

INTERLOCAL COOPERATION AGREEMENT

BY AND BETWEEN

PORT OF DOUGLAS COUNTY

AND THE

PORT OF CHELAN COUNTY

FOR THE

FUNCTIONAL CONSOLIDATION OF PORT FINANCES, MANAGEMENT AND OPERATIONS

DATED June 11, 2019

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This **FUNCTIONAL CONSOLIDATION INTERLOCAL AGREEMENT** (the "Agreement") between the **PORT OF DOUGLAS COUNTY** ("Port of Douglas"), a Washington municipal corporation, and the **PORT OF CHELAN COUNTY** ("Port of Chelan"), a Washington municipal corporation, is entered into and effective as of the last date of signature below.

WHEREAS, on November 4, 1958, the Port of Douglas and the Port of Chelan were formed as separate entities and since then have shared the same mission to promote healthy and diversified economic development for the citizens of their respective districts. Working cooperatively, the Ports have sought to make infrastructure investments that will attract private capital investments and create jobs to grow the regional economy;

WHEREAS, in furtherance of their missions, since 1965, the Port of Douglas and the Port of Chelan have jointly funded and operated the Pangborn Memorial Airport and the adjacent Airport Business Park. Together the Ports have made significant infrastructure investment in the Airport, which is an Essential Public Facility for the economic health of North Central Washington;

WHEREAS, the operational funding and capital investment needs of the Airport present a challenge to the region;

WHEREAS, as the pace of growth in the greater Wenatchee Valley has accelerated in recent years, it is recognized that economic development throughout both districts benefits all of the residents of North Central Washington;

WHEREAS, recent community planning efforts support the evaluation of a regional approach to visioning, planning, development, and governance;

WHEREAS, the commissioners of both Port Districts recognize that today, the economies of Chelan and Douglas Counties are intertwined as one and that the citizens rightly deserve an efficient, cost-effective government and funding structure;

WHEREAS, state and federal funding partners have increasingly emphasized the need for regional governance approaches to critical infrastructure and economic development;

WHEREAS, the commissioners recognize that any governance structure must maintain each Port Districts' accountability to their respective citizens while promoting a united, prosperous and thriving region that builds on the agricultural heritage and history of innovation;

WHEREAS, the commissioners desire to share resources and expertise, broadening the impact and effect of the combined Ports' core competencies and promote economic development on a regional scale, generating new opportunities through collaboration, knowledge and innovation;

WHEREAS, in the spring of 2019, the commissions of the Port of Douglas and the Port of Chelan directed the creation of a community task force comprised of elected officials and citizens from the region to provide advice to the Ports for a more efficient and sustainable funding and governance model for the Airport. The community task force considered various models that could deliver efficiencies to the taxpayers while maintaining accountability. That task force recommended the functional consolidation of the Ports through an interlocal agreement as an important step;

WHEREAS, the task force also recommended that all governments in Chelan and Douglas County thereafter consider supporting a 1/10 of 1% retail sales tax increase to fund operations and capital improvements at the Airport noting that the tax would be paid by citizens and visitors alike;

WHEREAS, this Agreement addresses Functional Consolidation (as the term is defined below) which will allow the Ports and their respective Port commissions to work together with a goal of demonstrating the advisability of statutory Consolidation pursuant to Chapter 53.46 RCW, as the same now exists or may hereafter be amended;

WHEREAS, RCW Chapter 39.34, entitled the Interlocal Cooperation Act, permits local governments, including port districts, to make the most efficient use of their powers by enabling them to cooperate in order to provide services and facilities that “will accord best with geographic, economic, population and other factors influencing the needs and development of local communities;”

WHEREAS, as a result of the work of the task force and for the aforementioned reasons, the commissioners of the Port of Douglas and the commissioners of the Port of Chelan have determined that Functional Consolidation should be pursued with the option to consider statutory consolidation in the future; and

WHEREAS, it is anticipated that the Functional Consolidation will yield efficiencies. The Proforma Consolidated Budget is attached hereto as Exhibit “A.”

NOW, THEREFORE, the Port of Douglas and the Port of Chelan agree as follows:

1. Definitions. The following defined terms shall apply throughout this Agreement.

“Airport” means Pangborn Memorial Airport including the adjacent Airport Business Park.

“Airport Business Park” means the 70-acre business park that is located in the southwest corner of the Airport, as described in the 1997 Lease Agreement and related documents between the Airport and Port of Douglas.

“Assets” means the personal property identified in Exhibits D-1, D-2 and D-3.

“Board of Directors” means the board of directors of the CDRPA consisting of the three commissioners of the Port of Douglas and the three commissioners of the Port of Chelan.

“Chelan Douglas Regional Port Authority” or “CDRPA” means an administrative entity created by the Port of Douglas and the Port of Chelan pursuant to the terms and conditions of this Agreement and RCW 39.34.030(3)(b) and Chapter 24.06 RCW.

“CDRPA Executive Director” means the chief executive officer of the CDRPA appointed by the Board of Directors effective as of January 1, 2020.

“Consolidation” means the process of consolidating port districts set forth in Chapter 53.46 RCW, as it now exists or is hereafter amended.

“Consolidated Budget” means the annual budget of the CDRPA which accounts for the anticipated receipt of funds from each Port’s Tax Levy, each Port’s Revenue, each Port’s Debt Service, and each Port’s Obligations.

“Debt” means the debt now incurred by either of the Ports and identified on Exhibit “C”.

“Debt Service” means the amount of funds used to pay, when due, all periodic payments (including principal and interest) required under any port Debt.

“Employee” or “Employees” means the employees of each Port and the Airport.

“Employment Agreement” means that certain agreement by and between the executive director and the Port of Douglas dated April 1, 2011.

“Equipment Lease” or “Equipment Leases” means any lease of personal property by a Port.

“Essential Public Facility” means those facilities set forth in WAC 365-196-550.

“Functional Consolidation” means the creation of the CDRPA and its undertaking all activities for and on behalf of both Ports (except for any power to levy taxes), including the Airport, pursuant to the Interlocal Cooperation Act, RCW 39.34.030, and the terms of this Agreement.

“Functional Consolidation Date” means January 1, 2020.

“Obligation” or “Obligations” means any other contractual responsibility incurred by a Port and managed by the CDRPA as set forth in this Agreement.

“Proforma Consolidated Budget” means the 2019 proforma budget prepared using the Ports current 2019 financial information as attached as Exhibit “A”.

“Ports or Port Districts” means the Port of Douglas and the Port of Chelan.

“Port Executive Directors” means the Executive Director of the Port of Douglas and the Executive Director for the Port of Chelan.

“Real Property” means that real property and improvements thereon now owned by one of the Ports.

“Reserves” means the cash reserve maintained by the CDRPA pursuant to a policy to be established by the Board of Directors.

“Initial Percentage” means the percentage of all cash or cash equivalents contributed by each Port as of the Functional Consolidation Date.

“Revenue” means revenue received by the Ports during a calendar year, including but not limited to property taxes, lease revenues, charges and fees.

“Tax Levy” means the annual tax levy set forth in Chapter 53.36.020.

2. Exhibits. The following exhibits are attached to this Agreement and incorporated herein by reference.

Exhibit “A”	Proforma Consolidated Budget
Exhibit “B”	Form of Articles of Incorporation and Bylaws
Exhibit “C”	C-1 Port of Douglas Obligations and Debt Service C-2 Port of Chelan Obligations and Debt Service C-3 Airport Obligations and Debt Service
Exhibit “D”	D-1 Port of Douglas Assets D-2 Port of Chelan Assets D-3 Airport Assets
Exhibit “E”	E-1 Port of Douglas Real Property E-2 Port of Chelan Real Property E-3 Airport Real Property (jointly owned)
Exhibit “F”	List of terminated agreements

3. Functional Consolidation; Purpose. The purpose of this Agreement is to achieve Functional Consolidation and thereafter operate the Ports and the Airport as a consolidated operation. Functional Consolidation shall begin on January 1, 2020.

4. Organization and Creation—Chelan Douglas Regional Port Authority. The Ports, pursuant to RCW 39.34.030 and RCW 53.08.240, hereby form the Chelan Douglas Regional Port Authority as the entity through which Functional Consolidation is achieved. The form of the Chelan Douglas Regional Port Authority Articles of Incorporation and Bylaws are attached hereto as Exhibit “B” and incorporated by reference.

4.1 Governance. The CDRPA shall be governed by the Board of Directors. Each member of the Board of Directors shall serve only during such periods as they are serving as a Port commissioner. All meetings of the Board of Directors will be subject to the provisions of the Open Public Meetings Act, Chapter 42.30 RCW. Each meeting of the Board of Directors will also be a meeting of the respective Port commissions. In this regard, the Board of Directors and each Port commission shall, pursuant to Chapter 42.30 RCW set the regular meeting schedule. In addition, the CDRPA shall comply with applicable laws, including but not limited to:

- a. Requirements concerning local government audits by the state auditor and applicable accounting requirements set forth in Chapter 43.09 RCW;
- b. The Public Records Act, Chapter 42.56 RCW;
- c. Prohibitions on using facilities for campaign purposes under RCW 42.17A.555;
- d. The code of ethics for municipal officers under Chapter 42.23 RCW; and
- e. Local government whistleblower protection laws set forth in Chapter 42.41 RCW.

4.2 Manner of Acting. Any act, resolution or action of the Board of Directors shall require an affirmative vote of four commissioners, of which two affirmative votes must come from Port of Douglas commissioners and two affirmative votes must come from Port of Chelan commissioners. Each act of the Board of Directors shall also be deemed an action of each Port Commission. The approval of the minutes of meetings by the Board of Directors shall be deemed an approval of the minutes of meeting by each Port commission.

4.3 Legal Form Chelan Douglas Regional Port Authority. CDRPA will be a not for profit corporation as permitted under RCW 39.34.030(3)(b). The CDRPA will be wholly controlled and owned by the Port of Chelan and the Port of Douglas.

4.4 Creation of a Legal Entity. If determined necessary by the Board of Directors, the CDRPA may become another entity allowed under RCW 39.34.030.

4.5 Reservation of Authority. Notwithstanding any other provision set forth herein, unless otherwise agreed by each Port Commission, the following matters and authority are expressly reserved by each Port Commission:

- a. Setting Tax Levy rates for property taxes collected within each Port District;
- b. Authorization and commencement of condemnation proceedings;
- c. Creation of local improvement districts, including authorization to collect assessments;
- d. Issuance of bonds;
- e. Approval of consolidated budget;
- f. Sale of existing Real Property within their respective counties identified in Exhibits E-1 and E-2; and
- g. Adoption of regulations pursuant to RCW 53.08.220.
- h. Issuing industrial development revenue bonds and actions of the public corporation created pursuant Chapter 39.84 RCW.
- i. Filling a vacancy on a Port Commission.

