



PORT OF HOOD RIVER COMMISSION
MEETING AGENDA
April 17, 2018
Marina Center Boardroom

Regular Session

To convene upon conclusion of the Spring Planning session

1. Call to Order
2. Modifications, Additions to Agenda
3. Public Comment (5 minutes per person per subject; 30-minute limit)
4. Consent Agenda
 - a. Approve Minutes of April 3, 2018 Regular Session (*Jana Scoggins*)
 - b. Approve Accounts Payable to Jaques Sharp in the Amount of \$8,360 (*Fred Kowell*)
5. Director's Report (*Michael McElwee*)
6. Commissioner, Committee Reports
 - a. Airport Advisory Committee (Everitt)
7. Action Items
 - a. Approve Concession Agreement with Hood River Soaring for Glider Operations at the Airport (*Anne Medenbach*)
8. Commission Call
9. Adjourn

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

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

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

**5:00 P.M.
Regular Session**

Present: Commissioners Hoby Streich, Brian Shortt, Ben Sheppard, John Everitt and David Meriwether; Legal Counsel Garret Sharp; from staff, Michael McElwee, Fred Kowell, Genevieve Scholl, Anne Medenbach, Kevin Greenwood, Steve Carlson, and Jana Scoggins.

Absent: None

Media: None

1. CALL TO ORDER: President Streich called the meeting to order at 5:01 p.m.

2. MODIFICATIONS, ADDITIONS TO AGENDA: The contract with Duncan Solutions was not included in the printed packet but was emailed to Commissioners for review a day prior to the meeting. A hard copy was provided during the meeting.

3. PUBLIC COMMENT: Linda Maddox, a resident of Hood River, expressed her concern about the Maritime Site Planning and the Waterfront Parking Plan. Maddox stated that the 60-70 thousand square feet of development proposed for the Marina Site in various industrial configurations cause a concern to her and asked the Commission to consider options that would enhance the recreational activities of the Waterfront. Maddox commented that the paid-parking hours (9am – 9pm) proposed in the Waterfront Parking Plan are going to have a severe impact on the low-income families who use the Waterfront heavily in the evenings. Maddox commented that some items in the Waterfront Parking Plan have contradictory items and should require more planning and study before moving forward.

Cory Roeseler, a resident of Hood River, introduced Hood River Soaring and their non-profit glider club mission. Roeseler commented that Ordinance 23 and the removal of some sections appear to affect the operations of the glider club. Roeseler mentioned that a concern arose about the possibility of economic disadvantage of Fixed Based Operator – TacAero; however, Roeseler stated that Hood River Soaring and TacAero have a collaborative relationship and a non-compete agreement.

4. CONSENT AGENDA:

- a. Approve Minutes of March 22, 2018 Regular Session.
- b. Approve Contract with Dan Homer for Siding on the DMV Building.
- c. Approve Amendment No. 3 to Contract with HDR Engineering, Inc. for engineering services associated with the Hood River Interstate Bridge.

Motion: Move to approve Consent Agenda.

Move: Meriwether

Second: Sheppard

Discussion: None

Vote: Aye: Unanimous

MOTION CARRIED

5. WORK SESSION #2 – Port Real Estate Portfolio Assessment – EcoNorthwest

Anne Medenbach, Property and Development Manager, and Matt Craigie, EcoNorthwest, presented findings of the in-depth analysis completed for both existing buildings and Port owned, developable land. The analysis provides the basis for recommendations, summarizes the property characteristics, and evaluates performance markers. Strategic assumptions were revised and changes implemented from Work Session #1. Medenbach and Craigie provided an example of “cut sheets” for analysis of each property and reviewed the summaries to assist in understanding the data to inform near-term and long-term actions.

