



AGENDA

Wednesday, November 17, 2021

5:00 pm

Meeting Location:

Port of Arlington

AGENDA

5:00 pm

Join Zoom Meeting

<https://us02web.zoom.us/j/85374210872>

Meeting ID: 853 7421 0872

One tap mobile

+13462487799,,85374210872# US (Houston)

+16699006833,,85374210872# US (San Jose)

1. Call meeting to order
2. Public Comment on non-agenda items
3. Consent Agenda:
 - Approval of October 20, 2021 Commission Meeting Minutes
 - Approval of Special Meeting Minutes November 12, 2021
 - Approval of October 2021 Payables
4. Presidents Report –
 - 4.1 Thanksgiving Turkeys for Staff
 - 4.2 Waterbear Lease option
 - 4.3 Gronquist Building Sound proofing
 - 4.4 Bill Reade Developer
 - 4.5 Director position replacement hiring
5. Commissioner's Reports
 - 5.1 Delegating projects in the interim
6. Rental Rates - Gronquist – Columbia Room
7. Economic Development-
 - 7.1 Moving forward in the interim
 - 7.2 Bathroom Replacement Update
 - 7.3 Department of Aviation-Condon Airport Update
 - 7.4 Waterbear Energy Discussion
8. Administration-
 - 8.1 Housekeeping updates

Upcoming Meetings:

Regular Commission Meeting on Tuesday, December 15, 2021, at 5pm – Port of Arlington, Arlington, Or.

This meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting by contacting Kelly.margheim@portofarlington.com / 541-705-2004

Posted: Wednesday, November 10, 2021: Bank of Eastern Oregon - Condon & Arlington; U.S. Post Office - Condon & Arlington; Condon Times-Journal; Arlington City Hall; Port Office and Website.

PO Box 279, Arlington, Oregon 97812

Kelly margheim

From: Shanta Carter <scarter@sdao.com>
Sent: Tuesday, November 16, 2021 11:58 AM
To: Kelly margheim
Subject: RE: Port of Arlington
Attachments: Port of Arlington Fee Agreement_Draft.doc

Kelly,

I will need a signed fee agreement (attached) and an approved job description.

I will assign a Senior Consultant to work with your Board of Commissioners on developing a timeline and job announcement. The Commissioners may want to assign two Board members as the hiring committee to approve the position announcement and timeline without us having to take it back to the Board to be approved.




We will post the position on the sites below and anywhere else the Port desires. It will be the responsibility of the Port to post the position announcement and application on their District social media pages.

- SDAO Classifieds
- Oregon Public Ports Association
- Pacific NW Waterways Association
- Pacific Coast Congress of Harbor Masters & Port Managers

If you can think of anything else you may need, please let me know.

Thank you,

Shanta Carter
Consulting Services Administrator
S|D|A|O
Cell: 509.440.3018
Toll Free: 800.305.1736 ext.251
Fax: 503.620.9817
SDAO Website: www.sdao.com

		
2021-22		
Safety & Security Grant Program for SDIS Members		
Application Deadline: Noon on Nov. 17, 2021.		Apply Now!

**Special Districts Association of Oregon
Consulting Services Agreement**

This agreement is entered into between the Special Districts Association of Oregon (SDAO) and the Port of Arlington.

SDAO agrees to provide facilitation and assistance with the Executive Director Recruitment and Hiring process for the Port of Arlington as part of SDAO's Consulting Services Program.

SDAO agrees to provide the consulting services at a total cost not to exceed \$4500.00 including expenses without additional Board approval.

This agreement is made and entered into on this _____ day of _____, 2021.

Special Districts Association of Oregon

By: _____
Frank Stratton
SDAO Executive Director

Port of Arlington

By: _____
Board President

Leah

Port of Arlington
Regular Monthly Commission Meeting

OCTOBER 2021 PAYABLES

Resources:

Deposits and Credits through 10/30/2021 (see attached detail)

Total Deposits and Credits– All Accounts \$ 44,898.51

Expenses:

Checks Written: 9721 through 9749

Includes Direct Deposit Payroll And Electronic Fund Transfers (See attached Check Detail)

Total Expenses and Transfers– All Accounts (\$56,291.14)

Bank Balance Information:

Ending Balance as of 10/30/2: Bank of Eastern Oregon Checking: \$ 815,207.28
Bank of E. Oregon Reserve Fund: \$ 77,721.88
Bank of E. Oregon Muni Market Fund: \$ 89,721.90
LGIP: (10/31/21) \$1,002,714.35

Commission President Leah Shannon

Vice President Ron Wilson

Regular Commission Meeting
MINUTES
Port of Arlington
October 20, 2021
5:00 p.m.
Port Of Arlington

- 1. The Port of Arlington Commission meeting was called to order at 5:00 pm by President Shannon.**

Those Present: President Shannon; Vice President Wilson; Port Manager/ Economic Development Officer, Jeff Dane; Present thru Zoom; Commissioner Wilkins; Commissioner Kennedy; Commissioner Greiner; Attorney Ruben Cleaveland

Absent: Administrative Assistant Margheim

Audience: Commissioner Pat Shannon, Rita Miciak

- 2. Public Comment on non-agenda items – None**

Commissioner Greiner would like to add a policy and procedure to the agenda. President Shannon added 7.3 to the agenda under administration for policy and procedure conversation. President Shannon stated she would like to discuss chain of command, job descriptions, vacations, expense reports, annual performance reviews and the like.

- 3. Consent Agenda:**

- Approval of September 15, 2021 Commission Meeting Minutes
President Wilson moved to approve the September 15, 2021 Minutes and Commissioner Wilkins seconded. The motion carried 5-0
Approval of the August 18, 2021 Gilliam County / Port of Arlington joint meeting minutes. Commissioner Greiner moved to approve the August 18, 2021 joint meeting minutes and Commissioner Wilkins seconded. The motion carried 5-0
- Approval of the September 2021 Payables and Financials:
Commissioner Greiner had a few questions on the payables and would like the bank statements sent directly to her monthly. Commissioner Greiner stated that she has already asked for and has received the bank statements. Commissioner Greiner asked about check number 9724 for \$668 to the Travel Council and a \$69 check to Loop Net. EDO Dane stated he thinks the check to the Travel Council is for Highway signs and Loop Net is for Mesa leasing advertising. Commissioner Greiner also asked about Hues Net and EDO Dane said it was for the Internet, Gilbarco. Administrator Margheim was not able to attend meeting to further address these specific questions.
Vice President Wilson moved to approve the September 2021 Payables and Financials, and Commissioner Greiner seconded. The motion carried 5-0.

4. **Presidents Report:** President Shannon stated Bill Reed, a residential developer, is interested in the downtown core and starting housing development project in Arlington. President Shannon and EDO Dane have been working with him and had a tentative Town Hall set up but, Mr. Reed had to cancel. At this time, they are trying for the second week in November. President Shannon stated she will send information on the Town Hall meeting to K'Lynn so she can get the information out to the public when the Port has a set date for the meeting. President Shannon has been trying to set up a meeting with Mayor Jeff Bufton to see if the City of Arlington would like to move forward on the paving of the Arlington Airport, but has not been able to get an answer as to whether the city is interested. Commissioner Greiner asked if the Port should move on to item number two on the IGA, but President Shannon said that she would like to be courteous and wait one more month. Vice President Wilson and Commissioner Greiner stated that the Port should go before the City Council before moving on to the next project on the IGA.

5. **Commissioner Reports:** Commissioner Wilkins would like @portofarlington e-mail addresses to be set up for the Port Board Commissioners. The consensus was to have the emails set up for the Board members. EDO Dane stated he will look into it.

Commissioner Greiner has asked Administrator Margheim for the monthly bank statements to be sent to her as the Secretary/Treasurer. The consensus of the board is for Administrator Margheim to continue to send the bank statements to Commissioner Greiner monthly.

6. **EDO Report:**

6.1 EDO Dane stated that Jason Miller with weights and measures came yesterday. They come yearly to check the pumps. The Port did have an issue with the diesel reading. When SME Solutions put in the pump readers they were not calibrated correctly. SME Solutions is taking care of the issue this week. President Shannon asked EDO Dane to send the Commissioners an email tomorrow that this has been taken care of.

6.2 EDO Dane shared an email with the Commissioners regarding communications with Jeff Schott, M&M and the sub-contractors. Attorney Cleaveland would like some assurance from M&M that they intend to fulfill the contract, and, if not, we need to move forward with other measures. The Port needs the restroom finished up in order to get an occupancy permit thereby fulfilling the Marine Board grant. Jeff Schott seems to have a good rapport with M&M and is hopeful this project will be finished up soon. Commissioner Kennedy stated he will call Jeff Schott and see what can be done to try and expedite the items left on the punch list. Attorney Cleaveland would like to request some

EDO Continued:

assurances so the Port can get a specific date of completion. Commissioner Kennedy will get in touch with Jeff Schott tomorrow. Commissioner Greiner asked when CXT's final payment will process, and EDO_Dane stated that as soon as we get a final invoice from CXT the check will be processed. Commissioner Greiner asked if we have paid M&M and EDO Dane said they have except for the retainage.

6.2 EDO Dane will email the Port Commissioners information on Bill Reed and the green company who is looking into housing and Arlington's downtown businesses. EDO Dane said that Mr. Reed and his partner came to Arlington last week and he drove them to Willow Creek, the Mesa and around town and they were really excited about some land that the City of Arlington owns. Mr. Reed sent EDO Dane some proposals today and he will forward these to the Commissioners. EDO Dane talked with Justin Long, from Waterbear, a week ago and he is sending a tentative lease agreement and EDO Dane will forward that as soon as he receives it.

6.3 EDO Dane states the Gronquist acoustics are really coming together. They are almost halfway done, and it really sounds good. President Shannon says the sound has already greatly improved and the Historical Society banquet should have much better sound for their event. The sound engineer also gave President Shannon some good sound proofing ideas for the other rooms in the Gronquist.

6.4 Department of Aviation-Condon Airport update. EDO Dane has been in touch with Kathy Clark with the Department of Aviation, and she is putting EDO Dane in touch with Heather Peck, who is the Planning and Project Manager with the Oregon Aviation Department. Kathy Clark gave EDO Dane some information to look into COAR (Critical Oregon Airport Relief.) There is a grant for \$150,000 open. EDO Dane stated that the Board could look up Oregon Aviation Plan and see a lot of information on the sight. Commissioner Greiner asked EDO Dane to send all the Board members a link to the website. EDO Dane will start looking into the grant process and Commissioner Greiner will send the last estimate they received for the Condon Airport. Commissioner Kennedy thinks EDO Mitchell might have some plans already in existence, and EDO Dane will look thru the archived files of Mr. Mitchell.

7. **Admin:**

7.1 Audit EDO Dane stated that the audit is in the process of completion, and everything is positively moving along.

7.2 Motion to add Leah Shannon to all Bank of Eastern Oregon Checking accounts and remove Kevin Hunking – Commissioner Wilkins moved to remove Kevin Hunking as a signatory on all Bank of Eastern Oregon accounts which include Port of Arlington checking, Municipal Money Market, Reserve Fund, Safe Deposit Box, and Environmental Sentry Corp. checking account, and to subsequently add Leah Shannon, the new Port President. All other signatories, Ronald Wilson, Dewey Kennedy, and Kelly Margheim will remain the same. Vice President Wilson seconded. Motion carried 5-0

Admin. Continued:

7.3 President Shannon wanted to go over some housekeeping items. President Shannon asked if the Port had employee annual reviews, a handbook, a chain of command, employment agreements, expense reports verification, vacation and sick time. Vice President Wilson stated that the Port Board has some items in place, but has never followed thru with the them. Commissioner Wilkins asked if the Port had an employee handbook and Vice President Wilson stated the Port did. Commissioner Greiner said that Special Districts could give the Port a template for an employee handbook. Commissioner Greiner would like to clarification as to who is administrator Margheim's supervisor. Is it the Board of Directors or the Port Manager in charge of the position? The consensus of the Board is to investigate further and put these above items in place after researching.

The next Port of Arlington Board meeting will be Wednesday, November 17, 2021 in Condon at the City of Condon.

Meeting adjourned at 6:10 pm

President Leah Shannon

Vice President Wilson

Volunteer Resolution

Resolution No.:

2021-151

A RESOLUTION EXTENDING WORKERS' COMPENSATION
COVERAGE TO VOLUNTEERS OF:

Port of Arlington

WHEREAS, the above district elects the following:

Pursuant to ORS 656.031, workers' compensation coverage will be provided to the classes of volunteer workers as indicated below (checked "Applicable") and listed on the attached Volunteer Election Form(s).

Board Members Applicable Not Applicable

Public Officials on unpaid boards will be covered only for administrative and clerical functions while performing their authorized duties as elected officials.

Public Safety Volunteers Applicable Not Applicable

Public Safety Volunteers are covered at the assumed monthly wage indicated on the attached Volunteer Election Form(s).

Other Volunteers Applicable Not Applicable

Non-public safety volunteers and board members volunteering for duties other than administration and clerical functions will use the attached Volunteer Election Form(s) to keep track of their hours and have their assumed payroll reported in the correct Class Code for all their types of work using Oregon minimum wage.

A roster of active board members and volunteers will be kept monthly for reporting purposes and submitted to SDAO quarterly or more frequently upon request.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of

Port of Arlington

to provide workers' compensation coverage as indicated above.

ADOPTED by the Board of Directors of

Port of Arlington

on

11/17/2021

(date)

Name and Title of Authorized Representative

ATTEST BY

Kelly Margheim

DATE: 11/17/2021

Print Name and Title:

Kelly Margheim Admin Asst

**Lease Option Agreement
(Electrolyzer)**

BETWEEN:

**Port of Arlington,
an Oregon municipal corporation**

AND

**Waterbear Energy, Inc.,
a Washington Corporation**

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Exhibit A-1: Legal Description of Landlord Property
Exhibit A-2: Legal Description of Leased Premises
Exhibit A-3: Property Map depicting Leased Premises and Landlord Property
Exhibit B: Tenant's Survey of Leased Premises

**LEASE OPTION AGREEMENT
(ELECTROLYZER)**

This Lease Option Agreement (this "Agreement") is made this _____ day of _____, 2021, (the "Effective Date") by and between the Port of Arlington, an Oregon municipal corporation having an address of 100 Port Island Road, Arlington, OR 97812 (as "Landlord"), and Waterbear Energy Inc., a Washington corporation (or assigns), having offices at 100 N Howard Street, Suite R, Spokane, WA, 99201 (as "Tenant"). Landlord and Tenant are each referred to individually herein as a "Party" and collectively as the "Parties."

RECITALS

- A. Landlord is the fee owner of certain unimproved real property located in Gilliam County, Oregon, as more particularly described on Exhibit A-1 hereto ("Landlord Property").
- B. Tenant is exploring the possibility of developing, constructing, operating, and owning a hydrogen electrolyzer facility, potentially in correlation with a renewable power generation facility on the Landlord Property.
- C. The Parties wish to provide for the terms and conditions pursuant to which Tenant will have the option to lease and occupy via a lease the entirety or such portion of the Landlord Property as Tenant elects.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree that the Recitals set forth above are true and correct in all material respects, and further agree as follows:

1. The Option.

- a. **Option Fee.** For the sum of One Hundred Thirty-Six Thousand Eight Hundred and No/100 Dollars (\$136,800.00) (the "Option Fee") to be paid to Landlord by Tenant ninety (90) days after the Effective Date, Landlord hereby grants to Tenant the exclusive and irrevocable right and option to lease up to 38 acres as the Leased Premises (as defined in Section 2 below) on the terms and conditions set forth below (the "Option").
- b. **Initial Option Period.** The term of the Option shall commence on the Effective Date and continue for four (4) years (the "Initial Option Period") unless this Agreement is terminated earlier; provided that, notwithstanding anything to the contrary set forth herein, Tenant may terminate this Agreement at any time for any reason upon written notice to Landlord. If Tenant desires to exercise the Option, it shall do so by written notice thereof to Landlord within the Option Period (the "Option Notice") as described in Section 1.d. below.
- c. **Extension Option Periods.** The Initial Option Period may be extended by Tenant for one (1), two (2)-year period (the "Extension Option Period") upon Tenant's

written notice to Landlord before the end of the Initial Option Period or prior Extension Option Period, as applicable, together with payment of One Hundred Thirty-Six Thousand Eight Hundred and No/100 Dollars (\$136,800.00) for each desired extension (each an "Option Fee"). The Initial Option Period and Extension Option Period are hereinafter collectively referred to as the "Option Period."

