



AGENDA

SPECIAL MEETING
CITY COUNCIL MEETING
JANUARY 17, 2023
5:30 p.m.

City Hall Council Chamber
313 Court Street
and
VIA ZOOM

<https://us06web.zoom.us/j/88147760127?pwd=bzF6UVBBS0EvaDIxTEVYRngrbExmQT09>

Meeting ID: 881 4776 0127
Passcode: 007612

Dial: 1 253 215 8782 or 1 346 248 7799

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. APPROVAL OF AGENDA
4. ACTION ITEMS
 - A. Second Amendment to the Columbia Gorge Regional Airport Management Agreement
5. ADJOURNMENT

This meeting is Via Zoom

Prepared by/
Izetta Grossman, CMC
City Clerk



AGENDA STAFF REPORT

AGENDA LOCATION: Action Item# 4A

MEETING DATE: January 17, 2023 – Special Session

TO: Honorable Mayor and City Council

FROM: Matthew Klebes, City Manager

ISSUE: Authorizing the City Manager to execute Second Amendment to Airport Management Agreement with Klickitat County and Aviation Management Services, LLC

BACKGROUND: The City jointly owns and operates the Columbia Gorge Regional Airport (**Airport**) with Klickitat County, Washington, (**County**). Aviation Management Services, LLC (**AMS**) has provided the Airport with contractual management services since the Parties entered the Airport Management Agreement (**AMA**) on January 9, 2018.

One provision of the AMA allows the Parties to extend its term by three years upon mutual agreement of the conditions for extension. Last week, as part of its diligence in reviewing the AMA in preparation for a potential extension, Staff determined the AMA's language on its term length and authorizing the extension appeared ambiguous – based on its original 2018 drafting, the AMA could be read to expire either on January 22, 2023, or April 30, 2023. Please see Section 4.1 of the contract included in your packet for specific language.

In order to move forward with legal confidence, Staff determined clarifying the AMA's vague language would be the most appropriate course of action. The Second Amendment to AMA (**Amendment**) amends the AMA's expiration date definitively to **April 30, 2023** (while still allowing a three-year extension if the Parties mutually agree on all terms for the extension by then). Whether the Parties can mutually agree on all terms for extension of the AMA will be determined separately in the next few months – the purpose and effect of this Amendment is simply to clarify the AMA's expiration date as being April 30, 2023.

I understand the Airport Board considered this Amendment this morning and the County's Board of County Commissioners considered it this afternoon. I anticipate the

Airport Board recommended to both the City Council and the County's Board of County Commissioners to approve this Amendment as presented. I also anticipate the County's Board of County Commissioners approved this Amendment as presented. I will be sure to update Council on the outcomes of those considerations during my presentation of this Staff Report.

BUDGET IMPLICATIONS: None.

COUNCIL ALTERNATIVES:

1. **Staff recommendation:** *Move to authorize the City Manager to execute the Second Amendment to Airport Management Agreement with Klickitat County and Aviation Management Services, LLC, as presented.*
2. Move to authorize the City Manager to execute the Second Amendment to Airport Management Agreement with Klickitat County and Aviation Management Services, LLC, as modified (and provide Staff additional direction on modifications).
3. Decline formal action and provide Staff additional direction.

**SECOND AMENDMENT TO
AIRPORT MANAGEMENT AGREEMENT**

This SECOND AMENDMENT TO AIRPORT MANAGEMENT AGREEMENT (**Second Amendment**) is entered by the City of The Dalles, an Oregon municipal corporation (**City**), Klickitat County, a Washington municipal corporation (**County**), and Aviation Management Services, LLC, an Oregon corporation licensed in Washington (**Contractor**).

WHEREAS, the City, County, and Contractor entered that certain Airport Management Agreement for Contractor's provision of management services on January 9, 2018, a copy of which is attached to and made part of this Second Amendment as Exhibit "A";

WHEREAS, the Parties entered that certain First Amendment to Agreement (**First Amendment**) on July 15, 2021, to reflect Contractor's change in ownership, only;

WHEREAS, Subsection 4.1 of the Agreement provides, unless terminated sooner, its initial term commenced on January 22, 2018, and continues until January 22, 2023, with the potential of extension for an additional three-year term if the Parties are able to mutually agree upon all terms for an extension of the Agreement, otherwise (if the Parties are not able to mutually agree upon the terms of an extension) the Agreement expires April 30, 2023;

WHEREAS, Subsection 4.1 of the Agreement appears facially ambiguous with respect to the time of performance and mutual agreement upon the extension terms and would benefit from clarifying language ensuring the intent of the Parties is effectuated to the maximum extent feasible;

WHEREAS, the Parties plan to mutually agree upon all terms for an extension of the Agreement through a separate future amendment, but require additional time to finalize those terms beyond January 22, 2023; and

WHEREAS, the Parties now intend this Second Amendment to clarify Subsection 4.1 of the Agreement's intent with certainty.

NOW, THEREFORE, in consideration of the terms and provisions set forth in this Second Amendment, the Parties agree:

1. The text of Section 4 (SPECIAL PROVISIONS), Subsection 4.1 shall be revised to read:

The initial term of this Agreement shall commence on January 22, 2018, and expire on April 30, 2023, unless terminated as provided herein. This Agreement may be extended for an additional three (3) year term (with expiry on April 30, 2026) upon the Parties' mutual agreement on all terms for the extension.

2. Except as modified by the First Amendment and this Second Amendment, the terms and conditions of the Agreement shall remain in full force and effect.
3. This Second Amendment becomes effective upon approval of the City's Council and County's Board of County Commissioners.

Signature page follows.

CITY OF THE DALLES,
an Oregon municipal corporation

BOARD OF COUNTY COMMISSIONERS
Klickitat County, a Washington municipal corporation

Matthew B. Klebes, City Manager

Chair

Commissioner

Commissioner

ATTEST:

ATTEST:

Izetta Grossman, CMC, City Clerk

Lee Snell, Clerk of the Board

Approved as to form:

Approved as to form:

Jonathan Kara, City Attorney

David Quesnel, Prosecuting Attorney

Date

Date

AVIATION MANAGEMENT SERVICES, LLC

Jeff Renard, Owner

Date

C00718
02724

Exhibit "A" Second Amendment to Airport Management Agreement

AIRPORT MANAGEMENT AGREEMENT

This AGREEMENT is made and entered into by and between the CITY OF THE DALLES, an Oregon municipal corporation, hereinafter referred to as "CITY," and KLICKITAT COUNTY, a municipal corporation of the State of Washington, hereinafter referred to as "COUNTY," and, AVIATION MANAGEMENT SERVICES, LLC, an Oregon corporation licensed in Washington, hereinafter referred to as "CONTRACTOR," for the provision of services by CONTRACTOR to CITY and COUNTY for performing the duties of airport management of the Columbia Gorge Regional Airport located in Dallesport, Washington.

IN CONSIDERATION of the mutual covenants and promises between the parties hereto, it is hereby agreed that the CONTRACTOR shall furnish management services for the Columbia Gorge Regional Airport (CGRA) and the CITY and COUNTY shall make payment for the same, all in accordance with the terms and conditions set forth in this Agreement, including all attachments and addenda which are appended hereto by mutual agreement of the parties.

CITY and COUNTY and CONTRACTOR agree as follows:

1. CONTRACTOR'S DUTIES

1.1 The CONTRACTOR agrees to perform the following management services in support of the CGRA Board in its obligation to operate the Airport on behalf of the CITY and COUNTY consistent with the Joint Operating Agreement between the City of The Dalles and Klickitat County dated November 1, 2002, a copy of which is attached as Exhibit B. It is understood that CONTRACTOR shall perform approximately 2,000 hours per year in the performance of the duties required under this Agreement.

1.2 Within the time of 2,000 hours per year, the CONTRACTOR shall work to perform the functions and duties listed on Exhibit "A", which is attached hereto and included by

reference. Such duties may be modified or changed during the term of this Agreement upon the prior written consent of the CITY and COUNTY with input from the CONTRACTOR.

2. CITY AND COUNTY DUTIES

2.1 In accordance with the terms and conditions of this Agreement, the CITY and COUNTY shall, as part of the operational cost of CGRA, compensate the CONTRACTOR for its management services outlined in Exhibit "A" herein as follows:

2.1.1 The CITY and COUNTY shall pay to CONTRACTOR the sum of \$ 9,500.00 per month ("monthly fee"), effective January 22, 2018.

2.1.2 CITY and COUNTY will provide and pay for as allowed by budget constraints, office space, office equipment, including but not limited to a desk, work table, conference table and chairs, sufficient locking file cabinets, fax machines, telephone with digital voice mail, internet connection and copy machine all to be located at the airport, aviation radios and other reasonable office supplies to allow Contractor to perform the management services set forth in this Agreement. In addition, CITY and COUNTY, with CONTRACTOR'S input, will establish a budget as allowed under Exhibit B and pay for reasonable expenses incurred by CONTRACTOR in traveling to activities directly related to the performance of CONTRACTOR'S duties under this contract.

2.1.3 Beginning on July 1, 2018, the monthly fee as specified in Section 2.1.1 above shall increase each July 1 of each successive year by the amount of increase in the Consumer Price Index CPI during the previous 12 months as measured by the United States Department of Labor as measured for all Urban Consumers.

