, to promptly pay to the other any amount of the award belonging to the other in accordance with the distribution set forth in this Section 13. If the parties cannot agree upon the distribution within twenty (20) days of the date the judgment or decree is entered in the condemnation proceedings, the controversy shall be resolved in the same court as the condemnation action was brought. The cost of resolving any such controversy, including the prevailing party's attorney fees, shall be paid by the losing party, as determined by the court. The award allocation may also be resolved by mediation or arbitration if the Port and Lessee both agree to submit the issue to mediation or arbitration.

13.7 Effect of Termination

If this Lease is terminated pursuant to the provisions of this Section 13, then all charges payable by Lessee to the Port under this Lease, if applicable, will be paid up to the Date of Taking. In the event of termination as a result of a Total Taking, the Port and Lessee will then be released from all further liability under this Lease or, in the event of a Partial Taking, from all further liability under this Lease with respect to the portion of the Premises so taken, except such liability which survives termination.

13.8 Notice of Taking

Either party receiving any notice of intended taking, any service of legal process relating to condemnation, or any other notification in connection with any taking, condemnation, or sale or transfer in lieu of condemnation, shall promptly give the other party notice of such receipt. No sale, transfer, agreement, or settlement with the condemning authority shall be made without the written consent of the Port and Lessee.

14 PORT CONDEMNATION RIGHTS

Nothing in this Lease shall in any way limit the powers and rights of the Port to exercise its governmental rights and powers, including its powers of condemnation and eminent domain. Lessee hereby agrees to waive any right it may have to contest the Port's right or authority to condemn, or its rights of condemnation based on a qualifying public purpose. Lessee agrees that it shall limit any contest with the Port relating to the Port's condemnation/eminent domain rights or authority only to the issue of Lessee's interest in the value of the Premises being condemned. Lessee hereby agrees that the Port will have the full right and authority to condemn this Leasehold interest as long as Lessee is paid for its value as provided in Section 13.

15 GENERAL PROVISIONS

15.1 Covenants, Conditions, and Restrictions

This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, mortgages, deeds of trust, rights of way, and any other matters of record imposed upon the Premises and to any applicable land use or zoning laws or regulations. This Lease is also subject to the Port's right to grant, in the future, underground utility easements

through the portions of the Premises not covered by buildings or other structures. Lessee shall, upon request of the Port, execute and deliver agreements of subordination in the form requested by the Port respecting matters covered by this Section 15.1. The Port agrees to make reasonable attempts to minimize any disturbance to Lessee that may result from installation of any underground utility lines and will be responsible for prompt restoration of the Premises.

15.2 Governing Law

This Lease shall be governed and construed according to the laws of the State of Oregon, without regard to its choice of law provisions. Venue shall be in Columbia County.

15.3 No Implied Warranty

In no event shall any consent, approval, acquiescence, or authorization by the Port be deemed a warranty, representation, or covenant by the Port that the matter approved, consented to, acquiesced in or authorized is appropriate, suitable, practical, safe or in compliance with any applicable law or this Lease. In no event shall the Port be deemed liable therefor. Lessee shall be solely responsible for such matters.

15.4 Notices

All notices required or desired to be given under this Lease shall be in writing and may be delivered by email with confirmation of receipt, hand delivery, by facsimile but only in those instances specifically called out in this Lease where notice by facsimile is allowed, or by placement in the U.S. mail, postage prepaid, as certified mail, return receipt requested, addressed to the Port at:

The Port of Columbia County

if by hand delivery: 100 E Street, Columbia City, OR 97018

if by US (United States) mail: P.O. Box 190, Columbia City, OR 97018

Facsimile No.: (503) 397-6924

and to Lessee at:

Even Construction, Inc.