- d. **Exercise of the Option.** During the Option Period, Tenant may, in its sole discretion, exercise the Option by giving the Landlord the Option Notice before the expiration of the Option Period, in accordance with Section 15 of this Agreement, identifying the number and location of acres over which the Tenant is exercising the Option. If Tenant fails to deliver the Option Notice to Landlord during the Option Period in accordance with the terms hereof, the Option and this Agreement shall automatically terminate and neither Party shall have any further obligations under this Agreement, except those obligations that expressly survive termination.
- e. **Due Diligence.** During the Option Period, Tenant shall conduct its evaluation of all aspects of the Landlord Property for the use and purposes intended by Tenant, at each instance at Tenant's sole cost and expense.
 - i. **Access.** Landlord shall permit Tenant and its authorized agents and representatives to enter upon the Landlord Property at reasonable times during normal business hours to inspect the Landlord Property, including but not limited to performing surveys and conducting tests necessary to determine the feasibility of the Landlord Property for Tenant's anticipated use. Tenant shall notify Landlord of its intention, or the intention of its agents or representatives, to enter the Landlord Property at least twenty-four (24) hours prior to such intended entry.
 - ii. **Documentation.** No later than sixty (60) calendar days after the Effective Date or, if obtained after the Effective Date, no later than sixty (60) calendar days after the date obtained, Landlord shall deliver to Tenant copies of any and all contracts, documents, reports, studies, surveys, and other agreements prepared for Landlord or within Landlord's possession or control relating to or affecting the Landlord Property, including, but not limited to, land surveys, environmental surveys and assessments, appraisals, water permits, water certificates, and any agreements to which Landlord is a party relating to the Landlord Property.
 - iii. **Land Use/Zoning.** Tenant may investigate all requirements related to land use, zoning, subdivision, traffic, parking, and any other requirements for which approvals, waivers, or variances may be required in Gilliam County, the City of Arlington, or any other applicable competent jurisdiction, and shall determine all permits and approvals necessary for Tenant's construction and operation on the Landlord Property, including but not limited to special use permits and variances.

- iv. **Title.** Tenant may obtain a commitment for a leasehold title insurance policy (“Title Commitment”) from a title insurance company acceptable to Tenant. Tenant shall notify Landlord of any liens, defects, charges, claims, actions, encumbrances or title exceptions of any kind whatsoever or other title matters set forth in the Title Commitment, revealed in the land survey obtained by Tenant or otherwise disclosed to Tenant that Tenant finds objectionable, in its reasonable discretion, and Landlord shall remove or cure such objections within 30 calendar days after receipt of such notice. Upon the failure of Landlord to remove or cure the objections, Tenant may either terminate this Agreement or waive the objection, in each case by providing notice of such termination or waiver in writing to Landlord. If Tenant elects to terminate this Agreement because of Landlord’s failure to remove or cure such objections, Landlord shall refund to Tenant any Option Fee paid to Landlord hereunder.
- v. **Termination.** If Tenant, within the Option Period, determines that for any reason the Leased Premises is not suitable, this Agreement, upon written notice given by Tenant to Landlord, shall terminate; provided that at Tenant’s sole expense any damage to the Leased Premises caused by testing and investigations of Tenant shall be promptly repaired and such obligation shall survive termination. For purposes of clarity, if this Agreement is terminated within the first ninety (90) days of the Initial Option Period, Tenant has no obligation to pay any Option Fee to Landlord.
- f. **Water Rights.** Landlord hereby represents and warrants that it possesses the right to use of one hundred thousand (100,000) gallons per day of potable fresh water (“Requisite Water Rights”) and that such rights may be utilized by Tenant during the Term (defined below) together with the Leased Premises. If, at any time during the Option Period, it is discovered that Landlord does not possess the Requisite Water Rights, then Tenant shall be entitled to terminate this Agreement and Landlord shall refund to Tenant any Option Fee paid to Landlord hereunder.
- g. **Landlord Default.** In the event Landlord breaches any material provision hereof or fails to perform its obligations under this Agreement for any reason other than Tenant’s breach, Tenant may pursue all remedies available at law and in equity. Landlord hereby acknowledges that Tenant will incur significant expenses in reliance on this Agreement.
- h. **Landlord’s Use of Landlord Property.** During the Option Period, Landlord shall have the right to use the Landlord Property for any purpose which does not otherwise interfere with Tenant’s inspection and due diligence activities. Specifically, the Parties acknowledge and agree that Landlord has the right to graze cattle on the Landlord Property during the Option Period.
- i. **Lease Commencement.** Upon Tenant’s exercise of the Option, the terms of this Agreement relating to the lease of the Leased Premises (the “Lease”) that follow

shall take effect. The date that the Option Notice is delivered to Landlord shall be considered the "Lease Commencement Date".

2. **Leased Premises.** Upon Tenant's exercise of the Option, Landlord shall lease to Tenant and Tenant shall lease from Landlord, pursuant to the terms of this Agreement, such portion of the Landlord Property described in the Option Notice. Tenant may exercise the Option for up to the entirety of the Landlord Property, or such lesser acreage as the Tenant determines and sets forth in the Option Notice. The Leased Premises specifically includes the right of ingress, egress, and utility easements providing access to and from a public road and the point of utility interconnection, across, upon and under the Landlord Property, as described in Sections 5 and 6 below. The potential scope and location of the Leased Premises and the Landlord Property is generally depicted on Exhibit A-3. Landlord grants to Tenant the right to survey the Leased Premises at Tenant's cost, and the legal description of the Leased Premises, including any access or utility easements, provided in the survey shall then become Exhibit B, which shall be attached hereto and made a part hereof. In the event of any discrepancy between the description of the property contained herein and the survey, the survey shall control.

3. **Term.** The Lease term (collectively, the "Term") shall be as follows:

- a. **Primary Term.** The Primary Term shall be for thirty (30) years commencing on the Lease Commencement Date.
- b. **Renewal Terms.** Tenant shall have the right to extend the Lease for up to two (2) ten (10) year extensions (each such extension referred to as a "Renewal Term", or collectively as the "Renewal Terms"). Tenant shall give Landlord written notice of its election to extend the Lease on or before the commencement of the thirtieth (30th) year of the Primary Term, or no later than 60 days prior to the end of the then-current Renewal Term, as appropriate.
- c. **Final Term.** Tenant shall have a final term commencing upon expiration of the Primary Term, or expiration of the last Renewal Term, as appropriate, to allow for Tenant's decommissioning and removal of the Electrolyzer (as defined below) (the "Final Term"). The Final Term shall last no longer than twelve (12) months, unless extended per mutual written agreement of the Parties.
- d. **Holdover.** Any holding over at the expiration or termination of the Term of this Agreement shall constitute a tenancy from month to month. The month to month tenancy shall be subject to all other terms and conditions of the Lease, with the exception of rents, charges and fees, which amounts shall be the fair market value for the Leased Premises. Acceptance by the Landlord of rents, charges and fees during such month-to-month tenancy shall not constitute a renewal of the Lease.

4. **Rent.** In consideration for Landlord leasing the Leased Premises to Tenant, Tenant agrees to pay during the Term to Landlord in lawful money of the United States of America, rent as follows (collectively, "Rent"):

- a. **Primary Term.** Commencing on the Lease Commencement Date Tenant shall pay the monthly rent of One Hundred Fifty and No/100 Dollars (\$150.00) per acre of the Leased Premises payable to Landlord, in advance, in quarterly installments.
- b. **Renewal Term.**
 - i. Beginning on the first (1st) day of the first (1st) Renewal Term the annual Rent for such Renewal Term shall be equal to 125% of the annual Rent amount of the prior Lease year.
 - ii. Beginning on the first (1st) day of the second (2nd) Renewal Term the annual Rent for such renewal term shall be equal to 110% of the annual Rent amount of the prior lease year.
 - iii. All Rent during Renewal Term(s) shall be paid in equal quarterly installments, in advance.
- c. **Final Term.** Commencing on the first day of the Final Term as defined herein and expiring on the last day of the Final Term, the monthly rent shall be Fifty and No/100 Dollars (\$50 USD) per acre ("Final Term Rent"), payable monthly to Landlord, in arrears, with the last monthly installment thereof pro-rated to the last day of the Final Term.
- d. Any payment due under the Lease shall be timely if it is made on the due date or within thirty (30) calendar days thereof.
- e. **Rent Reduction.** Tenant will be entitled to reduce the Rent payable if the Electrolyzer (defined below) produces less than an average of 10 metric tons of liquid hydrogen per day over a 30-day period (the "Reduced Production") during the prior year due to an Act of God (including but not limited to: wildfire, wildfire smoke, volcanic eruption, drought, earthquake, explosions, war, insurrection, radioactivity, or other natural disaster). The reduced Rent payable shall be equal to the ratio that the actual metric tons of hydrogen produced in the prior 30-day period bears to 10 metric tons per day, multiplied by the Rent that would otherwise be due for such 30-day period. Notwithstanding the foregoing, Tenant shall not be entitled to a reduction in Rent if the Reduced Production is the result of gross negligence or intentional wrongdoing on the part of the Tenant or any agent of Tenant. Tenant shall provide written notice of the Reduced Production to the Landlord, together with reasonable records of the Reduced Production at the time the Reduced Rent is tendered.

5. **Improvements of Leased Premises.**

- a. **Components.** Tenant shall construct an approximately sixty (60) megawatt DC liquid hydrogen facility (the "Electrolyzer") at its sole expense. The final nameplate size of the Electrolyzer may change in final engineering designs. The Electrolyzer shall consist of racking and foundations; inverters and transformers; battery storage and housing; electrolyzers and warehouses; storage tanks and fueling stations;

necessary electrical interconnections and all improvements and connections required to transfer and deliver generation onsite, including three (3) phase extensions and power box(es); an approximately 200 to 400 square-foot structure to house electrical and maintenance equipment ("PV Box"); security fencing and gating, with cameras, enclosing the Leased Premises; electrical substation; underground electrical lines to connect adjacent power stations; safety signage and solar photo voltaic ("PV") panels (collectively the "Site Improvements and Infrastructure").¹ Landlord has no obligation to make improvements on the Leased Premises or Landlord Property or incur any costs not otherwise specifically described in this Agreement in order to accommodate the Electrolyzer. Tenant shall be responsible for all costs associated with the construction, including, but not limited to any building or structure, grading and paving of vehicle parking area, applicable landscaping, lighting and provision of or extension of all utilities to the building site. Tenant shall keep and maintain all such improvements and facilities and any additions thereto constructed or installed by it in good condition.

- b. Preliminary Site Plan, Construction Plans. For any new construction on the Leased Premises, such construction shall be designed and built according to all applicable county, state and federal codes, standards and requirements in effect at the time of construction, including without limitation, the applicable building and fire codes.
- c. Signage. Tenant shall have the right to place one or more signs advertising the Electrolyzer provided that, prior to putting up any such signage, Tenant has obtained all required sign permits from the local governing authority, along with Landlord's written consent regarding size, location and placement of the sign(s), such consent not to be unreasonably withheld.
- d. Fencing. Tenant shall construct and maintain a fence around the Electrolyzer for the duration of the Primary Term and any extensions thereto at Tenant's sole cost and expense. Tenant shall receive any necessary permitting for said fence from the appropriate local or state jurisdiction.
- e. Utility Easement. Landlord agrees to execute any easement agreement required by the utility for interconnection in the form required by the utility, without additional consideration or payment by Tenant.
- f. Construction Contract. Tenant agrees to allow Landlord the exclusive right to provide a bid to Tenant for general contractor services for the construction of the Site Improvements and Infrastructure. The Parties agree to work together in good faith to come to an agreement on terms and pricing for general contractor services. In the event the Parties cannot agree on a price and terms for the scope of work necessary to construct the Site Improvements and Infrastructure, Tenant is free to seek bids from other general contractors but must give Landlord the ability to match any bona fide bids or estimates from responding third parties (each a "Putative Contractor"). If Landlord agrees to match the bid or estimate of a Putative

Contractor, Tenant agrees to contract with Landlord for the subject service. In the event that Landlord refuses or is unable to match any bid or estimate from a Putative Contractor, Tenant is free to contract with the Putative Contractor and the provisions of this Section 5(f) will become null and void. In the event Tenant does not contract with this Putative Contractor and instead pursues additional bids or estimates, this provision shall remain in full force and effect.

6. **Ingress, Egress, Utility and Solar Easement**. The rights granted to Tenant in the Lease include, without limitation, the following easements and related rights, without additional payment or consideration by Tenant other than the Rent described in Section 4:

- a. the exclusive right to erect, construct, reconstruct, replace, relocate, remove, operate, maintain and use the following from time to time, on, under, over and across the Leased Premises, in connection with the Electrolyzer: (a) a line of utility poles, with such wires and cables as from time to time are suspended therefrom, and/or underground wires and cables, for the transmission of electrical energy and/or for communication purposes, and all necessary and proper foundations, footings, crossarms and other appliances and fixtures for use in connection with said utility poles, wires and cables (collectively "Transmission Facilities"); (b) facilities consisting of one or more substations for electrical collection, to step up the voltage, interconnect to transmission line or lines, and meter electricity, together with the right to perform all other ancillary activities normally associated with such a facility as may be necessary or appropriate to service Electrolyzer, regardless where located (collectively "Interconnection Facilities", which collectively with the Transmission Facilities and improvements installed in connection with the Electrolyzer, constitute the "Hydrogen Improvements"); and (c) with all necessary easements therefor;
- b. an easement and right over and across the Landlord Property for any audio, visual, view, light, shadow, noise, vibration, electromagnetic or other effect of any kind or nature whatsoever resulting, directly or indirectly, from the Electrolyzer, including but not limited to rights to cast shadows and reflect glare onto all of Landlord's Property including any adjoining property, from the Electrolyzer and/or any and all other related facilities, wherever located;
- c. an exclusive easement and right to capture, use and convert sunlight and related solar resources on an unobstructed basis over and across the Landlord Property; any obstruction to the receipt of and access to sunlight throughout the entire area of the Leased Premises is prohibited;
- d. an access easement over and across the Landlord Property for ingress and egress to the Leased Premises, to and from a public road, including the right to remove snow and other impediments to access, and a construction and utility easement over Landlord Property adjacent to the Leased Premises for construction and maintenance of the Hydrogen Improvements.

- e. a non-exclusive right of ingress and egress for the installation, use, repair, replacement and removal of Transmission Facilities across the Landlord Property;
- f. a non-exclusive right of ingress and egress for the installation, use, operation, maintenance, repair, replacement and removal of Interconnection Facilities across the Landlord Property;
- g. an easement and right upon, across and over the Landlord Property, to trim, cut down and remove all trees (whether natural or cultivated), rocks, brush, vegetation and fire and electrical hazards now or hereafter existing on the Landlord Property which might obstruct receipt of or access to sunlight throughout the Leased Premises or otherwise interfere with or endanger Tenant's operations, and dispose of such items in its sole discretion; however, Tenant shall have no obligation to prevent measurable diminishment in output due to obstruction of sunlight across the Leased Premises;
- h. the right of subjacent and lateral support on the Landlord Property to whatever is necessary for the operation and maintenance of the Electrolyzer, including, without limitation, guy wires and supports; and
- i. the right to undertake any such purposes or other activities, whether accomplished by Tenant or a third party authorized by Tenant, that Tenant determines are necessary, useful or appropriate to accomplish any of the purposes or uses set forth in this Agreement or that are compatible with such purposes or uses.

The easement rights granted by Landlord are real property rights benefitting the Leased Premises, which are subject to and assignable pursuant to the provisions of Section 14 herein. If Landlord conveys the Landlord Property during the Term, Landlord agrees that any granting document, including the deed, shall include within the property description, the existence of the easements contained herein.

The term of the easements described in this Section 6 shall commence upon the Lease Commencement Date of the Lease and shall continue until the last to occur of (i) expiration of the Term, or (ii) removal by Tenant of all of its property from the Leased Premises after expiration of the Term. Additional details concerning the location and configuration of the easements shall be set forth in a recordable instrument prepared by Tenant, which Landlord agrees to execute, and have notarized, within ten (10) days of any Tenant request therefor made from time to time. In addition, at Tenant's request and expense, the easements described in this Section 6 may be set forth in a separate standalone easement agreement, which Landlord and Tenant agree to execute and which Tenant shall have recorded as an encumbrance on the property of Landlord and binding upon all subsequent owners, successors, and assigns.

7. Maintenance and Security.

- a. Maintenance. The Electrolyzer shall be maintained by Tenant at its own expense. Tenant shall maintain, protect and preserve the Electrolyzer in a safe, neat and attractive condition and in good and serviceable repair.

- b. Snow Removal. Landlord does not provide snow removal service on the access road serving the Leased Premises. Snow removal on the Leased Premises or the access road serving the Leased Premises, if needed, shall be the responsibility of Tenant as necessitated by Tenant's operation of the Electrolyzer. Any snow removal activities will be carried out to minimize any damage to the existing ground surface of the site. Tenant will promptly repair any damage caused by its snow removal activities. Tenant will only use the existing or new access roads via the access easement for vehicle access to the site.
- c. Security. Security for the Electrolyzer shall be the responsibility of Tenant. Nothing in this Agreement shall be construed to impose security obligations upon Landlord, and Landlord shall not be liable for any loss or damages suffered by Tenant or third parties due to Tenant's failure to properly secure the Leased Premises.