3. GENERAL PROVISIONS

3.1 All work performed pursuant to this Agreement shall be performed according to the terms and conditions of this Agreement. Nothing in this Agreement shall be interpreted in a manner that prevents CONTRACTOR from performing other work or from receiving additional

compensation for work performed for the City of The Dalles and/or Klickitat County, or other parties related to CGRA; provided that the performance of such other work does not interfere with CONTRACTOR'S performance of its duties and responsibilities under this Agreement.

3.2 This Agreement and any attachments represent the entire and integrated Agreement between the CITY, COUNTY, and the CONTRACTOR and supersede all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended by written instrument signed by the CITY, COUNTY, and the CONTRACTOR. Amendments shall automatically become part of the Supporting Documents, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.

3.3 This Agreement shall be governed by the laws of the State of Washington and Oregon. Any proceeding to enforce the provisions of this Agreement shall be filed in a court of competent jurisdiction in Klickitat County, Washington or Wasco County, Oregon.

3.4 Neither party shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other or the other's employees and agents.

3.5 In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

3.6 No oral order, objection, claim, or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or modification thereof in writing signed by the CITY,

COUNTY, and the CONTRACTOR. No evidence of modification or waiver other than evidence of any such written notice, waiver, or modification shall be introduced in any proceeding.

3.7 In the performance of the work, duties, and obligations required of CONTRACTOR under this Agreement, it is mutually understood and agreed that CONTRACTOR is at all times acting and performing as an independent CONTRACTOR. No relationship of employer/employee is created by this Agreement. CITY and COUNTY shall neither have nor exercise any control over the methods by which the CONTRACTOR shall perform its work and functions. The sole interest and responsibility of the CITY and COUNTY is to assure that the services covered by this Agreement shall be performed and rendered in a competent, efficient and satisfactory manner. The CONTRACTOR shall not have claims under this Agreement or otherwise against the CITY and COUNTY for vacation pay, sick leave, retirement benefits, Social Security benefits, Workmen's Compensation benefits, unemployment or other employee benefits of any kind.

4. **SPECIAL PROVISIONS**

The CITY, COUNTY, and CONTRACTOR agree that:

4.1 The initial term of this Agreement shall be for five years and shall commence on January 22, 2018 and continue until January 22, 2023, unless terminated as provided herein. This Agreement may be extended for an additional term of three years provided the parties are able to mutually agree upon all terms for an extension of this Agreement. In the event the parties are not able to mutually agree upon the terms of an extension, this Agreement shall expire as of April 30, 2023, unless the Agreement is terminated sooner pursuant to the provisions of this Agreement.

4.2. Notices relating to this Agreement shall be given:

A. To the CITY: City Manager
313 Court Street
The Dalles, Oregon 97058

B. To the COUNTY: Chairman
Klickitat County
Board of County Commissioners
205 S. Columbus Avenue
Room 103, MS-CH-04
Goldendale, WA 98620

C. To the CONTRACTOR: Chuck Covert
Aviation Management Services, LLC
The Dalles, OR 97058

4.3 DEFAULT

The occurrence of any of the following shall constitute a default by

CONTRACTOR:

- a. Failure to perform any of the functions or duties described in Exhibit "A", or any other function or duty assigned by the CITY and COUNTY, after written notice has been provided to CONTRACTOR to perform such function or duty.
- b. Insolvency and adjudication of CONTRACTOR as bankrupt, or initiation of receivership proceedings, if the bankruptcy or receivership proceedings are not terminated in favor of CONTRACTOR, or the insolvency continues for sixty (60) days thereafter.
- c. Assignment for the benefit of creditors.
- d. Failure to comply with any internal control policy of the CITY or COUNTY, including but not limited to, allowing occupancy of Airport premises without prior execution of a signed lease agreement (excepting overnight stays), and provision of lease agreements to the CITY and COUNTY within thirty days of execution of said lease agreement.
- e. Commission of any unlawful act by CONTRACTOR, its employees, officers, or agents, including but not limited to fraud or theft, which shall be grounds for immediate termination of this Agreement.
- f. Failure to perform any other provision of this Agreement if the failure to perform is not cured within thirty (30) days after written notice has been given to CONTRACTOR and CONTRACTOR has failed to make measurable efforts in good faith to cure the default.

4.4 NOTICE OF DEFAULT

If the COUNTY or CITY believes that CONTRACTOR has failed to properly perform any of the CONTRACTOR'S obligations under this Agreement, and CONTRACTOR is in default of this Agreement, CITY or COUNTY shall provide 30 days' written notice to CONTRACTOR specifying the nature of the default with reasonable particularity. If CONTRACTOR is in default, and the default is of such a nature that it cannot be completely remedied within the 30-day period, CONTRACTOR shall be deemed to have remedied the default if CONTRACTOR begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

4.5 INDEMNIFICATION AND INSURANCE

4.5.1 CONTRACTOR shall defend, indemnify and hold harmless the CITY, COUNTY, their officers employees, and volunteers, from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of, or in connection with, the performance of this Agreement, except for injuries caused by the sole negligence of the COUNTY or the CITY. Damages caused by the CONTRACTOR in the performance of this Agreement due to CONTRACTOR'S sole negligence or gross negligence are the sole responsibility of the CONTRACTOR who will indemnify, defend and hold harmless the CITY and COUNTY for such damages, costs and defense costs.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115 or comparative negligence as determined by a court, that in the event of liability for damages arising out of bodily injury to person or damages to property causing or resulting from concurrent negligence of the CONTRACTOR and the CITY or the COUNTY, or their officers, officials, employees, and volunteers, the CONTRACTOR'S liability hereunder shall be only to the extent of the CONTRACTOR'S negligence. It is further specifically and expressly

understood that the indemnification provided herein constitute the CONTRACTOR’S waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration of the termination of this Agreement.

4.5.2 CITY and COUNTY agree to defend, indemnify and hold harmless the CONTRACTOR, its agents, officers and employees against all suits or claims that may be based on any injury to persons or property that is the result of a negligent act or an act of willful conduct of the CITY or COUNTY, or their agents, officers or employees. CITY and COUNTY agree to defend, indemnify and hold harmless the CONTRACTOR, its agents, officers and employees against a suit or claim arising from or related to an action or decision of the CONTRACTOR which has been approved or ratified by the Board, the CITY, or the COUNTY.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115 or comparative negligence as determined by a court, that in the event of liability for damages arising out of bodily injury to person or damages to property causing or resulting from concurrent negligence of the CONTRACTOR and the CITY or the COUNTY, or their officers, officials, employees, and volunteers, the CONTRACTOR’S liability hereunder shall be only to the extent of the CONTRACTOR’S negligence. It is further specifically and expressly understood that the indemnification provided herein constitute the CONTRACTOR’S waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration of the termination of this Agreement.

4.5.3 CITY and COUNTY agree to include the CONTRACTOR as an additional named insured under the insurance policy providing liability coverage for the airport operations.

4.6 **ASSIGNMENT CLAUSE**

The CONTRACTOR cannot assign or sub-contract the services covered by this Agreement unless approved by the CITY and COUNTY. The members of the CONTRACTOR will not change unless consented to by the CITY and COUNTY, which consent shall not be unreasonably withheld.

4.7 **TERMINATION OF CONTRACT**

4.7.1 This Agreement may be terminated by the CITY and COUNTY for cause for CONTRACTOR'S failure to cure a default under Section 4.4 upon thirty (30) days written notice to CONTRACTOR. This Agreement may be terminated by the CITY and COUNTY for the CITY and COUNTY'S convenience upon three (3) months advance written notice to CONTRACTOR.

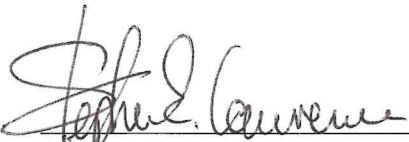
4.7.2 The CONTRACTOR may terminate this Agreement for its convenience upon giving three (3) months advance written notice to the CITY and COUNTY. CITY and COUNTY reserve the right to allow CONTRACTOR to terminate this Agreement upon less than three (3) months advance written notice.

4.7.3 After receiving notice of termination under the provisions of Section 4.7.1 and except as otherwise directed by the CITY and COUNTY, the CONTRACTOR shall: (a) Stop work under the Agreement on the date and to the extent specified in the notice; (b) place no further orders or subcontracts for materials, services, or facilities except as necessary to complete such portion of the work not terminated; (c) assign to the CITY and COUNTY to the extent directed by the CITY and COUNTY all rights, titles, and interest of the CONTRACTOR which arise from this Agreement, amendments and subcontracts, and the CITY and COUNTY shall have the right to settle or pay any and all claims arising under these contract amendments and subcontracts; (d) settle all outstanding liabilities and claims arising out of any orders or subcontracts with the approval or ratification of the CITY and COUNTY to the extent the CITY

and COUNTY may require approval or ratification of which shall be final; (e) transfer to the CITY and COUNTY and deliver as directed by the CITY and COUNTY any property which if the Agreement had been completed would have been required to be furnished to the CITY and COUNTY; (f) complete performance of such part of the work which has not been terminated by the CITY and COUNTY; and (g) take such action as may be necessary or as the CITY and COUNTY may direct for the protection and preservation of property relating to the Agreement which is in the possession of CONTRACTOR and in which the CITY and COUNTY has or may acquire an interest.