6. REPORTS, PRESENTATIONS AND DISCUSSION ITEMS:

a. Maritime Site Planning – Concept Alternatives: Anne Medenbach reported that Port Staff has been working with Livermore Architecture and Engineering, Inc. for the past month on concept plans for the Maritime site. The existing Maritime building is obsolete and thus will have to be replaced. In 2021, Maritime will be vacant and ready for development. Medenbach noted that the inherent challenges to development are the Refinement Plan restrictions, the wastewater treatment plant, and the 75-foot top of bank setback. Medenbach presented three preliminary concept options for the site; warehouse and production, industrial and office space, and the third option combines the two to achieve a balance between a more employee-intensive development versus a production-focused one.

b. 2018 Waterfront Parking Rates & Charges: Michael McElwee, Executive Director, provided a brief overview of the proposed hourly rates for parking and reasonable fees for violations. The schedule represents seven parking areas, including Nichols Basin, Event Site, Lot 1, 1st Street, East Portway, and violation fees for overtime parking, parking in unauthorized space, non-payment, etc. Discussion occurred about the possibility of allowing overnight parking for Commercial Trucks on 1st Street and West Portway, but no passenger car/truck/van parking after midnight on Port properties. Additional items pertaining to the time, fee collections, and public outreach program were discussed. The Schedule of Fees and Penalties is to be finalized by the end of April, amounts will be programmed into the on-site pay stations this summer, and the plan will be widely advertised to parking customers.

c. Bridge Replacement Project Update: Kevin Greenwood, Bridge Replacement Project Director, summarized that 25 responses were received thus far to the Request for Proposals for Environment Impact Studies, and interviews are planned to be conducted on May 23, 2018. The second public hearing for P3 Administrative Rules will be on May 1, 2018 which is subject to change. Only a single comment was received during Public Hearing #1. Greenwood continues to meet with local agencies and to work with Steve Siegel and Lowell Clary on introductory modeling and financial procurement options.

d. Ordinance 23 and Minimum Standards Update: Anne Medenbach, reported that Staff and the Airport Advisory Committee (“AAC”) have been working on revisions to Ordinance 23 in conjunction with a set of Minimum Standards. Medenbach guided the Commission through the revisions to the Glider operations, general requirements of the Fly Friendly Program, general minimum standards for non-commercial operators, minimum standards for additional FBO Services, etc. The documents have been approved by the AAC in the revised form. The first hearing is proposed for May 1st with a final adoption and approval of both Ordinance 23 and the Minimum Standards on May 15.

7. EXECUTIVE DIRECTOR'S REPORT: Michael McElwee, Executive Director, briefly reported that the Facilities crew has been working on finding a durable solution to marking the centerline on the bridge. The last public meeting to update the public on the progress made at the airport towards reducing noise during operations will occur on April 12th. Additionally, McElwee discussed a draft agenda for Spring Planning Session and asked for any additional comments to be emailed.

8. COMMISSIONER, COMMITTEE REPORT:

PNWA Mission to Washington (Streich, Shortt): President Streich and Commissioner Shortt reported that PNWA Mission to Washington has been an excellent opportunity to discuss Pacific Northwest navigation, energy, trade and development issues, but most of all the chance to represent the Port's unique bridge replacement project. Both Streich and Shortt emphasize the need to be diligent and maintain the presence in Washington D.C. as well as have representatives both from Oregon and Washington.

9. ACTION ITEMS:

a. Approve Schedule of 2018 Event Site and Season Pass Fees. With the recent Commission approval of the "Waterfront Parking Plan," staff has re-evaluated the current parking pass program and recommends changes starting in summer 2018. As an example, the proposed changes involve increase of in-season parking pass rate, allowing pass transferability between vehicles, discontinuation of reduced rate family passes, etc. This is to reasonably increase waterfront recreation revenue to help offset maintenance costs, incentivize long-term parking in off-street lots, simplify administrative processes to reduce staff time and other costs, and provide reduced rate parking for local and frequent users.

Motion: Approve the 2018 Event Site Parking Pass Rate Schedule.

Move: Shortt

Second: Everitt

Discussion: None

Vote: **Aye:** Unanimous

MOTION CARRIED

b. Approve Contract with Duncan Solutions for Waterfront Parking Collections Administration. Staff has discussed options with parking industry representatives and believes that the combination of technology, service experience, and pricing provided by Duncan Solutions (dba Professional Account Management, LLC) provides the best value for the Port to manage the processing and collection of parking citations.

Motion: Authorize Agreement with Professional Account Management, LLC for parking fee collection services associated with the Waterfront Parking Plan.

Move: Shortt

Second: Everitt

Discussion: Discussion occurred about the buyout options of the contract if the Port decides not to continue with paid parking at the Waterfront in the future.