Once a decision is made by an individual Port as set forth above, it is anticipated that the oversight, administration and management of the action taken will be delegated to the CDRPA consistent with this Agreement.

5. Authority of the Chelan Douglas Regional Port Authority. It is the intent of the Port of Chelan and the Port of Douglas that the CDRPA, except as provided in Section 4.5, above, shall perform all powers and authorities of each Port and the Airport.

5.1 Powers and Authorities. The powers and authorities of the CDRPA include but are not limited to:

- a. Exercise the statutory authority delegated by the Ports pursuant to this Agreement and adopted plans (see Section 5.2) to benefit the citizens of both Ports in a fair and equitable manner;
- b. Provide economic development and infrastructure to the Ports;
- c. Work to promote a regional approach to Port activities;
- d. Work to create efficiencies in operations;
- e. Provide economic development programs and resources throughout Douglas and Chelan Counties, including rural communities;
- f. Management of the Airport;
- g. Management, control and maintenance of all the Ports' Real Property including the other airfields owned by the Ports;
- h. Management, control and maintenance of all the Ports' Assets;
- i. Management and control of the Airport as an Essential Public Facility;
- j. Seek a sustainable funding source for the capital and operational needs of the Airport;
- k. Management of all Port funds transmitted to the CDRPA;

- l. Employment, management, control and payment of all employees needed for the operations noted herein;
- m. Payment of all the Ports' Obligations listed on Exhibit "C";
- n. Payment of all the Ports' Debt Service listed on Exhibit "C";
- o. All reporting responsibilities to any state federal or local government;
- p. Collection and remittance of all taxes due from the Ports' operations;
- q. Management and control of all relationships between the Ports and other governments and entities; and
- r. Provide administrative support to the commission of each Port.

5.2 Plan of Functional Consolidation. Prior to the Functional Consolidation Date, the Port Executive Directors and Port staffs will work together to develop the plan of Functional Consolidation. The plan will be presented to each Port commission for approval prior to the Functional Consolidation Date. The plan will provide such detail as each Port Commission may require to complete the Functional Consolidation. At a minimum the plan will address the following:

- a. Staffing, compensation, benefits, PERS issues, personnel policies, and a Functional Consolidation organizational chart;
- b. Legal support, pending litigation and retention of independent legal counsel, if requested by one Port;
- c. Operating budget, including financing plan for anticipated payment of Obligations due and owing after the Functional Consolidation Date;
- d. Capital budget;
- e. Tax Levy management;
- f. Reserves;
- g. State auditor coordination; creation of accounts necessary for the CDRPA; designation of treasurer function;
- h. Debt management plan including payment of all Debt Service and financial reporting required for all Obligations;
- i. FAA and other government coordination;
- j. Asset utilization and maintenance;
- k. Real Property management and utilization, including whether the Airport Real Property (Exhibit E-3) should be conveyed to the CDRPA;
- l. Insurance;
- m. Risk management;
- n. Payment or continued payment of contractually required severance;
- o. Delegation of authority resolution for the CDRPA Executive Director;
- p. Port Commission compensation and benefits;
- q. Comprehensive Scheme of Harbor Improvements; and
- r. Any other elements the Port Commissions find necessary.

5.3 Elimination of Port Executive Director Positions and Appointment of CDRPA Executive Director. In recognition of the need to capture efficiencies through staff reductions, both

Port Executive Director positions will be eliminated and a CDRPA Executive Director will be appointed as follows:

- a. Notice of Elimination of Executive Director Positions. Upon execution of this Agreement, each Port will provide written notice to its Executive Director that its Executive Director position is being eliminated. It is anticipated that the Executive Director for the Port of Douglas will be terminated prior to the Functional Consolidation Date (see Section 5.3(b), below) and that the Executive Director for the Port of Chelan shall be terminated effective on December 31, 2019.
- b. Payment of Severance to the Port of Douglas Executive Director. The Port of Douglas' Executive Director has elected not to be considered for the CDRPA Executive Director position and, as a result of the elimination of her position, her employment will be terminated on or after the date of this Agreement and before the Functional Consolidation Date. As a result of the elimination of her position, she is entitled to severance under the terms of her Employment Agreement. The severance payments will start upon her departure (including her departure before the Functional Consolidation Date). Any periodic severance payment(s) due under the Employment Agreement shall be made in accordance with its terms first by the Port of Douglas and then, if necessary, after the Functional Consolidation Date, by the CDRPA, or its successor, as an Obligation assumed from the Port of Douglas by the CDRPA.
- c. Appointment of Port of Chelan Executive Director as CDRPA Executive Director. The Executive Director of the Port of Chelan is hereby appointed as the initial CDRPA Executive Director, effective on the Functional Consolidation Date under the same terms and conditions as his employment with the Port of Chelan subject to (i) any adjustments as may be agreed by him and the Board of Directors and (ii) the Executive Director's waiver of any right or claim to receive any severance or other benefit occasioned by the elimination of the Port of Chelan Executive Director position.
- d. Interim Port of Douglas Executive Director. In the event that the Port of Douglas Executive Director's employment is terminated prior to the Functional Consolidation Date, the Port of Chelan Executive Director shall serve as the Executive Director for both Ports until the Functional Consolidation Date without cost or expense to the Port of Douglas.

5.4 Acts by Each Port in Support of the Chelan Douglas Regional Port Authority. Prior to and after the Functional Consolidation Date, each Port agrees to cooperate, authorize and execute documents, and undertake such acts as are reasonably necessary to implement the purposes of this

Agreement and the plans approved pursuant to Section 5.2. Such acts, may include but are not limited to:

- a. Retain the ownership of all Real Property, but assign to CDRPA the right to receive rents or charges from the Real Property and otherwise manage or utilize the Real Property.
- b. Transfer of employees to employment with CDRPA as required by CDRPA and termination of all other employees. However, the CDRPA shall be responsible for payment of all funds under any agreement or law.
- c. Transfer of all Assets to the CDRPA. A list of Assets for each Port and the Airport is attached hereto as Exhibit "D".
- d. Take such other acts as may be reasonably necessary to accomplish the purposes set forth herein.

5.5 Meetings of a Port. Should an individual Port desire to meet separately, that Port shall first give the Board of Directors (7) days advance, written notice of the meeting, including the agenda for the meeting.

6. Financing and Budget of the CDRPA. As of the Functional Consolidation Date, each Port District will transfer all funds in their respective accounts, all tax proceeds thereafter received and their Reserves (as allowed by law and by applicable bond covenants) to the CDRPA. Thereafter, all funds received by the Ports shall be transferred to the CDRPA.

6.1 Budget. On or before the Functional Consolidation Date and each year thereafter, the CDRPA Board of Directors and the Commission of each Port will adopt one budget consistent with and in the manner set forth in Chapter 53.35 RCW for the CDRPA. At the same meeting, the annual budget of the CDRPA will be considered for adoption by the Board of Directors and each of the Port commissions. At the same meeting, each Port commission will adopt the levy to collect taxes in accordance with the adopted annual budget and consistent with Chapter 53.36 RCW. In the event that the annual budget for the CDRPA is not approved, then this will be deemed an impasse as set forth in Section 10.1(b) and the Ports shall proceed with mediation as set forth in Section 10.1(c).

6.2 Budget Priorities. As part of the preparation of the annual budget for the CDRPA, the Board will prioritize expenditures as follows:

- a. Payment of Debt and any future debt incurred after the Functional Consolidation Date.
- b. Payment of all costs of operating the CDRPA.

- c. Funding the maintenance, operations, and capital required for the Airport.
- d. All other activities and projects agreed upon by the Board of Directors.

6.3 Funds Remaining with Ports. To the extent funds are required by law or bond covenants to remain with a Port, those funds shall be administratively managed by the CDRPA.

7. Liabilities. Except as noted in Exhibit "C", neither Port nor the CDRPA shall become liable for the liabilities (including environmental liabilities) of a Port occurring prior to the Functional Consolidation Date. However, under direction of the Board of Directors, the CDRPA shall manage those liabilities and utilize any of the respective Port's Reserve as may be needed to resolve the liability. Any liabilities occurring on or after the Functional Consolidation Date shall be the liability of the CDRPA and managed under the direction of the Board of Directors.

7.1 Obligations. The Obligations listed on Exhibit "C" will be managed by the CDRPA, consistent with the plans adopted pursuant to Section 5.2.

8. Reserves. The Reserves provided by each Port to the CDRPA shall be managed as a single reserve of the CDRPA. The CDRPA will maintain such reserves as it deems appropriate.

9. Duration of this Agreement; Statutory Consolidation. This Agreement is indefinite until terminated in accordance with the termination provisions herein. Notwithstanding the foregoing, the Board of Directors shall consider the functionality of this Agreement, including the possibility of Consolidation in the first calendar quarter of each year starting in 2021.

10. Termination.

10.1 Process. Either Port may terminate this Agreement in accordance with the process outlined herein.

- a. First, the Port desiring the termination shall provide sixty (60) days written notice to the other Port of the reasons that termination is desired and what actions, if any, that the other Port can take to avoid termination.
- b. Second, the Board of Directors shall meet within sixty (60) days after the receipt of a written request from either Port for the purpose of attempting in good faith to resolve the issues that caused the desire to terminate. The meeting will be open to the public. Such a meeting may be continued by mutual agreement to a date certain to include others and obtain additional information. Upon conclusion of the meeting, as continued, a majority of either Port commission may declare an impasse. At that point, Reserves shall be divided according to the Initial Percentage and maintained by the CDRPA; provided the allocation of the Reserves may be changed pursuant to policies adopted by the CDRPA or as otherwise agreed by the Port of Douglas and the Port of Chelan.

- c. Third, in the event of an impasse, and prior to providing a termination notice, the Ports shall first attempt to mediate the dispute. The Ports shall mutually agree upon a mediator to assist them in resolving their differences in a full day mediation. If the Ports are unable to agree upon a mediator, the Ports shall request from the Seattle office of JAMS a list of mediators experienced in matters pertaining to this Agreement. Each Port may strike one name from the list until one name remains. A flip of a coin shall determine which Port strikes the first name. Any expenses of the mediator shall be borne equally by the Ports. However, each Port may utilize funds from its Reserve allocation set forth in Section 10.1(b) for its own costs and attorney fees arising from participation in the mediation. If the mediation is not concluded within ninety (90) days of the selection of the mediator, then either Port may terminate the mediation by delivering written notice to the other Port.
- d. Fourth, within ninety (90) days after conclusion of unsuccessful mediation, either Port may provide a formal, written termination notice to the other Port effective on December 31st that is six months or more after the notice of termination is received.