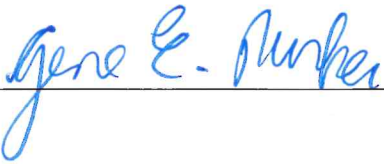
IN WITNESS WHEREOF the parties have caused this Agreement to be signed by their duly authorized representatives as of this 9th day of January, 2018.

CITY OF THE DALLES

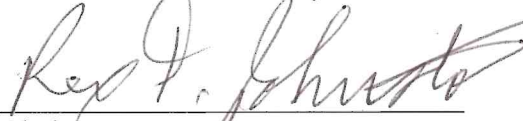
By: 
Stephen E. Lawrence, Mayor

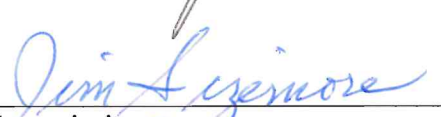
Attest: 
Izetta Grossman, City Clerk

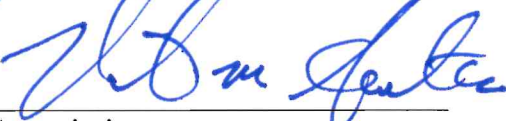
Approved as to form:
Gene E. Parker, City Attorney



BOARD OF COUNTY COMMISSIONERS
Klickitat County, Washington

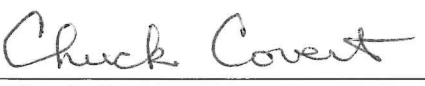

Chairman


Commissioner


Commissioner

Attest: 
Clerk of the Board

AVIATION MANAGEMENT SERVICES, LLC

By: 
Chuck Covert

Approved as to form:


Prosecuting Attorney

Scope of Work

January 22, 2017

Title: Aviation Management Services, LLC

Employer: City of The Dalles and Klickitat County

Duties and Responsibilities:

(Airport and CGRA refers to Columbia Gorge Regional Airport)

(Board refers to the seven-member Columbia Gorge Regional Airport Board)

(Contractor refers to Aviation Management Services, LLC.)

(City Representative refers to The Dalles City Manager or Manager's Designee)

(County Representative refers to the Klickitat County Commissioner on the Board or their Designee)

Section 1: Administrative Structure and Responsibilities

The Contractor works under the general direction of the CGRA Board. The Contractor also works in coordination with the City and County representatives who have general contract oversight of the Airport's Intergovernmental Agreement, Airport Management Agreement, and FBO Contract.

Section 2: Airport Operations

- A) The Contractor will make itself available as is reasonable, for contact by the public either by phone or in person at the airport office. The Manager's presence at the airport will be significant enough to avail the Contractor opportunities to assess the condition of the airport and to conduct airport business. It is assumed that there will be some presence on site most business days.
- B) The Contractor will monitor airport operation and activities, which includes but is not limited to, NOTAMS, weather information systems, bird control, animal incursions, and other safety issues.

Section 3: Budget

- A) The Contractor will assist in the preparation of the Airport budget and be responsible for monitoring revenues, expenditures, and obligations. The Contractor will also adhere to the Purchasing Policy Document and Internal Controls as provided by the City of The Dalles.

Section 4: Regulatory Agencies

- A) The Contractor will use the FAA, Oregon Aeronautics, and Washington Aeronautics as a resource to ensure activities at the Airport are in compliance with regulations. These resources will be used, if available, for development, maintenance, and any projects that will enhance Airport operations.
- B) The Contractor will monitor State and Federal legislative activity pertaining to the Airport and become involved as directed by the Board.

Section 5: Maintenance and Construction

- A) The Contractor will be the project manager on all construction projects at the Airport unless otherwise directed by the Board. This will include bid preparation and subsequent compliance by the contractor.
- B) The Contractor will be responsible for maintaining Airport property under its control which may include, but is not limited to fences, gates, airport lighting, structures, fueling systems, signs, painted markings, weather information systems, vegetation including noxious vegetation, snow removal, and wind direction indicators, subject to the Airport budget.
- C) The Contractor will be responsible for conducting inspections of runways, taxiways, drainage systems, signs, markings, and airport lighting for evidence of deterioration, functionality, and safety issues.

Section 6: Leases

- A) The Contractor will negotiate and administer Airport leases and review them for compliance. The Contractor will be the primary contact between the Airport and the Fixed Base Operator (FBO), which may include but not limited to receiving the FBO's fuel sales receipts and other reports and incorporating it into the Contractor's monthly report to the Board.

Section 7: Marketing and Development

- A) The Contractor will assist in the development and implementation of a marketing plan when it is adopted by the Board and will promote growth at the Airport through marketing and development strategies as directed by the Board. In such work the Contractor will cooperate with, and use, the resources of Klickitat County Economic Development Office, the City of The Dalles City Manager's office, the Port of The Dalles, the Klickitat County Port, and the Mid-Columbia Economic Development District to achieve the desired goal of airport growth.

- B) The Contractor will also review and implement the Airport Master Plan/Airport Layout Plan and assist with any update of the master plan as directed by the Airport Board.
- C) The Contractor will pursue grant opportunities, prepare grant applications, and provide grant management.
- D) The Contractor will work to broaden political, technical, and financial support for the Airport.

Section 8: Administration

- A) The Contractor shall be responsible for having minutes taken at all Board Meetings and maintaining record of all Board activities, including but not limited to Agendas, notice of meetings, minutes, and correspondence.
- B) The Contractor will be responsible for maintaining Airport records, filing systems, and all other administrative functions pertaining to the Airport Manager's office.
- C) The Contractor will work with the City of The Dalles Finance Director on financial issues and transactions.
- D) The Contractor will attend Board meetings and provide a monthly report to the Board on Airport activities.
- E) The Contractor in consultation with the Board Chair, the City and County representatives will be responsible for preparing the Agenda for the Airport Board meeting and will provide a report on action and discussion items as required.
- F) The Contractor will attend meetings and conferences pertaining to management and operation of Airport and be reimbursed for reasonable expenses incurred in such travel.

Section 9: Emergencies

- A) The Contractor will inform the CGRA Board, Klickitat County, and City of The Dalles of all accidents on Airport property, and keep appropriate records.
- B) The Contractor will notify the CRGA Board, Klickitat County and the City of The Dalles of incidents involving acts of nature or any other damage to airport property and make appropriate decisions or recommendations as to the continued safe use of the Airport, and report action taken to the CGRA Board, Klickitat County, and City of The Dalles.

- C) In the case of accidents involving serious injury or fatalities, the Contractor will notify the CGRA Board, Klickitat County, and the City of The Dalles and respond if necessary to provide assistance to emergency agencies, as well as obtain preliminary information.

Section 10: Work Schedule

- A) The Contractor will work a schedule that best meets the needs of the Airport as approved by the Board.

Section 11: Special Assignments

- A) The Contractor from time to time may be assigned additional tasks or responsibilities that can be accomplished within the time allotted under the contract.

COLUMBIA GORGE REGIONAL/THE DALLES AIRPORT

JOINT OPERATING AGREEMENT

BETWEEN

THE CITY OF THE DALLES, OREGON

AND

KLICKITAT COUNTY, WASHINGTON

NOVEMBER 1, 2002

TABLE OF CONTENTS

1. RECITALS..... 1

2. AIRPORT..... 2

3. OWNERSHIP..... 2

4. UTILITIES..... 3

5. INTERIM JOINT OPERATING AGREEMENT..... 3

6. REGIONAL BOARD..... 3

7. BOARD MEMBERSHIP..... 3

8. BOARD VACANCIES AND QUALIFICATIONS..... 3

9. EXISTING REGULATIONS..... 4

10. MANAGEMENT..... 4

11. LIMITATIONS ON BOARD AUTHORITY..... 5

12. RESPONSIBILITIES OF THE BOARD..... 6

13. QUARTERLY REPORTS..... 7

14. ENTERPRISE FUND AND FINANCES..... 7

15. FISCAL YEAR..... 9

16. BUDGET..... 9

17. BONDS - INDEBTEDNESS..... 10

18. TAXES..... 11

19. TERM..... 11

20. TERMINATION..... 11

21. VENUE AND GOVERNING LAW..... 14

22. NO THIRD PARTY BENEFICIARIES..... 14

23. APPROVALS..... 14

24. AMENDMENT..... 15

25. GOLF COURSE PROPERTY..... 15

**COLUMBIA GORGE REGIONAL/THE DALLES AIRPORT
JOINT OPERATING AGREEMENT**

This Columbia Gorge Regional/The Dalles Airport Joint Operating Agreement ("Agreement") is effective the 1st day of November, 2002 ("Effective Date") by and between the City of The Dalles, a municipal corporation of the State of Oregon, ("City"), and Klickitat County, a municipal corporation of the State of Washington ("County"). The City and County are collectively referred to as the "Parties." The Parties agree as follows:

1. RECITALS.

- 1.1 The City currently owns the Columbia Gorge Regional/The Dalles Airport ("Airport") located in Klickitat County, Washington.
- 1.2 The City operated the Airport until the City and the County entered into that certain Intergovernmental Agreement for Cooperative Action to Establish a Regional Management Authority For Columbia Gorge Regional/The Dalles Airport, dated June 21, 1999 ("Interim Joint Operating Agreement").
- 1.3 The Interim Joint Operating Agreement established a board for the operation of the Airport, which includes City and County representatives. The Interim Joint Operating Agreement provided that the Board would operate the Airport, for 18 months on a trial basis.
- 1.4 The Parties have determined that it is in the best interests of the public to continue to provide for the operation of the Airport through a regional board and to provide for joint ownership of the Airport, consistent with this Agreement.