Vote: **Aye:** Streich, Shortt, Sheppard, Everitt **Nay:** Meriwether

MOTION CARRIED

c. Approve Amendment No. 1 to South Development Agreement with Hood Tech Corp., Aero Inc. Hood Tech Corp, Aero Inc. is moving through the Development process on the South side of the airport. The first amendment addresses changes to the schedule and scope of development in the original agreement.

Motion: Approve Amendment 1 to the South Development Agreement with Hood Tech Corp., Aero Inc.

Move: Shortt

Second: Everitt

Discussion: None

Vote: **Aye:** Unanimous

MOTION CARRIED

d. Approve Amendment No. 2 to Ground Lease Options with Hood Tech Corp., Aero Inc. Amendment No. 1 to the Ground Lease Option extended the expiration date to accommodate changes to the Development Agreement with Hood Tech Corp., Aero Inc. This second amendment also extends the expiration deadline to coincide with the updated schedule and development plan.

Motion: Approve Amendment 2 to the Ground Lease Option with Hood Tech Corp. Aero, Inc.

Move: Shortt

Second: Sheppard

Discussion: None

Vote: **Aye:** Unanimous

MOTION CARRIED

e. Appointment of Commissioner to Serve as Chair of the Bridge Replacement Advisory Group (BRAG).

The Port Commission representative has to be selected to serve as the Chair for the Bi-State Bridge Replacement Advisory Group. This advisory group will review and provide feedback during the NEPA Environmental Impact Study process, and other essential duties.

Motion: Authorize President Streich to appoint a member of the Port Commission to serve as Chair of the Bi-State Bridge Replacement Advisory Group.

Move: Shortt

Second: Sheppard

Discussion: None

Vote: **Aye:** Unanimous

MOTION CARRIED

10. COMMISSION CALL: None.

11. EXECUTIVE SESSION: None.

12. POSSIBLE ACTION: None

13. ADJOURN:

Motion: Motion to adjourn the meeting.

Move: Streich

Second: Shortt

Discussion: None

Vote: **Aye:** Unanimous

MOTION CARRIED

The meeting was adjourned at 8:15 P.M.

Respectfully submitted,

Jana Scoggins

ATTEST:

Hoby Streich, President, Port Commission

John Everitt, Secretary, Port Commission

Commission Memo



Prepared by: Fred Kowell
Date: March 20, 2018
Re: Accounts Payable Requiring Commission Approval

Jaques Sharp	\$8,360.00
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Attorney services per attached summary

TOTAL ACCOUNTS PAYABLE TO APPROVE	\$8,360.00
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JAQUES SHARP

— ATTORNEYS AT LAW —

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

CREDIT CARDS ACCEPTED

RECEIVED
APR 11 2018

BY: _____

Page: 1
April 09, 2018
PORTOHAM

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

Account No:

Previous Balance	Fees	Expenses	Advances	Payments	Balance
MISCELLANEOUS MATTERS					
JJ					
940.00	1,160.00	0.00	0.00	-940.00	\$1,160.00
CONTRACT (Gorge Electric)					
100.00	0.00	0.00	0.00	-100.00	\$0.00
WATER ISSUES ODELL (Crystal Springs Water District					
220.00	800.00	0.00	0.00	-220.00	\$800.00
GLIDER CONCESSION -AIRPORT					
0.00	600.00	0.00	0.00	0.00	\$600.00
AIRPORT DEVELOPMENT (Tac-Aero)					
0.00	100.00	0.00	0.00	0.00	\$100.00
SOUTH RUNWAY PROJECT					
60.00	440.00	0.00	0.00	-60.00	\$440.00
DDA AIRPORT GRANT SOUTH TAXIWAY					
840.00	700.00	0.00	0.00	-840.00	\$700.00
P3 - BRIDGE					
5,360.00	540.00	0.00	0.00	-5,360.00	\$540.00
OVERWEIGHT TRUCK ENFORCEMENT					
0.00	20.00	0.00	0.00	0.00	\$20.00
WATERFRONT PARKING					
0.00	1,340.00	0.00	0.00	0.00	\$1,340.00

HOOD RIVER, PORT OF

Account No:

Previous Balance	Fees	Expenses	Advances	Payments	Balance
STORM LINE SINK HOLE (HDR area) 640.00	0.00	0.00	0.00	-640.00	\$0.00
ORDINANCE 25 (Airport rules) 60.00	0.00	0.00	0.00	-60.00	\$0.00
P3 COMMITTEES 0.00	40.00	0.00	0.00	0.00	\$40.00
FEIS 5,120.00	2,600.00	0.00	0.00	-5,120.00	\$2,600.00
0.00	20.00	0.00	0.00	0.00	\$20.00
<u>13,340.00</u>	<u>8,360.00</u>	<u>0.00</u>	<u>0.00</u>	<u>-13,340.00</u>	<u>\$8,360.00</u>

THIS STATEMENT REFLECTS SERVICES PROVIDED AND PAYMENTS RECEIVED THROUGH THE 31st of MARCH UNLESS OTHERWISE STATED

Commission Memo



Prepared by: Anne Medenbach
Date: April 17, 2018
Re: Hood River Soaring, Glider Concession

Hood River Soaring has been a Glider Club for two years at the airport. They have grown to over 50 members and are doing well. They are a non-profit club providing gliders, tows, and training for their members but are not able to provide commercial “scenic flights” due to their club status. This is a change to the services they are allowed to provide from previous years.

The new agreement:

1. Clarifies that they operate as a flying club for the benefit of their members and not a commercial operation.
2. Allows them to manage the tie-down area included in the operating area. It doesn't make sense for the Port or the FBO to manage the tie-downs as they are at the far end of the field and will at times be very busy. As the glider club will be there when it is busy, it makes sense for them to manage and take the revenue from the management. The revenue is not shared with the Port and directly funds their operations as a club.
3. Increases insurance requirements for types and limits of insurance to ensure coverage of passengers and employees as well as standard airport liability.
4. Other clarifying language.

This agreement has gone through legal review and has been approved by the glider Club President.

RECOMMENDATION: Approve Concession Agreement with Hood River Soaring for glider operations at the Ken Jernstedt Airfield.

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

The Port of Hood River (“Port”) hereby enters into the following Operations Agreement (“Agreement”) with **Hood River Soaring** (HRS) a 501 (c) (3) Oregon non-profit Corporation (“HRS”), whereby the Port grants HRS the non-exclusive right to operate a Flying Club at the Ken Jernstedt Airfield (“Airport”).

RECITALS

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

TERM OF AGREEMENT

The term of this Agreement shall commence on the date set forth below, and extend through March 30, 2019 unless terminated earlier by the Port pursuant to Section V of this Agreement. The Port and HRS may agree to renew this Agreement for an extended period if the Port determines it is appropriate to do so after considering relevant facts, including whether HRS has strictly complied with the terms and conditions of all applicable Port ordinances, regulations, policies, now or hereafter in effect, and the terms of this Agreement.

FEES.

A fee of Five Hundred Dollars (\$500) shall be assessed on HRS for the privilege of engaging in activities on or from Port property during the term of this Agreement.

USE RIGHTS AND OBLIGATIONS

Port grants HRS subject to HRS complete performance of the payment, other obligations and the terms and conditions of this Agreement the following rights:

- a. The general use of all public facilities and improvements which are now or may hereafter be constructed at the Airport related to the Property, including: non-exclusive use of the runways, taxiways and other airport amenities.
- b. The right to operate a glider club, including: glider member training, currency flights, flight reviews, check-rides and recreational flights
- c. The right to tie down up to twelve gliders and one tow plane at one time in the Glider Operations area, identified on Exhibit B, using earth anchors as tie downs.

- d. Tie downs for non-HRS owned aircraft parked in the Glider Operations Area will be managed by HRS. Glider owners who park their aircraft in the Glider Operations Area for more than three consecutive days must pay a monthly fee to HRS.
- e. Tie downs will be semi-permanent, auger type tie downs which HRS will be responsible to purchase, install and maintain. Location of such tie downs will be approved by the Port. If at any time, the Port has need to have the tie downs removed, HRS will do so within 72 hours of notification of removal by the Port.

