

**PORT OF CHELAN COUNTY RESOLUTION NO. 2019-12  
PORT OF DOUGLAS COUNTY RESOLUTION NO. 2019-08  
PANGBORN MEMORIAL AIRPORT RESOLUTION NO. 2019-004  
CHELAN DOUGLAS REGIONAL PORT AUTHORITY RESOLUTION NO. 2019-12**

**A JOINT RESOLUTION OF THE PORT OF CHELAN COUNTY, THE PORT OF DOUGLAS COUNTY, THE GOVERNING BOARD FOR THE PANGBORN MEMORIAL AIRPORT AND THE CHELAN DOUGLAS REGIONAL PORT AUTHORITY TO TAKE THE ACTIONS NECESSARY TO WIND UP THE AFFAIRS OF AND DISSOLVE PANGBORN MEMORIAL AIRPORT, ESTABLISH THE HEADQUARTERS OF THE CHELAN DOUGLAS REGIONAL PORT AUTHORITY, ADDRESS THE ACQUISITION OF THE EXECUTIVE FLIGHT BUILDING BY THE PORT OF CHELAN COUNTY, AND ESTABLISH THE DURATION OF CERTAIN LEASES IN THE EVENT THE CHELAN DOUGLAS REGIONAL PORT AUTHORITY IS TERMINATED**

WHEREAS the Port of Chelan County (“POCC”) and Port of Douglas County (PODC”) jointly own Pangborn Memorial Airport (“PMA”) and manage it under the terms of a 2003 Joint Operating Agreement, an interlocal agreement as authorized by RCW Chapter 39.34 and Section 53.08.240 RCW, and amendments thereto and related documents. The POCC and PODC shall collectively be referred as the “Ports”;

WHEREAS PMA has its own employees, owns real and personal property, entered into grants with the Federal Aviation Administration (“FAA”)(where the Ports were identified as Sponsors), and otherwise conducted business in its name;

WHEREAS the Ports entered into an Interlocal Agreement for the functional consolidation of the POCC and the PODC, including finances, management and operations, dated June 11, 2019 (the “2019 ILA”);

WHEREAS in furtherance of the 2019 ILA, the Ports formed the Chelan Douglas Regional Port Authority (“CDRPA”) on June 30, 2019, setting a functional consolidation date effective January 1, 2020;

WHEREAS effective January 1, 2020, PMA will no longer (a) have employees, (b) own real or personal property, (c) seek or manage state and federal grants, and (d) conduct business. Specifically, as set forth in the in 2019 ILA, all real property currently titled in the name of or beneficially held for the benefit of PMA (in various ways) will be titled and vested in the CDRPA;

WHEREAS the Governing Board approves the 2019 ILA and authorizes the transfer of all real and personal property, rights and obligations, the assignment of all leases, contracts, grants, and obligations, and the assignment and delegation of all FAA related matters to the CDRPA;

WHEREAS PMA will continue to exist through December 31, 2022, in the event that the 2019 ILA is terminated on or before that date (as set forth in the 2019 ILA);

WHEREAS the CDRPA shall assume all rights, responsibilities and obligations of PMA that may arise before or after January 1, 2020, including any litigation, grants, contracts, and the like until such time as the 2019 ILA is terminated;

WHEREAS in 2020, 2021, and 2022, the Governing Board for Pangborn Memorial Airport (the "Governing Board") shall hold at least one public meeting (every meeting of the Governing Board after January 1, 2020 shall be a special meeting limited to the matters identified on the agenda);

WHEREAS pursuant to the 2019 ILA, PMA as a separate legal entity shall formally dissolve and the 2003 Joint Operating Agreement, and amendments and related documents (including the "existing ground leases" as defined below), shall formally terminate effective December 31, 2022, without the necessity of further action by the POCC or the PODC, unless the 2019 ILA is terminated on or before that date;

WHEREAS the POCC acquired, or will acquire, the ground lease and improvements commonly known as the Executive Flight Building during 2019 ("EF Building"), subject to all subleases associated with the EF Building, which will be an asset of the POCC and be deemed incorporated into Exhibit E-2 of the 2019 ILA;

WHEREAS the CDRPA will have its main office in the EF Building effective immediately following the closing of the POCC's acquisition. In light of the functional consolidation, all rent paid to either Port accrues for the benefit of the CDRPA and all leases entered by either Port will be managed by the CDRPA. Therefore, the CDRPA shall occupy space within the EF Building during the term of the 2019 ILA. CDRPA's occupancy shall be without rent or charge as all rent collected or expense incurred by the POCC will accrue to the benefit of the CDRPA under the 2019 ILA;

WHEREAS under existing leases, the ground on which the EF Building is located is first leased by PMA to PODC as part of the current PODC business park, then leased back by PODC to PMA, then leased by PMA to Executive Flight ("existing ground leases");