1.5 The purpose of the Agreement is to help ensure that the Airport becomes a self-sufficient catalyst for economic growth in the near term.

1.6 The Parties intend to share equally in the costs and benefits of the Airport, consistent with this Agreement.

2. AIRPORT. The Airport presently consists of the real property, described on Exhibit A to this Agreement, as well as the personal property and property rights used in connection with or associated with such real property. The Airport does not include that portion of the original airport land that is being proposed for a golf course, as described in Exhibit B to this Agreement, subject to the terms of this Agreement.

3. OWNERSHIP. The City currently owns the Airport, but the Parties have agreed that they should jointly own in equal shares all real and personal Airport property. Thus, the County and the City shall each own a one-half undivided interest in all real and personal property comprising the Airport (including without limitation facilities and privileges related to the Airport and any real or personal property acquired during the Term). In addition, the Parties shall each have a one-half interest in the revenue received by or derived from the Airport. Within thirty (30) days after the Effective Date, the City shall initiate the process to, and begin preparation of, the documents necessary to transfer the City's interest in the property to Klickitat County, for no additional consideration. Such property shall be transferred to County, consistent with this Agreement, within 90 days of the Effective Date. Following the transfer, the County and City shall each be liable for one-half of all current liabilities associated with the operation, maintenance or improvement of the Airport, and the County and City shall each be liable for one-half of future costs related to operating, maintaining, or improving the Airport for the Agreement Term.

4. UTILITIES.

The Parties shall share equally in expenses for Airport utilities.

5. INTERIM JOINT OPERATING AGREEMENT. This Agreement replaces and supercedes the Interim Joint Operating Agreement.

6. REGIONAL BOARD. The Regional Board ("Board") created under the Interim Joint Operating Agreement shall continue to operate the Airport on behalf of the City and County, consistent with this Agreement.

7. BOARD MEMBERSHIP. The Board shall consist of seven (7) members. The City and the County each have the authority to appoint the Board members for three positions on the Board. One of the City's appointees shall be a member of the City Council, and one of the County's appointees shall be a member of the Klickitat County Board of Commissioners. The other members of the Board shall appoint the seventh Board member ("Board-appointed member"). The first Board-appointment member shall be appointed within sixty (60) days of the Effective Date, for a term expiring December 31, 2003; subsequent appointments of the Board-appointed member shall be for a two-year term. Members of the Board shall serve without compensation. Board members may receive, from Airport funds, reimbursement for reasonable and actual expenses incurred in the course of official business, including necessary travel, consistent with applicable law and procedures approved by the City and County.

8. BOARD VACANCIES AND QUALIFICATIONS. The applicable appointing authority, (i.e., the City, the County, or the Board) shall fill vacancies on the Board. The City and County may establish their own procedures for making appointments to the Board, including provisions for removal of appointees to the Board, and provisions for the length of the terms to be served by the appointees. Notwithstanding the foregoing, Board positions terminate upon the termination

or expiration of this Agreement. In the event of a vacancy, a new appointee shall serve only the unexpired term of the previous Board member. All Board members shall be residents of the City or the County; provided, however, that the terms of the Board member who is a member of the City Council or the Board of County Commissioners shall immediately terminate if such member no longer holds a position on the City Council or the Board of County Commissioners, as applicable. Board members may serve more than one term. In making appointments, the City and the County shall each endeavor to ensure that its appointees are qualified by reason of education and/or experience in matters pertaining to aviation and industrial development.

9. EXISTING REGULATIONS. Except as otherwise expressly provided herein, all existing rules, regulations, contracts, offices, and actions previously adopted or approved by the City and County, or the Parties acting jointly and not in conflict with this Agreement, are unaffected and shall remain in full force and effect unless and until superceded or amended in writing consistent with this Agreement.

10. MANAGEMENT. Subject to this Agreement, other applicable agreements, and applicable laws and regulations, including without limitation, Federal Aviation Administration ("FAA") regulations, the Board shall have all of the powers granted under chapter 14.08 RCW, as it may be amended from time to time, to manage, improve, maintain, equip and operate the Airport and its facilities. Notwithstanding the foregoing, the Board's authority is at all times subject to such restrictions and requirements as the City and County may mutually determine from time to time, as well as the limitations set forth herein.

11. LIMITATIONS ON BOARD AUTHORITY.

11.1 The Board shall not have the authority to divest any real property without prior written approval of the Parties.

- 11.2 Any agreements with a duration of two (2) years or more proposed by the Board shall require approval by the Parties before those agreements can take effect.
 - 11.3 The Board shall not have authority with respect to Airport properties subject to prior agreements between the City and Wasco County, Oregon.
 - 11.4 The Board cannot independently exercise the power of eminent domain; the City and County must exercise eminent domain power jointly.
 - 11.5 Joint City and County ordinances must adopt police regulations governing conduct and use of the Airport to be enforced through judicial proceedings. The Airport Board may adopt reasonable rules and regulations for the control and management of the Airport not requiring judicial enforcement.
 - 11.6 Contracts for public works and other procurement must satisfy the legal and procedural requirements of the County and City.
 - 11.7 The employment, terms of employment, and termination of the Airport Director and other executive-level personnel must be jointly approved by the City and County.
 - 11.8 Capital improvements of Airport property, for aeronautical, commercial, and industrial purposes, shall be in accordance with an Airport Master Plan jointly adopted by the Board, City, and County, and approved by the FAA.
 - 11.9 The Board may not acquire real or personal property with a value of more than \$10,000 without prior approval of the City and County.
12. RESPONSIBILITIES OF THE BOARD. The Board shall:
- 12.1 Establish and maintain schedule of regular monthly public meetings which will be held in accordance with open public meeting laws of the State of Washington.

- 12.2 Adopt such procedural rules, including selection of officers, as are necessary to carry out the business of the Board.
 - 12.3 Establish procedures to ensure that all disbursements from the Enterprise Fund will be made by order of the Board in accordance with rules and regulations prescribed by the City and the County.
 - 12.4 Develop and maintain an Airport Master Plan addressing capital and other improvements to the Airport.
 - 12.5 Establish and present to the City and County for approval a five-year Capital Plan for preserving and improving the Airport.
 - 12.6 Prepare and recommend to the County and City, for approval, an annual operating budget for the Airport in accordance with this Agreement.
 - 12.7 Develop a long-term marketing plan for the Airport, and aggressively pursue creation of sources of revenue capable of making the Airport self-sufficient.
 - 12.8 Pursue sources of funding for implementing marketing plan proposals, including infrastructure improvements.
 - 12.9 Develop land and facility lease policies.
 - 12.10 Expend all funds in strict compliance with the approved annual Budget and applicable law.
13. QUARTERLY REPORTS. The Board shall prepare a full and complete report of the activities, income, and disbursements related to the Airport, and such other information as the City or County may request, which reports shall be submitted to the City and County on a quarterly basis. The report shall also include information indicating income received and

disbursements made, the amounts contributed by the City and the County, and reflect any profit or loss for the Airport operation.

14. ENTERPRISE FUND AND FINANCES.

14.1 An Enterprise Fund ("Enterprise Fund") has been established under the authority of the City for the purpose of advancing funding necessary to carry out the provisions of this Agreement. The County and City will deposit all budgeted money related to maintenance, operation, and capital improvements at the Airport into the Enterprise Fund. Deposits will be made in two equal quarterly payments by July 15th and January 15th of each year. In addition, all revenue received from the ownership, control, and operation of the Airport and the Golf Course (described in Section 25), shall be deposited into the Enterprise Fund. The City Finance Director shall be, ex officio, the Treasurer for the Board and the Airport through December 31, 2005. Consistent with RCW 14.08.200(11), the Parties shall obtain a bond to protect the finances of the Airport and the Enterprise Fund. After that time, by joint agreement, either party may serve as Treasurer for four year terms; if the Parties cannot agree, the City Finance Director shall remain the Treasurer of the Board and the Airport. The Treasurer's term expires upon the termination or expiration of this Agreement.

14.2

14.2.1 As specified in the annual budget, and except as required by law or other contract, Airport revenues and other money in the Enterprise Fund shall be applied to the following purposes, in the order listed.

- (a) Maintenance and operation expenses, including salaries and other personnel costs;
- (b) Debt service;
- (c) Jointly agreed upon capital improvements to the airport facility;
- (d) Accumulation of reserve funds;
- (e) Early redemption of revenue bonds or other Airport indebtedness.

In the event that reserve funds exceed two years projected operating costs and the projected costs of the adopted five year Capital Improvement Plan at the time of budget adoption, the City and County may by joint resolution provide for the repayment to each of them of one-half of the excess proceeds, up to the total unreimbursed amount the particular party has paid into the Enterprise Fund to date (not including Airport or Golf Course revenues).

14.2.2 Real property taxes assessed against the Airport property described in Exhibit A shall qualify as maintenance and operation expenses under Section 14.2.1. Real property taxes assessed against the Golf Course Property described in Exhibit B shall not qualify as maintenance and operation expenses, and these taxes shall be paid to Klickitat County directly.