9900 Sattler Street

Tigard, OR 97223

Any notice delivered by hand delivery shall be conclusively deemed received by the addressee upon actual delivery; any notice delivered by facsimile shall be conclusively deemed received by the addressee upon receipt of a confirmation of facsimile by the party sending the notice; any notice delivered by certified mail as set forth herein shall be conclusively deemed received by the addressee on the third Business Day after deposit in the United States mail; any notice delivered by email shall be conclusively deemed received by the addressee upon receipt of a confirmation email by the party sending the notice. The addresses and facsimile numbers to which notices are

to be delivered may be changed by giving notice of such change in accordance with this notice provision.

15.5 Time of the Essence

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

15.6 Non-Waiver

Waiver by the Port or Lessee of strict performance of any provision of this Lease shall not be deemed a waiver of or prejudice the Port's or Lessee's right to require strict performance of the same provision in the future or of any other provision.

15.7 Survival

Any covenant or condition (including, but not limited to, indemnification agreements), set forth in this Lease, the full performance of which is not specifically required prior to the expiration or earlier termination of this Lease, and any covenant or condition which by its terms is to survive, shall survive the expiration or earlier termination of this Lease and shall remain fully enforceable thereafter.

15.8 Partial Invalidity

If any provision of this Lease is held to be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

15.9 Limitation on Liability

Notwithstanding anything to the contrary contained herein, the parties acknowledge that it is in their mutual interests to limit their liability to each other, and expressly bargain for and agree to the following:

(a) The Port shall have no liability to Lessee for loss, damage or injury suffered by Lessee on account of theft or any act or omission of any third party (other than Port commissioners, employees, agents, and contractors), including other lessees. References in this Section 15.9(a) to the Port's agents shall be limited solely to those agents acting within the authority of their agency relationship with the Port, and references in this Section 15.9(a) to Port contractors shall be limited solely to those contractors acting on the Premises and within the express scope of their contract with the Port.

(b) Although this Lease gives the Port certain rights of inspection, such rights shall impose no obligation on the Port to make any inspections, nor impose liability on the Port if the Port fails to make such inspections, or makes inspection, but fails to disclose or require correction of any defect.

(c) With respect to any liability of the Port under this Lease, the Port shall only be liable for any injury or damage to Lessee to the extent of actual damages and only to the extent

allowed by law and shall not be liable for consequential damages (including without limitation lost profits).

(d) With respect to any liability of Lessee under this Lease, Lessee shall only be liable for any injury or damage to the Port to the extent of actual damages and only to the extent allowed by law and shall not be liable for consequential damages (including without limitation lost profits).

(e) With respect to claims made by entities or persons who are not parties to this Lease, the Port and Lessee, as between them, shall retain all rights to common law indemnity and statutory contribution available under applicable Oregon law. This Section 15.9 is not intended to confer any benefit or right to any entity or person who is not a party to this Lease.

15.10 Headings, Table of Contents and Table of Definitions

The article and section headings, table of contents and table of definitions contained in this Lease are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.

15.11 Exhibits Incorporated by Reference

All Exhibits attached to this Lease are incorporated by reference in this Lease for all purposes.

15.12 Modification

This Lease may not be modified except by a writing signed by the Port and Lessee.

15.13 Provisions Applicable to Others

All provisions of this Lease governing Lessee's use of the Premises and Lessee's activities and conduct on, about or from the Premises shall apply to Lessee's officers, agents, employees, invitees, contractors, and assignees.

15.14 Interpretation of Lease; Status of Parties

This Lease is the result of arms-length negotiations between the Port and Lessee and shall not be construed against either the Port or Lessee by reason of such party's preparation of or revisions to this Lease. Nothing contained in this Lease, including the construction of improvements on the Premises, shall be deemed or construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto.

15.15 Calculation of Time

All periods of time referred to in this Lease shall include Saturdays, Sundays, and Legal Holidays. However, if the last day of any period falls on a Saturday, Sunday, or Legal Holiday, then the period shall be extended to include the next day which is not a Saturday, Sunday or Legal Holiday. "**Legal Holiday**" shall mean any holiday observed by the Federal Government. As used in this Lease, "**Business Days**" shall exclude Saturdays, Sundays, Legal Holidays and the week between December 25 and January 1. Unless specifically identified as Business Days, all references to days shall be calendar days.