OPERATING PLAN

General Operations

- a. All Gliders and tow planes shall be operated in conformance with FAA and AGLA regulations and the rules set forth in this Ordinance.
- b. The Port or FBO may suspend or restrict Glider Flight Activities at any time for reasons of safety including, but not limited to, weather, construction, firefighting operations, maintenance, etc. whenever they deem such action to be necessary. No person shall engage in Glider Flight Activity that violates any of the terms of such a suspension or restriction.
- c. No person who owns or controls a Glider shall store or park the Glider in the Restricted Access Areas unless an emergency exists, written permission is obtained from the Port or FBO, or unless permitted by the terms of a concession agreement.
- d. No person shall engage in any form of ground towing to launch a Glider at the Airport, other than using a tow plane connected to the Glider, unless the person has written permission from the Port or the FBO to do so, or it is permitted by the terms of a concession agreement.

Glider Support Area.

- a. The Glider Support Area shall be the only Airport area used by Glider Operators for orientation and registration, waiting and observers, and shall be the only Airport area from which customers are moved to the Glider Operations Area by the pilot or support crew.
- b. Unless the Port gives written permission otherwise, the Glider Support Area shall be the only Airport area used by Recreational Glider Pilots, by their glider passengers, and by support crew to orient passengers and support crew, and shall be the only Airport area from which Recreational Glider Pilots, their passengers and support crew are moved to the Glider Operations Area by the Glider Pilots or their support crew.
- c. No person shall place any canopies, picnic tables or other items intended for use by persons involved with or observing Glider Flight Activity in the Glider Support Area other than a person who has received written permission to do so from the Port.

- d. No person shall park a motor vehicle within the Glider Support Area unless located at a place designated for public parking by an official sign, or unless the vehicle has been registered with a Commercial Glider Operator and the motor vehicle is parked in a location within the Glider Support Area designated for parking under a Concession Agreement.
- e. Unless the Port gives written permission, all observers of a Recreational Glider Pilot intending to launch a Glider, their passengers and support crew, shall only meet at the Glider Support Area. All passengers, support crew, pilots and visitors may access the Glider Support Area via Orchard Road from the South. No access shall be allowed across airport property from the north.

Glider Operations Area.

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

Glider Launching.

- a. Standard Soaring Society of America (S.S.A.) procedures now or hereafter adopted applicable to Glider Flight Activity on land shall be used by all glider pilots, and their assistants, before a Glider is launched and after a Glider has landed, including using appropriate hand signals.
- b. No Commercial Glider Operator or Recreational Glider Pilot or person assisting a Commercial Glider Operator or Recreational Glider Pilot to launch a Glider shall launch a Glider when there is a motor vehicle or aircraft in the area that may cause a risk of damage to the Glider or the motor vehicle or other aircraft. Each Glider pilot and person assisting a Glider launch shall assure that a Glider departure will not conflict with aircraft that are taxiing, taking-off or landing.
- c. Each pilot who is towing a Glider to launch it shall announce their departure on UNICOM frequency prior to take-off roll.

Only a tow plane shall be used to launch a Glider, unless the Glider pilot has written permission from the Port, or is permitted by the terms of a Concession Agreement, to do so.

- d. No person shall engage in any form of Glider towing prior to launching a Glider at the Airport other than using a tow plane.

INSURANCE.

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

Airport General Liability: minimum coverage of one million dollars (\$1 million) single occurrence limit and an aggregate limit of \$2,000,000

Workers' Compensation.

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

Aircraft Passenger liability: minimum coverage of \$1,000,000 aggregate with \$100,000 per passenger.

HRS COMPLIANCE WITH APPLICABLE REQUIREMENTS.

Compliance Generally.

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

1. all Federal and state statutes and ordinances whenever enacted; and ordinances, regulations and policies imposed by the Port, which ordinances, regulations, and policies exist now or are promulgated at any time during the term of this Agreement;

2. all terms and conditions of this Agreement;
3. Port requirement that any employee, agent or other person in any way affiliated with HRS must possess a valid, appropriate Federal Aviation Administration (“FAA”) commercial license when engaging in instruction or other flight activity which requires such a license.

Compliance with Port Ordinance 23 and Minimum Standards

Prior to signing this Agreement, HRS has received and reviewed a complete copy of Port Ordinance 23 and Minimum Standards including attached Exhibits. HRS acknowledges that all terms are reasonable, and agrees to comply with each provision.