15. FISCAL YEAR. The Board's fiscal year shall correspond with the fiscal year of the party acting as Treasurer.

16. BUDGET. Annually, the City and County shall determine the maximum total amount to be expended by the Board in the following calendar year (the "expenditure limit"). The Parties shall submit the expenditure limit to the Board on or before February 1 (September 1, if County is Treasurer) each year. If the City and County do not provide expenditure limit to the Board by February 1 (September 1, if County is Treasurer) in any year, the maximum total amount that the Board may spend in the following year shall be the authorized total budget amount for the current year, minus any complete grant programs and projects and complete capital improvement projects. The Board shall submit a proposed budget to the City and County for their joint approval by March 1 (October 1, if County is Treasurer) of each year, and the County and the City shall jointly approve the budget (with or without modifications) by June 15 (December 15, if County is Treasurer) of each year. If the County and City have not jointly approved the Airport budget by June 15 (December 15, if County is Treasurer) in any year, the budget submitted by the Board is deemed approved, up to the total maximum amount that the Board is authorized to expend in the budget year.

17. BONDS - INDEBTEDNESS.

17.1 The Board does not have independent authority to issue bonds. In addition, the Board shall not incur any liability in excess of \$10,000 or with a date of maturity of more than one year from the date of the obligation without prior written approval of the City and County.

17.2 The City and County may, by mutual legislation, and consistent with applicable law authorize the issuance and sale of revenue bonds or other obligations (collectively, "bonds") payable from Airport revenues, the proceeds of which are to be used exclusively for Airport purposes. After the adoption of necessary

legislation by both the City and the County, the bonds shall be authorized by and issued in the name of the County or the City, as determined pursuant to a separate agreement to be entered into in connection with each bond issue to provide funds for the Airport. The Parties shall specify in that agreement, among other things, responsibility for repayment of the particular bonds.

17.3 Either of the Parties may also issue general obligation debt for Airport purposes, for projects authorized by law. If general obligation debt is proposed to be issued, the Parties shall adopt a joint resolution evidencing the intent to incur such debt. Each party shall separately authorize its portion of the total debt in the manner required by law for each party, respectively. All Airport funds shall be administered and accounted for in accordance with the rules, regulations, and principles established and approved by the applicable state budget law and audit requirements, subject only to controlling federal audit requirements.

18. TAXES. Lessees and tenants leasing property at the Airport, and entities or individuals operating a business at the Airport, shall be responsible for paying any applicable leasehold excise, business and occupation, real or personal property taxes, or other taxes imposed by the State of Washington, Klickitat County, or other government entity with jurisdiction which the lessee or tenant is obligated to pay by law or pursuant to a lease agreement. The City shall pay to Klickitat County the portion of real property taxes allocated to the Airport property, due to the City's one half interest in the Airport property. The County shall apply those funds, consistent with applicable law. The City and County shall each pay one-half of the amount of any other taxes or governmental assessments due, consistent with applicable law.

19. TERM. This Agreement shall take effect on the Effective Date and, unless earlier terminated as provided herein, shall continue for automatically renewing terms of one year each.

20. TERMINATION. The Parties may terminate this Agreement by mutual agreement on such terms as they determine are appropriate. If required by federal law, the party terminating shall also provide notice to the FAA, consistent with applicable law. The Agreement shall terminate at the end of the calendar year for which proper termination notice was provided.

20.1 Mutual Termination.

20.1.1 If a mutual termination occurs prior to 2018, during a time when grant assurances may require the repayment of FAA or other grant funds received by the City for grants obtained prior to the Effective Date, the City has agreed to sell its entire one-half interest in the Airport assets, and apply the proceeds from the sale for any required repayment of the grant funds. If revenue obtained from the City of the City's share of the Airport assets is not sufficient to repay the amount of funds owing, the County agrees to sell its one-half interest in the Airport assets and apply the proceeds from that sale toward the required repayment of grant funds. If after the sale of assets by both the City and County, there is still an obligation owed for repayment of grant funds, the City shall be solely responsible for paying the balance of that liability.

20.1.2 For liabilities other than the potential repayment of existing FAA or other grant funds, the parties shall commence negotiations to distribute assets and assumption of those liabilities, with the goal of dividing the assets and liabilities of the Airport on an equitable basis. If it becomes necessary to

engage independent appraisal or arbitration services to determine the amount and nature of payments between the Parties, the Parties shall share such costs on an equal basis.

20.1.3 If the Parties are unable to agree upon a distribution of Airport assets and the assumption or payoff of Airport liabilities, consistent with this Agreement, within ninety (90) days after the date the Parties agree to termination, or at any subsequent time with respect to other distributions, either party may petition the Klickitat County Superior Court to allocate and distribute the assets and liabilities, consistent with this Agreement. In such case, each party shall bear its own costs, attorney fees, expert witness fees, and other costs. The order of the Superior Court may be appealed by either party to the appropriate court. This procedure will also apply to a mutual termination which may occur after the year 2018, when the obligation to repay the FAA grant funds has expired.

20.2 Termination by One Party.

20.2.1 Either party may terminate this Agreement by giving the other party at least ninety (90) days' written notice prior to the end of any calendar year. If required by federal law, the party terminating shall also provide notice to the FAA, consistent with applicable law.

20.2.2 In the event one party provides notice of termination, and the non-terminating party elects to continue the operation of the Airport, the terminating party shall convey to the non-terminating party, by appropriate instrument without consideration, all of the terminating party's interest in

the real and personal property related to the Airport. The non-terminating party shall also assume Airport liabilities of the terminating party, incurred pursuant to this Agreement.

20.2.3 In the event the non-terminating party elects to discontinue the operation of the Airport at any time within a five-year period after the date the terminating party conveyed all of its interest in the real and personal property at the Airport to the non-terminating party and the non-terminating party assumed liabilities as described in the previous sentence, this Agreement shall be considered to have been terminated jointly, and the Parties shall then commence negotiations to equally distribute the then-existing assets and liabilities of the Airport, with the understanding that a) if the decision of the non-terminating party to discontinue operation of the Airport occurs prior to 2018 when the existing FAA or other grant assurance obligation is still in effect, the Parties agree that the assets of the Airport shall be sold and the revenue be applied to repay the grant funds owed; and, b) that in the event the sale of the Airport assets is not sufficient to repay the grant funds, the City shall be solely responsible for the balance of the grant funds owed.

20.2.4 In the event the Parties are unable to agree upon a division of assets and liabilities within ninety (90) days after the date of delivery of the termination notice, or any subsequent time with respect to other distributions, then either party shall have the right to petition the Klickitat County Superior Court to allocate and distribute the assets and liabilities,

consistent with this Agreement. In such case, each party shall bear its own costs, attorney fees, expert witness fees, and other costs. The order of the Superior Court may be appealed by either party to the appropriate court. This procedure will also apply to a termination which may occur under 20.2.3.

21. VENUE AND GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Washington; venue shall be in Klickitat County Superior Court.

22. NO THIRD PARTY BENEFICIARIES. This Agreement is not intended and shall not be construed to create any rights in third Parties.

23. APPROVALS. In any circumstance in which Board actions require the approval of the City and County, the Board shall make a written request for such approval to the representative of each party designated by such party. The City and County shall each duly act on the request within twenty-one (21) days and shall each respond to the Board in writing.

24. AMENDMENT. This Agreement constitutes the entire understanding between the Parties with respect to its subject matter and may only be amended with a writing executed by both Parties.

25. GOLF COURSE PROPERTY.

25.1 Subject to the terms of this Agreement, the City shall own property previously designated for a golf course as described in Exhibit B ("Golf Course Property").

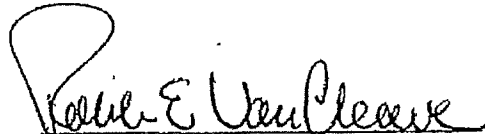
25.2 If construction of the golf course is not started within five years of the Effective Date of this Agreement or is not completed within eight years after the Effective Date of this Agreement, the City shall convey a one-half, undivided interest in the

Golf Course Property to the County, and the Golf Course Property shall be deemed to be part of Airport property owned jointly by the Parties, in addition to the property described in Exhibit A.

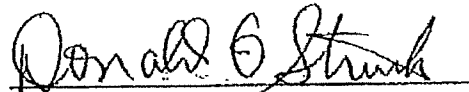
25.3 All revenue derived by the City from the golf course in excess of the City's reasonable expenses related to the golf course shall be considered operating revenue of the Airport and shall be deposited into the Enterprise Fund.

25.4 Within ninety (90) days of the Effective Date of this agreement, the City shall subdivide the Airport Property into the parcels as described in Exhibit "A" and Exhibit "B".