WHEREAS under the existing ground leases, the PODC owns certain improvements as identified in Exhibit E-1 of the 2019 ILA and has made significant improvements to the property commonly known as the Business Park;

WHEREAS the existing ground leases will, in effect, be suspended and placed in abeyance through December 31, 2022;

WHEREAS, the existing ground leases will again govern the relationship of the Ports and PMA in the event the CDRPA terminates prior to December 31, 2022;

WHEREAS in light of the functional consolidation, commencing upon the POCC's purchase of the EF Building, the POCC shall not pay rent under the existing ground leases, whether to PMA or to the CDRPA, associated with POCC's ownership of the EF Building on Airside Lot 3, as defined below;

WHEREAS the CDRPA and PMA hereby approve and grant the POCC a perpetual and exclusive easement and right to: locate, construct, remodel, improve and repair the EF Building and surrounding improvements on real property commonly known as Airside Lot 3 and more accurately described Lot 20, of Pangborn Airport Business Park, Douglas County BSP 12-01 (the "EF Site"), terminable only upon the termination of the 2019 ILA. This grant is with the understanding that the CDRPA will manage the EF Site consistent with the terms of the 2019 ILA;

WHEREAS the CDRPA and PMA hereby approve and grant the PODC a perpetual and exclusive easement and right to: locate, construct, remodel, improve and repair the improvements commonly known as the 3306 and 3310 buildings (see Exhibit E-1 of the 2019 ILA) (the "PODC Buildings"), terminable only upon the termination of the 2019 ILA. This grant is with the understanding that the CDRPA will manage the PODC Buildings consistent with the terms of the 2019 ILA;

WHEREAS the CDRPA will manage the leases associated with the USFS Building (which is currently owned by the PODC). The Parties agree that the leases associated with the USFS Building shall expire according to the current terms of said leases;

WHEREAS in the event the 2019 ILA terminates after December 31, 2022, the POCC shall be granted a Ground Lease to occupy the EF Site for a term of 25 years, with a 25 year renewal option, provided that in no event shall the duration of the Ground Lease extend beyond December 31, 2072. The Ground Lease shall be on substantially the same terms and conditions then available for ground leases at the Airport, commencing upon the termination of the 2019 ILA;

WHEREAS in the event the 2019 ILA terminates after December 31, 2022, the PODC shall be granted a Ground Lease to occupy the land commonly known as the Business Park and described as Pangborn Airport Business Park, Douglas County BSP 12-01 recorded at Douglas County Auditor's File No. 3176418 (except for the EF Site, which shall be excluded from said ground lease for the Business Park) for a term of 25 years, with a 25 year renewal option, provided that in no event shall the duration of the Ground Lease extend beyond December 31, 2072. The Ground Lease shall be on substantially the same terms and conditions then available for ground leases at the Airport, commencing upon the termination of the 2019 ILA;

WHEREAS upon purchase of the EF Building by POCC, the existing sublease between the PODC and Executive Flight for space within the EF Building shall terminate. In essence, the PODC will occupy the space anticipated to be used by the CDRPA; and

WHEREAS PMA, the POCC, the PODC, and the CDRPA desire to set forth the responsibilities, status, and outcomes resulting from the functional consolidation, the POCC's acquisition of the EF Building, the PODC's ownership of the PODC Buildings, and possible termination of the CDRPA.

NOW, THEREFORE, after consideration of public comments, the Commissioners for the POCC, PODC, and CDRPA, and the Governing Board hereby resolve as follows:

1. The Executive Director of the CDRPA is hereby delegated the authority to sign any and all documents reasonable or necessary to effectuate the cessation of business by PMA prior to December 31, 2019 as generally outlined in this Resolution.
2. The Executive Director of the CDRPA is hereby delegated the authority to take any and all actions and sign any and all documents reasonable or necessary to wind up the affairs of PMA, including the transfer of all real and personal property from PMA or either Port to the CDRPA (in some instances title to the real property is beneficially held in the name of the Ports rather than PMA).
3. The POCC and the PODC agree that the office sublease between the PODC and Executive Flight shall terminate effective the day of closing of the purchase of the EF Building by POCC. The POCC President and the PODC President are hereby delegated the authority to sign any and all documents reasonable or necessary to carry out this resolution.
4. In the event the 2019 ILA is terminated prior to December 31, 2022, resulting in the governing documents associated with PMA and existing ground leases being restored and again governing the relationship between PMA, POCC and the PODC, the Executive Director of the CDRPA is delegated the authority to take all steps and sign all documents reasonable or necessary to effectuate the implementation of the termination.
5. During the period January 1, 2020 through December 31, 2022, the 2003 Joint Operating Agreement, amendments thereto, existing ground leases and related governing documents associated with PMA, shall be held in abeyance and of no force or effect, unless the 2019 ILA is terminated prior to December 31, 2022.
6. If the 2019 ILA is not terminated prior to December 31, 2022, the Executive Director of the CDRPA is delegated the authority to take all necessary steps and sign any documents to effectuate the formal dissolution of PMA, the termination of the 2003 Joint Operating Agreement, amendments thereto, existing ground leases and related governing documents associated with PMA.