10.2 Automatic Termination Upon Statutory Consolidation. This Agreement shall automatically terminate upon Consolidation and the provisions of Section 11 shall not apply.

11. Distribution on Notice of Termination Other Than Statutory Consolidation. After notice of termination is issued following unsuccessful mediation, the Ports shall promptly meet to “unwind” the CDRPA in a fair and equitable manner. It is the intent of the Ports to return to each Port such Reserves, Assets, Revenues and Debt that, to the extent possible place each Port in the same relative economic position it was before the creation of the CDRPA.

11.1 Factors. It is recognized that a number of factors may need to be considered to arrive at an equitable distribution. Without limiting the overall equitable determination, the following factors should be considered:

- a. The Reserves, cash and cash equivalents then held by the CDRPA shall be distributed to the Ports according to the Initial Percentage;
- b. The responsibility for the Debts shall be returned to the Port that contributed the Debt provided that the Debt Service payments are current, and the Port receives the income source that is associated with the project for which the Debt was incurred. For example, for Debt incurred for a specific project, all leases associated with that project would be returned to the Port for use in generating income to make Debt Service payments;

- c. All other Assets will be returned to the Port that contributed the Asset reasonable wear and tear excepted;
- d. Whether the responsibility for the Airport is assumed by one Port;
- e. For real property acquired after the Functional Consolidation Date, the equitable allocation related to said real property shall be the “free cash flow” percentage for each Port shall be determined at the time the real property is acquired. “Free cash flow” is determined as follows: the Revenue contributed by each Port in the year the real property is acquired, minus the Debt Service in the year the real property is acquired associated with each Port’s Debt, equals “free cash flow”. For example, if the CDRPA constructs a building that then needs to be equitably divided, and the Port of Douglas’s free cash flow percentage is 20% and the Port of Chelan’s free cash flow percentage is 80%, said property shall be divided accordingly, unless another structure for ownership is agreed upon (i.e. tenants in common according to the above percentages); and
- f. Any remaining property, real or personal, acquired by the CDRPA will be equitably divided (either through direct transfer or cash payment) between the Ports as the Board of Directors shall reasonably determine considering all relevant factors and in accordance with applicable law.

11.2 Reinstate Airport Documents. Notwithstanding any other provision in this Agreement, in the event the notice of termination pursuant to Section 10.1(d) is provided on or before December 31, 2022, then the Ports agree to reinstate all material documents governing the Airport, including the Joint Operating Agreement and Airport Business Park leases and related documents, and vest all Airport Real Property in the name of the Airport.

11.3 Dispute Resolution – Distribution. If the Board of Directors are unable to agree on any allocation of Debts, Liabilities, Assets or Obligations on or before September 1st of the year of termination, the Ports shall mutually agree upon a mediator to assist them in resolving their differences in a full day mediation. If the Ports are unable to agree upon a mediator, the Ports shall request from the Seattle office of JAMS a list of mediators experienced in matters pertaining to this Agreement. Each Port may strike one name from the list until one name remains. A flip of a coin shall determine which Port strikes the first name. Any expenses of the mediator shall be borne equally by the Ports. However, each Port may utilize funds from its Reserve allocation set forth in Section 10.1(b) for its own costs and attorney fees arising from participation in the mediation.

11.4 Litigation. If mediation concerning distribution is not successful either Port may begin an action in any superior court of a county adjacent to Chelan or Douglas counties to determine an equitable allocation by a judge and not a jury of any disputed item. Each Port may utilize funds from its Reserve allocation as set forth in Section 10.1(b) for its own costs and attorney

fees arising from participation in the litigation. Neither Port shall be awarded attorney fees and costs in any litigation, appeal, or otherwise.

12. Further Good Faith Cooperation. Each Port shall cooperate with the other in good faith to achieve the objectives of this Agreement. The Ports shall not unreasonably withhold, condition or delay requests for information, approvals or consents provided for, or implicit, in this Agreement.

13. Modifications to this Agreement. Except as otherwise provided herein, this Agreement shall not be modified or amended except in writing signed by the Ports.

14. Airport Agreements Terminated. Effective as of the Functional Consolidation Date, the agreements listed on Exhibit "F" shall be deemed terminated without further action of the Ports, including but not limited to the Joint Operating Agreement. The lease from the Airport to Port of Douglas associated with the USFS CWICC facility ("Ground Lease") shall remain in place so long as the revenue bonds associated with said facility remain outstanding. The Ports agree that the Ground Lease will terminate upon satisfaction of the revenue bonds. Until the Ground Lease is terminated, no rent shall be collected by the CDRPA associated with the Ground Lease, all rental and other income in excess of the payments due under the revenue bonds shall be remitted to CDRPA, and the CDRPA shall otherwise manage the Ground Lease, the lease to the USFS and the revenue bonds.

15. Applicable Law, Waiver of Jury Trial and Venue. This Agreement shall be governed by and be interpreted in accordance with the laws of the state of Washington. Each Port waives any right to a trial by jury in any action or proceeding to enforce or defend any rights under or relating to this Agreement or any amendment, instrument or other document delivered in connection with this Agreement. Venue shall be in the superior court of any county adjacent to Chelan County or Douglas County.

16. No Presumption - Drafting. It is noted that this Agreement was drafted by attorney Frank J. Chmelik of Chmelik Sitkin & Davis, P.S. acting as a moderator of the task force and not representing either Port. This Agreement has been reviewed and revised by legal counsel for each Port and represents the combined work product of the Ports. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against a Port preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

17. Captions. The captions of this Agreement are for convenience and reference only and in no way, define, limit, or describe the scope or intent of this Agreement.

18. Survivability. All covenants, promises and performance which are not fully performed as of the date of termination of this Agreement shall survive termination as binding obligations of the Ports.

19. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein so long as the purposes of this Agreement can otherwise be achieved.

20. Notices. All communications, notices, and demands of any kind which a Port is required, or desires to give to the other Port, shall be in writing and be either (1) delivered personally, (2) sent by electronic mail with an additional copy mailed first class, or (3) deposited in the U.S. mail, postage prepaid, and addressed as follows:

Port of Chelan:

Port of Chelan
Attention: Commission President
238 Olds Station Rd, Suite A
Wenatchee, WA 98801

Port of Douglas:

Port of Douglas
Attention: Commission President
One Campbell Parkway, Suite D
East Wenatchee, WA 98802

Notice by hand delivery or electronic mail shall be effective upon receipt. If deposited in the mail, notice shall be deemed received 48 hours after deposit. Either Port at any time by notice to the other Port may designate a different address or person to which such notice shall be given.

21. Waiver. No failure by any of the Ports to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, agreement, term or condition.

22. No Third-Party Beneficiaries. There are no third-party beneficiaries of this Agreement.

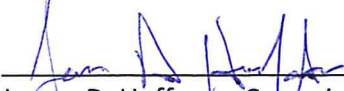
23. True and Full Value. Each Port has determined that the benefits received pursuant to this Agreement represent true and full value for the consideration provided as the term is defined in RCW 43.09.210.

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24. Entire Agreement. This Agreement, including the recitals, definitions, and exhibits, represents the entire agreement of the Ports with respect to the subject matter hereof. There are no other agreements, oral or written, except as expressly set forth herein. This Agreement supersedes all previous understandings or agreements between the Ports concerning the subject matter of this Agreement.

Approved and executed in a joint open public meeting by the Port of Douglas and the Port of Chelan this 11th day of June, 2019.

PORT OF DOUGLAS


James D. Huffman, Commissioner


W. Alan Loeb sack, Commissioner


Mark M. Spurgeon, Commissioner

PORT OF CHELAN


JC Baldwin, Commissioner


Donn Etherington, Commissioner


Rory Turner, Commissioner

EXHIBIT "A"
Proforma Consolidated Budget

	POCC	PODC	PMA	Eliminations	Consolidated
OPERATING REVENUES					
BUSINESS PARKS					
<u>CASHMERE MILL DISTRICT</u>					
Building A	\$ 60,777	\$ -	\$ -	\$ -	\$ 60,777
Building B	34,200	-	-	-	34,200
Misc. Income	-	-	-	-	-
TOTAL CASHMERE MILL DISTRICT	\$ 94,977	\$ -	\$ -	\$ -	\$ 94,977
<u>CONFLUENCE TECHNOLOGY CENTER</u>					
Office Space Leases	\$ 1,205,291	\$ -	\$ -	\$ -	\$ 1,205,291
Video Conference/Meeting Room Rentals	200,000	-	-	-	200,000
Utility & Operating Reimbursements	284,385	-	-	-	284,385
Misc. Income	-	-	-	-	-
TOTAL CONFLUENCE TECHNOLOGY CENTER	\$ 1,689,676	\$ -	\$ -	\$ -	\$ 1,689,676
<u>OLDS STATION BUSINESS PARK</u>					
IB - 2	\$ 38,570	\$ -	\$ -	\$ -	\$ 38,570
IB - 3	63,120	-	-	-	63,120
IB - 4	157,980	-	-	-	157,980
IB - 5	273,000	-	-	-	273,000
IB - 6	12,974	-	-	-	12,974
IB - 7 & 8	663,021	-	-	-	663,021
IB - 9	188,573	-	-	-	188,573
Land Lease	900	-	-	-	900
Fire Protection Assessment	8,398	-	-	-	8,398
Utility & Operating Reimbursements	94,406	-	-	-	94,406
Misc. Income	-	-	-	-	-
TOTAL OLDS STATION BUSINESS PARK	\$ 1,500,942	\$ -	\$ -	\$ -	\$ 1,500,942

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
<u>PANGBORN AIRPORT</u>					
Fuel System - Loan Payment	\$ 31,511	-	-	\$ (31,511)	-
Landing Fees	-	-	84,545	-	84,545
Parking Income	-	-	378,540	-	378,540
Aircraft Parking	-	-	4,195	-	4,195
Rental Income - Land	-	-	149,051	(7,892)	141,159
Rental Income - Business Park	-	-	116,996	(60,138)	56,858
Rental Income - Space/Vending	-	-	410,190	(2,400)	407,790
Fuel Flowage Fees	-	-	19,000	-	19,000
FBO Income (After hours, Horizon into Tank)	-	-	74,940	-	74,940
FBO Fuel Income	-	-	787,730	-	787,730
FBO Misc. Income	-	-	3,015	-	3,015
Misc. Fees and Permits	-	-	39,746	-	39,746
TOTAL PANGBORN AIRPORT	\$ 31,511	-	\$ 2,067,948	\$ (101,941)	\$ 1,997,518
<u>PANGBORN AIRPORT BUSINESS PARK</u>					
<u>Land Leases</u>					
Lot 4 (Coca-Cola)	-	86,625	-	-	86,625
Lot 10 (Giga Watt)	-	104,692	-	-	104,692
Lot 17 (Salcido)	-	50,430	-	-	50,430
Lot 20 (PMA)	-	37,253	-	(37,253)	-
<u>Building Leases</u>					
3306 (Port) Building	-	80,471	-	-	80,471
3310 (Accor) Building	-	339,228	-	-	339,228
CWICC	-	187,845	-	-	187,845
Utility & Operating Reimbursements	-	86,200	-	-	86,200
Contribution in Aid of Construction	-	128,854	-	-	128,854
Misc. Income	-	1,442	-	-	1,442
TOTAL PANGBORN AIRPORT BUSINESS PARK	-	\$ 1,103,040	-	\$ (37,253)	\$ 1,065,787
<u>LAKE CHELAN AIRPORT</u>					
Property Purchase - Loan Payment	\$ 20,525	-	-	-	\$ 20,525
TOTAL LAKE CHELAN AIRPORT	\$ 20,525	-	-	-	\$ 20,525
<u>MANSFIELD AIRPORT</u>					
Lease Income	-	350	-	-	350
TOTAL MANSFIELD AIRPORT	-	\$ 350	-	-	\$ 350