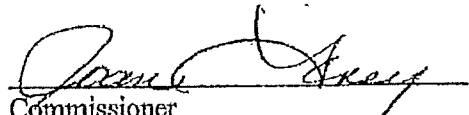
CITY OF THE DALLES


City Manager MAYOR

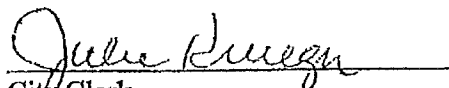
BOARD OF COUNTY COMMISSIONERS
Klickitat County, Washington


Chairman

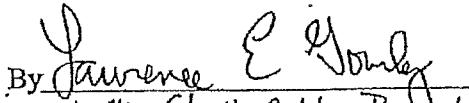

Commissioner


Commissioner

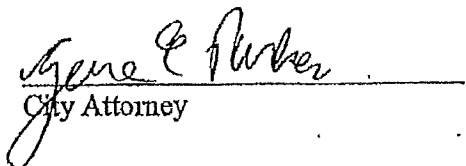
ATTEST:


City Clerk

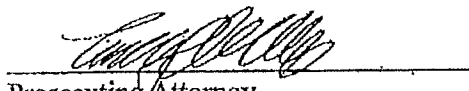
ATTEST:

By 
Auditor Clerk of the Board

Approved as to form:


City Attorney

Approved as to form:


Prosecuting Attorney

Order No. W-31484

Policy No.:

EXHIBIT "A" - LEGAL DESCRIPTION

IN COUNTY OF KLICKITAT, STATE OF WASHINGTON

**Lots 1, 14, 15 and 16, NORTH DALLES FRUIT AND GARDEN TRACTS,
according to the recorded plat thereof:**

**The South Half of the South Half of The Southwest Quarter of Section 26;
AND the Southeast Quarter of the Southeast Quarter of Section 27, Township 2 North,
Range 13 East, W.M.**

EXCEPT the Northeast Quarter of the Southeast Quarter of the Southeast Quarter;

**The Southwest Quarter of the Southeast Quarter;
The Southeast Quarter of the Southwest Quarter; and
The South Half of the Southwest Quarter of the Southwest Quarter of Section 27,
Township 2 North, Range 13 East, W.M.;**

**The West Half of the West Half of the Northeast Quarter;
The West Half of the Northwest Quarter of the Southeast Quarter;
The North Half of the Northwest Quarter;
The Southeast Quarter of the Northwest Quarter;
The Northeast Quarter of the Southwest Quarter;
Portions of the Southwest Quarter of the Northwest Quarter, the Northwest Quarter of
the Southwest Quarter and Government Lots 2, 3 and 4 described as follows:**

**Beginning at the Intersection of the South line of the Northwest Quarter of the
Northwest Quarter with the Northerly extension of the East line of County Road No.
30, which point is 980 feet, more or less, East of the Southwest corner of the
Northwest Quarter of the Northwest Quarter;
Running thence South 0°7' West a distance of 2550 feet, more or less, to a point in
the East line of County Road No. 30, which point is opposite and 30 feet distant from
station 25193.85 of survey of said county road;
Thence South 0°07' West 680.6 feet to point indicated on U.S. Engineer's "Boundary
Survey of Dalles Airport" as "Southwest corner equals Angle Point No. 1";
Thence tracing the line of the top of the bluff North of Columbia River South 85°46'
East 973 feet to "Angle Point No. 2";
Thence North 85°35' East 1361 feet to "Angle Point No. 3";
Thence South 72°49' East to a point midway between the East and West lines of
Government Lot 2;
Thence North on a line midway between said East and West lines to the North line of
said Government Lot 2;
Thence West along said North line to the Northwest corner of said Government Lot
2;
Thence West along the North line of Government Lot 3, 1331.1 feet to the Northwest
corner of said Government Lot 3;
Thence North along the West line of the Northeast Quarter of the Southwest Quarter
to the Northwest corner of said Northeast Quarter of the Southwest Quarter;
Thence North along the West line of the Southeast Quarter of the Northwest Quarter
1321.3 feet to the Northwest corner of said Southeast Quarter of the Northwest
Quarter;
Thence West along the North line of the Southwest Quarter of the Northwest Quarter
351 feet, more or less, to the point of beginning; ALL in Section 34, Township 2
North, Range 13 East, W.M.,
Page 9**

EXCEPTING therefrom the following:

(a) That portion of the Southwest Quarter of the Northwest Quarter of said Section 34 lying South of the North line of Harrison Street as shown on Plat of Grand Dalles (now vacated) and West of original road leading from Rockland Ferry Landing (known also as Old Dalles-Goldendale Road);

(b) Tract conveyed to William Seufart by deeds recorded in Volume 80 of Deeds, page 243, and Volume 80 of Deeds, page 343, records of said county, described as follows:

A Tract of land near the center of said Section 34, 200 feet from North to South and 200 feet from East to West;
there is a well that has been drilled in the center of said tract of land and the said tract of land is 100 feet in all directions measuring from the center of said well;
also the well and the water thereof;

(c) County Roads.

The East Half of the East Half; and
The East Half of the West Half of the East Half of Section 34, Township 2 North, Range 13 East, W.M., lying North of the North line of the right of way of the Spokane, Portland & Seattle Railway;

The West Half of Section 35, Township 2 North, Range 13 East, W.M., lying North of the North line of the right of way of the Spokane, Portland & Seattle Railway.

EXCEPT the following:

A triangular tract lying in the East Half of the Southwest Quarter of the Southeast Quarter of said Section 34, which tract is bounded on the South by the North line of the right of way of the Spokane, Portland & Seattle Railway, on the West by the West line of the East Half of the Southwest Quarter of the Southeast Quarter of said Section 34, and on the North by a line running North 72°49' West from a point in the North line of the right of way of the Spokane, Portland & Seattle Railway, which point is opposite and 90 feet distant from Station 488+71.7 of the survey of said Spokane, Portland & Seattle Railway;

EXCEPTING from all parcels:

1. Any County Road.
2. Any portion lying Southerly of the Northerly line of the Spokane, Portland & Seattle Railway.
3. Any portion lying Easterly of the Westerly line of Highway 197.
4. Any portion lying Westerly of the Easterly line of County Road No. 92181 known as Dallesport Road.

November 14, 2002

SCHEDULE A

Order No.:
W-31484

Effective Date of Commitment
October 23, 2002 at 8:00 a.m.

Prepared For: Copy To:
**City of The Dalles
308 Union Street
The Dalles, OR 97058
Attention: Gene Parker**

1. Policy or Policies to be issued:	Amount	Premium	Tax
(a) ALTA Owners Policy Form B Standard	To follow	Later	

Proposed Insured:

Klickitat County

2. The estate or interest in the land described or referred to in this Commitment and covered herein is a **Fee Simple**.

3. Title to said estate or interest in said land is at the effective date vested in:

City of The Dalles, also shown of record as, Dalles City, Oregon, a municipal corporation

4. The land referred to in this Commitment is described as follows:

SEE EXHIBIT ONE, ATTACHED.

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

Order No.: W-31484

ALTA COMMITMENT

SCHEDULE B

I. The following are the requirements to be complied with:

A. Instruments necessary to create the estate or interest to be insured must be properly executed and duly filed for record.

B. Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.

II. Schedule B of the Policy or Policies to be issued (as set forth in Schedule A) will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

A. Defects, liens, encumbrances, adverse claims or other matters, if any created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

B. GENERAL EXCEPTIONS:

1. Rights or claims of parties in possession not shown by the public records.
2. Public or private easements, or claims of easements, not shown by the public records.
3. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished imposed by law and not shown by the public records, or Lien under the Workmen's Compensation Act not shown by the public records.
5. Rights of use, control or regulation by the United States of America, in the exercise of powers over navigation; any prohibition or limitation on the use, occupancy or improvement of the land resulting from the rights of the public or riparian owners to use any water which may cover the land.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
7. Any service, installation, connection, maintenance or construction charges for sewer, water, electricity or garbage removal.
8. General taxes not now payable or matters relating to special assessments and special levies, if any, preceding the same becoming a lien.
9. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including, but not limited to, easements or equitable servitudes.

C. SPECIAL EXCEPTIONS:

SEE FOLLOWING PAGE(S)

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

Order No.: W-31484

1. General taxes for the second half 2002, which will become delinquent October 31, 2002, as follows:

Amount : \$9,119.30
Parcel no. : 02-13-3400-0008/00

NOTE: The first half 2002 taxes paid.

2. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : A well, and rights related thereto
Recorded : January 30, 1940
Auditor's no. : 5648
Affects : as set forth in said instrument

3. Assessments, if any, for the North Dalles Irrigation District.

4. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Road purposes
Recorded : June 15, 1941
Auditor's no. : 13162

5. Any matters set forth on the U.S. Engineer's "Boundary Survey of the Dalles Airport" as disclosed in a deed

Recorded : August 23, 1941
Auditor's no. : 14196

6. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Power lines and appurtenant rights
Recorded : April 5, 1943
Auditor's no. : 21344
In favor of : The Pacific Power & Light Co. which deed recites:
reserving however the right to cross a corner of such
land (Shown in said deed) with the power line of the
Pacific Power & Light Co. and the right to maintain
tow poles thereon.

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

Order No.: W-31484

7. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Power lines and poles and rights appurtenant thereto
Recorded : June 5, 1944
Auditor's no. : 25225
In favor of : Pacific Telephone and Telegraph Company, a California corporation
Affects : Reference is made to the record for particulars

8. A lease with certain terms, covenants, conditions and provisions set forth therein.

Lessor : Dalles City, Oregon, a municipal corporation
Lessee : The United States of America
Recorded : May 5, 1945
Auditor's no. : 27799

9. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Public road and related rights
Recorded : May 20, 1955
Auditor's no. : 70323 and amended by Auditor's no. 72405
In favor of : Klickitat County
Affects : Reference is made to the record for particulars

10. Easement and right of way for electric transmission line or system, together with appurtenances and related rights in favor of Public Utility District No. 1, Klickitat County

Recorded : September 4, 1973
Auditor's no. : 146503
Affects : Tract 14, 15 and 16 of the North Dalles Fruit and Garden Tracts, in Sections 27 and 28, Township 2 North, Range 13 East, W.M.
: The Southeast Quarter of the Southwest Quarter of the Southwest Quarter of the Southeast Quarter AND the Northwest Quarter of the Southeast Quarter of the Southeast Quarter of Section 27, Township 2 North, Range 13 East, W.M.
: An easement within the confines of the existing 60 foot county roadway along the North side of the property and extending to the East boundary of said property.