8. **Title and Quiet Possession**. Landlord represents and covenants that Landlord owns the Leased Premises and the Landlord Property in fee simple, free and clear of all liens, encumbrances, and restrictions of every kind and nature, except for those that are expressly referenced herein or currently appear in the recorded chain of title and are accepted by Tenant as set forth in Section 1(e)(iv) of this Agreement. Tenant shall have the quiet use and enjoyment of the Leased Premises and the easements described herein in accordance with and subject to the terms of the Lease, without any manner of hindrance, interference, or molestation of any kind by Landlord or any person claiming through Landlord.

9. **Title to Site Improvements and Infrastructure**.

- a. Site Improvements and Infrastructure. Title to the Site Improvements and Infrastructure remains with Tenant at all times during the Term, and Landlord shall not permit any encumbrance to the Site Improvements and Infrastructure. Upon expiration of the Lease, title to the Site Improvements and Infrastructure shall be designated in accordance with Section 25 below.
- b. Repair of Landlord Property. In the event that Tenant causes any damage to the Landlord Property, including without limitation any above-ground or underground utilities, in the course of any activity undertaken by Tenant under this Agreement, Tenant shall facilitate the repair of such damage to return such property of Landlord to substantially the same condition as it existed prior to such damage, at Tenant's sole expense.

10. **Uses and Operations**. Tenant shall construct, operate and maintain the Electrolyzer. The Tenant's uses under this Lease include the construction, maintenance, operation, use, repair, replacement and removal of the Electrolyzer, and all activities related thereto.

11. **Subordination, Attornment, and Nondisturbance**. Tenant agrees that, if requested by Landlord, this Lease shall be subject and subordinate to any mortgages or deeds of trust now or hereafter placed upon the Leased Premises and to all modifications thereto, and to all present and future advances made with respect to any such mortgage or deed of trust, provided that Landlord first delivers to Tenant a Subordination and Non-Disturbance Agreement (defined below) from the

holder of such lien or mortgage, and Landlord shall obtain the same from the holder of such lien or mortgage. Landlord agrees that any right, title or interest created by Landlord from and after the date hereof in favor of or granted to any third party shall be subject to (i) the Lease and all of Tenant's rights, title and interests created in the Lease, and (ii) any and all documents executed or to be executed by and between Tenant and Landlord in connection with the Lease. A "Subordination and Non-Disturbance Agreement" shall mean an agreement, in form reasonably acceptable to Tenant, between Tenant, Landlord and the holder of a lien or a mortgage that provides that the holder of such lien or a mortgage (i) agrees not to disturb Tenant's possession or rights under the Lease, (ii) agrees to provide notice of defaults under the lien or mortgage documents to Tenant and agrees to allow Tenant and its lenders a reasonable period of time following such notice to cure such defaults on behalf of Landlord, and (iii) agrees to comply with such other requirements as may be reasonably required by Tenant or its lenders to ensure the interests of Tenant or its lenders are not interfered with. Within ten (10) business days of Tenant's Option Notice, or within ten (10) business days of the date of creation of any future mortgages, liens or deeds of trust, Landlord shall request Landlord's secured lenders to provide a Subordination and Non-Disturbance Agreement in form reasonably acceptable to Tenant, executed and acknowledged by Landlord and the holder of any mortgage to which the Lease is, or shall become, subordinate.

12. Mortgagee Protection. Tenant shall have the right to pledge or collaterally assign its rights in this Agreement. Any holder of a Mortgage (defined below) on the Leased Premises, or any portion of the Leased Premises, shall, for so long as its Mortgage is in existence and until the lien thereof has been extinguished, be entitled to the following protections, upon delivery to Landlord of notice of its name and address:

- a. **Mortgagee's Right to Possession, Right to Acquire and Right to Assign.** A Mortgagee (defined below) shall have the absolute right: (a) to assign its security interest; (b) to enforce its lien and acquire title to the leasehold estate by any lawful means; (c) to take possession of and operate the Leased Premises or any portion thereof and to perform all obligations to be performed by Tenant under this Agreement, or to cause a receiver to be appointed to do so; and to acquire the leasehold estate by foreclosure or by an assignment in lieu of foreclosure and thereafter to assign or transfer the leasehold estate to a third party. Landlord's consent shall not be required for (a) the pledge, mortgage or hypothecation of Tenant's rights in the Agreement, the Hydrogen Improvements, or Tenant, or (b) the acquisition of Tenant's leasehold estate by a third party who acquires the same by foreclosure or assignment in lieu of foreclosure. As used in the Lease, (i) the term "Mortgagee" means any financial institution or other person or entity that from time to time provides secured financing for or otherwise encumbers some or all of Tenant's interest in the Lease or Electrolyzer, collectively with any security or collateral agent, indenture trustee, loan trustee or participating or syndicated lender involved in whole or in part in such financing, and their respective representatives, successors and assigns, (ii) the term "Mortgage" refers to the mortgage, deed of trust or other security interest in the Lease and/or the Electrolyzer and Hydrogen Improvements given to a Mortgagee in connection with such financing and (iii) the term "Mortgaged Interest" refers to the interest in the Lease and/or the Electrolyzer

and Hydrogen Improvements, that is held by the Mortgagee. Tenant shall have the right, without the consent of Landlord, to grant Mortgages on Tenant's interest hereunder.

- b. **Notice of Default: Opportunity to Cure.** As a precondition to exercising any rights or remedies as a result of any alleged default by Tenant under the Lease, Landlord shall give written notice of the default to each Mortgagee concurrently with delivery of such notice to Tenant, as applicable, specifying in detail the alleged event of default; provided however that such Mortgagee shall have provided Landlord with its current address. In the event the Landlord gives such a written notice of default, the following provisions shall apply:
- i. A "Monetary Default" means failure to pay when due any rent or other monetary obligation of Tenant to Landlord under the Lease; any other event of default is a "Non-Monetary Default."
 - ii. The Mortgagee shall have the same period after receipt of notice of default to remedy the default, or cause the same to be remedied, as is given to Tenant, plus, in each instance, the following additional time periods: (i) sixty (60) days after receipt of the notice of default in the event of any Monetary Default; and (ii) ninety (90) days after receipt of the notice of default in the event of any non-monetary default, provided that such period shall be extended for the time reasonably required to complete such cure, including the time required for the Mortgagee to perfect its right to cure such non-monetary default by obtaining possession of the Leased Premises (including possession by a receiver) or by instituting foreclosure proceedings, provided the Mortgagee acts with reasonable and continuous diligence. The Mortgagee shall have the absolute right to substitute itself for Tenant and perform the duties of Tenant under the Lease for purposes of curing such defaults. Landlord expressly consents to such substitution, agrees to accept such performance, and authorizes the Mortgagee (or its employees, agents, representatives or contractors) to enter upon the Leased Premises to complete such performance with all the rights, privileges and obligations of the Tenant. Landlord shall not terminate the Lease prior to expiration of the cure periods available to a Mortgagee as set forth herein, unless said cure periods are otherwise waived in writing by Mortgagee.
 - iii. During any period of possession of the Mortgaged Interest by a Mortgagee (or a receiver requested by such Mortgagee) and/or during the pendency of any foreclosure proceedings instituted by a Mortgagee, the Mortgagee shall pay or cause to be paid the rent and all other monetary charges payable by Tenant under the Lease which have accrued and are unpaid at the commencement of said period and those which accrue thereafter during said period. Following acquisition of Tenant's Mortgaged Interest by the Mortgagee or its assignee or designee as a result of either foreclosure or acceptance of an assignment in lieu of foreclosure, or by a purchaser at a foreclosure sale, the Lease shall continue in full force and effect and the

Mortgagee or party acquiring title to the Mortgaged Interest shall, as promptly as reasonably possible, commence the cure of all defaults under the Lease and thereafter diligently process such cure to completion, whereupon Landlord's right to terminate the Lease based upon such defaults shall be deemed waived; provided, however, the Mortgagee or party acquiring title to the Mortgaged Interest shall not be required to cure those non-monetary defaults which are not capable of being cured or performed by such party ("Non-curable Defaults"). Non-curable Defaults shall be deemed waived by Landlord upon completion of foreclosure proceedings or acquisition of interest in the Lease by such party.

- iv. Any Mortgagee or other party who acquires the Mortgaged Interest pursuant to foreclosure or assignment in lieu of foreclosure shall not be liable to perform the obligations imposed on Tenant by this Agreement incurred or accruing after such party no longer has an interest in the leasehold estate or possession of the Leased Premises.
 - v. Neither the bankruptcy nor the insolvency of Tenant or any Assignee shall be grounds for terminating the Lease as long as the rent and all other monetary charges payable by Tenant under the Lease are paid by the Mortgagee in accordance with the terms of the Lease.
 - vi. Nothing in the Lease shall be construed to extend the Lease beyond the Term or to require a Mortgagee to continue foreclosure proceedings after the default has been cured. If the default is cured and the Mortgagee discontinues foreclosure proceedings, the Lease shall continue in full force and effect.
- c. **New Agreement to Mortgagee.** If the Lease terminates because of Tenant's default or if the Mortgaged Interest is foreclosed, or if the Lease is rejected or disaffirmed pursuant to bankruptcy law or other law affecting creditors' rights, then Landlord shall, upon written request from any Mortgagee, enter into a new lease of the Leased Premises, on the following terms and conditions:
- i. The terms of the new agreement shall commence on the date of termination, foreclosure, or rejection and shall continue for the remainder of the Term of the Lease, at the same rent and subject to the same terms and conditions set forth in this Lease. Such new agreement shall be subject to all existing subleases, provided the subtenants are not then in default.
 - ii. The new agreement shall be executed within thirty (30) days after receipt by Landlord of written notice of the Mortgagee's election to enter a new agreement, provided said Mortgagee: (i) pays to Landlord all rent and other monetary charges payable by Tenant, as applicable, under the terms of the Lease up to the date of execution of the new agreement, as if the Lease had not been terminated, foreclosed, rejected or disaffirmed, less the rent and other income actually collected by Landlord from subtenants or other

occupants of the Leased Premises; and (ii) perform all other obligations of Tenant under the terms of the Lease, to the extent performance is then due and susceptible of being cured and performed by the Mortgagee; and (iii) agrees in writing to timely perform, or cause to be performed, all non-monetary obligations which have not been performed by Tenant and would have accrued under the Lease up to the date of commencement of the new agreement, except those obligations which constitute Non-curable Defaults as defined above; (iv) reimburses Landlord for Landlord's reasonable attorney fees incurred in reviewing the same. Any new agreement granted the Mortgagee shall enjoy the same priority as the Lease over any lien, encumbrance or other interest created by Landlord.

- iii. At the option of the Mortgagee, the new agreement may be executed by a designee of such Mortgagee without the Mortgagee assuming the burdens and obligations of the Tenant thereunder.
- iv. If more than one Mortgagee makes a written request for a new agreement pursuant hereto, the new agreement shall be delivered to the Mortgagee requesting such new lease whose Mortgage is prior in time, and the written request of any other Mortgagee whose lien is subordinate shall be void and of no further force or effect. Landlord shall be reimbursed by the Mortgagees for all reasonable expenses incurred in determining whose Mortgage is prior in lien.
- d. No Waiver. No payment made to Landlord by a Mortgagee shall constitute an admission that such payment was, in fact, due under the terms of the Lease. Any Mortgagee having made any payment to Landlord pursuant to Landlord's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment.
- e. No Merger. There shall be no merger of the Lease, or of the leasehold estate created by the Lease, with the fee estate in the Leased Premises by reason of the fact that the Lease or the leasehold estate or any interest therein may be held, directly or indirectly, by or for the account of any person or persons who shall own the fee estate or any interest therein, and no such merger shall occur unless and until all persons at the time having an interest in the fee estate in the Leased Premises and all persons (including Mortgagee) having an interest in the Lease or in the estate of Landlord shall join in a written instrument effecting such merger and shall duly record the same.
- f. Third Party Beneficiary. Each Mortgagee is and shall be an express third party beneficiary of the provisions of this Section and shall be entitled to compel the performance of the obligations of Landlord under the Lease.
- g. Further Amendments. Provided that no material default in the performance of Tenant's obligations under the Lease shall have occurred and remain uncured after the expiration of all applicable notice and cure periods, at Tenant's request,

Landlord shall (a) amend the Lease to include any provision that may reasonably be requested by an existing or proposed Mortgagee, or by any entity that is proposing to directly or indirectly acquire any interest in the Tenant or the Site Improvements and Infrastructure, and (b) shall execute such additional documents as may reasonably be required to evidence such Mortgagee's or other entity's rights hereunder; provided, however, that such amendment shall not materially impair the rights of Landlord under the Lease, or extend the Term of the Lease. Further, Landlord shall, within ten (10) days after written notice from Tenant or any existing or proposed Mortgagee, execute and deliver thereto a certificate to the effect that Landlord (a) recognizes a particular entity as a Mortgagee under the Lease and (b) will accord to such entity all the rights and privileges of a Mortgagee hereunder.

- h. Further Amendments to Leased Premises Description. In the event that it is determined by Tenant or any Mortgagee that there are any inaccuracies in or changes required to the legal description of the Leased Premises contained in Exhibit A-2, the validity of the Lease shall not be affected, and, upon the request of Tenant made from time to time, Landlord shall execute an amendment to the legal description of the Leased Premises contained in Exhibit A-2 of this Agreement and in any memorandum of this Agreement to reflect the legal description of the Leased Premises as contained in any survey obtained by Tenant for the Leased Premises.

13. Governmental Approvals and Compliance. Tenant shall obtain any necessary governmental licenses, permits or authorizations required for the construction and use of the Site Improvements and Infrastructure on the Leased Premises and shall comply with government laws and regulations applicable thereto including but not limited to site plan review before any city or County planning board or examiner. Notwithstanding the foregoing, Tenant shall not be responsible for any matters arising in connection to Environmental Laws (as defined below) relating to the Leased Premises, except to the extent the need for compliance therefor arises directly out of the release by Tenant of any Hazardous Materials (as defined below) on or about the Leased Premises. Landlord makes no representations or warranties regarding the Landlord Property or the Leased Premises with respect to their fitness for any particular use or purpose, except as expressly set forth herein. In entering into the Lease, Tenant acknowledges and agrees that Landlord offers and Tenant accepts the Leased Premises and Landlord Property on an AS-IS basis and that Tenant relies solely upon its own due diligence and investigation of the Leased Premises and Landlord Property regarding their sufficiency to accommodate any uses necessary or desired by Tenant.

14. Assignment. Excluding assignments that occur pursuant to Section 12 above, Tenant shall not assign or transfer this Agreement, or any interest herein, without the prior written consent of Landlord which shall not be unreasonably withheld, delayed or conditioned, and consent to an assignment shall not be deemed to be a consent to any subsequent assignment. Notwithstanding the foregoing, Tenant is expressly permitted to assign its rights and responsibilities under this Agreement, without obtaining Landlord's consent and in its sole discretion, to any entity owned or controlled by Tenant or under common ownership or control with Tenant. Under any such permitted assignment, unless otherwise agreed to in writing by the Parties, Tenant shall remain responsible for the obligations hereunder.

15. **Notices.** All notices, demands, requests, consents, approvals, and other instruments required or permitted to be given pursuant to this Agreement shall be in writing, signed by the notifying Party, or officer, agent, or attorney of the notifying Party, and shall be deemed to have been effective upon delivery if served personally, including but not limited to delivery by messenger, overnight courier service or overnight express mail, or upon posting if sent by registered or certified mail, postage prepaid, return receipt requested, or upon the date of receipt if sent by email or other electronic communication, with a read receipt requested, and addressed as follows:

To Landlord: Jeff Dane
 Port of Arlington
 100 Port Island Rd.
 Arlington, OR 97812
 Email: jeff.dane@portofarlington.com

To Tenant: Justin Long
 101-1001 West Broadway
 Vancouver, BC V6H 4E4
 Canada
 Email: justin@waterbearenergy.com

The address to which any notice, demand, or other writing may be delivered to any Party as above provided may be changed by written notice given by such Party as above provided.

16. **Insurance.** At all times during the Term of the Lease, Tenant shall maintain in full force a commercial general liability insurance policy covering Tenant's operations, activities, and liabilities on the Leased Premises, having singly or in combination limits not less than Five Million Dollars (\$5,000,000) in the aggregate. Such policy shall name Landlord as an additional insured under such policy as the Landlord's interests may appear. Upon Landlord's request, Tenant shall give Landlord a certificate of insurance evidencing that the insurance required under the Agreement is in force. Upon completion of construction of the Site Improvements and Infrastructure, Tenant shall procure and maintain policies of insurance at its own expense, insuring the Leased Premises and the improvements thereon against all perils of direct physical loss excluding earthquake and flood. The insurance coverage shall be for not less than one hundred percent (100%) full replacement value of said Leased Premises, Site Improvements, and Infrastructure with an agreed amount clause and a reasonable and customary deductible on the Leased Premises and improvements. Upon written request, Tenant shall furnish to the Landlord evidence that such coverage has been procured and is being maintained in full force and effect.