15.16 Absence of Brokers

Lessee and the Port each represent to one another that no commission is owed to any agent or broker in connection with this Lease. If a commission is claimed, the party who the broker claims requested the representation shall pay any commission owed and shall defend, indemnify and hold the other party harmless from any such claim.

15.17 Attorney Fees

If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code), is instituted in connection with any controversy arising out of this Lease or to interpret or enforce any rights or obligations hereunder, the prevailing party shall be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review. Whenever this Lease requires Lessee to defend the Port, it is agreed that such defense shall be by legal counsel acceptable to the Port.

15.18 Right of Parties and Successors in Interest

The rights, liabilities and remedies provided for herein shall extend to the heirs, legal representatives, successors and, so far as the terms of this Lease permit, successors and assigns of the parties hereto. The words 'Port' and 'Lessee' and their accompanying verbs or pronouns, wherever used in this Lease, shall apply equally to all persons, firms, or corporations which may be or become such parties hereto.

15.19 Joint and Several Obligations

The named Lessee consists of one entity. If, in the future, Lessee consists of more than one individual or entity, the obligations of all such individuals and entities shall be joint and several.

15.20 Defined Terms

Capitalized terms shall have the meanings given them in the text of this Lease.

15.21 Execution of Multiple Counterparts

This Lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one instrument.

15.22 Estoppel Certificates

Each party (the "**Certifying Party**") agrees to execute and deliver to the other (the "**Requesting Party**"), at any time within thirty (30) days after written request, a statement certifying, among other things: (a) that this Lease is unmodified and is in full force and effect (or, if there have been modifications, stating the modifications); (b) the dates to which Rent has been paid; (c) to the best of the Certifying Party's knowledge, whether or not the Requesting Party is in Default in performance of any of its obligations under this Lease and, if so, specifying the nature of each such Default; and (d) to the best of the Certifying Party's knowledge, whether or not any

event has occurred which, with the giving of notice, the passage of time, or both, would constitute a Default by the Requesting Party and, if so, specifying the nature of each such event (referred to herein as an "**Estoppel Certificate**"). The parties agree that any statement delivered pursuant to this Section 15.22 may be relied upon by the Requesting Party and by potential or actual purchasers and/or lenders with whom the parties may be dealing, regardless of independent investigation. The Requesting Party agrees to pay to the Certifying Party any administrative and legal costs related to providing such Estoppel Certificate.

15.23 Force Majeure Event

If the performance by Lessee of its obligations under Section 8.2 of this Lease (excluding monetary obligations, including, but not limited to taxes and insurance) is delayed or prevented by any extraordinary acts of nature (including floods, explosions, earthquakes), or fires, epidemic, war, terrorism, labor strikes, material shortages, riots, orders of restraint by governmental authority which prevent Lessee from meeting such obligations under this Lease, or other extraordinary casualty which is not reasonably within Lessee's control, and is not due to the fault or negligence of Lessee, one or more of which is defined as a "**Force Majeure Event**", then Lessee shall be temporarily excused from performance to the extent that performance is delayed by any of the foregoing, without liability under this Lease. Lessee agrees, however, to proceed with all reasonable dispatch to perform such obligations under this Lease after the Force Majeure Event preventing Lessee from carrying out such obligations under this Lease ceases to exist.