7. In the event the 2019 ILA is terminated after December 31, 2022 (except as a result of a statutory consolidation, or similar event resulting in the dissolution of the POCC and the PODC), the governance of PMA will be determined pursuant to the 2019 ILA, subject to paragraphs 11 and 12, below.
8. CDRPA and PMA hereby approve and grant the POCC a perpetual and exclusive easement and right to own, locate, construct, remodel, improve and repair the EF Building and surrounding improvements on the EF Site, terminable only upon the termination of the 2019 ILA. Notwithstanding the foregoing, the EF Building will be managed by the CDRPA consistent with and during the term of the 2019 ILA.
9. CDRPA and PMA hereby approve and grant the PODC a perpetual and exclusive easement and right to own, locate, construct, remodel, improve and repair the PODC Buildings and surrounding improvements, terminable only upon the termination of the 2019 ILA. Notwithstanding the foregoing, the PODC Buildings will be managed by the CDRPA consistent with and during the term of the 2019 ILA.
10. PODC and the CDRPA approve the purchase of the EF Building by the POCC and consents to the POCC holding title to real property that is subject to the Master Plan for Pangborn Memorial Airport. The Ports agree that the main office of the CDRPA shall be located within the EF Building.
11. In the event the 2019 ILA terminates after December 31, 2022 (unless the termination is the result of a statutory consolidation of the Ports where the Ports no longer exist), the CDRPA shall enter and grant the POCC a ground lease to occupy the EF Site for a term of 25 years commencing upon the termination of the 2019 ILA, with a 25 year renewal option; provided that the remainder of the ground lease shall be on substantially the same terms and conditions then available for ground leases at the Airport; provided further that the duration of said ground lease shall not extend beyond December 31, 2072.
12. In the event the 2019 ILA terminates after December 31, 2022 (unless the termination is the result of a statutory consolidation of the Ports where the Ports no longer exist), the CDRPA shall enter and grant the PODC a ground lease to occupy the Business Park (except for the EF Site) for a term of 25 years commencing upon the termination of the 2019 ILA, with a 25 year renewal option; provided that the remainder of the ground lease shall be on substantially the same terms and conditions then available for ground leases at the Airport; provided further that the duration of said ground lease shall not extend beyond December 31, 2072. In the event a building or future improvement to the Business Park is not entirely owned by the PODC, then the PODC agrees to enter a ground sublease passing through the costs of the future ground lease to the subtenant for the duration of the future ground lease, or for a shorter period if agreed upon by the POCC and PODC.

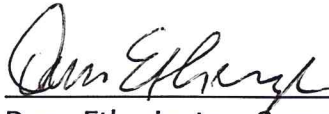
13. In the event of a dispute regarding the implementation of this Resolution, the dispute shall be resolved consistent with Sections 11.3 and 11.4 the 2019 ILA, unless the dispute involves termination of the CDRPA, in which event the 2019 ILA shall govern in all respects.

DATED: 10-21-19

PORT OF CHELAN COUNTY



J.C. Baldwin, Commissioner



Donn Etherington, Commissioner



Rory Turner, Commissioner

GOVERNING BOARD FOR PANGBORN MEMORIAL AIRPORT:



J.C. Baldwin, Commissioner

*Excused Absence*

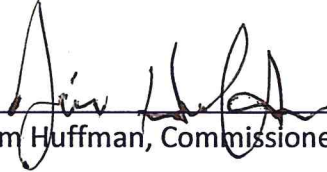
Donn Etherington, Commissioner



Rory Turner, Commissioner

DATED: 10/22/2019

PORT OF DOUGLAS COUNTY



Jim Huffman, Commissioner



Alan Loeb sack, Commissioner



Mark M. Spurgeon, Commissioner



Jim Huffman, Commissioner

*Excused Absence*

Alan Loeb sack, Commissioner



Mark M. Spurgeon, Commissioner

CHELAN DOUGLAS REGIONAL PORT AUTHORITY:

  
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J.C. Baldwin, Commissioner

  
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Jim Huffman, Commissioner

*Excused Absence*  
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Donn Etherington, Commissioner

*Excused Absence*  
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Alan Loeb sack, Commissioner

  
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Rory Turner, Commissioner

  
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Mark M. Spurgeon, Commissioner