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
WATERVILLE AIRPORT					
Lease Income	-	\$ 3,400	-	-	\$ 3,400
TOTAL WATERVILLE AIRPORT	-	\$ 3,400	-	-	\$ 3,400
ORONDO RIVER PARK					
Chelan County PUD	-	\$ 25,000	-	-	\$ 25,000
TOTAL ORONDO RIVER PARK	-	\$ 25,000	-	-	\$ 25,000
PYBUS INCUBATOR					
Office Space Lease	\$ 31,850	-	-	-	\$ 31,850
TOTAL PYBUS INCUBATOR	\$ 31,850	-	-	-	\$ 31,850
TOTAL BUSINESS PARK REVENUE	\$ 3,369,481	\$ 1,131,790	\$ 2,067,948	\$ (139,194)	\$ 6,430,025
TAX RECEIPTS					
Current Levy	\$ 2,762,196	\$ 995,378	-	-	\$ 3,757,574
1% at Prior Year Tax	27,592	9,954	-	-	37,546
New Construction	60,791	2,598	-	-	63,389
Tax Refunded (receipts)	6,285	18,739	-	-	25,024
TOTAL TAX RECEIPTS	\$ 2,856,864	\$ 1,026,669	-	-	\$ 3,883,533
NON-OPERATING REVENUES					
ADO Contract - Dept. of Commerce	\$ 52,934	\$ 38,900	-	-	\$ 91,834
FAA AIP Grant Proceeds (pass-thru)	1,739,500	-	567,000	(1,739,500)	567,000
PFC/CFC Capital Funds	-	-	695,750	-	695,750
TSA Operating Grant	-	-	14,550	-	14,550
POCC Shared Payment - PWTF	-	3,870	-	(3,870)	-
Douglas County Payment - PWTF	-	80,000	-	-	80,000
Rock Island - Ecology - IPG	-	50,000	-	-	50,000
Rock Island Planning - CERB	-	15,000	-	-	15,000
City of Rock Island - Interlocal	-	40,000	-	-	40,000
WSDOT Aviation - Mansfield	-	113,583	-	-	113,583
WSDOT Aviation - Waterville	-	135,221	-	-	135,221
OVOF State Grant	-	87,900	-	-	87,900
Other Tax Income (LHT & Timber Dist.)	10,500	-	-	-	10,500

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
Interest Income	190,000	14,400	1,200	-	205,600
Other Income	3,750	1,000	-	-	4,750
Sale of Fixed Assets	8,048,255	-	-	-	8,048,255
TOTAL NON-OPERATING REVENUES	\$ 10,044,939	\$ 579,874	\$ 1,278,500	\$ (1,743,370)	\$ 10,159,943
TOTAL REVENUES	\$ 16,271,284	\$ 2,738,333	\$ 3,346,448	\$ (1,882,564)	\$ 20,473,501

BUSINESS PARK EXPENSES

CASHMERE MILL DISTRICT

Debt Service - Buildings A & B	\$ 219,134	\$ -	\$ -	\$ -	\$ 219,134
CERB Loan	75,781	-	-	-	75,781
Property Insurance	14,200	-	-	-	14,200
Building Maintenance	-	-	-	-	-
Property Maintenance	10,000	-	-	-	10,000
Utilities	10,000	-	-	-	10,000
Misc. Expenses	2,500	-	-	-	2,500
TOTAL CASHMERE MILL DISTRICT	\$ 331,615	\$ -	\$ -	\$ -	\$ 331,615

CONFLUENCE TECHNOLOGY CENTER

Salaries	\$ 168,536	\$ -	\$ -	\$ -	\$ 168,536
Employee Benefits	62,622	-	-	-	62,622
Payroll Taxes	13,781	-	-	-	13,781
Contract Labor	25,000	-	-	-	25,000
Building Operational Expenses	386,564	-	-	-	386,564
Video Conference Center/Meeting Room Expenses	239,934	-	-	-	239,934
Debt Service	87,511	-	-	-	87,511
Reserve Account (Condo Association)	-	-	-	-	-
TOTAL CONFLUENCE TECHNOLOGY CENTER	\$ 983,948	\$ -	\$ -	\$ -	\$ 983,948

OLDS STATION BUSINESS PARK

Salaries (Maintenance)	\$ 61,098	\$ -	\$ -	\$ -	\$ 61,098
Employee Benefits	24,875	-	-	-	24,875
Payroll Taxes	7,675	-	-	-	7,675
Building Maintenance & Repairs	15,000	-	-	-	15,000
Property & Grounds	31,500	-	-	-	31,500

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
Utilities	52,500	-	-	-	52,500
Fire Protection in lieu of taxes	9,155	-	-	-	9,155
Property Insurance	50,366	-	-	-	50,366
Misc. Expenses	5,000	-	-	-	5,000
TOTAL OLDS STATION BUSINESS PARK	\$ 257,169	\$ -	\$ -	\$ -	\$ 257,169
<u>PESHASTIN PROPERTY</u>					
Property Maintenance	3,500	-	-	-	3,500
TOTAL PESHASTIN PROPERTY	\$ 3,500	\$ -	\$ -	\$ -	\$ 3,500
<u>PANGBORN AIRPORT - GENERAL</u>					
Maintenance & Operations Subsidy	371,572	159,245	-	\$ (530,817)	-
Debt Service - Runway Extension	160,772	69,203	-	-	229,975
Debt Service - Sewer Project (POCC to PODC)	3,870	-	-	(3,870)	-
Misc. Expenses	15,000	50,000	-	(65,000)	-
TOTAL PANGBORN AIRPORT - GENERAL	\$ 551,214	\$ 278,448	\$ -	\$ (599,687)	\$ 229,975
<u>PANGBORN AIRPORT</u>					
Salaries - Maintenance	-	-	\$ 396,562	-	\$ 396,562
Employee Benefits - Maintenance	-	-	127,186	-	127,186
Payroll Taxes - Maintenance	-	-	48,809	-	48,809
Salaries - FBO	-	-	125,602	-	125,602
Employee Benefits - FBO	-	-	53,271	-	53,271
Payroll Taxes - FBO	-	-	19,440	-	19,440
Salaries - Public Safety	-	-	58,930	-	58,930
Employee Benefits - Public Safety	-	-	13,206	-	13,206
Payroll Taxes - Public Safety	-	-	7,557	-	7,557
Outside Services	-	-	-	-	-
Engineering	-	-	20,000	-	20,000
Maintenance	-	-	187,250	-	187,250
Other	-	-	2,650	-	2,650
Supplies	-	-	1,900	-	1,900
Utilities	-	-	138,476	-	138,476
Lease Payment	-	-	37,253	(37,253)	-
Property Insurance	-	-	102,077	-	102,077

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
Fuel (Resale)	-	-	534,700	-	534,700
Fuel	-	-	48,000	-	48,000
Part 139 Compliance	-	-	31,500	-	31,500
Travel, Training, Conv & Mtgs	-	-	18,500	-	18,500
Memberships & Subs	-	-	7,212	-	7,212
Debt Service (Fuel System)	-	-	31,511	(31,511)	-
Misc. Expenses	-	-	16,678	-	16,678
TOTAL PANGBORN AIRPORT BUSINESS PARK	\$ -	\$ -	\$ 2,028,270	\$ (68,764)	\$ 1,959,506

PANGBORN AIRPORT BUSINESS PARK

Outside Services					
Legal	-	8,000	-	-	8,000
Engineering	-	5,000	-	-	5,000
Maintenance	-	83,600	-	-	83,600
Other	-	2,500	-	-	2,500
Supplies	-	5,500	-	-	5,500
Equipment	-	1,500	-	-	1,500
Repairs (Unanticipated)	-	19,700	-	(10,000)	9,700
Utilities	-	97,800	-	-	97,800
Lease Payment	-	68,030	-	(68,030)	-
Storm Water	-	5,635	-	-	5,635
Property Insurance	-	28,201	-	-	28,201
CIAC Payments to PUD	-	92,038	-	-	92,038
Debt Service (Princ, Int, Fees)	-	641,519	-	-	641,519
TOTAL PANGBORN AIRPORT BUSINESS PARK	\$ -	\$ 1,059,023	\$ -	\$ (78,030)	\$ 980,993

LAKE CHELAN AIRPORT

Maintenance & Operations Subsidy	\$ 44,481	\$ -	\$ -	\$ -	\$ 44,481
Misc. Expenses	5,000	-	-	-	5,000
TOTAL LAKE CHELAN AIRPORT	\$ 49,481	\$ -	\$ -	\$ -	\$ 49,481

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
<u>MANSFIELD AIRPORT</u>					
Outside Services					
Legal	\$ -	\$ 1,500	-	\$ -	\$ 1,500
Maintenance	-	5,000	-	-	5,000
Supplies	-	300	-	-	300
Repairs	-	500	-	-	500
Utilities	-	650	-	-	650
Property Insurance	-	3,858	-	-	3,858
TOTAL MANSFIELD AIRPORT	\$ -	\$ 11,808	\$ -	\$ -	\$ 11,808
<u>WATERVILLE AIRPORT</u>					
Outside Maintenance	\$ -	\$ 7,000	-	\$ -	\$ 7,000
Supplies	-	500	-	-	500
Repairs	-	500	-	-	500
Utilities	-	700	-	-	700
Property Insurance	-	3,858	-	-	3,858
TOTAL WATERVILLE AIRPORT	\$ -	\$ 12,558	\$ -	\$ -	\$ 12,558
<u>ORONDO RIVER PARK</u>					
Outside Services					
Legal	\$ -	\$ 4,000	-	\$ -	\$ 4,000
Engineering	-	4,000	-	-	4,000
Maintenance	-	29,000	-	-	29,000
Other	-	17,000	-	-	17,000
Supplies	-	6,000	-	-	6,000
Equipment	-	2,000	-	-	2,000
Repairs	-	6,500	-	-	6,500
Utilities	-	2,000	-	-	2,000
Property Insurance	-	1,213	-	-	1,213
TOTAL ORONDO RIVER PARK	\$ -	\$ 71,713	\$ -	\$ -	\$ 71,713