17. **Waiver of Subrogation.**

a. Landlord and Tenant each waive any rights it may have against the other on account of any loss or damage occasioned to Landlord or Tenant, as the case may be, their respective property, and the Leased Premises arising from any liability, loss, damage or injury caused by fire or other casualty for which property insurance is carried or required to be carried pursuant to the

Lease. Each of the Parties hereto, on behalf of their respective insurance companies insuring the property of either Landlord or Tenant against any such loss, to the extent of any recovery under such insurance, waives any right of subrogation that it may have against the other. Each waiver shall be expressly included in, and shall comply with the requirements of the respective insurance policies. Should either or both of the respective insurance companies assess a charge for such waiver, each Party shall pay only for the charges assessed by its respective insurer.

b. **Operating Expenses.** Tenant shall fully and promptly pay for all water, gas, heat, power, telephone service, garbage and other utilities furnished to the Leased Premises and used by Tenant throughout the Term hereof, and for all other costs and expenses of every kind whatsoever in connection with the use, operation, and maintenance of the Leased Premises and all activities conducted thereon.

18. **Taxes.** Tenant agrees to pay all lawful taxes and assessments during the Term of the Lease or any extension as provided for herein, which may be levied or charged by the State, County, City or other tax-levying body upon the Leased Premises herein or upon any taxable interest acquired by the Tenant in the Lease, including, but not limited to, any real estate tax, leasehold excise tax, or any taxable possessory right which the Tenant may have in or to the Leased Premises or the Site Improvements and Infrastructure constructed thereon, by reason of its occupancy thereof, or otherwise, as well as all taxes on taxable property, real or personal, owned by the Tenant in or about the Leased Premises.

19. **Maintenance by Landlord.** Landlord shall maintain its property adjacent to the Leased Premises in good condition and state of repair to avoid interference with Tenant's use of the Leased Premises and any applicable easements. Landlord shall not construct or permit to be constructed structures or plant or permit to be planted trees adjacent to the Leased Premises that will impede solar access or any other access to the Leased Premises, as described in Section 6.

20. **Liabilities to Third Parties: Risk of Loss.** During the term of this Agreement, Tenant agrees, subject to limitations imposed by law, to indemnify and defend and hold harmless Landlord and its directors, officers, employees and agents from all claims, actions, causes of action, judgments, liabilities, expenses, costs and reasonable attorneys' fees and all limitations, restraints, penalties or obligations ("Claim(s)") pertaining to Landlord or its directors, officers, employees or agents arising or alleged to arise out of any act, omissions, or neglect in connection with Tenant's (including Tenant's members, officers, employees, agents, officers, licensees, invitees or other occupants of the Property) use or occupancy of the Leased Premises or Landlord Property including, without limitation, failure of Tenant's warranties contain in Section 47 to be true, complete, and accurate in all material respects, except in all cases where such Claim arises (i) as a result of any violation of Environmental Law, the presence of Hazardous Materials or other environmental condition existing prior to the Lease Commencement Date, except to the extent aggravated or exacerbated by the negligence or willful misconduct of Tenant or its members, agents or employees (other than any member, agent or employee that is Landlord or an affiliate or employee of Landlord), or (ii) out of the negligence or willful misconduct of Landlord or its directors, officers, employees or agents.

During the term of this Agreement, Landlord agrees, subject to the limitations imposed by law, to indemnify and defend and hold harmless Tenant and its members, officers, employees and agents

from all Claims pertaining to Tenant or its members, officers, employees or agents arising out of or alleged to arise out of any act, omissions or neglect in connection with Landlord's ownership of the Leased Premises and use or occupancy of the Landlord Property, including, without limitation, failure of Landlord's warranties contained in Section 46 to be true, complete, and accurate in all material respects, and any such Claims arising from (a) any violation of Environmental Law, the presence of Hazardous Material or other environmental conditions on the Landlord Property, only insofar as the same existed prior to the Lease Commencement Date for the Leased Premises, and (b) failure by Landlord to comply with any applicable Environmental Laws relating to the Landlord Property; except, in either case, to the extent aggravated or exacerbated by the negligence or willful misconduct of Tenant or its members, agents, or employees (other than any member, agent or employee that is the Landlord or an employee of Landlord).

The respective indemnity agreements of Landlord and Tenant shall survive the termination of this Agreement as to any act alleged to have occurred during the term of this Agreement, and shall survive until the expiration of the applicable statute of limitations.

Notwithstanding any provisions herein to the contrary, it is understood and agreed that all property kept, installed, stored, or maintained in or upon the Leased Premises by Tenant shall be so installed, kept, stored, or maintained at the risk of Tenant. Moreover, Landlord shall not be responsible for any loss or damage to equipment owned by Tenant that might result from tornadoes, lightning, windstorms, or other Acts of God. The covenants of this paragraph shall survive and be enforceable and shall continue in full force and effect for the benefit of the Parties and their respective subsequent transferees, successors, and assigns, and shall survive the termination of the Lease, whether by expiration or otherwise.

21. Tenant's Performance and Surrender. Tenant shall pay Rent and all other sums required to be paid by Tenant pursuant to the Lease in the amounts, at the times, and in the manner herein provided, and shall keep and perform all terms and conditions hereof on its part to be kept and performed, and at the expiration or sooner termination of this Agreement, surrender to Landlord the Leased Premises subject to the other provisions of this Agreement.

22. Default and Termination for Default. Landlord or Tenant shall be in default of the Lease if either Party breaches any material provision hereof and said breach is not cured by the breaching Party within sixty (60) days of receipt of notice of said breach from the non-breaching Party, or if such cure cannot reasonably be had within said sixty (60) day period, then if cure of such breach is not commenced within thirty (30) days of receipt of such notice and not thereafter completed using diligent efforts. Upon the breaching Party's failure to cure its breach within such time, as applicable, the non-breaching Party shall have the right to terminate the Lease for default, and to pursue such remedies as may be available in law or equity.

23. Right to Terminate. Tenant may terminate this Lease, at its option, after giving not less than thirty (30) days' notice to Landlord, if:

- a. Any governmental agency denies a request by Tenant for or revokes a permit, license, or approval that is required for Tenant to construct or operate the Site Improvements and Infrastructure on the Leased Premises;

- b. Tenant determines, in its sole discretion, that technical problems, which problems cannot reasonably be corrected, preclude Tenant from using the Leased Premises for its intended purpose;
- c. Tenant determines, in its sole discretion, that Tenant does not have acceptable and legally enforceable means of ingress and egress to and from the Leased Premises;
- d. Utilities or water rights necessary for Tenant's use of the Leased Premises are not available to the Leased Premises; or
- e. The Leased Premises are damaged or destroyed to an extent that prohibits or materially interferes with Tenant's use of the Leased Premises.

In the event of termination by Tenant pursuant to this provision, Tenant shall be relieved of all further obligations hereunder except its obligation to remove its improvements as provided in Section 25 herein. Any Rent paid prior to said termination date shall be retained by Landlord.

24. Rights to Site Improvements and Infrastructure Upon Termination.

- a. Title: Tenant. At least ninety (90) days prior to the expiration of the Term (including the expiration of any extension to such Term under Section 3), Tenant shall advise Landlord in writing of Tenant's intention regarding Tenant's ownership of the Electrolyzer upon expiration, based upon one of the options set forth in this Section 25(a):

- i. Transfer Title and Operating Rights. Transfer title and operating rights to Landlord; or propose transfer to third party of the Electrolyzer, under a new lease agreement with Landlord, provided that:

Landlord and Tenant have agreed to the new lease provisions and assignment of same to the third party assignee at least thirty (30) days prior to the expiration date of the Lease. The new lease agreement shall begin with assignee upon the expiration of this Agreement.

It is understood and agreed that if Tenant and Landlord are unable to agree upon the terms of such new lease, then the provisions of Section 25(a)(ii), below, regarding removal shall apply.

- ii. Remove. Remove the Electrolyzer, not including the Site Improvements or Infrastructure. Such removal shall be completed within twelve (12) months following the expiration of the full term of the Lease, during which time Tenant shall be subject to all terms and conditions in the Lease with respect to access and said removal as if still a tenant. To the greatest extent possible, Tenant's removal of the Site Improvements and Infrastructure shall leave the Leased Premises in the same condition as Tenant found them prior to the Effective Date.

- b. Noncompliance with Section 25(a). If Tenant does not provide the notice to Landlord described in Section 25(a) within the time period for such notice described therein, then Landlord shall notify Tenant whether Landlord desires to negotiate a new lease as described in Section 25(a)(i) or desires Tenant to remove the Electrolyzer as described in Section 25(a)(ii), and the Parties shall proceed accordingly; provided however that in the event that Landlord and Tenant have not entered into the new lease described in Section 25(a)(i) at least ten (10) days prior to the expiration of the Term (including the expiration of any extension to such Term under Section 3), then Tenant shall remove the Electrolyzer as set forth in Section 25(a)(ii). If Tenant is obligated under this Section 25 to remove the Electrolyzer and fails to do so within the time set forth in Section 25(a)(ii), then Tenant shall be in default, and Landlord, after notice of default and expiration of the applicable cure periods set forth in Section 23 hereof, may remove the Electrolyzer at Tenant's cost.

25. Condemnation.

- a. **Generally.** The term "condemnation" used herein shall mean any taking of any interest in the Leased Premises or the improvements to the premises by right of eminent domain or a purchase of any such interest in lieu of such taking. The "date of condemnation" shall mean the date title vests in the condemning authority.
- b. **Total Taking.** If the whole of the Leased Premises is taken by condemnation then the Lease shall terminate as of the date title to the Leased Premises vests in the condemning authority. For the purposes of this Agreement, such date of vesting in the condemnor shall operate as though it were the date originally intended by the Parties for expiration of the tenancy created hereunder, and the Rent provided herein shall be adjusted in light of the condemnation, so that Tenant shall pay Rent or Additional Rent to Landlord only up to the date of vesting in the condemnor. Any prepaid or advance Rent paid by Tenant to Landlord for the part of the Term extending beyond the date on which the title vests in the condemnor shall be refunded within ten (10) days after Landlord has received an award or payment of just compensation from the condemning authority for the taking, provided Tenant shall have duly performed all the covenants and conditions of the Lease by it to be performed.
- c. **Partial Taking.** If only a portion of the Leased Premises is taken, Tenant shall have the right to terminate the Lease as of the date title to such portion vests in the condemnor by giving to Landlord written notice of such termination. If the Tenant does not terminate the Lease under the preceding sentence, then the Lease shall terminate as to the part taken. The Rent shall be adjusted for the portion of the Leased Premises remaining after condemnation so that Tenant shall only be required to pay for the balance of the term that portion of the Rent provided for herein which the value of the portion of the Leased Premises remaining after condemnation bears to the value of the Leased Premises immediately prior to the date of condemnation. The Rent shall be apportioned as determined by agreement between the Parties within 30 days of the date of condemnation. If the Parties are

unable to agree within 30 days, then the Agreement shall terminate. Pending such agreement or termination, Tenant shall pay at the time and in the manner above provided the entire Rent provided for herein, without deduction, and on such agreement or termination, Tenant shall be entitled to a credit or refund for any excess rents paid.

d. **Allocation of Award.** It is specifically understood and agreed that Landlord and Tenant shall allocate the proceeds of any partial or total condemnation (regardless of who actually receives the award from the condemning authority), that results in a termination of this Agreement such that the Tenant is entitled to that portion of the award associated with the Site Improvements and Infrastructure, and the Landlord shall be entitled to the portion of the award associated with the real property (i.e. land).

26. **Binding on Successors.** The covenants and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators, and assigns of the Parties hereto.

27. **Access to Premises.** Tenant and its engineers, officers, employees, agents, and contractors shall have full access to the Leased Premises during the Term.

28. **Governing Law.** The validity of this Agreement, the interpretation of the rights and duties of the Parties hereunder and the construction of the terms hereof shall be governed in accordance with the laws of the State of Oregon. Venue in the event of any dispute shall be Gilliam County, Oregon.

29. **Entire Agreement; Waiver.** All of the representations and obligations of the Parties are contained herein, and no modification, waiver, or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a Party unless in writing signed by that Party or a duly authorized agent of that Party empowered by a written authority signed by that Party. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that provision by the same Party, or of any other provision or condition of the Agreement.

30. **Intentionally Omitted.**

31. **Oil, Gas and Mineral Rights.** Tenant acknowledges that Landlord does not grant, lease, let, or demise hereby, but expressly excepts and reserves hereto all rights to oil, gas, and other minerals in, on, or under and that might be produced or extracted from the Leased Premises; provided, however, that no drilling or other activity will be undertaken on the surface of the Leased Premises to recover any oil, gas, or minerals during the Term hereof, and further provided that any activity associated with such minerals shall not interfere with Tenant's quiet use and enjoyment of the Leased Premises. In the event that there shall exist at any time any mineral rights separate from Landlord's fee interest in the Leased Premises, Landlord shall deliver to Tenant, within ten (10) days of any request made by Tenant from time to time, such documentation as may be required to ensure that such mineral rights are subordinate and inferior to the rights, privileges, powers, options, immunities, and interests granted to Tenant hereunder and to allow Tenant to obtain an

endorsement over such mineral rights in any title commitment or title policy requested by Tenant, including without limitation a non-disturbance agreement executed by Landlord and the holder of such mineral rights, in form acceptable to Tenant.

32. Hazardous Materials.

- a. The term Hazardous Materials shall mean any substance, material, waste, gas, or particulate matter that is regulated by any local governmental authority, the State of Oregon, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of state or local law, (ii) petroleum, (iii) asbestos, (iv) polychlorinated biphenyls, (v) radioactive material, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sections 1251 et seq. (33 U.S.C. Section 1317), (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 et seq. (42 U.S.C. Section 6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Sections 9601 et seq. (42 U.S.C. Section 9601). The term "Environmental Laws" shall mean all statutes specifically described in the foregoing sentence and all applicable federal, state, and local environmental health and safety statutes, ordinances, codes, rules, regulations, orders, and decrees regulating, relating to, or imposing liability or standards concerning or in connection with Hazardous Materials.
- b. Landlord represents and warrants that, to the best of Landlord's knowledge (i) , the Leased Premises have not been used for the use, manufacturing, storage, discharge, release, or disposal of Hazardous Materials and there has been no release or discharge of Hazardous Materials on the Leased Premises or any part thereof, (ii) neither the Leased Premises nor any part thereof is in material compliance with all breach of any Environmental Laws, (iii) there are no underground storage tanks located on or under the Leased Premises, and (iv) the Leased Premises are free of any Hazardous Materials that would trigger response or remedial action under any Environmental Laws or any existing common law theory based on nuisance or strict liability. If any such representation is in any manner inaccurate, or any such warranty is discovered or in any manner breached during the term of this Agreement (collectively, a "Breach"), and if such Breach has the reasonable possibility to give rise to, gives rise to, or results in liability (including, but not limited to, a response action, remedial action, or removal action) under any Environmental Laws or any existing common law theory based on nuisance or strict liability, or causes or threatens to cause an adverse significant effect on public health or the environment, Landlord shall promptly take any and all remedial and removal actions as required by law or the applicable governmental authorities with jurisdiction to address the condition, clean up the Leased Premises and mitigate any exposure to liability arising from such condition, and keep the Leased Premises free of any lien imposed pursuant to, any Environmental Laws as a result of such Breach.

- c. The following indemnities are provided hereunder by Landlord and Tenant:
- i. Tenant agrees to indemnify, defend, and hold harmless Landlord, its officers, partners, successors, and assigns from and against any and all debts, liens, claims, causes of action, administrative orders and notices, costs (including, without limitation, response and/or remedial costs), personal injuries, losses, damages, liabilities, demands, interest, fines, penalties, and expenses, including reasonable attorneys' fees and expenses, consultants' fees and expenses, court costs, and all other out-of-pocket expenses, to the extent any such items arise out of the release of any Hazardous Materials on or about the Leased Premises during the Term by Tenant or Tenant's employees, contractors, agents, successors, or assigns.
 - ii. Landlord agrees to indemnify, defend, and hold harmless Tenant, its officers, partners, agents, lenders, contractors, successors, and assigns from and against any and all debts, liens, claims, causes of action, administrative orders and notices, costs (including, without limitation, response and/or remedial costs), personal injuries, losses, damages, liabilities, demands, interest, fines, penalties, and expenses, including reasonable attorneys' fees and expenses, consultants' fees and expenses, court costs, and all other out-of-pocket expenses, to the extent any such items (a) arise out of the release of any Hazardous Materials on or about the Landlord Property or Leased Premises except by Tenant or Tenant's employees, contractors, agents, successors, or assigns, (b) arose prior to or during the Term of this Lease due to Landlord's failure to comply with (i) the Environmental Laws then in effect or (ii) any existing common law theory based on nuisance or strict liability, or (c) arise out of breach of Landlord's representations and warranties in Section 33(b) of this Agreement.
- d. Landlord represents and warrants to Tenant that Landlord has received no notice that the Leased Premises or any part thereof is, and, to the best of its knowledge and belief, no part of, the Leased Premises is located within, an area that has been designated by the Federal Emergency Management Agency, the Army Corps of Engineers, or any other governmental body as being subject to special hazards, including floodplains.
- e. The covenants of this Section shall survive and be enforceable and shall continue in full force and effect for the benefit of the Parties and their transferees, successors, and assigns.