Compliance with FAA requirements

For purposes of this paragraph VII HRS shall be described as a “Tenant”.

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

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

ENFORCEMENT

Procedures.

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

Notice.

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

Length of Notice.

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

Hearing.

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

Penalties for Non-Compliance.

Legal Remedies.

HRS hereby further agrees to pay \$250 for each violation of Port Ordinance 23, or any other applicable ordinance, as determined by the hearing officer, within the sole discretion of the hearing officer, as a breach of contract remedy entitling the Port to liquidated damages pursuant to Section VII of this Agreement. If HRS violates any other Port ordinance, regulation, policy and/or breaches any term of this Agreement the Port shall have the right to enforce any other applicable legal remedy including, but not limited to, injunctive relief, allowed under the laws of the State of Oregon.

Termination of Agreement.

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

Failure to Comply with Enforcement Order.

If HRS fails to immediately comply with any Enforcement Order issued by the hearing officer after Notice and hearing, the Port may use a duly authorized party, including a Peace Officer as defined in Port Ordinance 23, Section 2, subsection bb, to ensure compliance with the enforcement order, using all means allowable under the laws of the State of Oregon.

Liquidated Damages

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

Tenant shall comply with any FAA policies, rules or requirements, including FAA grant requirements, applicable to the Port, Airport or Lessee's activities at the Airport.

ADVERTISING.

HRS shall not display any advertising, including signs or banners, on Port property, other than on HRS's vehicles or aircraft, without Port's prior consent. Prior to commencing permitted activities HRS shall provide the Port with a complete list of vehicles (make, model, and license plate number, when applicable) and aircraft (type, "N" number", ownership) HRS will use for permitted activities. If HRS uses a different motor vehicle or aircraft during the term of this Agreement HRS shall promptly notify the Port and identify that motor vehicle or aircraft.

INDEMNIFICATION.

HRS agrees to release, indemnify and hold harmless the Port and its agents, officers, employees, and successors from and against any and all liability, damages, business interruptions, delays, losses, claims, judgments of any kind whatsoever including all costs, attorneys' fees, and expenses incidental thereto, which may be suffered by, or caused to, the Port by reason of loss or damage to any property or injury to, or death of, any person arising from or by reason of HRS's use of the Airport. HRS shall further indemnify and hold harmless the Port from and against any and all claims, costs and expenses arising out of any act or omission of HRS or of HRS's agents, employees, contractors, partners, or invitees; and from and against all costs, attorney fees, expenses and liabilities incurred by the Port as the result of any such use, conduct, activity, work, things done, permitted or suffered, breach, default or negligence, including but not limited to the defense or pursuit of any claim or any action or proceeding resulting therefrom. In case any action or proceeding is brought against the Port because of such matter, HRS, upon notice by the Port, shall defend the same at HRS's cost. The Port need not have paid any such claim to be so indemnified. HRS, as a material part of the consideration to the Port, states that it hereby assumes all risks of theft, loss, injury, damage or destruction of HRS's property or injury to HRS, or HRS's agents, contractors, employees, invitees, clients, partners, and successors in, upon or about the Airport arising from any cause and HRS hereby waives all claims in respect thereof against the Port.

FORCE MAJEURE.

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

WAIVER.

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

BINDING ON EMPLOYEES.

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

NO ASSIGNMENT.

HRS agrees not to assign or in any manner transfer any rights granted by this Agreement without the previous written consent of the Port, which the Port may grant or withhold in the Port's sole discretion.

NOTICE.

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

If to Port:

Port of Hood River
Attn: Michael McElwee
Executive Director
1000 Port Marina Drive
Hood River, OR 97031

If to HRS:

Name: Cory Roeseler
Address: 1799 Markham Rd, Hood River OR 97031
Phone/Email 541 490-7649 cory@hoodtech.com

ENTIRE AGREEMENT.

This Agreement, including all other documents referred to herein which form a part hereof, contains the entire understanding of the parties hereto with respect to the subject matter contained herein. There are no restrictions, promises, warranties, covenants, or undertakings, other than those expressly set forth herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter of this Agreement.

GOVERNING LAW.

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

COUNTERPARTS.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the

same instrument. A facsimile signature shall have the same force and effect as an original.

SEVERABILITY.

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

AUTHORITY TO EXECUTE.