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
PYBUS INCUBATOR					
Prepaid Rent	-	-	-	-	-
Misc. Expenses	6,000	-	-	-	6,000
TOTAL PYBUS INCUBATOR	6,000	-	-	-	6,000
TOTAL BUSINESS PARK EXPENSES	\$ 2,182,927	\$ 1,433,550	\$ 2,028,270	\$ (746,481)	\$ 4,898,266
<u>ADMINISTRATIVE & GENERAL EXPENSES</u>					
Salaries	546,991	298,449	257,767	(167,949)	935,258
Commissioners' Compensation, Benefits & Taxes	104,230	74,453	-	-	178,683
Employee Benefits	147,720	94,923	69,640	(41,552)	270,731
Payroll Taxes	47,500	27,460	19,155	(13,874)	80,241
Professional Services					
Legal	110,000	20,000	32,000	(30,000)	132,000
Accounting	-	13,000	1,500	(14,500)	-
Engineering	25,000	500	-	-	25,500
Government Relations	40,000	-	-	-	40,000
WA State Audit Costs	12,000	-	17,000	-	29,000
Other Professional Services	40,000	18,000	14,725	(20,000)	52,725
Telecommunications and Computer Services					
Computers/Hardware	4,175	-	8,532	-	12,707
Software/Backup/Internet	22,675	-	22,812	-	45,487
Managed Services/Maintenance	41,940	23,500	36,400	(17,500)	84,340
County Election Costs	80,000	12,000	-	-	92,000
Conferences, Training, and Meetings	12,500	6,500	18,000	(2,500)	34,500
Commission Conferences & Travel	15,000	-	-	-	15,000
Memberships and Subscriptions	35,500	26,600	2,685	(20,000)	44,785
Travel	10,000	10,000	-	(5,000)	15,000
Office Expense					
Office Rent	-	26,680	-	(26,680)	-
Supplies	11,950	13,000	8,700	(10,500)	23,150
Maintenance and Repairs	9,150	2,500	700	(2,500)	9,850
Utilities	11,500	2,400	-	(2,400)	11,500
Telephone	11,750	5,600	11,100	(5,600)	22,850
Miscellaneous	4,250	-	904	-	5,154

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
Insurance (Public Officials, General Liability, etc)	28,626	16,000	-	(12,000)	32,626
Auto Expense	5,500	6,000	-	(2,500)	9,000
Misc. Expenses	30,000	1,000	-	-	31,000
TOTAL ADMINISTRATIVE & GENERAL EXPENSES	\$ 1,407,957	\$ 698,565	\$ 521,620	\$ (395,055)	\$ 2,233,087

BUSINESS DEVELOPMENT & MARKETING EXPENSES

Marketing & Communications	\$ 40,000	\$ 43,400	\$ 14,625	\$ (25,000)	\$ 73,025
Business Recruitment	50,000	-	-	-	50,000
Industry Sector Development	30,000	-	-	-	30,000
Air Service Investment Program	75,000	-	50,000	-	125,000
Real Estate Marketing	33,000	-	-	-	33,000
Promotional Hosting	10,000	1,000	-	-	11,000
TOTAL BUSINESS DEVELOPMENT & MARKETING EXPENSES	\$ 238,000	\$ 44,400	\$ 64,625	\$ (25,000)	\$ 322,025

ECONOMIC DEVELOPMENT CONTRACTS

Community Nonprofit ED Projects	\$ -	\$ 6,100	\$ -	\$ -	\$ 6,100
Economic Leadership Roundtable	-	7,000	-	-	7,000
Cascade Foothills Farmland Association	30,000	-	-	-	30,000
WVC Center for Entrepreneurship	-	7,500	-	-	7,500
Cashmere Chamber of Commerce	10,000	-	-	-	10,000
Entiat Chamber of Commerce	12,000	-	-	-	12,000
Greater Wenatchee Area Technology Alliance	30,000	12,000	-	-	42,000
Manson Chamber of Commerce	10,000	-	-	-	10,000
NCW Economic Development District	5,500	3,500	-	-	9,000
NCW Hispanic Chamber of Commerce	10,000	-	-	-	10,000
Our Valley Our Future	-	10,000	-	-	10,000
OVOF - Grant Pass-Thru	-	86,850	-	-	86,850
Wenatchee Downtown Association	3,000	-	-	-	3,000
WV Sports Foundation - Winter Special Olympics	5,000	-	-	-	5,000
Wenatchee Valley TREAD	10,000	-	-	-	10,000
Consultant Services to Assist Nonprofit Sustainability	5,000	-	-	-	5,000
Opportunity Placeholder	57,500	-	-	-	57,500
TOTAL ECONOMIC DEVELOPMENT CONTRACTS	\$ 188,000	\$ 132,950	\$ -	\$ (15,500)	\$ 320,950

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
COMMUNITY PARTNERSHIP PROJECTS					
Manson Parks & Rec Dist. - Waterfront Impr.	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
City of Wenatchee - LRF Funding	7,250	-	-	-	7,250
Aerial Photography - Interlocal	-	7,900	-	-	7,900
Rock Island Waterfront Redev Proj	-	108,000	-	-	108,000
PUD 5th Street Redevelopment Study	75,000	-	-	-	75,000
Chelan Area Winter Recreation Study	25,000	-	-	-	25,000
Small Business Development Center (WSU)	27,000	13,000	-	-	40,000
Opportunity Placeholder	10,000	-	-	-	10,000
TOTAL COMMUNITY PARTNERSHIP PROJECTS	\$ 159,250	\$ 128,900	\$ -	\$ -	\$ 288,150
TOTAL EXPENSES	\$ 4,176,134	\$ 2,438,365	\$ 2,614,515	\$ (1,182,036)	\$ 8,062,478
LESS OPERATING REVENUES	\$ 16,271,284	\$ 2,738,333	\$ 3,346,448	\$ (1,882,564)	\$ 20,473,501
NET RESULTS BEFORE CAPITAL PROJECTS	\$ 12,095,150	\$ 299,968	\$ 731,933	\$ (700,528)	\$ 12,411,023
CAPITAL PROJECTS					
CASHMERE MILL DISTRICT					
Building A & B Construction (Shell)	\$ 2,058,465	\$ -	\$ -	\$ -	\$ 2,058,465
Building A & B Tenant Improvements	2,449,850	-	-	-	2,449,850
Capital Projects - Other	50,000	-	-	-	50,000
TOTAL CASHMERE MILL DISTRICT	\$ 4,558,315	\$ -	\$ -	\$ -	\$ 4,558,315
Confluence Technology Center					
PUD Condo Purchase	\$ 1,400,000	\$ -	\$ -	\$ -	\$ 1,400,000
Masonry Sealant	126,000	-	-	-	126,000
HVAC Unit #1 Replacement	185,000	-	-	-	185,000
Building Signage	15,000	-	-	-	15,000
Video Conference Center - Technology Upgrade	20,000	-	-	-	20,000
Capital Projects - Other	50,000	-	-	-	50,000
TOTAL CONFLUENCE TECHNOLOGY CENTER	\$ 1,796,000	\$ -	\$ -	\$ -	\$ 1,796,000

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
<u>OLDS STATION BUSINESS PARK</u>					
Parking Lot Sealant	\$ 15,000	-	-	-	\$ 15,000
IB #3 Commission Meeting Room Rehab	65,300	-	-	-	65,300
IB #3 Roof Replacement	348,000	-	-	-	348,000
Capital Projects - Other	200,000	-	-	-	200,000
TOTAL OLDS STATION BUSINESS PARK	\$ 628,300	-	-	-	\$ 628,300
<u>PANGBORN AIRPORT - CAPITAL</u>					
FAA Capital Projects	\$ 1,739,500	-	-	\$ (1,739,500)	-
Environmental Assessment	-	-	475,000	-	475,000
AvGas Fuel Island/Fuel Truck Parking	-	-	710,000	-	710,000
Term Bldg Security Improvements (Constr)	-	-	725,000	-	725,000
Term Bldg Capacity Impr (Des and Constr)	-	-	250,000	-	250,000
Replace ARFF Turn Out Gear	-	-	30,000	-	30,000
Utility Local Improvement District (ULID)	-	-	10,885	-	10,885
Wireless Comm Install (Runway Weather Info Syst)	-	-	12,000	-	12,000
Capital Projects Other	213,595	91,540	-	(305,135)	-
Fuel System Loan	710,000	-	-	(710,000)	-
TOTAL PANGBORN AIRPORT - CAPITAL	\$ 2,663,095	\$ 91,540	\$ 2,212,885	\$ (2,754,635)	\$ 2,212,885
<u>PANGBORN BUSINESS PARK - CAPITAL</u>					
Landscape & Vegetation Rehab	-	\$ 12,000	-	-	\$ 12,000
Technology Upgrades	-	6,200	-	-	6,200
TOTAL PANGBORN BUSINESS PARK - CAPITAL	-	\$ 18,200	-	-	\$ 18,200
<u>LAKE CHELAN AIRPORT - CAPITAL</u>					
Adjacent Land Purchase (\$150,000 loan)	\$ 300,000	-	-	-	\$ 300,000
Airport Signage	5,000	-	-	-	5,000
TOTAL LAKE CHELAN AIRPORT - CAPITAL	\$ 305,000	-	-	-	\$ 305,000

EXHIBIT

	POCC	PODC	PMA	Eliminations	Consolidated
<u>MANSFIELD AIRPORT - CAPITAL</u>					
Pavement	\$ -	\$ 119,561	\$ -	\$ -	\$ 119,561
TOTAL MANSFIELD AIRPORT - CAPITAL	\$ -	\$ 119,561	\$ -	\$ -	\$ 119,561
<u>WATERVILLE AIRPORT - CAPITAL</u>					
Pavement	\$ -	\$ 142,338	\$ -	\$ -	\$ 142,338
TOTAL WATERVILLE AIRPORT - CAPITAL	\$ -	\$ 142,338	\$ -	\$ -	\$ 142,338
<u>OPPORTUNITY PLACEHOLDERS</u>					
Potential Industrial Acquisition	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000
Capital Projects - Other	500,000	-	-	-	500,000
TOTAL OPPORTUNITY PLACEHOLDER	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000
TOTAL CAPITAL PROJECTS	\$ 12,450,710	\$ 371,639	\$ 2,212,885	\$ (2,754,635)	\$ 12,280,599
NET AFTER CAPITAL PROJECTS	\$ (355,560)	\$ (71,671)	\$ (1,480,952)	\$ 2,054,107	\$ 130,424

Preliminary Cost Savings

\$ 510,555

EXHIBIT "B"
Form Articles of Incorporation and Bylaws

**ARTICLES OF INCORPORATION
OF
CHELAN DOUGLAS REGIONAL PORT AUTHORITY**

The undersigned hereby executes the following Articles of Incorporation for the purpose of forming a corporation under the Non-Profit Washington Business Corporation Act, RCW 24.03.