33. Mechanic's Liens. Tenant will not cause any mechanic's or materialman's lien to be placed on the Leased Premises, and Tenant agrees to indemnify, defend, and hold harmless Landlord from any such lien from a party claiming by, through, or under Tenant; provided that Tenant shall be permitted to remove any such lien by bond or other suitable instrument.

34. **Headings**. The headings of sections and subsections are for convenient reference only and shall not be deemed to limit, construe, affect, modify, or alter the meaning of such sections or subsections.
35. **Time of Essence**. Time is of the essence for Landlord's and Tenant's obligations under this Agreement.
36. **Severability**. If any section, subsection, term, or provision of this Agreement or the application thereof to any Party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term, or provision of the Agreement, or the application of same to Parties or circumstances other than those to which it was held invalid or unenforceable, shall not be affected thereby and each remaining section, subsection, term, or provision of this Agreement shall be valid or enforceable to the fullest extent permitted by law.
37. **Real Estate Broker**. Landlord represents and warrants that Landlord has not signed a listing agreement, dealt with, or otherwise agreed to pay a broker's commission, finder's fee, or other like compensation to anyone in connection with the lease of the Leased Premises or the transaction contemplated by this Agreement. In the event a broker or finder perfects a claim for a commission or finder's fee based upon any contracts, dealings or communications with Landlord, then Landlord shall be responsible for said commission or fee and all costs and expenses (including reasonable attorneys' fees) incurred by Tenant in defending against the same. Landlord agrees to indemnify Tenant with respect to any claim asserted by any broker, agent or salesman claiming by, through or under Landlord.
38. **Further Assurances**. Each of the Parties agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as the other may reasonably require to consummate, evidence, or confirm this Agreement or any other agreement contained herein in the manner contemplated hereby.
39. **Dispute Resolution**. Any dispute between Landlord and Tenant arising under this Agreement shall in the first instance be addressed by taking the following steps; 1) by informal negotiations between Landlord and Tenant following an exchange of written notice of and response to said dispute and for a period of time not to exceed 45 days unless extended by mutual agreement; and if not resolved by negotiations, then 2) by any other such remedy at law that may be available.
40. **Right to Record**. The Tenant shall have the right to prepare, execute and record a memorandum of this Agreement, setting forth the general terms of the Option and Lease and such other information as Tenant deems necessary, which memorandum Landlord agrees to execute and deliver to Tenant.
41. **Tax Credits**. If under applicable law the holder of any interest under this Agreement becomes ineligible for any tax credit, benefit or incentive for alternative energy expenditure established by any local, state or federal government, then, at Tenant's option, Landlord and Tenant shall amend this Agreement or replace it with a different instrument so as to convert Tenant's interest in this Agreement or the Leased Premise to a substantially similar interest that

makes Tenant eligible for such tax credit, benefit or incentive; provided, however, that nothing in this Agreement shall entitle Tenant to a fee interest in the Leased Premises, diminish Tenant's payment obligations under this Agreement or extend the Term of this Agreement.

42. **Attorneys' Fees.** The prevailing Party in any action or proceeding for the enforcement, protection, or establishment of any right or remedy under this Agreement or for the interpretation of this Agreement shall be entitled to recover its reasonable attorneys' fees and costs in connection with such action or proceeding, including any appeal therefrom, from the non-prevailing Party.

43. **Interpretation.** Each Party to this Agreement and its counsel have reviewed and revised this Agreement. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or of any amendments or exhibits to this Agreement.

44. **Relationship of the Parties.** Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Agreement, nor any acts of the Parties, shall be deemed to create any relationship other than that of Landlord and Tenant.

45. **Representations of Landlord.** As of the Effective Date, Landlord hereby represents and warrants as follows:

- a. Landlord is an Oregon municipal corporation, duly organized and validly existing under the laws of the State of Oregon and has full power and authority under the laws of the State to enter into the transactions contemplated on its part by this Agreement, and to carry out its obligations hereunder. Landlord has duly authorized the execution and delivery of this Agreement and the performance of its obligations under this Agreement. This Agreement constitutes a valid and legally binding obligation of Landlord, enforceable in accordance with its terms, except as may be limited by laws relating to bankruptcy, insolvency, reorganization or moratorium or other similar laws affecting creditors' rights, and equitable principles.
- b. Neither Landlord's execution and delivery of this Agreement, Landlord's consummation of the transactions contemplated on its part hereby, nor Landlord's fulfillment of or compliance with the terms and conditions or provisions of this Agreement conflicts with or results in the breach of any of the terms, conditions or provisions of any constitutional provision or statute of the State or of any agreement, instrument, judgment, order or decree to which Landlord is now a party or by which it or any of its properties is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance of any nature upon any property or assets of Landlord prohibited under the terms of any instrument or agreement.
- c. There is no litigation pending or, to the best of Landlord's knowledge, threatened against Landlord questioning Landlord's execution, delivery or performance of its

obligations under this Agreement, or the organization, powers or authority of Landlord.

- d. Landlord has fee title to the Landlord Property.
- e. The individual executing this Agreement on behalf of the Landlord represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of the Landlord, and that this Agreement is binding upon the Landlord in accordance with its terms.

46. Representations of Tenant. As of the Effective Date, Tenant hereby represents and warrants as follows:

- a. Tenant is a Corporation duly formed under the laws of the State of Washington, is qualified, licensed and authorized to conduct affairs in the State of Washington, has full power and authority to lease and operate the Leased Premises, and to carry on its business as now conducted and to enter into this Agreement, and has duly authorized the execution and delivery of this Agreement. This Agreement constitutes a valid and legally binding obligation of Tenant, enforceable in accordance with its terms, except as may be limited by laws relating to bankruptcy, insolvency, reorganization or moratorium or other similar laws affecting creditors' rights, and equitable principles.
- b. Neither Tenant's execution and delivery of this Agreement and Tenant's consummation of the transactions contemplated hereby, nor Tenant's fulfillment of or compliance with the provisions of this Agreement conflicts with, violates or will result in a breach of any of the terms, conditions or provisions of any agreement, instrument, statute, governmental rule or regulation, court order, judgment, order or decree to which Tenant is now a or by which it or any of its property is bound. Tenant will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof.
- c. There is no litigation pending or, to the best of Tenant's knowledge, threatened against Tenant affecting its ability to perform its obligations as contemplated hereunder.
- d. The individual executing this Agreement on behalf of the Tenant represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of the Tenant, and that this Agreement is binding upon the Tenant in accordance with its terms.

[signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, as a sealed instrument, as of the day and year first above written.

LANDLORD:

Port of Arlington, an Oregon municipal corporation

By: _____

Title: _____

Date: _____

TENANT:

Waterbear Energy Inc., a Washington corporation

By: _____

Title: _____

Date: _____

EXHIBIT A-1

LEGAL DESCRIPTION OF THE LANDLORD PROPERTY

TRACT A

All that portion of Government Lots 1 and 2 of Sec. 26, T. 4 N., R. 22 EW, Gilliam County, Oregon, lying northerly of the Oregon-Washington Railroad and Navigation Company's (Union Pacific Railroad Company) right of way as it is being relocated under Relocation Agreement DA-45-164-CIVENG-60-190 dated 18 June 1962 between the Department of the Army and the Oregon-Washington Railroad and Navigation Company and lying southerly of the following-described line:

Beginning at the intersection of the west line of said Lot 2 with the centerline of the Oregon-Washington Railroad and Navigation Company's existing main line;

thence northeasterly along said centerline to a point of intersection with the east line of said Government Lot 2 of Sec. 26;

thence south to a point of intersection with the southerly right-of-way line of said Railroad Company's existing Heppner Branch;

thence easterly along said southerly right-of-way line to the point of intersection with the northerly right-of-way line of said relocated right of way and point of terminus of the above-described line.

There is excepted therefrom all that portion lying westerly of the following-described line:

Commencing at the south quarter Section corner of said Sec. 26;

thence north to the northerly right-of-way line of said relocated Railroad;

thence northeasterly along said right-of-way line a distance of 350 feet to the TRUE POINT OF BEGINNING;

thence northwesterly along a straight line to a point of intersection of the west line of said Lot 2 with the southerly right-of-way line of the existing main line of said Railroad;

thence north along said west line of said Lot 2 to the centerline of said existing Railroad and point of terminus of the above-described line.

The tract of land above described contains 20.30 acres, more or less.

FOR INDUSTRIAL PURPOSES ONLY, all right, title, and interest of the United States of America in and to the real estate described as follows:

TRACT B

All that portion of Government Lots 2 and 3 of Sec. 26 and Government Lot 1 and the northeast quarter of the northwest quarter of Sec. 35, T. 4 N., R. 22 E.W., Gilliam County, Oregon, lying northerly of the Oregon-Washington Railroad and Navigation Company's (Union Pacific Railroad Company) right of way as it is being relocated under Relocation Agreement

DA-45-164-CIVENG-60-190 dated 18 June 1962 between the Department of the Army and the Oregon-Washington Railroad and Navigation Company and lying southerly of the following-described line:

Beginning at the intersection of the west line of said Lot 1 of said Sec. 35 with the southerly line of the right of way of the Oregon-Washington Railroad and Navigation Company's existing main line;

thence northeasterly along said right-of-way line to a point of intersection with the north line of said Lot 1;

thence north to a point on the centerline of said right of way;

thence northeasterly along said centerline to a point of intersection with the east line of said Government Lot 3 of Sec. 26 and the point of terminus of the above-described line.

There is excepted therefrom all that portion lying easterly of the following-described line:

Commencing at the south quarter Section corner of said Sec. 26;

thence north to the northerly right-of-way line of said relocated Railroad;

thence northeasterly along said right-of-way line a distance of 350 feet to the TRUE POINT OF BEGINNING;

thence northwesterly along a straight line to a point of intersection of the west line of said Lot 2 with the southerly right-of-way line of the existing main line of said Railroad;

thence north along said west line of said Lot 2 to the centerline of said existing Railroad and point of terminus of the above-described line.

The tract of land above described contains 36.20 acres, more or less.

EXHIBIT A-2

LEGAL DESCRIPTION OF THE LEASED PREMISES

To be revised by Tenant based upon the survey referenced in Section 2 of the Agreement.

EXHIBIT A-3

DEPICTION OF LEASED PREMISES AND LANDLORD PROPERTY

<INSERT DEPICTION OF WILLOW CREEK SITE>

EXHIBIT B

TENANT'S SURVEY OF THE LEASED PREMISES

To be revised by Tenant based upon the survey referenced in Section 2 of the Agreement.

PORT OF ARLINGTON
Reconciliation Detail
1001 - Bank of E/O - Checking, Period Ending 10/30/2021

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						
						819,850.11
Cleared Transactions						
Checks and Payments - 27 Items						
Check	09/28/2021	9721	SME Solutions	X	-3,577.00	-3,577.00
Liability Check	09/28/2021	EFT	Oregon Department o...	X	-956.00	-4,533.00
Check	09/28/2021	9725	Arlington T.V. Coop	X	-60.00	-4,593.00
Liability Check	09/29/2021	EFT	Oregon Department o...	X	-26.58	-4,619.58
Check	10/13/2021	9748	Leonardo Plumbing	X	-3,411.27	-8,030.85
Check	10/13/2021	9737	Vankolien & Cleanela...	X	-1,612.26	-9,643.11
Check	10/13/2021	9742	SDAO	X	-1,606.05	-11,249.16
Check	10/13/2021	9735	Bank of Eastern Oreg...	X	-1,176.45	-12,425.61
Check	10/13/2021	9739	City of Arlington	X	-1,050.68	-13,476.29
Check	10/13/2021	9743	Gilliam County Trees...	X	-1,012.00	-14,488.29
Check	10/13/2021	EFT	Pacific Power	X	-804.88	-15,293.17
Check	10/13/2021	9734	Meadow Outdoor Adv...	X	-641.30	-15,934.47
Check	10/13/2021	9740	Pacific Power	X	-556.55	-16,491.02
Check	10/13/2021	9749	Arlington T.V. Coop	X	-366.50	-16,857.52
Check	10/13/2021	9738	Arlington Hardware	X	-302.88	-17,160.40
Check	10/13/2021	9746	Pacific Fire	X	-162.00	-17,322.40
Check	10/13/2021	9745	Hughes Network Syst...	X	-94.98	-17,417.38
Check	10/13/2021	9744	P Step Storage	X	-60.00	-17,477.38
Check	10/13/2021	9741	H2Oregon	X	-30.50	-17,507.88
Check	10/13/2021	9736	Bank of Eastern Oreg...	X	-5.36	-17,513.24
Liability Check	10/15/2021	EFT	Oregon Department o...	X	-12.40	-17,525.64
Check	10/28/2021	EFT	State of Oregon	X	-44.67	-17,570.31
Check	10/28/2021	EFT	QuickBooks Payroll S...	X	-10,736.22	-28,306.53
Check	10/28/2021	EFT	QuickBooks Payroll S...	X	-1.75	-28,308.28
Check	10/29/2021	DD	Jeff Knisley	X	-238.00	-28,546.03
Check	10/29/2021	DD	James Metzker	X	-157.88	-28,703.91
Total Checks and Payments					-28,705.91	-28,705.91
Deposits and Credits - 12 Items						
Deposit	10/13/2021			X	2,885.21	-2,885.21
Deposit	10/14/2021			X	150.04	-3,035.25
Deposit	10/18/2021			X	1,001.84	-4,037.09
Payment	10/18/2021	14474	W.I. Construction, Inc.	X	2,627.14	-6,664.23
Deposit	10/25/2021			X	3,331.00	-9,995.23
Deposit	10/28/2021			X	595.00	-10,590.23
Deposit	10/28/2021			X	3,910.00	-14,500.23
Deposit	10/30/2021			X	8,078.00	-22,578.23
Deposit	11/01/2021			X	21.27	-22,599.50
Deposit				X	54.17	-22,653.67

**PORT OF ARLINGTON
Reconciliation Detail**
1001 - Bank of E/O - Checking, Period Ending 10/30/2021

Type	Date	Num	Name	Clr	Amount	Balance
Deposit	11/01/2021			X	262.27	22,915.94
Deposit	11/01/2021			X	1,147.14	24,063.08
Total Deposits and Credits					24,063.08	24,063.08
Total Cleared Transactions					-4,642.83	-4,642.83
Cleared Balance					-4,642.83	815,207.28
Uncleared Transactions						
Checks and Payments - 24 Items						
Paycheck	06/29/2018	8736	Kennedy, Jr., Dewey ...		-277.05	-277.05
Liability Check	10/09/2018	9449	Oregon Department o...		-45.81	-322.86
Check	03/01/2019	8978	Annala, Carey, Vank...		-2,353.50	-2,676.36
Check	09/03/2019	EFT	Heartland Payment S...		-203.46	-2,879.82
Check	10/29/2019	9195	Charitable Activities ...		-20.00	-2,899.82
General Journal	06/30/2020	PR123...			-203.84	-3,103.66
Check	07/02/2020	EFT	Intuit		-104.90	-3,213.56
Check	07/27/2020	EFT	Oregon PERS		-15.00	-3,228.56
Liability Check	04/28/2021	EFT	Oregon Department o...		-3.59	-3,232.15
Check	06/29/2021	9650	CXT Incorporated		-250,915.00	-254,147.15
Check	10/13/2021	9747	Oregon Backflow Tes...		-55.00	-254,202.15
Check	10/25/2021	9750	Derek Trost		-15,000.00	-269,202.15
Check	10/27/2021	9752	Gilliam County Tax C...		-10,370.92	-279,573.07
Check	10/27/2021	9755	SDIS		-5,561.92	-285,134.99
Liability Check	10/27/2021	EFT	United States Treasury		-3,537.28	-288,672.27
Check	10/27/2021	9754	The City of Arlington		-1,800.00	-290,472.27
Liability Check	10/27/2021	9759	Fidelity Brokerage Se...		-1,694.33	-292,166.60
Liability Check	10/27/2021	EFT	Oregon Department o...		-912.00	-293,078.60
Check	10/27/2021	9751	Vankkelen & Cleavela...		-726.25	-293,804.85
Check	10/27/2021	9753	Meadow Outdoor Adv...		-620.00	-294,424.85
Check	10/27/2021	9758	Bishop Sanitation Inc.		-265.00	-294,679.85
Check	10/27/2021	9757	Gorge Networks		-141.10	-294,820.95
Check	10/27/2021	9756	Loop Net		-69.00	-294,889.95
Check	10/29/2021	EFT	Heartland Payment S...		-208.64	-295,098.59
Total Checks and Payments					-295,098.59	-295,098.59
Total Uncleared Transactions					-295,098.59	-295,098.59
Register Balance as of 10/30/2021					-299,741.42	520,108.69