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

ADVICE OF COUNSEL.

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

AMENDMENTS IN WRITING.

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

The above conditions are agreed to this ____ day of _____, 20__.

HOOD RIVER SOARING

PORT OF HOOD RIVER

Cory Roeseler, President

Michael McElwee, Executive Director

Exhibit A

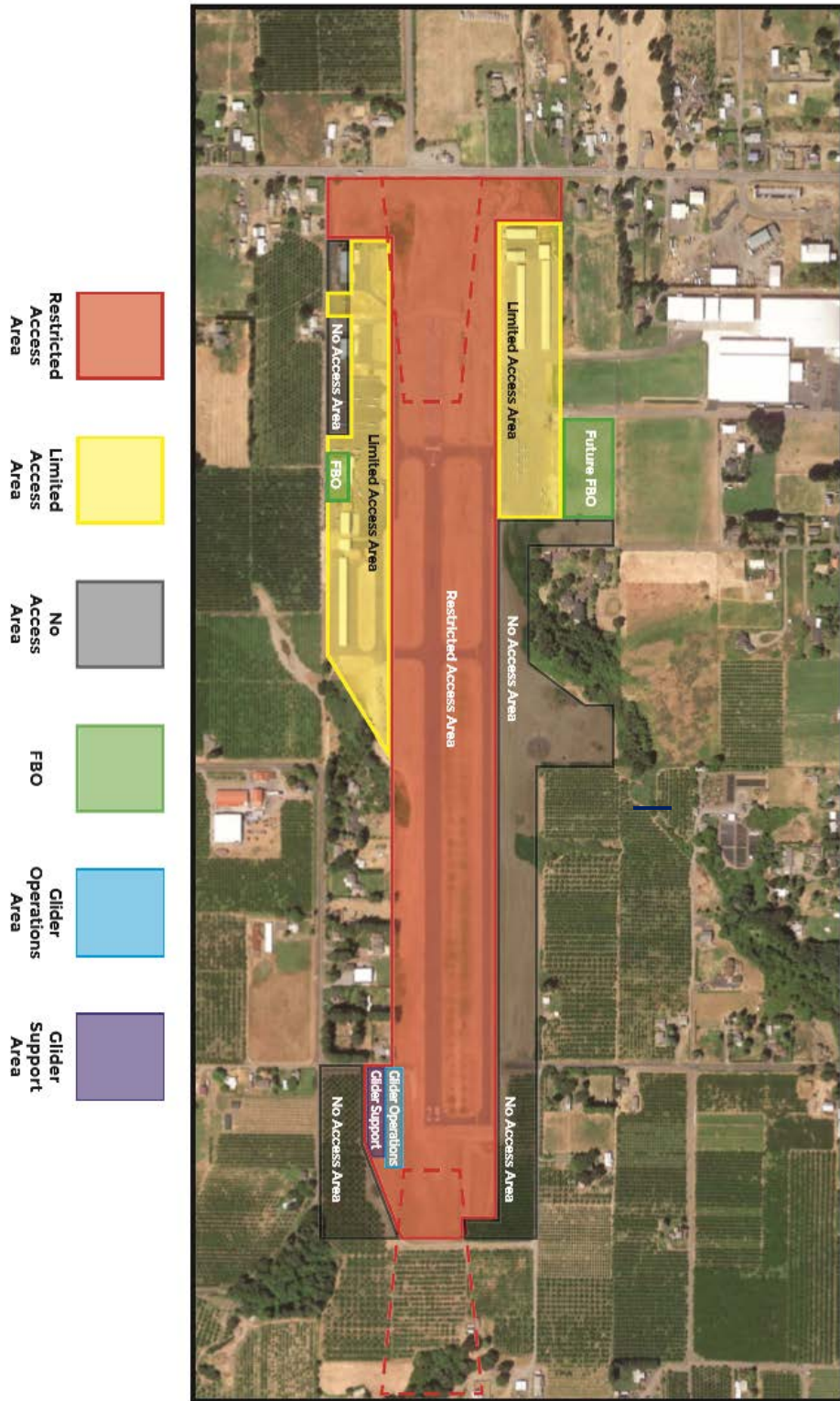


Exhibit B



Gliders Operations Area



Glider Support Area