**ARTICLE I.
Name**

The name of the corporation is CHELAN DOUGLAS REGIONAL PORT AUTHORITY.

**ARTICLE II.
Purposes**

The purposes for which the corporation is organized are as follows:

2.1 To functionally consolidate the operations and activities of the Port of Chelan County, the Port of Douglas County, and Pangborn Memorial Airport consistent with the Interlocal Cooperation Agreement entered into by the Port of Chelan County and the Port of Douglas County on _____, 2019 ("Interlocal Agreement"); and

2.2 To engage and carry on any lawful business or activity which may be, in the judgment of the Board of Directors, at any time, necessary or useful or advantageous to this corporation, subject to the terms and conditions of the Interlocal Agreement.

**ARTICLE III.
Limitation of Directors' Liability**

A director shall have no liability to the corporation or its members for monetary damages for conduct as a director, except for acts or omissions that involve intentional misconduct by the director, or a knowing violation of law by the director, or for conduct violating RCW 24.03, or for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

EXHIBIT

ARTICLE IV. Indemnification

The corporation shall indemnify its directors against all liability, damage or expense resulting from the fact that such person is or was a director, to the maximum extent and under all circumstances permitted by law.

ARTICLE V. Registered Office & Agent

The name of the Registered Agent of the corporation is _____.
The street address of the Registered Office, which is also the address of the Registered Agent is as follows:

ARTICLE VI. Members

There will be no shareholders in this corporation. Rather, the corporation shall have members as determined by the bylaws and the Interlocal Agreement. Each Member shall have one vote in the affairs of the corporation as appropriate, and such vote shall represent the vote of the Board of Commissioners of the Member port district.

ARTICLE VII. Directors

The number, qualifications, terms of office, manner of selection, time and place of meetings, and powers and duties of the directors shall be prescribed in the Bylaws and the Interlocal Agreement, but the number of directors constituting the Board of Directors shall be six (6), representing the three elected commissioners from each Member port district.

The name and address of the persons who are to serve as the initial directors are:

1. JC Baldwin, _____
2. Donn Etherington, _____
3. Rory Turner, _____
4. Jim Huffman, _____
5. Mark Spurgeon, _____
6. Alan Loeb sack, _____

EXHIBIT

ARTICLE VIII. Amendment of Bylaws & Articles

8.1 The board of directors shall have full power to adopt, alter, amend, or repeal the Bylaws or adopt new bylaws, subject to the terms and conditions of the Interlocal Agreement; provided, however, that no adoption, alteration, amendment or repeal of any Bylaws shall be effective unless such action also receives the unanimous approval of the Members.

8.2 This corporation reserves the right to amend, alter, change or repeal any provisions contained in its Articles of Incorporation by a unanimous approval of each Member hereto. All rights of Members of this corporation are granted subject to this reservation.

ARTICLE IX. Distribution of Assets Upon Liquidation or Dissolution

Upon dissolution of the Association, any net assets of the Association are to be distributed to the Members consistent with the Interlocal Agreement.

ARTICLE X. Perpetual Existence

This Association shall have a perpetual existence.

ARTICLE XI. Incorporator

The name and address of the Incorporator is:

IN WITNESS WHEREOF, the Incorporator has affixed his signature below on this ____ day of _____, 2019.

EXHIBIT

_____, Incorporator

EXHIBIT

CONSENT TO APPOINTMENT AS REGISTERED AGENT

_____ hereby consents to serve as Registered Agent, in the state of Washington, for the corporation herein named. _____ understands that as agent for the corporation, it will be _____'s responsibility to accept Service of Process in the name of the corporation; to forward corporate license renewal mailings to the corporation; and to immediately notify the Office of the Secretary of State in the event of its resignation or of any change in the Registered Office address of the corporation for which it is agent.

Dated this _____ day of _____, 2019.

EXHIBIT

EXHIBIT

BYLAWS OF CHELAN DOUGLAS REGIONAL PORT AUTHORITY

ARTICLE I.

Registered Office and Registered Agent

The registered office of the corporation shall be located in the state of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office. Any change in the registered agent or registered office shall be effective upon filing such change with the office of the Secretary of State of the state of Washington unless a later date is specified.

ARTICLE II.

Members' Meetings

2.1 Annual Meetings. The annual meeting of the Members of this corporation, for the purpose of election of officers and for such other business as may come before it, shall be held at the principal place of business of the corporation, or such other place as may be designated by the notice of the meeting, during the month of January every year. All annual meetings of the Members shall be held in compliance with the Washington Open Public Meetings Act.

2.2 Special Meetings. Special meetings of the Members of this corporation may be called at any time by the Chairman or by three or more Directors. No business shall be transacted at any special meeting of Members except as is specified in the notice calling for said meeting. The Board of Directors may designate any place as the place of any special meeting called by either the Chairman or three of the Directors. Such location shall be listed in the notice of such meetings. All special meetings of the Members shall be held in compliance with the Washington Open Public Meetings Act.

2.3 Notice of Meetings. Written notice of annual or special meetings of Members stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by the secretary or persons authorized to call the meeting to each Member of record entitled to vote at the meeting. Such notice shall be given not less than two (2) business days before the meeting date. Notice may be transmitted by: Mail, personal delivery, electronically, or facsimile. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the books of the corporation. Written notice of regular meetings is not required.

2.4 Waiver of Notice. Notice of the time, place, and purpose of any meeting may be waived in writing (either before or after such meeting) and will be waived by any Member by his or her attendance thereat in person, unless the Member at the beginning of the meeting

EXHIBIT

objects to holding the meeting or transacting business at the meeting. Any Member so waiving shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

2.5 Quorum and Adjourned Meetings. At any meeting of the Members, a majority of the Members entitled to vote shall constitute a quorum (e.g. 2 Commissioners from each Port district must be present). When a quorum is present at any meeting, a majority of the Members represented thereat shall decide any question brought before such meeting, unless the question is one upon which by express provision of law or of the Articles of Incorporation or of these Bylaws a different vote is required. No meeting may adjourn to a different date, time or place without giving proper notice to all Members entitled to vote.

2.6 Proxies. Voting by proxy shall not be permitted.

2.7 Voting. Every Member shall have the right at every Members' meeting to one vote, and the affirmative vote of a majority of the Members shall be necessary for the adoption of a motion or for the determination of all questions and business which shall come before the meeting.

ARTICLE III. Directors

3.1 General Powers and Duties. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors except as otherwise provided by the laws under which this corporation is formed, in the Articles of Incorporation, or in the Interlocal Cooperation Agreement entered into by the Port of Chelan County and the Port of Douglas County on _____, 2019 (the "Interlocal Agreement"). The Directors shall act at all times in good faith and in a reasonable manner to the end that the purposes of the Interlocal Agreement are fulfilled.

3.1.1 The primary functions of the Directors shall be the following:

3.1.1.1 To functionally consolidate the operations and activities of the Port of Chelan County, the Port of Douglas County, and Pangborn Memorial Airport consistent with the Interlocal Agreement; and

3.1.1.2 To engage and carry on any lawful business or activity which may be, in the judgment of the Directors, at any time be necessary or useful or advantageous to the Members.

3.1.1.3 To carry on any activities necessary to carry out the objectives and purposes of the Interlocal Agreement.

3.1.2 Number. The number of Directors constituting the Board of Directors shall be six (6), representing the three elected commissioners from each Member port district.

EXHIBIT

3.2 Tenure. Each Director shall hold office so long as they are a Commissioner of the Member Port districts. No Director may be removed except by the Member who selected such Director.

3.3 Vacancies. In case of any vacancy in the Board of Directors, the Member who was represented by the former Director shall fill the vacancy. In case the office of Chairman becomes vacant, the Directors shall select a new Chairman at the next meeting of the Board.

3.4 Resignation. If any Director resigns from their Port Commission or is no longer a Port Commissioner, then said Director shall be deemed to have resigned as a Director of the corporation.

3.5 Meetings.

3.5.1 The annual meeting of the Board of Directors shall be held immediately after the annual Members' meeting at the same place as the annual Members' meeting or at such other place and at such time as may be determined by the Directors. No notice to the Directors of the annual meeting shall be necessary. However, all annual meetings of the Members and Directors shall be held in compliance with the Washington Open Public Meetings Act.

3.5.2 The Board of Directors shall approve a regular meeting schedule and provide notice of said schedule as required by Washington State law.

3.5.3 Special meetings of the Directors may be called at any time and place upon the call of the Chairman of the Board or three or more Directors. Notice of the time and place of each special meeting shall be given by the secretary, or the persons calling the meeting, by mail, personal delivery, or facsimile transmission at least two (2) days in advance of the time of the meeting. The purpose of the meeting shall be given in the notice. Notice of any special meeting may be waived in writing or by facsimile (either before or after such meeting) and will be waived by any Director by attendance thereat. All special meetings of the Directors shall be held in compliance with the Washington Open Public Meetings Act.

3.5.4 At any regular meeting of the Board of Directors, any business may be transacted, and the Board may exercise all of its powers. Written notice of regular meetings is not required.

3.6 Quorum, Voting and Adjournment.

3.6.1 Two (2) Directors from each Member shall constitute a quorum for the transaction of business at a meeting. On any matter before the Board, two (2) Directors from each Member must vote in favor of said matter as set forth in the Interlocal Agreement.

3.6.2 The Board may not continue to transact business at a meeting at which a quorum ceases to exist.

EXHIBIT

3.6.3 A majority of the Directors present may vote to adjourn any meeting to another time and place. If the meeting is adjourned for more than forty-eight hours, the Secretary shall give notice of the time and place of the adjourned meeting to the Directors who were not present at the time the meeting was adjourned.

3.6.4 Any matter approved by the Board shall not take effect unless and until it receives the approval of the Board of Commissioners of each of the Members.

3.7 **Presumption of Assent.** A Director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless:

3.7.1 The Director objects at the beginning of the meeting, or promptly upon the Director's arrival, to holding it or transacting business at the meeting; or

3.7.2 The Director's dissent or abstention from the action is entered in the minutes of the meeting.

ARTICLE IV.