PORT OF ARLINGTON Reconciliation Detail

1001 - Bank of E/O - Checking, Period Ending 10/30/2021

Type	Date	Num	Name	Cr	Amount	Balance
New Transactions						
Deposits and Credits - 2 items						
Deposit	11/01/2021				1,867.09	1,867.09
Deposit	11/03/2021				1,915.00	3,782.09
Total Deposits and Credits					3,782.09	3,782.09
Total New Transactions					3,782.09	3,782.09
Ending Balance					-295,969.33	523,890.78

PORT OF ARLINGTON
Reconciliation Summary
1001 - Bank of E/O - Checking, Period Ending 10/30/2021

	Oct 30, 21
Beginning Balance	819,850.11
Cleared Transactions	
Checks and Payments - 27 items	-28,705.91
Deposits and Credits - 12 items	24,053.08
Total Cleared Transactions	-4,642.83
Cleared Balance	815,207.28
Uncleared Transactions	
Checks and Payments - 24 items	-295,098.59
Total Uncleared Transactions	-295,098.59
Register Balance as of 10/30/2021	520,108.69
New Transactions	
Deposits and Credits - 2 items	3,782.09
Total New Transactions	3,782.09
Ending Balance	523,890.78

PORT OF ARLINGTON Reconciliation Detail

1005 - Municipal Money Market Account, Period Ending 10/31/2021

Type	Date	Num	Name	Ch	Amount	Balance
Beginning Balance						
Cleared Transactions						89,693.56
Deposits and Credits - 1 Item						
Deposit	10/11/2021			X	14.87	14.87
Total Deposits and Credits					14.87	14.87
Total Cleared Transactions					14.87	14.87
Cleared Balance					14.87	89,698.43
Uncleared Transactions						
Deposits and Credits - 1 Item						
Deposit	08/31/2021				45.67	45.67
Total Deposits and Credits					45.67	45.67
Total Uncleared Transactions					45.67	45.67
Register Balance as of 10/31/2021					60.54	89,744.10
Ending Balance					60.54	89,744.10



**PORT OF ARLINGTON
Reconciliation Summary
1005 - Municipal Money Market Account, Period Ending 10/11/2021**

	Oct 11, 21
Beginning Balance	89,683.56
Cleared Transactions	
Deposits and Credits - 1 Item	14.87
Total Cleared Transactions	14.87
Cleared Balance	89,698.43
Uncleared Transactions	
Deposits and Credits - 1 Item	45.67
Total Uncleared Transactions	45.67
Register Balance as of 10/11/2021	89,744.10
Ending Balance	89,744.10

PORT OF ARLINGTON
Reconciliation Summary
1004 - Reserve Fund, Period Ending 10/31/2021

	Oct 11, 21
Beginning Balance	77,688.67
Cleared Transactions	
Deposits and Credits - 1 Item	12.88
Total Cleared Transactions	12.88
Cleared Balance	77,701.55
Uncleared Transactions	
Deposits and Credits - 1 Item	39.56
Total Uncleared Transactions	39.56
Register Balance as of 10/31/2021	77,741.11
Ending Balance	77,741.11

**PORT OF ARLINGTON
Reconciliation Detail**

1004 Reserve Fund, Period Ending 10/31/2021

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						77,688.67
Cleared Transactions						
Deposits and Credits - 1 Item						
Deposit	10/11/2021			X	12.88	12.88
Total Deposits and Credits					12.88	12.88
Total Cleared Transactions					12.88	12.88
Cleared Balance					12.88	77,701.55
Uncleared Transactions						
Deposits and Credits - 1 Item						
Deposit	08/31/2021				39.56	39.56
Total Deposits and Credits					39.56	39.56
Total Uncleared Transactions					39.56	39.56
Register Balance as of 10/31/2021					52.44	77,741.11
Ending Balance					52.44	77,741.11

7:50 AM
11/04/21

Port of Arlington Environmental Sentry Corp.
Reconciliation Summary
Env. Sentry Corp., Period Ending 10/11/2021

	<u>Oct 11, 21</u>
Beginning Balance	1,228.15
Cleared Balance	1,228.15
Register Balance as of 10/11/2021	1,228.15
Ending Balance	1,228.15

7:50 AM

11/04/21

Port of Arlington Environmental Sentry Corp.
Reconciliation Detail
Env. Sentry Corp., Period Ending 10/11/2021

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						
Cleared Balance						1,228.15
Register Balance as of 10/11/2021						1,228.15
Ending Balance						<u>1,228.15</u>

PORT OF ARLINGTON
Reconciliation Summary
1005 - Municipal Money Market Account, Period Ending 10/31/2021

	Oct 31, 21
Beginning Balance	89,698.43
Cleared Transactions	
Deposits and Credits - 1 Item	23.47
Total Cleared Transactions	23.47
Cleared Balance	<u>89,721.90</u>
Uncleared Transactions	
Deposits and Credits - 1 item	45.67
Total Uncleared Transactions	45.67
Register Balance as of 10/31/2021	<u>89,767.57</u>
Ending Balance	89,767.57

PORT OF ARLINGTON
Reconciliation Detail
1005 - Municipal Money Market Account, Period Ending 10/31/2021

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						89,698.43
Cleared Transactions						
Deposits and Credits - 1 item	10/31/2021			X	23.47	23.47
Deposit						
Total Deposits and Credits					23.47	23.47
Total Cleared Transactions					23.47	23.47
Cleared Balance						89,721.90
Uncleared Transactions						
Deposits and Credits - 1 item	08/31/2021				45.67	45.67
Deposit						
Total Deposits and Credits					45.67	45.67
Total Uncleared Transactions					45.67	45.67
Register Balance as of 10/31/2021					69.14	89,767.57
Ending Balance					69.14	89,767.57

PORT OF ARLINGTON
Reconciliation Summary
1003 - LGIP Investment A/C, Period Ending 10/31/2021

	Oct 31, 21
Beginning Balance	1,002,298.33
Cleared Transactions	
Deposits and Credits - 1 item	416.02
Total Cleared Transactions	416.02
Cleared Balance	1,002,714.35
Uncleared Transactions	
Checks and Payments - 10 items	-785,900.45
Deposits and Credits - 11 items	786,529.60
Total Uncleared Transactions	629.15
Register Balance as of 10/31/2021	1,003,343.50
Ending Balance	1,003,343.50

**PORT OF ARLINGTON
Reconciliation Detail**

1003 · LGIP Investment A/C, Period Ending 10/31/2021

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						1,002,286.33
Cleared Transactions						
Deposits and Credits - 1 item	10/31/2021			X	416.02	416.02
Total Deposits and Credits					416.02	416.02
Total Cleared Transactions					416.02	416.02
Cleared Balance					416.02	1,002,714.35
Uncleared Transactions						
Checks and Payments - 10 items						
General Journal	06/30/2019	PR122			-410,570.16	-410,570.16
General Journal	06/30/2019	PR122			-5,571.64	-416,141.80
General Journal	06/30/2019	PR122			-2,487.34	-418,629.14
General Journal	06/30/2019	PR122			-896.31	-419,525.45
General Journal	06/30/2020	PR123			-351,487.12	-771,012.57
General Journal	06/30/2020	PR123			-5,571.64	-776,584.21
General Journal	06/30/2020	PR123			-2,724.47	-779,308.68
General Journal	06/30/2020	PR123			-2,673.73	-781,982.41
General Journal	06/30/2020	PR123			-2,648.90	-784,631.31
General Journal	06/30/2020	PR123			-1,289.14	-785,900.45
Total Checks and Payments					-785,900.45	-785,900.45
Deposits and Credits - 11 items						
General Journal	06/30/2019	PR122			896.31	896.31
General Journal	06/30/2019	PR122			2,487.34	3,383.65
General Journal	06/30/2019	PR122			5,571.64	8,955.29
General Journal	06/30/2019	PR122			5,571.64	14,526.93
General Journal	06/30/2019	PR122			-410,570.16	425,097.09
Deposit	09/30/2019				2,673.73	427,770.82
General Journal	06/30/2020	PR123			1,289.14	429,059.96
General Journal	06/30/2020	PR123			2,648.90	431,688.86
General Journal	06/30/2020	PR123			2,724.47	434,413.33
General Journal	06/30/2020	PR123			351,487.12	785,900.45
Deposit	07/31/2021				629.15	786,529.60
Total Deposits and Credits					786,529.60	786,529.60
Total Uncleared Transactions					629.15	629.15
Register Balance as of 10/31/2021					1,045.17	1,003,343.50
Ending Balance					1,045.17	1,003,343.50

PORT OF ARLINGTON
Reconciliation Detail
1001 - Bank of E/O - Checking, Period Ending 10/11/2021

Type	Date	Num	Name	Clr	Amount	Balance
Check	10/29/2021	DD	Jeff Knisley		-238.00	-64,671.25
Check	10/29/2021	DD	James Metzker		-157.88	-64,829.13
Total Checks and Payments						
					-64,829.13	-64,829.13
Deposits and Credits - 12 Items						
Deposit	10/13/2021				2,885.21	2,885.21
Deposit	10/14/2021				3,035.25	3,035.25
Deposit	10/18/2021				1,001.94	4,037.09
Payment	10/18/2021	14474	W.I. Construction, Inc.		2,627.14	6,664.23
Deposit	10/18/2021				3,331.00	9,995.23
Deposit	10/25/2021				595.00	10,590.23
Deposit	10/28/2021				3,910.00	14,500.23
Deposit	10/28/2021				8,078.00	22,578.23
Deposit	11/01/2021				54.17	22,632.40
Deposit	11/01/2021				282.27	22,894.67
Deposit	11/01/2021				1,147.14	24,041.81
Deposit	11/01/2021				1,867.09	25,908.90
Total Deposits and Credits						
					25,908.90	25,908.90
Total New Transactions						
					-38,920.23	-38,920.23
Ending Balance						
					-304,424.35	522,163.16

PORT OF ARLINGTON
Reconciliation Detail

1001 - Bank of EO - Checking, Period Ending 10/11/2021

Type	Date	Num	Name	Cir	Amount	Balance
Liability Check	09/28/2021	EFT	Oregon Department o...		-966.00	-258,680.15
Check	09/28/2021	9725	Arlington T.V. Coop		-60.00	-258,740.15
Liability Check	09/29/2021	EFT	Oregon Department o...		-26.58	-258,766.73
Total Checks and Payments						
					-258,766.73	-258,766.73
Total Uncleared Transactions						
					-258,766.73	-258,766.73
Register Balance as of 10/11/2021						
					-265,504.12	561,083.38
New Transactions						
Checks and Payments - 36 items						
Check	10/13/2021	9748	Leonardo Plumbing		-3,411.27	-3,411.27
Check	10/13/2021	9737	VanKoten & Cleavela...		-1,612.26	-5,023.53
Check	10/13/2021	9742	SDAO		-1,606.05	-6,629.58
Check	10/13/2021	9735	Bank of Eastern Oreg...		-1,176.45	-7,806.03
Check	10/13/2021	9739	City of Arlington		-1,050.68	-8,856.71
Check	10/13/2021	9743	Gilliam County Treas...		-1,012.00	-9,868.71
Check	10/13/2021	EFT	Pacific Power		-884.88	-10,753.59
Check	10/13/2021	9734	Meadow Outdoor Adv...		-641.30	-11,394.89
Check	10/13/2021	9740	Pacific Power		-556.55	-11,951.44
Check	10/13/2021	9749	Arlington T.V. Coop		-366.50	-12,317.94
Check	10/13/2021	9738	Arlington Hardware		-362.88	-12,680.82
Check	10/13/2021	9746	Pacific Fire		-162.00	-12,842.82
Check	10/13/2021	9745	Hughes Network Syst...		-94.98	-12,937.80
Check	10/13/2021	9744	P Step Storage		-60.00	-12,997.80
Check	10/13/2021	9747	Oregon Backflow Tes...		-55.00	-13,052.80
Check	10/13/2021	9741	H2Oregon		-30.50	-13,083.30
Check	10/13/2021	9736	Bank of Eastern Oreg...		-5.36	-13,088.66
Liability Check	10/15/2021	EFT	Oregon Department o...		-12.40	-13,101.06
Check	10/15/2021	EFT	State of Oregon		-44.67	-13,145.73
Check	10/25/2021	9750	Derek Trest		-15,000.00	-28,145.73
Check	10/27/2021	9752	Gilliam County Tax C...		-10,370.92	-38,516.65
Check	10/27/2021	9755	SDIS		-5,561.92	-44,078.57
Liability Check	10/27/2021	EFT	United States Treasury		-3,537.28	-47,615.85
Check	10/27/2021	9754	The City of Arlington		-1,900.00	-49,515.85
Liability Check	10/27/2021	9759	Fidelity Brokerage Se...		-1,694.33	-51,210.18
Liability Check	10/27/2021	EFT	Oregon Department o...		-912.00	-52,122.18
Check	10/27/2021	9751	VanKoten & Cleavela...		-726.25	-52,848.43
Check	10/27/2021	9753	Meadow Outdoor Adv...		-620.00	-53,468.43
Check	10/27/2021	9758	Bishop Sanitation Inc.		-255.00	-53,723.43
Check	10/27/2021	9757	Gorge Networks		-141.10	-53,864.53
Check	10/27/2021	9756	Loop Net		-69.00	-53,933.53
Liability Check	10/28/2021		QuickBooks Payroll S...		-10,736.22	-64,669.75
Check	10/28/2021		QuickBooks Payroll S...		-1.75	-64,671.50
Check	10/28/2021		QuickBooks Payroll S...		-1.75	-64,673.25

**PORT OF ARLINGTON
Reconciliation Detail**

1001 - Bank of E/O - Checking, Period Ending 10/11/2021

Type	Date	Num	Name	Ctr	Amount	Balance
Beginning Balance						826,587.50
Cleared Transactions						
Checks and Payments - 14 items						
Check	09/28/2021	9727	SDIS	X	-5,561.92	-5,561.92
Liability Check	09/28/2021	EFT	United States Treasury	X	-3,693.16	-9,255.08
Liability Check	09/28/2021	9719	Fidelity Brokerage Se...	X	-1,763.28	-11,018.36
Check	09/28/2021	9724	Travel Information Co...	X	-668.00	-11,686.36
Check	09/28/2021	9726	George Networks	X	-142.04	-11,828.40
Check	09/28/2021	9723	SDIS	X	-129.45	-11,957.85
Check	09/28/2021	9722	Loop Net	X	-69.00	-12,026.85
Check	09/29/2021	9728	Northwest Pump & E...	X	-1,845.00	-13,871.85
Check	09/29/2021	9729	The City of Arlington	X	-1,800.00	-15,671.85
Check	09/28/2021	9730	Hughes Network Syst...	X	-469.63	-16,141.48
Paycheck	09/30/2021	9731	Krisley, Jeff D	X	-4,707.25	-20,848.73
Paycheck	09/30/2021	9732	Margheim, Kelly L	X	-4,119.07	-24,967.80
Paycheck	09/30/2021	9733	Metzker, James L	X	-2,396.88	-27,364.68
Check	10/06/2021	EFT	Heartland Payment S...	X	-206.95	-27,571.63
			Total Checks and Payments		-27,524.63	-27,524.63
Deposits and Credits - 8 items						
Deposit	10/05/2021			X	14,693.98	-12,828.65
Deposit	10/06/2021			X	1,193.19	-11,635.46
Deposit	10/06/2021			X	3,910.00	-7,725.46
Deposit	10/11/2021			X	12.41	-7,713.05
Deposit	10/14/2021			X	977.66	-6,735.39
Paycheck	10/29/2021	DD1202	Margheim, Kelly L	X	0.00	-6,735.39
Paycheck	10/29/2021	DD1203	Metzker, James L	X	0.00	-6,735.39
Paycheck	10/29/2021	DD1201	Krisley, Jeff D	X	0.00	-6,735.39
			Total Deposits and Credits		20,787.24	-6,735.39
			Total Cleared Transactions		-6,737.39	819,850.11
Cleared Balance						819,850.11
Uncleared Transactions						
Checks and Payments - 14 items						
Paycheck	06/29/2018	8736	Kennedy, Jr., Dewey ...		-277.05	-277.05
Liability Check	10/09/2018	9449	Oregon Department o...		-46.81	-323.86
Check	03/01/2019	8978	Annala, Carey, VanK...		-2,363.50	-2,687.36
Check	09/03/2019	EFT	Heartland Payment S...		-203.46	-2,890.82
Check	10/29/2019	9195	Charitable Activities ...		-20.00	-2,910.82
General Journal	06/30/2020	PR123...			-208.84	-3,119.66
Check	07/02/2020	EFT	Intuit		-104.90	-3,224.56
Check	07/27/2020	EFT	Oregon PERS		-15.00	-3,239.56
Liability Check	04/28/2021	EFT	Oregon Department o...		-3.59	-3,243.15
Check	06/29/2021	9650	CXT Incorporated		-250,915.00	-254,158.15
Check	09/28/2021	9721	SME Solutions		-3,577.00	-257,735.15