15.24 Mediation

Should any dispute arise between the parties to this Lease related to matters set forth in Section 6.10 of this Lease, then it is agreed that such dispute will be submitted to non-binding mediation prior to any litigation. The provisions of this Section 15.24 shall also apply to any non-binding mediation with respect to matters covered under Section 13.6 if the parties have agreed to such mediation as provided in Section 13.6. The parties shall exercise good faith efforts to select a mediator who shall be compensated equally by both parties. Mediation will be conducted in Columbia County, Oregon, unless both parties agree otherwise. Both parties agree to exercise good faith efforts to resolve disputes covered by this Section 15.24 through the mediation process. If a party requests mediation and the other party fails to respond within ten (10) days, or if the parties fail to agree on a mediator within ten (10) days, a mediator shall be appointed by the presiding judge of the Columbia County Circuit Court upon the request of either party. The parties agree that mediation shall occur on an expedited schedule and that they will not attempt to delay mediation, the scheduling of the mediation or continue the mediation once it has been set. The parties shall retain all rights at law or in equity with respect to any dispute not covered by this Section 15.24 and also with respect to those disputes covered by this Section 15.24 after mediation has been completed. In no event shall the provisions of this Section 15.24 limit the Port's right to seek immediate injunction relief following an Event of Default to stop an activity or use on the Premises prohibited under this Lease. Nothing in this Section 15.24 shall be deemed to prevent the Port from taking immediate injunctive or other action in response to an emergency or in response to third-party acts or omissions that pose an

imminent threat to the environment or to the health, safety, or security of Port Lessees or of the public.

15.25 Entire Agreement

This Lease represents the entire agreement between the Port and Lessee relating to Lessee's leasing of the Premises. It is understood and agreed by Lessee that neither the Port nor the Port's agents or employees has made any representations or promises with respect to this Lease or the making or entry into this Lease, except as expressly set forth in this Lease. No claim for liability or cause for termination shall be asserted by Lessee against the Port for, and the Port shall not be liable by reason of, any claimed breach of any representations or promises not expressly to set forth in this Lease. All oral agreements with the Port are expressly waived by Lessee. This Lease has been negotiated at arm's length between the parties, with both parties being represented by legal counsel. Therefore, no alleged ambiguity or other drafting issues of the terms of this Lease shall be construed, by nature of the drafting, against either party.

15.26 Capacity to Execute

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

IN WITNESS HEREOF, the parties have subscribed their names hereto effective as of the year and date first written above.

EVEN CONSTRUCTION, INC.

THE PORT OF COLUMBIA COUNTY

By: Marc Even
Marc Even (Jan 6, 2023 14:57 PST)

By: _____

Print Name: Marc Even

Print Name: _____

As Its: Owner

As Its: _____

EXHIBIT A
Leasehold and Sublease Depiction



- Lease "Premises"
- DSL Sublease "Marine Industrial"
- DSL Sublease "Log Raft"

EXHIBIT B
Park Common Areas Depiction



- Park Common Areas
- Multnomah Industrial Park Boundary

EXHIBIT C

AGREEMENT TO PAY COSTS

This **Agreement to Pay Costs** ("Agreement") is made and entered into this ____ day of _____, 2023, by and between the Port of Columbia County, a municipal corporation of the State of Oregon ("the Port"), and Even Construction, Inc. (the "Lessee") (collectively, "the Parties").

RECITALS

WHEREAS, Lessee approached the Port and requested that the Port incur costs, including staff and attorney time, for the Parties to engage in discussions and negotiations with staff of the Port and have Port General Counsel draft

(work specifically requested by Lessee), and

WHEREAS Lessee's request for Port staff and Port General Counsel to do work on Lessee's behalf has resulted in additional time and costs for which it is appropriate that Lessee compensate the Port ("Port Work"), and

WHEREAS the Parties intend to carry out their rights, duties, and obligations in such a manner so as to avoid action that would increase, directly or indirectly, the Parties exposure to liability,

NOW, THEREFORE, for good, fair, and valuable consideration, the receipt and sufficiency of which is acknowledged, and in consideration of the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