Special Measures for Corporate Action

4.1 **Actions by Written Consent.** Written consents shall not be permitted because of the requirements of the Washington Open Public Meetings Act.

4.2 **Meetings by Conference Telephone.** Due to the requirements of the Washington Open Public Meetings Act, meetings held solely by conference telephone shall not be permitted. A Director may attend a meeting by telephone, or similar technology, if approved by the Board, and the Director's voice may be heard by all present, including the public, and the Director can hear all discussions and comments.

ARTICLE V.

Officers

5.1 **Officers Designated.** The officers of the corporation shall be a president, one or more vice presidents (the number thereof to be determined by the Board of Directors), a secretary and a treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person.

5.2 **Election, Qualification and Term of Office.** Each of the officers shall be elected by the Board of Directors at each annual meeting of the Board. All of said officers shall also be Directors. Unless the officer is no longer a Director, each of said officers shall hold office from the date of his or her election until the next annual meeting of the Board of Directors and until his or her successor shall have been duly elected and qualified.

EXHIBIT

5.3 Powers and Duties.

5.3.1 President. The president shall be the chief spokesman for the Board of Directors with respect to dealings with third parties. He or she shall preside at meetings of the Board of Directors and meetings of the Members as set forth Article II.

5.3.2 Vice President. In the absence of the president or his or her inability to act, the vice president shall act in his or her place and stead and shall have all the powers and authority of the president, except as limited by resolution of the Board of Directors.

5.3.3 Secretary. The secretary shall: (1) keep the minutes of the Members' and of the Board of Directors' meetings in one or more books provided for that purpose; (2) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (3) be custodian of the corporate records; (4) keep a register of the post office address of each Member which shall be furnished to the secretary by such Member; (5) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the Board of Directors.

5.3.4 Treasurer. Subject to the direction and control of the Board of Directors, the treasurer shall have the custody, control, and disposition of the funds of the corporation and shall account for the same; and, at the expiration of his or her term of office, he or she shall turn over to his or her successor all property of the corporation in his or her possession.

5.4 Resignation or Removals. Any officer of this corporation may resign at any time by giving written notice to the Board of Directors. Any such resignation shall take effect at the time specified therein, or, if the time be not specified therein, then upon its delivery. The corporation need not accept a resignation for the resignation to be effective. The Board of Directors, by vote taken pursuant to Section 3.6.1, may remove from office any officer or agent elected or appointed by it.

5.5 Vacancies. The Board of Directors shall fill any office which becomes vacant with a successor who shall hold office for the unexpired term and until his or her successor shall have been duly elected an qualified.

5.6 Salaries. The officers of the corporation should not receive a salary or payment beyond that received as a Director.

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EXHIBIT

ARTICLE VI.

Certificates of Shares and Their Transfer

6.1 Certificates of Membership. No certificates of membership shall be issued unless authorized by the Board. If authorized, certificates of membership of the corporation shall be in such form as is consistent with the provisions of the Washington Nonprofit Corporation Act and shall state:

6.1.1 The name of the corporation and that the corporation is organized under the laws of this state; and

6.1.2 The name of the Member to whom issued; and

6.1.3 Certificates shall be signed by the president and secretary of the corporation and the seal of the corporation may be affixed thereto.

6.2 Loss of Certificates. In case of the loss, mutilation, or destruction of a certificate, a duplicate certificate may be issued upon such terms as the Board of Directors shall prescribe.

ARTICLE VII.

Books and Records

7.1 Books of Accounts, Minutes and Share Register. The corporation shall keep as permanent records minutes of all meetings of its Members and Board of Directors. The corporation shall maintain a record of its Members.

7.2 Copies of Resolutions. Any person dealing with the corporation may rely upon a copy of any of the records of the proceedings, resolutions or votes of the Board of Directors or Members, when certified by the president or secretary.

ARTICLE VIII.

Corporate Seal

The Board of Directors may provide for a corporate seal which shall have inscribed thereon the name of the corporation, the year and state of incorporation and the words "corporate seal."

ARTICLE IX.

Amendment of Bylaws

9.1 By the Members. These Bylaws may be amended, altered, or repealed at any regular or special meeting of the Members if notice of the proposed alteration or amendment is contained in the notice of the meeting.

EXHIBIT

ARTICLE X. Fiscal Year

The fiscal year of this corporation shall be set by resolution of the Board of Directors.

ARTICLE XI. Rules of Order

The rules contained in the most recent edition of Robert's Rules of Order, Newly Revised, shall govern all meetings of Members and Directors where those rules are not inconsistent with the Articles of Incorporation, Bylaws, the Interlocal Agreement, or special rules of order of the corporation.

The undersigned do hereby certify that the above and foregoing Bylaws of said corporation were adopted by the Directors as the Bylaws of Chelan Douglas Regional Port Authority that the same do now constitute the Bylaws of this corporation.

DATED this ____ day of _____, 2019.

EXHIBIT

JC BALDWIN, Commissioner
Port of Chelan County

EXHIBIT

DONN ETHERINGTON, Commissioner
Port of Chelan County

EXHIBIT

RORY TURNER, Commissioner
Port of Chelan County

EXHIBIT

JIM HUFFMAN, Commissioner
Port of Douglas County

EXHIBIT

MARK SPURGEON, Commissioner
Port of Douglas County

EXHIBIT

ALAN LOEBSACK, Commissioner
Port of Douglas County

EXHIBIT "C-1"
Port of Douglas Debt, Obligations and Debt Service

Payee:		Project:	Interest:	Balance at 12/31/2019:	Payment structure:	Maturity:
Douglas County Sewer District	PWTF Sewer Planning	Sewer Planning	0.05%	\$ 14,828.00	\$ 7,414.00 Annual	7/1/2021
Douglas County Sewer District	PWTF Sewer Construction	Sewer Construction	0.05%	\$ 327,416.00	\$ 81,854.00 Annual	7/1/2023
DC Treasurer for US Bank	2011 LTGO & Ref Bond	Business Park Phase II	5.00% Adj	\$ 1,075,000.00	\$ 52,098.00 Annual*	12/1/2031
Department of Commerce - CERB	2011 CERB Loan	Business Park Phase II	2.50%	\$ 853,094.00	\$ 54,971.00 Annual	1/31/2032
DC Treasurer for US Bank	2013 LTGO Ref Revenue Bond	USFS Building	3.90% Adj	\$ 415,000.00	\$ 95,000.00 Annual	7/1/2023
DC Treasurer for US Bank	2016 LTGO Ref Bond	3310 Building Extension	3.42%	\$ 3,435,000.00	\$ 160,000.00 Annual	12/1/2035
DC Treasurer for N Cascades Bank	2017 LTGO Bond	PMA Runway Extension	3.00%	\$ 763,571.00	\$ 45,275.00 Semi-Annual	6/1/2033
Department of Commerce - CERB	2016 CERB Loan	PABP Construction Lot 17 (Salcido)	1.50%	\$ 126,770.00	\$ 5,730.00 Annual	7/31/2038
Department of Commerce - CERB	2017 CERB Loan	PABP Construction Lots 10-13 (Giga Watt)	2.00%	\$ 279,553.00	\$ 11,999.00 Annual	7/31/2038
Douglas County PUD		CIAC #1 - PUD Infrastructure (Salcido)		\$ 42,985.00	\$ 9,795.00 Semi-Annual	6/1/2024
Douglas County PUD		CIAC #2 - PUD Infrastructure (Salcido)		\$ 486,604.00	\$ 82,243.00 Semi-Annual	6/1/2025
Xerox	Office Equipment Lease	Printer - 5 Yr Lease			\$ 307.00 Month	12/7/2020
Neopost	Office Equipment Lease	Postage Meter - 2 Yr Lease			\$ 62.00 Quarter	7/17/2020
LocalTel - ShoreTel Hosted System	Phone System	Renew Annually			\$ 214.00 Month	
Executive Flight Building	Admin Offices	Effect 3/1/2018			\$ 2,198.23 Month (\$200=Utilities)	2/28/2023
PODC Executive Director's Severance Agreement				\$ -	-	12/31/2019

EXHIBIT "C-2"
Port of Chelan Debt, Obligations and Debt Service

Payee:	Project:	Interest:	Balance at 12/31/2019:	Payment structure:	Maturity:
GO Bond - North Cascades Bank	PMA Runway Extension	3.0% fixed	\$1,773,929.97	\$80,386.10 semi-annually	6/1/2033
GO Bond - Banner Bank	Cashmere Buildings	4.19 adj.	2,836,759.28	\$109,567.08 semi-annually	8/3/2038
Department of Commerce - CERB	CTC Building	N/A	194,117.67	\$48,529.41 annually	1/25/2023
Department of Commerce - CERB	Cashmere - Sunset Ave Improv.	3.4% fixed	736,625.17	\$75,780.94 annually	1/31/2031
Port of Douglas County	Sewer Extension Project	N/A	15,480.33	\$3,870.05 annually	8/15/2023
Kelley Imaging Systems, Inc.	CTC Kyocera Copier Lease	-	-	\$155 monthly	4/20/2022

EXHIBIT "C-3"

Pangborn Memorial Airport- Obligations and Debt Service

Payee:	Project:	Interest:	Balance at 12/31/2019:	Payment structure:	Maturity:
East Wenatchee Water District	Utility Local Improvement District (ULID #1)	5.25% fixed	\$9,682.20	\$9,682.20 Annually	8/6/2020
East Wenatchee Water District	Utility Local Improvement District (ULID #2)	5.25% fixed	168.36	\$168.36 Annually	8/6/2020

EXHIBIT "D-1"
Port of Douglas Assets (Personal Property)

2005 Honda Pilot

License # 88152C

All Office Furniture & Equipment

EXHIBIT "D-2"
Port of Chelan Assets (Personal Property)

2014 Subaru Forester	License #A2746C
2007 GMC Sierra 2500HD	License #88125C
2006 Eagle Utility Trailer	License #88176C
Kubota Tractor w/Attachments	
All office furniture and equipment	

EXHIBIT "D-3"
Pangborn Memorial Airport Assets (Personal Property)