PORT OF ARLINGTON
Reconciliation Summary
1001 - Bank of E/O - Checking, Period Ending 10/11/2021

	Oct 11, 21
Beginning Balance	826,567.50
Cleared Transactions	
Checks and Payments - 14 items	-27,524.63
Deposits and Credits - 8 items	20,787.24
Total Cleared Transactions	-6,737.39
Cleared Balance	<u>819,856.11</u>
Uncleared Transactions	
Checks and Payments - 14 items	-258,766.73
Total Uncleared Transactions	-258,766.73
Register Balance as of 10/11/2021	<u>561,089.38</u>
New Transactions	
Checks and Payments - 36 items	-64,829.13
Deposits and Credits - 12 items	25,908.90
Total New Transactions	-38,920.23
Ending Balance	<u>522,169.15</u>

PORT OF ARLINGTON
Reconciliation Summary
1004 - Reserve Fund, Period Ending 10/31/2021

	Oct 31, 21
Beginning Balance	77,701.55
Cleared Transactions	
Deposits and Credits - 1 Item	20.33
Total Cleared Transactions	20.33
Cleared Balance	<u>77,721.88</u>
Uncleared Transactions	
Deposits and Credits - 1 Item	39.56
Total Uncleared Transactions	39.56
Register Balance as of 10/31/2021	<u>77,761.44</u>
Ending Balance	<u>77,761.44</u>

PORT OF ARLINGTON
Reconciliation Detail
1004 - Reserve Fund, Period Ending 10/31/2021

Type	Date	Num	Name	Chr	Amount	Balance
Beginning Balance						77,701.55
Cleared Transactions						
Deposits and Credits - 1 item	10/31/2021			X	20.33	20.33
Deposit						
Total Deposits and Credits					20.33	20.33
Total Cleared Transactions					20.33	20.33
Cleared Balance						77,721.88
Uncleared Transactions						
Deposits and Credits - 1 item	09/31/2021				39.56	39.56
Deposit						
Total Deposits and Credits					39.56	39.56
Total Uncleared Transactions					39.56	39.56
Register Balance as of 10/31/2021					59.89	77,761.44
Ending Balance					59.89	77,761.44

PORT OF ARLINGTON
Deposit Detail
October 2021

Type	Num	Date	Name	Account	Amount
Deposit		10/06/2021		1001 - Bank of E/O ...	14,693.98
			Knisley, Jeff D	4500 - Miscellaneous...	-6,500.00
			Margheim, Kelly L	4500 - Miscellaneous...	-5,205.50
			Metzker, James L	4500 - Miscellaneous...	-2,988.48
TOTAL					-14,693.98
Deposit		10/06/2021		1001 - Bank of E/O ...	223.48
			Heartland Payment S...	4213-2 - Gasoline Sa...	-73.81
			Heartland Payment S...	6115-1 - Credit Card ...	1.75
			Heartland Payment S...	4211-2 - RV Park W...	-155.00
			Heartland Payment S...	6115-1 - Credit Card ...	3.58
TOTAL					-223.48
Deposit		10/06/2021		1001 - Bank of E/O ...	1,193.19
			Heartland Payment S...	4213-2 - Gasoline Sa...	-107.20
			Heartland Payment S...	6115-1 - Credit Card ...	2.60
			Heartland Payment S...	4210 - Marina Revenue	-30.00
			Heartland Payment S...	6115-1 - Credit Card ...	0.80
			Heartland Payment S...	4211-3 - RV Park Dal...	-35.00
			Heartland Payment S...	6115-1 - Credit Card ...	1.09
			Heartland Payment S...	4211-1 - RV Park Mo...	-625.00
			Heartland Payment S...	4211-1 - RV Park Mo...	-625.00
			Heartland Payment S...	6115-1 - Credit Card ...	15.02
			Heartland Payment S...	6115-1 - Credit Card ...	9.50
TOTAL					-1,193.19
Deposit		10/06/2021		1001 - Bank of E/O ...	3,910.00
			Alpine Power Systems	5033 - Flex Bldg Lease	-3,250.00
			Alpine Power Systems	5034 - Taxes Collect...	-660.00
TOTAL					-3,910.00
Deposit		10/11/2021		1005 - Municipal M...	14.87
			4021 - Interest - Best...		-14.87
TOTAL					-14.87

PORT OF ARLINGTON
Deposit Detail
October 2021

Type	Num	Date	Name	Account	Amount
Deposit		10/11/2021		1004 - Reserve Fund	12.88
TOTAL				9002 - Interest Earne...	-12.88
					-12.88
Deposit		10/11/2021		1001 - Bank of E/O ...	12.41
TOTAL				4020 - Interest - NO...	-12.41
					-12.41
Deposit		10/11/2021		1001 - Bank of E/O ...	1,915.00
			Cash Sales	5204 - Columbia Roo...	-40.00
			Arlington Towing	5032 - Building Leas...	-1,500.00
			Arlington Towing	5034 - Taxes Collect...	-106.00
			Cash Sales	4211-3 - RV Park Dai...	-35.00
			Cash Sales	4210 - Marina Revenue	-234.00
TOTAL					-1,915.00
Deposit		10/13/2021		1001 - Bank of E/O ...	2,885.21
			Gilliam County Treas...	4011 - Taxes-Prior	-60.21
			gilliam county Histori...	5204 - Columbia Roo...	-250.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
			Cash Sales	4210 - Marina Revenue	-360.00
			Cash Sales	4211-1 - RV Park Mo...	-525.00
			Cash Sales	4211-4 - RV Park Dry...	-40.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
			Cash Sales	4211-1 - RV Park Mo...	-1,050.00
			Cash Sales	4211-2 - RV Park W...	-155.00
			Cash Sales	4211-3 - RV Park Dai...	-35.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00

PORT OF ARLINGTON
Deposit Detail
October 2021

Type	Num	Date	Name	Account	Amount
			Cash Sales	4211-4 · RV Park Dry...	-10.00
			Cash Sales	4210 · Marina Revenue	-300.00
TOTAL					-2,885.21
Deposit		10/14/2021		1001 · Bank of E/O ...	160.04
			Heartland Payment S...	4213-2 · Gasoline Sa...	-153.93
			Heartland Payment S...	6115-1 · Credit Card ...	3.89
TOTAL					-150.04
Deposit		10/14/2021		1001 · Bank of E/O ...	977.66
			Heartland Payment S...	4213-2 · Gasoline Sa...	-436.02
			Heartland Payment S...	6115-1 · Credit Card ...	5.76
			Heartland Payment S...	4211-1 · RV Park Mo...	-525.00
			Heartland Payment S...	4211-3 · RV Park Dai...	-35.00
			Heartland Payment S...	6115-1 · Credit Card ...	12.60
TOTAL					-977.66
Deposit		10/18/2021		1001 · Bank of E/O ...	3,331.00
			Pat Shannon	5203 · Shannon Lease	-2,000.00
			Pat Shannon	5203 · Shannon Lease	-750.00
			Cash Sales	4211-4 · RV Park Dry...	-10.00
			Cash Sales	4214 · Marina Power ...	-30.00
			Cash Sales	4211-4 · RV Park Dry...	-10.00
			Cash Sales	4211-3 · RV Park Dai...	-35.00
			Cash Sales	4211-4 · RV Park Dry...	-10.00
			Cash Sales	4211-4 · RV Park Dry...	-20.00
			Cash Sales	4211-4 · RV Park Dry...	-10.00
			Cash Sales	4210 · Marina Revenue	-456.00
TOTAL					-3,331.00
Deposit		10/18/2021		1001 · Bank of E/O ...	1,001.84
			Heartland Payment S...	5204 · Columbia Roo...	-500.00
			Heartland Payment S...	8525 · Dues / Subscri...	11.30
			Heartland Payment S...	4211-1 · RV Park Mo...	-525.00
			Heartland Payment S...	6115-1 · Credit Card ...	11.86
TOTAL					-1,001.84

PORT OF ARLINGTON
Deposit Detail
October 2021

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Type	Num	Date	Name	Account	Amount
Payment	14474	10/18/2021	W.J. Construction, I...	1001 - Bank of E/O ...	2,627.14
TOTAL					0.00
Deposit		10/25/2021		1001 - Bank of E/O ...	695.00
			Cash Sales	4211-1 - RV Park Mo...	-525.00
			Cash Sales	4211-4 - RV Park Dry...	-40.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
			Cash Sales	4211-4 - RV Park Dry...	-10.00
TOTAL					-595.00
Deposit		10/28/2021		1001 - Bank of E/O ...	8,078.00
			Cash Sales	4211-3 - RV Park Dai...	-35.00
			Cash Sales	4210 - Marina Revenue	-60.00
			Cash Sales	4210 - Marina Revenue	-120.00
			Cash Sales	4211-3 - RV Park Dai...	-35.00
			Insitu Inc.	5031 - Building Leas...	-7,828.00
TOTAL					-8,078.00
Deposit		10/28/2021		1001 - Bank of E/O ...	3,910.00
			Alpine Power Systems	5033 - Flex Bldg Lease	-3,250.00
			Alpine Power Systems	5034 - Taxes Collect...	-660.00
TOTAL					-3,910.00
Paycheck	DD1201	10/29/2021	Knisley, Jeff D	1001 - Bank of E/O ...	0.00
			6560 - Payroll Expen...		6,500.00
			6560 - Payroll Expen...		780.00
			2100 - Payroll Liabilities		-780.00
			6560 - Payroll Expen...		2,000.74
			2100 - Payroll Liabilities		-2,000.74
			6560 - Payroll Expen...		122.84
			2100 - Payroll Liabilities		-122.84
			6560 - Payroll Expen...		4.22
			2100 - Payroll Liabilities		-4.22
			2100 - Payroll Liabilities		-6.50
			2100 - Payroll Liabilities		-846.00
			6560 - Payroll Expen...		403.00

PORT OF ARLINGTON
Deposit Detail
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Type	Num	Date	Name	Account	Amount
TOTAL				2100 · Payroll Liabilities	-403.00
				2100 · Payroll Liabilities	-403.00
				6560 · Payroll Expen...	94.25
				2100 · Payroll Liabilities	-94.25
				2100 · Payroll Liabilities	-94.25
				2100 · Payroll Liabilities	-443.00
				2111 · Direct Deposit...	-4,707.25
					0.00
Paycheck	DD1202	10/29/2021	Margheim, Kelly L	1001 · Bank of E/O ...	0.00
				6560 · Payroll Expen...	3,719.24
				6560 · Payroll Expen...	21.54
				6560 · Payroll Expen...	1,077.00
				6560 · Payroll Expen...	2,162.97
				2100 · Payroll Liabilities	-2,162.97
				6560 · Payroll Expen...	118.33
				2100 · Payroll Liabilities	-118.33
				6560 · Payroll Expen...	578.13
				2100 · Payroll Liabilities	-578.13
				6560 · Payroll Expen...	3.12
				2100 · Payroll Liabilities	-3.12
				2100 · Payroll Liabilities	-4.82
				2100 · Payroll Liabilities	-337.00
				6560 · Payroll Expen...	298.70
				2100 · Payroll Liabilities	-298.70
				2100 · Payroll Liabilities	-298.70
				6560 · Payroll Expen...	69.86
				2100 · Payroll Liabilities	-69.86
				2100 · Payroll Liabilities	-69.86
				2100 · Payroll Liabilities	-279.00
				2111 · Direct Deposit...	-3,636.98
				2111 · Direct Deposit...	-191.42
					0.00
Paycheck	DD1203	10/29/2021	Metzker, James L	1001 · Bank of E/O ...	0.00
				6560 · Payroll Expen...	2,733.78
				6560 · Payroll Expen...	67.92
				2100 · Payroll Liabilities	336.20
				6560 · Payroll Expen...	-336.20
				2100 · Payroll Expen...	1,081.48
				2100 · Payroll Liabilities	-1,081.48
				6560 · Payroll Expen...	75.56
				2100 · Payroll Liabilities	-75.56

PORT OF ARLINGTON
Deposit Detail
October 2021

Type	Num	Date	Name	Account	Amount
				6560 · Payroll Expen...	4.51
				2100 · Payroll Liabilities	-4.51
				2100 · Payroll Liabilities	-2.80
				2100 · Payroll Liabilities	-194.00
				6560 · Payroll Expen...	173.71
				2100 · Payroll Liabilities	-173.71
				2100 · Payroll Liabilities	-173.71
				6560 · Payroll Expen...	40.62
				2100 · Payroll Liabilities	-40.62
				2100 · Payroll Liabilities	-40.62
				2100 · Payroll Liabilities	-190.00
				2111 · Direct Deposit...	-2,200.57
TOTAL					0.00

PORT OF ARLINGTON
Check Detail
October 2021

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check		10/28/2021	QuickBooks Payroll...		1001 - Bank of E/O ...		-1.75
TOTAL					6560 - Payroll Expen...	-1.75	1.75
Check		10/28/2021	QuickBooks Payroll...		1001 - Bank of E/O ...		-1.75
TOTAL					6560 - Payroll Expen...	-1.75	1.75
Liability Check		10/28/2021	QuickBooks Payroll...		1001 - Bank of E/O ...		-10,736.22
TOTAL					2111 - Direct Deposit...	-10,736.22	10,736.22
Check	DD	10/29/2021	James Metzker		1001 - Bank of E/O ...		-157.88
TOTAL					8427 - Telephone & I... 8421 - Travel/Food/I... 6119 - Commissionet...	-119.00 -3.89 -34.99	119.00 3.89 34.99
Check	DD	10/29/2021	Jeff Knisley		1001 - Bank of E/O ...		-238.00
TOTAL					8427 - Telephone & I... 8427 - Telephone & I...	-119.00 -119.00	119.00 119.00
Check	EFT	10/06/2021	Heartland Payment ...		1001 - Bank of E/O ...		-208.95
TOTAL					6115-1 - Credit Card ...	-208.95	208.95

PORT OF ARLINGTON
Check Detail
October 2021

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	EFT	10/13/2021	Pacific Power		1001 - Bank of E/O ...		-804.88
					6100 - Materials and ...	-97.25	97.25
					6323 - Electricity - R...	-551.38	551.38
					6721 - Marina Electr...	-100.00	100.00
					6721 - Marina Electr...	-56.25	56.25
TOTAL						-804.88	804.88
Liability Check	EFT	10/15/2021	Oregon Department...		1001 - Bank of E/O ...		-12.40
TOTAL					2100 - Payroll Liabilities	-12.40	12.40
Check	EFT	10/18/2021	State of Oregon		1001 - Bank of E/O ...		-44.67
TOTAL					2100 - Payroll Liabilities	-44.67	44.67
Liability Check	EFT	10/27/2021	Oregon Department...		1001 - Bank of E/O ...		-912.00
TOTAL					2100 - Payroll Liabilities	-912.00	912.00
Liability Check	EFT	10/27/2021	United States Treas...		1001 - Bank of E/O ...		-3,537.28
TOTAL					2100 - Payroll Liabilities	-1,377.00	1,377.00
					2100 - Payroll Liabilities	-875.41	875.41
					2100 - Payroll Liabilities	-875.41	875.41
					2100 - Payroll Liabilities	-204.73	204.73
					2100 - Payroll Liabilities	-204.73	204.73
TOTAL						-3,537.28	3,537.28
Check	EFT	10/29/2021	Heartland Payment ...		1001 - Bank of E/O ...		-208.64
TOTAL					6115-1 - Credit Card ...	-208.64	208.64
						-208.64	208.64