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

Order No.: W-31484

11. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Navigation easements as described in said instrument
 Recorded : March 15, 1978
 Auditor's no. : 165019
 Recorded : April 10, 1978
 Auditor's no. : 165392
 Recorded : April 17, 1978
 Auditor's no. : 165500
 Recorded : May 3, 1978
 Auditor's no. : 165753
 Affects : reference is made to the record for particulars.

12. The right to restrict or prohibit certain structures, trees, or other objects or uses as more fully set out in the instruments described in Item 13 above. Reference is made to the record for particulars.

13. An agreement dated May 23, 1979 between Public Utility District No. 1 of Klickitat County and The City of The Dalles, wherein PUD No. 1 agrees to subordinate certain of its easements to the City's flight path easements as described in the agreement

Recorded : June 5, 1979
 Auditor's no. : 172108

14. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : An electric distribution line to serve the Runway End
 Identification Light system at the City of The Dalles
 Municipal Airport
 Recorded : October 1, 1979
 Auditor's no. : 174031
 In favor of : Public Utility District No. 1 of Klickitat County, a
 municipal corporation.

15. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Power lines and related rights
 Recorded : May 26, 1982
 Auditor's no. : 186146
 In favor of : Public Utility District No. 1 of Klickitat County, a
 Municipal corporation
 Affects : Said easement to be 20 feet in width, 10 feet on each
 side of centerline as shown on the sketch attached to
 said deed

PACIFIC NORTHWEST TITLE
Insurance Company, Inc.

Order No.: W-31484

16. A lease with certain terms, covenants, conditions and provisions set forth therein.

Lessor : City of The Dalles, a municipal corporation
Lessee : Fliteline Systems, a general partnership
Recorded : February 1, 1995
Auditor's no. : 245448

17. Matters set forth on Binding Site Plan No. 94-05

Recorded : May 16, 1995
Auditor's no. : 247103

18. Various Instruments and matters related to The Dalles Airport Condominiums.

19. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Public utility easement
Recorded : August 8, 2002
Auditor's no. : 1025105
In favor of : Klickitat County, a municipal corporation
Affects : A strip of land 30 feet in width, lying 15 feet on
either side of the following described line:
: Commencing at the West 1/4 corner of Section 34;
: Township 2 North, Range 13 East, W.M.
: Thence North 30°54'52" East 1,239.51 feet to the true
: Point of Beginning, said True Point of Beginning lies
: on the northeasterly right-of-way line of Dallesport
: County Road;
: Thence North 77°10'56" East 340.53 feet;
: Thence South 75°01'11" East 321.53 feet, and there
: terminating, said point bears South 38°26'06" East
: 2,019.93 feet from the Northwest corner of said
: Section 34.

20. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : utility easement and related rights
Recorded : October 25, 2001
Auditor's no. : 1026471
In favor of : United Telephone Company of the Northwest, an Oregon
corporation, d.b.a. Sprint, its successors and assigns Affects : A ten fo

21. Any unrecorded leases, agreements, interest or other matters which may be disclosed by an inspection of said land or the records of the City of The Dalles in relation to the Airport
Page 7

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

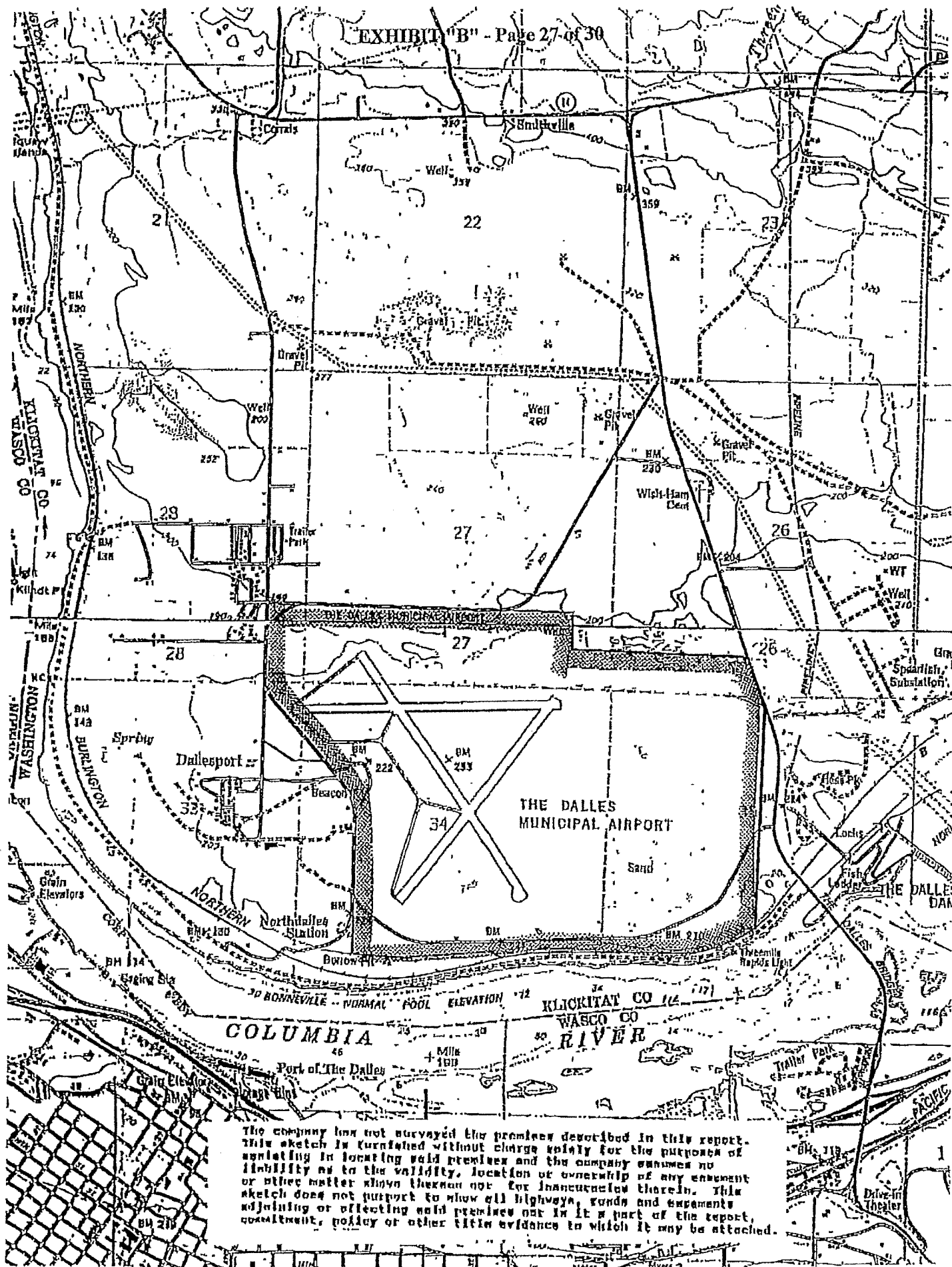
Order No.: W-31484

and its facilities.

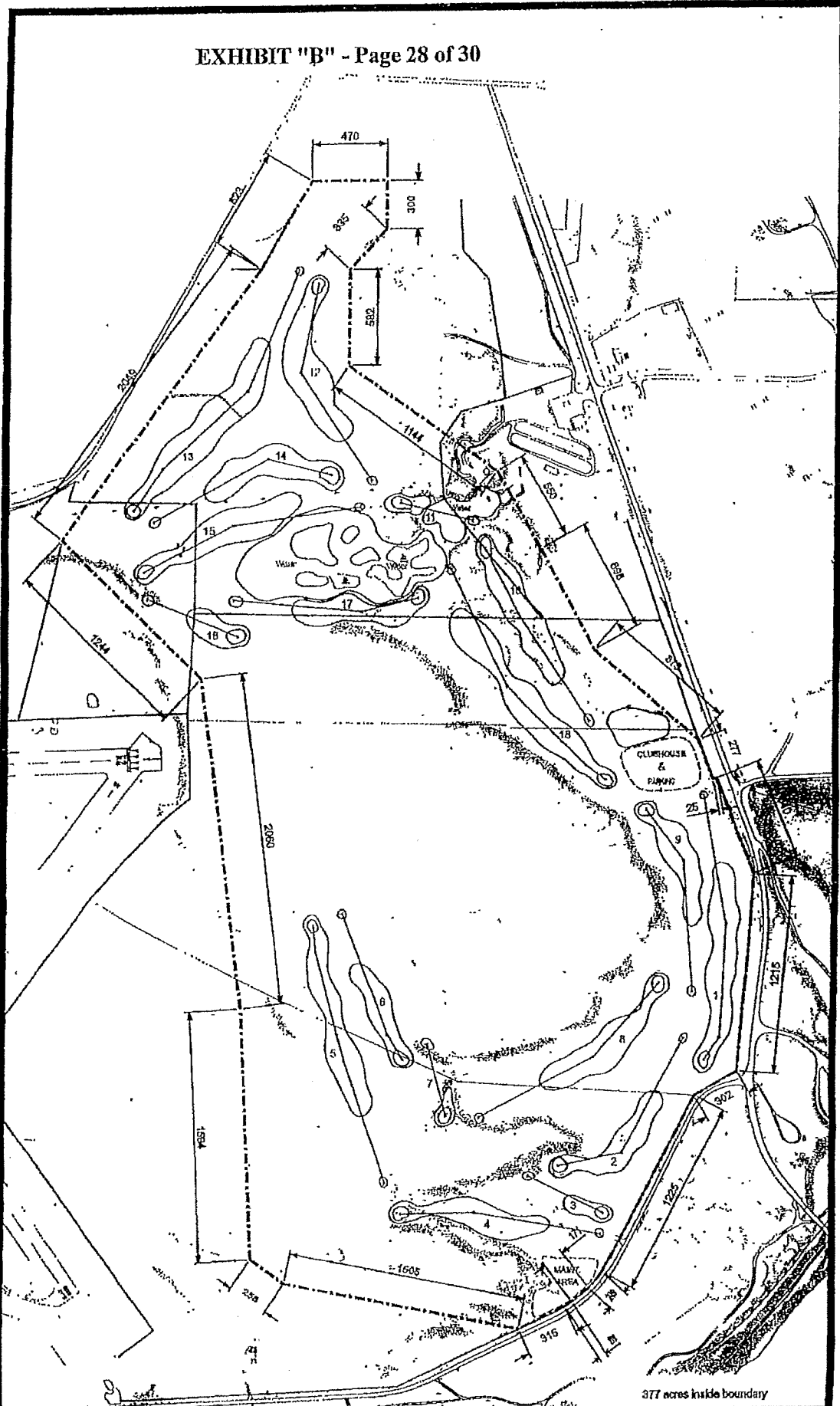
NOTE 1: Investigation should be made to determine if there are any service, installation, maintenance or construction charges for sewer, water, garbage or electricity.