2013 Ford Expedition	License # 99134C
2018 Ford F150	License # B6231C
1994 Carpenter G/EX Training	License # B6219C
2008 Chevrolet Colorado	License # B95034P
2003 Elgin Sweeper	License # 64071C
2009 Ford F350	License # 90966C
2016 Oshkosh Stryker	License # B6218C
2003 Chevrolet Venture	License # 4060C
2010 Ford Expedition	License # A3170C
2004 Chevrolet Silverado 15000 4WD	License # B49951T
1981 Toyota Longbed 1/2 Ton	License # 90985C
2017 Charmac Standard Duty 11016T-52	License # B6217C
2002 Kodiak Rotary Snow Blower	License # 64072C
2001 Ford F250	License # 57175C
1982 GMC Dump w/snowplow	License # C53019
1971 Ford Dump w/snowplow	License # C24106
1996 Oshkosh Fire & Rescue	License # 35824C
1995 Oshkosh Snoplow	License # 35821C
2006Ford S-DTY F350	License # 76081C
1995 Oshkosh Truck W/Broom	
1989 Ford 2000g Avgas Refueler	
2017 De-Ice Trailer	
2000 Turbo Way Ramp	
2017 MB-1 Plow & Spreader	
2017 MB-5 Multi-tasking SRE	
Kubota Mower/Snowblower	
2012 John Deer Tractor w/Loader	
Clark Forklift	
2000 Case Loader	
2001 Stewart & Steve Tow Broom	
2015 Bush Hog Mower	
2015 Pak-Tank-Rears Weed Sprayer	
9Ft Suver V Boss Plow Attachment	
Buyers Tailgate Sander	
Greco Line Laser	
20K Gal Jet Fuel Tank	
All office furniture and equipment	
All cafe furniture and equipment	

EXHIBIT "E-1"
Port of Douglas Real Property

Location:	Use:	Parcel #	Building	
			Squ Ft	Acres
Pangborn Memorial Airport				
3306 SE 5th Street, E Wenatchee	Multi-tenant flex bldg, building only	22211610031	15,000	N/A
3310 SE 5th Street, E Wenatchee	Accor Technology, building only	22211610077	50,940	N/A
UFSF Bldg - 3796 Airport Rd, E Wenatchee	CWICC Bldg, building only	777000000003	16,000	N/A
Orondo River Park				
21553 SR 97, Orondo	Restroom building, small shed	24211630005	1,655	3.9
	Concessions trailer, building only	1000006152	525	N/A
Waterville Airport				
Road 3 Northwest, Waterville	Airport	25222210004	N/A	30
	Airport, small parcel adj to Rd 3 NW	25222210007	N/A	
	Airport, inside city limits	130000000003	N/A	4.75
Mansfield Airport				
139 Railroad Avenue, Mansfield	Airport	92000000006	N/A	23

EXHIBIT "E-2"
Port of Chelan County Real Property

Location:	Use:	Parcel #	Building Squ Ft	Acres
329 E. Penny Road, Wenatchee	IB #2 - HOM Solutions	23-20-28-1-1-0350	5,360 (+2,400 carport)	2.63
			15,540	
238 Olds Station Road, Wenatchee	IB #3 - Port Office/Confluence Health	23-20-28-1-1-0700	(+1,650 Pole Bldg)	2.26
310 Olds Station Road, Wenatchee	IB #4 - Pregis	23-20-28-1-1-0950	27,125	2.23
206/210 Olds Station Road, Wenatchee	IB #5 Ultra Polymers & PUD	23-20-28-1-2-0800	38,400	3.07
200 Olds Station Road, Wenatchee	IB #6 - ABC Early Learning Academy	same	3,324	
432/434 Olds Station Road, Wenatchee	IB #7 & #8 - PA&E	23-20-28-1-1-0400	44,133	4.49
2618 Euclid Ave, Wenatchee	Bossen House - PA&E	23-20-28-1-1-1000	58,292	3.23
2605 Chester Kimm Road, Wenatchee	IB #9 - Sinclair/Agrofresh	23-20-28-1-1-0250	2,259	1.32
285 Technology Center Way, Wenatchee	Confluence Technology Center	23-20-28-1-2-0150	30,000	2.20
		23-20-28-5-3-0010	91,000	5.06
		23-20-28-5-3-0020		
		23-20-28-5-3-0030		
		23-20-28-5-3-0040		
		23-20-28-5-3-0050		
		23-20-28-5-3-0060		
		23-20-28-5-3-0070		
		23-20-28-5-3-0080		
Technology Center Way - Wenatchee	Land - East of IB #9	23-20-28-1-2-0160	N/A	3.90
Isenhart Ave, Wenatchee	Land - North of IB #4	23-20-28-1-1-0275	N/A	0.69
Isenhart Ave, Wenatchee	Land - North of IB #4	23-20-28-1-1-0255	N/A	0.69
Airport Road, Chelan	Storage Bldg - Chelan Valley Marine	27-23-04-1-4-0150	7,680	3.14
Sunset Hwy, Cashmere	Land - North of Sunset Hwy	23-19-05-1-1-0500	N/A	1.49
Sunset Hwy, Cashmere	Land - North of Sunset Hwy	23-19-05-1-1-0600	N/A	0.64

EXHIBIT

Location:	Use:	Parcel #	Building Squ Ft	Acres
Sunset Hwy, Cashmere	Land - Center	23-19-05-9-2-5010	16,537	2.49
Sunset Hwy, Cashmere	Land - Center	23-19-05-9-2-4005	16,720	1.49
Sunset Hwy, Cashmere	Land - Center	23-19-05-1-1-0550	N/A	1.28
Sunset Hwy, Cashmere	Land - Center	23-19-05-1-1-0650	N/A	0.76
Mill Road, Cashmere	Land - South	23-19-05-9-2-4070	N/A	4.22
Mill Road, Cashmere	Land - South	23-19-05-1-4-1250	N/A	4.35
Mill Road, Cashmere	Land - South	23-19-05-1-1-0150	N/A	2.60
Mill Road, Cashmere	Land - South	23-19-05-1-3-0200	N/A	8.12
3 North Worthen, Wenatchee	Pybus Annex - Leasehold Improv.	N/A	1,950	-

EXHIBIT

EXHIBIT "E-3" Pangborn Memorial Airport – Real Property

Location:	Use:	Parcel #	Building Squ Ft	Acres
One Pangborn Drive	Airport Terminal	22211610010	23,542	443.2
3702 Airport Way	D T-Hangars	"	7,198	
3704 Airport Way	C T-Hangars	"	7,168	
3706 Airport Way	B T-Hangars	"	6,232	
3708 Airport Way	A T-Hangars	"	6,780	
3734 Airport Way	Hangar	"	2,000	
3738 Airport Way	Hangar	"	2,400	
3744 Airport Way	Car Service Building	"	672	
3750 Airport Way	Fuel Station - Demolished	"	-	
3754 Airport Way	Mx Building	"	1,000	
3760 Airport Way	Mx Building	"	2,510	
3762 Airport Way	Mx Building	"	1,350	
3763 Airport Way	Mx Shop	"	10,000	
3764 Airport Way	FBO	"	5,047	
3780 Airport Way	ARFF Station	"	5,400	
3800 Airport Way	Hangar	"	6,500	
3950 Airport Way	H T-Hangars	"	7,680	
3351 2nd St SE	Bit Coin	"	2,300	
201 S Union Ave	Fruit Processing/Storage (CMI)	"	-	
3835 8th St SE	Bit Coin	"	3,240	
3355 2nd St SE	Building only, not land (Schwans)	22211610025	3,600	0
3351 2nd St SE	Building only, not land (Ray's)	22211610026	2,300	0
3950 Airport Way	H Hangars only, not Land	22211610040	7,680	0

EXHIBIT

Location:	Use:	Parcel #	Building Squ Ft	Acres
N Stark Ave	Land	22210840010		9.54
	Undeveloped	22210840011		6.92
	Undeveloped	22210840022		5
8th St SE	Undeveloped	22210840023		9.78
		22210840024		13.16
		22210840025		4.87
		22210840026		4.25
		22210930015		16.78
		22211520012		8
801 Ute Ave	Orchard	22211530011		15.1
	Undeveloped	22211530017		9.3
	Orchard	22211530019		3.21
851 S Van Well Ave	Land	22211620001		2.25
	ARFF Station Storage	22212110001		9.3
	Undeveloped	22212220005		10.1
	Undeveloped	22212220006		6.05
	Orchard	22212220007		9.65
	Undeveloped	22212220008		1.3
851 S Van Well Ave	Vacant	42900800100		0.46
	Vacant	42900800200		0.46
	Vacant	42900800300		0.46
	Vacant	42900800400		0.46
	Vacant	42900800500		0.46
	Vacant	42900800600		0.46
	Vacant	42900800700		0.49
	Vacant	42900800800		0.5
	Vacant	42900800900		0.46
	Vacant	42900801000		0.02
Vacant	42900801100		0.46	

EXHIBIT

Location:	Use:	Parcel #	Building Sq Ft	Acres
	Vacant	42900802000		0.44
	Vacant	42900802100		0.48
	Undeveloped	22211530011		15.1
3306 5th St SE	Business Park	76600000100		1.51
3310 5th St SE	Business Park	76600000200		4.91
3357 5th St SE	Business Park	76600000300		3.38
3400 5th St SE	Business Park	76600000400		8.1
3419 5th St SE	Business Park	76600000500		3.01
3459 5th St SE	Business Park	76600000600		2.31
13 S Campbell Pkwy	Business Park	76600000700		2.32
625 S Billingsley Dr	Business Park	76600000800		3.05
626 S Billingsley Dr	Business Park	76600000900		2.95
675 S Billingsley Dr	Business Park (Lots 10 and 12)	76600001000		3.53
676 S Billingsley Dr	Business Park (Lots 11 and 13)	76600001100		4.4
729 S Billingsley Dr	Business Park	76600001400		2.54
730 S Billingsley Dr	Business Park	76600001500		3.09
747 S Billingsley Dr	Business Park	76600001600		2.31
748 S Billingsley Dr	Business Park (Salcido)	76600001700		2.94
691 Airside Way	Business Park	76600001800		2.22
633 Airside Way	Business Park	76600001900		3.1
One S Campbell Pkwy	Business Park	76600002000		4.96

EXHIBIT "F"
List of Terminated Agreements

Replaced and Restated Pangborn Memorial Airport Joint Operating Agreement (and all amendments thereto)	2003	Ports of Chelan and Douglas Counties
Memorandum of Understanding	1/1/2013	Ports of Chelan and Douglas Counties
Business Park Lease Agreement #1 from PMA to PODC, including all amendments and documents related thereto, including but not limited to Consent to Lease (Salcido) and Consent to Lease (GigaWatt)	4/25/1997	PMA to PODC
Airside Lease Agreement #2 (and all amendments thereto)	4/25/1997	PODC to PMA
Lease Agreement – CWICC Building	12/18/2002	PMA to PODC
Non-Aeronautical Use Premium re: Executive Flight Office Lease	2018	PODC to PMA
Interlocal re: Financial Participation in Sewer Improvements to PMA	8/17/2005	POCC payable to PODC
Note for Blue Trust Hangar Purchase	2/19/2019	Pangborn payable to POCC
Note for Fuel System Project	2/19/2019	Pangborn payable to POCC