- 1. INCORPORATION OF RECITALS.** The above-stated Recitals are true and correct to the best of their knowledge and are incorporated into this Agreement as though fully set forth herein.
- 2. NONREFUNDABLE PAYMENT.** Lessee agrees to pay a \$5,000 estimated_nonrefundable, fixed fee payment ("the Nonrefundable Payment") for Port Work. The Nonrefundable Payment is due in full immediately and must be received by the Port prior to the start of any Port Work.
- 3. INDEMNIFICATION.** Lessee agrees to defend (using legal counsel acceptable to the Port), indemnify and hold harmless the Port, including the Port's Commissioners, officers and employees, from and against any and all actual or alleged claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, and/or penalties (collectively "Costs") which may be imposed upon or claimed against or incurred by the Port and which arise from or are in any way connected with the Activities or this Agreement.
- 4. LIMITATION OF LIABILITY.** The Port makes no representation or warranty, express or implied, as to the nature, quantity, or quality of any Port Work. In no event shall the Port be liable to Lessee for any special, indirect, incidental, and consequential or punitive damages (including any claim for lost profits or revenues).
- 5. COUNTERPARTS.** This Agreement may be executed in identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that

any signature is delivered by facsimile transmission or by an e-mail which contains an electronic file of an executed signature page, such signature page shall be deemed to constitute an original instrument, with the same force and effect as execution and delivery of an original and shall create a valid and binding obligation of the party executing the Agreement.

IT IS SO AGREED by the Parties as of the date set forth above.

LESSEE

PORT OF COLUMBIA COUNTY

By: _____

By: _____

Sean P. Clark

Executive Director



Scappoose Bay Marina and Bayport RV Park Camera and Network Video Recording System Upgrade

STAFF REPORT

DATE: February 8, 2023

TO: Commission Board

FROM: Bob Gadotti
Executive Finance Manager

RE: Replace and install cameras, license plate readers, and recording system
\$43,253.75

Discussion

The Commission previously approved Resolution 2019-49, replacing the cameras and recording system at Scappoose Bay Marine Park and Bayport RV Park.

The current camera and network video recording system ("NVR") has some limitations in the quality of video and the lack of ability for license plate recognition and camera connectivity. Therefore, the Executive Finance Manager contacted two IT service providers and camera providers to obtain cost estimates to replace sixteen cameras, two license plate readers, and a full upgrade to the "NVR". Importantly, this "NVR" upgrade will also allow the ability to add cameras to additional Port properties. Staff evaluated the estimates received pursuant to our public contracting procedures and hereby recommends My System Shield LLC as the most qualified provider for the cost of services and efficiency in meeting the Port's needs for current and future growth.

Recommendation:

Approval of Resolution 2023-04 to replace and install cameras, license plate readers and network video recording ("NVR") system at Scappoose Bay Marine Park and Bayport RV Park for \$43,253.75.

RESOLUTION NO. 2023-04

A RESOLUTION TO UPGRADE CAMERAS, LICENSE PLATE READERS AND NETWORK VIDEO RECORDING SYSTEM AT SCAPPOOSE BAY MARINE PARK AND BAYPORT RV PARK

WHEREAS, the Port approved resolution 2019-49 replacing obsolete cameras and the network video recording (“NVR”) system at Scappoose Bay Marine Park and Bayport RV Park (“Marina”); and

WHEREAS, the current NVR system is insufficient to handle new technology for recording in the global network known as “the cloud” and does not allow the ability to add cameras to additional Port properties. The current system is also not sufficient to support license plate reading software and improved internet connectivity; and

WHEREAS, for all of the above reasons, it is necessary to replace and install cameras, license plate readers, and the NVR system at the Marina with a new NVR system that will allow the ability to add cameras to additional Port properties;

WHEREAS, My System Shield, LLC provided the lowest cost estimate for delivery of services, as well as expertise, efficiency, and timeliness in delivery of services for the amount of \$43,253.75 and is the recommended provider by Port staff for these essential upgrades; now therefore

BE IT RESOLVED that the Board of Commissioners authorizes the Executive Director to sign a contract with My System Shield, LLC, in the amount of \$43,253.75 to replace and install cameras, license plate readers, and the NVR system at Scappoose Bay Marine Park and Bayport RV Park.

PASSED AND ADOPTED this 8th day of February 2023 by the following vote:

AYES: _____ NAYS: _____

Port of Columbia County

ABSTAINED: _____

By: _____
President

Attested By:

Secretary