NOTE 2: In the event the transaction fails to close and this commitment is cancelled, a fee will be charged (minimum \$100.00) to comply with the state insurance code and the filed schedule of this company.

... END SCHEDULE B ...



The company has not surveyed the premises described in this report. This sketch is furnished without charge solely for the purpose of assisting in locating said premises and the company assumes no liability as to the validity, location or ownership of any easement or other matter shown thereon nor for inaccuracies therein. This sketch does not purport to show all highways, roads and easements adjoining or affecting said premises nor is it a part of the report, commitment, policy or other title evidence to which it may be attached.



 Scale: 1" = 100' Date: 12/12/22	EXHIBIT "B"	THE DALLESPORT PROPERTY BOUNDARY	 JOHN FOUGHT DESIGN
--	--------------------	---	-----------------------------------

FIRST AMENDMENT TO
JOINT OPERATING AGREEMENT FOR
THE COLUMBIA GORGE REGIONAL AIRPORT

WHEREAS, the City of The Dalles, a municipal corporation of the State of Oregon, hereinafter referred to as "CITY", and Klickitat County, a municipal corporation of the State of Washington, hereinafter referred to as "COUNTY", entered into a Joint Operating Agreement for the Columbia Gorge Regional Airport in Dallesport, Washington, with an effective date of November 1, 2002, hereinafter referred to as "Joint Operating Agreement"; and

WHEREAS, the Regional Airport Board has submitted a request to the CITY and COUNTY to consider an amendment to Paragraph 8 of the Joint Operating Agreement which sets forth the provisions concerning vacancies and qualifications for the members of the Regional Airport Board; and

WHEREAS, the CITY and COUNTY have considered the amendment requested by the Regional Airport Board, and have voted to approve the requested amendment;

NOW, THEREFORE, in consideration of the terms and conditions set forth in this First Amendment, it is mutually agreed as follows:

Section 1. Paragraph 8 of the Joint Operating Agreement shall be revised to read as follows:

8. BOARD VACANCIES AND QUALIFICATIONS. The applicable appointing authority, (i.e., the City, the County, or the Board) shall fill vacancies on the Board. The City and County may establish their own procedures for making appointments to the Board, including provisions for removal of appointees to the Board, and provisions for the length of the terms to be served by the appointees. Notwithstanding the foregoing, Board positions terminate upon the termination or expiration of this Agreement. In the event of a vacancy, a new appointee shall serve only the unexpired term of the previous


Board member. All Board members shall be residents of the City or the County, except that one of the City's appointees may reside outside the City limits in Wasco County, and the 7th member of the Board may reside in either Wasco or Klickitat County; provided, however, that the terms of any Board member who is a member of the City Council or the Board of County Commissioners shall be subject to the rules of the governing body and any term shall immediately terminate if such member no longer holds a position on the City Council or the Board of County Commissioners, as applicable. Board members may serve more than one term. In making appointments, the City and the County shall endeavor to ensure that its appointees are qualified by reason of education and/or experience in matters pertaining to aviation and industrial development.

Section 2. Except as modified by this First Amendment, the terms and conditions of the Joint Operating Agreement shall remain in full force and effect.

Dated this 15th day of December, 2003.

CITY OF THE DALLES


BOARD OF COUNTY COMMISSIONERS
Klickitat County, Washington



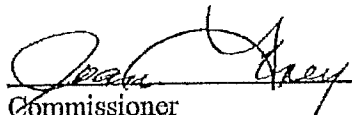
Nolan K. Young, City Manager



Chairman

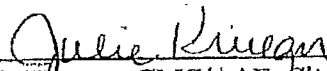


Commissioner



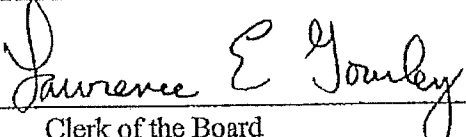
Commissioner

ATTEST:



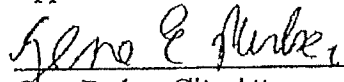
Julie Kueger, CMC/AAE, City Clerk

ATTEST:

By 

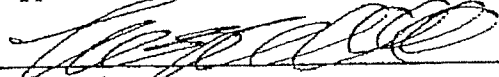
Clerk of the Board

Approved as to Form:



Gene Parker, City Attorney

Approved as to Form:



Prosecuting Attorney

**FIRST AMENDMENT TO
AIRPORT MANAGEMENT AGREEMENT**

This FIRST AMENDMENT TO AIRPORT MANAGEMENT AGREEMENT ("First Amendment") is entered into by and between the **CITY OF THE DALLES** ("City"), an Oregon municipal corporation, **KLICKITAT COUNTY** ("County"), a municipal corporation of the State of Washington, and **AVIATION MANAGEMENT SERVICES, LLC** ("Contractor"), an Oregon corporation licensed in Washington.

WHEREAS, the City, County, and Contractor entered into that certain Airport Management Agreement ("AMA") on January 9, 2018;

WHEREAS, Contractor's ownership was assigned by its then-owner Chuck Covert to David and Aryn Rasmussen in April 2019;

WHEREAS, Contractor's ownership is now contemplated to be transferred from David and Aryn Rasmussen to Jeff Renard;

WHEREAS, Section 4.6, Assignment Clause, requires consent of the City and County to assign ownership and states consent shall not be unreasonably withheld;

WHEREAS, the Parties now desire to amend the AMA to reflect the most recent change in ownership to Jeff Renard.

NOW, THEREFORE, in consideration of the terms and provisions set forth in this First Amendment, the Parties agree:

1. The text of AMA Section 4.2(C) shall be revised to read:
 - C. To the CONTRACTOR: Jeff Renard
 Aviation Management Services, LLC.
2. This First Amendment is effective July 15, 2021.
3. Except as modified by this First Amendment, the terms and conditions of the AMA shall remain in full force and effect.

//

//

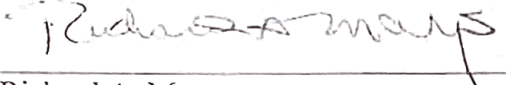
//

//

//

//

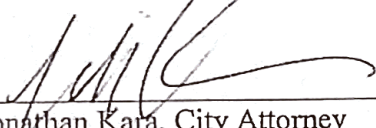
CITY OF THE DALLES



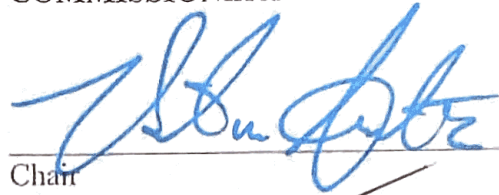
Richard A. Mays

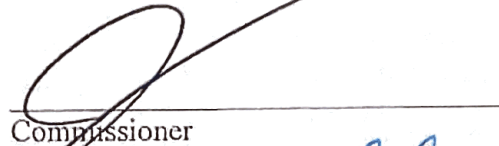
Attest: 
Izetta Grossman, CMC, City Clerk

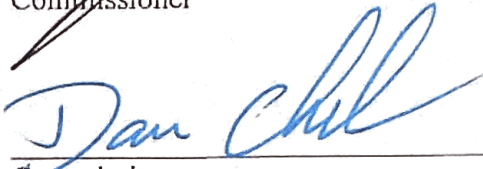
Approved as to form:


Jonathan Kara, City Attorney

KLICKITAT COUNTY
COMMISSIONERS

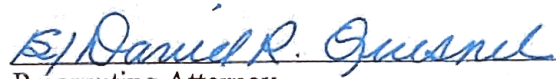

Chair


Commissioner


Commissioner

Attest: 
Clerk of the Board

Approved as to form:


Prosecuting Attorney

AVIATION MANAGEMENT SERVICES, LLC

By: 
Jeff Renard