PORT OF ARLINGTON
Check Detail
October 2021

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Paycheck	DD1201	10/29/2021	Knitsley, Jeff D		1001 - Bank of E/O ...		0.00
					6560 - Payroll Expen...	-6,500.00	6,500.00
					6560 - Payroll Expen...	-780.00	780.00
					2100 - Payroll Liabilities	780.00	-780.00
					6560 - Payroll Expen...	-2,000.74	2,000.74
					2100 - Payroll Liabilities	2,000.74	-2,000.74
					6560 - Payroll Expen...	-122.84	122.84
					2100 - Payroll Liabilities	122.84	-122.84
					6560 - Payroll Expen...	-4.22	4.22
					2100 - Payroll Liabilities	4.22	-4.22
					2100 - Payroll Liabilities	6.50	-6.50
					2100 - Payroll Liabilities	846.00	-846.00
					6560 - Payroll Expen...	-403.00	403.00
					2100 - Payroll Liabilities	403.00	-403.00
					2100 - Payroll Liabilities	403.00	-403.00
					6560 - Payroll Expen...	-94.25	94.25
					2100 - Payroll Liabilities	94.25	-94.25
					2100 - Payroll Liabilities	94.25	-94.25
					2100 - Payroll Liabilities	443.00	-443.00
					2111 - Direct Deposit...	4,707.25	-4,707.25
TOTAL						0.00	0.00
Paycheck	DD1202	10/29/2021	Margheim, Kelly L		1001 - Bank of E/O ...		0.00
					6560 - Payroll Expen...	-3,719.24	3,719.24
					6560 - Payroll Expen...	-21.54	21.54
					6560 - Payroll Expen...	-1,077.00	1,077.00
					2100 - Payroll Liabilities	2,162.97	-2,162.97
					6560 - Payroll Expen...	-118.33	118.33
					2100 - Payroll Liabilities	118.33	-118.33
					6560 - Payroll Expen...	-578.13	578.13
					2100 - Payroll Liabilities	578.13	-578.13
					6560 - Payroll Expen...	-3.12	3.12
					2100 - Payroll Liabilities	3.12	-3.12
					2100 - Payroll Liabilities	4.82	-4.82
					2100 - Payroll Liabilities	337.00	-337.00
					6560 - Payroll Expen...	-298.70	298.70
					2100 - Payroll Liabilities	298.70	-298.70
					2100 - Payroll Liabilities	298.70	-298.70
					6560 - Payroll Expen...	-69.86	69.86
					2100 - Payroll Liabilities	69.86	-69.86
					2100 - Payroll Liabilities	69.86	-69.86
					2100 - Payroll Liabilities	279.00	-279.00

PORT OF ARLINGTON
Check Detail
October 2021

Type	Numb	Date	Name	Item	Account	Paid Amount	Original Amount
TOTAL					2111 · Direct Deposit...	3,636.98	-3,636.98
					2111 · Direct Deposit...	191.42	-191.42
						0.00	0.00
Paycheck	DD1203	10/29/2021	Metzker, James L		1001 · Bank of E/O ...		0.00
					6560 · Payroll Expen...	-2,733.78	2,733.78
					6560 · Payroll Expen...	-67.92	67.92
					6560 · Payroll Expen...	-336.20	336.20
					2100 · Payroll Liabilities	336.20	-336.20
					6560 · Payroll Expen...	-1,081.48	1,081.48
					2100 · Payroll Liabilities	1,081.48	-1,081.48
					6560 · Payroll Expen...	-75.56	75.56
					2100 · Payroll Liabilities	75.56	-75.56
					6560 · Payroll Expen...	-4.51	4.51
					2100 · Payroll Liabilities	4.51	-4.51
					2100 · Payroll Liabilities	2.80	-2.80
					2100 · Payroll Liabilities	194.00	-194.00
					6560 · Payroll Expen...	-173.71	173.71
					2100 · Payroll Liabilities	173.71	-173.71
					2100 · Payroll Liabilities	173.71	-173.71
					6560 · Payroll Expen...	-40.62	40.62
					2100 · Payroll Liabilities	40.62	-40.62
					2100 · Payroll Liabilities	40.62	-40.62
					2100 · Payroll Liabilities	190.00	-190.00
TOTAL					2111 · Direct Deposit...	2,200.57	-2,200.57
						0.00	0.00
Check	9734	10/13/2021	Meadow Outdoor A...		1001 · Bank of E/O ...		-641.30
					8426 · Advertising & ...	-620.00	620.00
					8426 · Advertising & ...	-21.30	21.30
TOTAL						-641.30	641.30
Check	9735	10/13/2021	Bank of Eastern Or...		1001 · Bank of E/O ...		-1,176.45
					8427 · Telephone & I...	-30.00	30.00
					6115 · Dues, Subscri...	-104.98	104.98
					6127 · Commissioner...	-88.54	88.54
					6326 · Maintenance ...	-17.00	17.00
					85230 · Building Mai...	-98.00	98.00
					6112 · Office Supplie...	-59.97	59.97
					6627 · Park Maintena...	-48.97	48.97

PORT OF ARLINGTON
Check Detail
October 2021

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
TOTAL					8424 · Office Supplie... 8421 · Travel/Food/L...	-649.99 -78.00	649.99 78.00
						-1,176.45	1,176.45
Check	9736	10/13/2021	Bank of Eastern Or...		1001 · Bank of E/O -...	-5.36	-5.36
TOTAL					8424 · Office Supplie...	-5.36	5.36
Check	9737	10/13/2021	VanKoten & Cleavel...		1001 · Bank of E/O -...		-1,612.26
TOTAL					8423 · Legal Fees 6113 · Legal Fees	-757.50 -854.76	757.50 854.76
						-1,612.26	1,612.26
Check	9738	10/13/2021	Arlington Hardware		1001 · Bank of E/O -...		-302.88
TOTAL					6627 · Park Maintena... 6623 · Comfort Statio... 6328 · Maintenance ...	-250.76 -8.36 -43.74	250.76 8.36 43.74
						-302.88	302.88
Check	9739	10/13/2021	City of Arlington		1001 · Bank of E/O -...		-1,050.68
TOTAL					6110 · Internet Service 8425 · Utilities 6622 · Sanitation 6321 · Water Fees - ... 6329 · Sewer 6322 · Sanitation - RV 6521 · Utilities	-46.00 -46.00 -67.00 -347.20 -396.48 -52.00 -96.00	46.00 46.00 67.00 347.20 396.48 52.00 96.00
						-1,050.68	1,050.68
Check	9740	10/13/2021	Pacific Power		1001 · Bank of E/O -...		-556.55
TOTAL					8521 · Utilities	-556.55	556.55
						-556.55	556.55

PORT OF ARLINGTON
Check Detail
October 2021

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	9741	10/13/2021	H2Oregon		1001 - Bank of E/O ...		-30.50
TOTAL					6122 - Meetings and ...	-30.50	30.50
Check	9742	10/13/2021	SDAO		1001 - Bank of E/O ...		-1,606.05
TOTAL					6115 - Dues, Subscri... 6115 - Dues, Subscri...	-696.33 -909.72	696.33 909.72
Check	9743	10/13/2021	Gilliam County Tre...		1001 - Bank of E/O ...		-1,606.05
TOTAL					8441 - Loan - Principal 8442 - Loan - Interest	-815.10 -196.90	815.10 196.90
Check	9744	10/13/2021	P Step Storage		1001 - Bank of E/O ...		-60.00
TOTAL					6627 - Park Maintena...	-60.00	60.00
Check	9745	10/13/2021	Hughes Network Sy...		1001 - Bank of E/O ...		-94.98
TOTAL					6115 - Dues, Subscri...	-94.98	94.98
Check	9746	10/13/2021	Pacific Fire		1001 - Bank of E/O ...		-162.00
TOTAL					8531 - Alarm Monitori...	-162.00	162.00
Check	9747	10/13/2021	Oregon Backflow T...		1001 - Bank of E/O ...		-55.00
TOTAL					6627 - Park Maintena...	-55.00	55.00

PORT OF ARLINGTON
Check Detail
October 2021

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	9748	10/13/2021	Leonardo Plumbing		1001 - Bank of E/O ...		-3,411.27
TOTAL					6731 - Marina Improv...	-3,411.27	3,411.27
Check	9749	10/13/2021	Arlington T.V. Coop		1001 - Bank of E/O ...	-3,411.27	3,411.27
TOTAL					8527 - Telephone an... 6117 - Telephone an... 6631 - Park Improve... 8427 - Telephone & l...	-74.00 -121.25 -50.00 -121.25	74.00 121.25 50.00 121.25
Check	9750	10/25/2021	Derek Trost		1001 - Bank of E/O ...	-366.50	366.50
TOTAL					8632 - Tenant Improv...	-15,000.00	15,000.00
Check	9751	10/27/2021	VanKoten & Cleavel...		1001 - Bank of E/O ...	-15,000.00	15,000.00
TOTAL					8423 - Legal Fees 6113 - Legal Fees	-490.00 -236.25	490.00 236.25
Check	9752	10/27/2021	Gilliam County Tax ...		1001 - Bank of E/O ...	-726.25	726.25
TOTAL					8430-4 - Property Ta... 8430-4 - Property Ta...	-1,344.02 -9,026.90	1,344.02 9,026.90
Check	9753	10/27/2021	Meadow Outdoor A...		1001 - Bank of E/O ...	-10,370.92	10,370.92
TOTAL					8426 - Advertising & ...	-620.00	620.00
Check						-620.00	620.00

PORT OF ARLINGTON
Check Detail
October 2021

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	9754	10/27/2021	The City of Arlington		1001 - Bank of E/O ...	-1,800.00	-1,800.00
TOTAL					8430 - City of Arlingto...	-1,800.00	1,800.00
Check	9755	10/27/2021	SDIS		1001 - Bank of E/O ...	-1,800.00	1,800.00
TOTAL					2100 - Payroll Liabilities	-2,123.58	2,123.58
					2100 - Payroll Liabilities	-2,281.30	2,281.30
					2100 - Payroll Liabilities	-1,157.04	1,157.04
						-5,561.92	5,561.92
Check	9756	10/27/2021	Loop Net		1001 - Bank of E/O ...	-69.00	-69.00
TOTAL					8426 - Advertising & ...	-69.00	69.00
Check	9757	10/27/2021	Gorge Networks		1001 - Bank of E/O ...	-65.10	-65.10
TOTAL					6324 - WIFI - RV	-38.00	38.00
					6117 - Telephone an...	-38.00	38.00
					8427 - Telephone & I...	-141.10	141.10
Check	9758	10/27/2021	Bishop Sanitation L...		1001 - Bank of E/O ...	-255.00	-255.00
TOTAL					6322 - Sanitation - RV	-255.00	255.00
Liability Check	9759	10/27/2021	Fidelity Brokerage ...		1001 - Bank of E/O ...	-1,694.33	-1,694.33
TOTAL					2100 - Payroll Liabilities	-1,694.33	1,694.33
						-1,694.33	1,694.33

PORT OF ARLINGTON
Profit & Loss Prev Year Comparison
July 1 through November 5, 2021

Ordinary Income/Expense Income	Aug 21		Aug 20		Sep 21		Sep 20		Oct 21		Oct 20		Nov 1 - 5, 21		Nov 1 - 5, 20		Nov 1 - 5, 21		Nov 1 - 5, 20		TOTAL		
	\$	% Change	\$	% Change	\$	% Change	\$	% Change	\$	% Change	\$	% Change	\$	% Change	\$	% Change	\$	% Change	\$	% Change	\$	% Change	
4210 - Marina Revenue	1,046.67		90.00	856.87	1,062.67%	534.00	670.00	264.00	39.4%	1,560.00	1,250.00	330.00	23.63%	1,286.00	0.00	1,286.00	0.00	1,286.00	100.0%	5,271.67	2,310.00	2,461.67	37.6%
4211 - RV Park Revenues	3,150.00		2,100.00	1,050.00	50.0%	3,675.00	3,675.00	0.00	0.0%	4,200.00	3,150.00	1,050.00	33.33%	1,575.00	0.00	1,575.00	0.00	1,575.00	100.0%	15,750.00	12,600.00	3,150.00	25.0%
4211-1 - RV Park Monthly Rent	0.00		390.00	-380.00	-100.0%	450.00	0.00	450.00	100.0%	310.00	360.00	-70.00	-18.42%	0.00	0.00	0.00	0.00	0.00	0.0%	1,140.00	780.00	360.00	50.0%
4211-2 - RV Park Weekly Rent	876.00		1,595.00	-720.00	-45.14%	710.00	1,910.00	-1,200.00	-62.83%	245.00	595.00	-350.00	-58.82%	70.00	105.00	-35.00	-33.33%	2,425.00	5,465.00	-3,070.00	-55.87%		
4211-3 - RV Park Daily Rent	160.00		228.00	-69.00	-30.13%	670.00	660.00	10.00	1.52%	280.00	180.00	90.00	47.37%	10.00	30.00	-20.00	-66.67%	1,430.00	1,651.50	-261.50	-15.46%		
4211-4 - RV Park Dry Camp	0.00		0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.0%	10.00	0.00	10.00	100.0%
4211-5 - Monthly TV	4,185.00		4,304.00	-119.00	-2.77%	5,515.00	6,245.00	-730.00	-11.69%	5,035.00	4,315.00	720.00	16.69%	1,665.00	135.00	1,530.00	1,125.95%	20,785.00	20,546.50	238.50	1.16%		
Total 4211 - RV Park Revenues	1,999.07		2,825.41	-826.34	-29.27%	2,317.30	1,831.32	685.98	42.05%	770.96	838.55	-67.59	-8.1%	457.76	0.00	457.76	0.00	457.76	100.0%	7,191.34	6,484.94	706.40	11.24%
4213 - Marina Fuel Revenue	194.86		240.06	-45.20	-18.83%	71.25	0.00	71.25	100.0%	0.00	586.29	-586.29	-100.0%	0.19	0.00	0.19	0.00	0.19	100.0%	1,759.30	1,050.34	708.96	67.5%
4213-1 - Diesel Sales	4.72		0.00	4.72	100.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.00	0.00	0.0%	4.72	0.00	4.72	100.0%
Total 4213 - Marina Fuel Revenue - Other	2,193.65		2,825.47	-631.82	-28.19%	2,388.56	1,831.32	757.23	46.42%	770.96	1,425.24	-654.28	-45.91%	457.92	0.00	457.92	0.00	457.92	100.0%	8,953.39	7,515.28	1,438.11	18.76%
4234 - Marina Power and Water Revenue	0.00		70.00	-70.00	-100.0%	0.00	0.00	0.00	0.0%	30.00	150.00	-120.00	-80.0%	0.00	0.00	0.00	0.00	0.00	0.0%	30.00	280.00	-250.00	-89.29%
4340 - Millar Creek Rock Sales	0.00		0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.00	0.00	0.0%	0.00	19,049.28	-19,049.28	-100.0%

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11/05/21

Cash Basis

PORT OF ARLINGTON
YTD Income & Expense vs. Budget
YTD

Ordinary Income/Expense	Jul '21 - Jun 22	Budget	% of Budget
Income			
5200 · Gronquist Resources			
5217 · Grant County	0.00	20,000.00	0.0%
5218 · Donations / Gifts	0.00	100.00	0.0%
5216 · Unanticipated Grant	0.00	1,000.00	0.0%
5214 · Tax Reserve Triple Net	0.00	10,000.00	0.0%
5213 · Office Space #4	0.00	3,600.00	0.0%
5212 · Office Space Lease #3	0.00	3,600.00	0.0%
5211 · Office Space Lease #2	0.00	4,800.00	0.0%
5210 · Office Space Lease #1	0.00	8,000.00	0.0%
5207 · Cleaning Fee Deposit	0.00	1,550.00	0.0%
5206 · Kitchen Rental	0.00	800.00	0.0%
5205 · China Creek Room Rental	0.00	500.00	0.0%
5204 · Colombia Room Rental	1,640.00	1,200.00	136.7%
5203 · Shannon Lease	8,750.00	800.00	1,093.8%
5202 · Transfer in From General Fund	0.00	100,000.00	0.0%
Total 5200 - Gronquist Resources	10,390.00	155,950.00	6.7%
GENERAL FUND RESOURCES			
4000 · Carryover Balance	0.00	818,186.00	0.0%
4010 · Taxes-Current	959.79	0.00	100.0%
4011 · Taxes-Prior	1,099.76	500.00	220.0%
4020 · Interest - NOW Checking	90.77	0.00	100.0%
4021 · Interest - Best A/C	223.08	0.00	100.0%
4022 · Interest - LGIP A/C	2,178.85	10,000.00	21.8%
4030 · Land Rental	4,200.00	6,600.00	63.6%
4080 · Grain Elevator Lease Pymt	115,009.00	115,009.00	100.0%
4110 · Grants Income			
4111 · OSMB Grant	269,546.81	0.00	100.0%
4113 · Gilliam County Grant	0.00	0.00	0.0%
4114 · Unanticipated Grant Funds	0.00	0.00	0.0%
4120 · MAPS Grant	0.00	0.00	0.0%
4110 · Grants Income - Other	0.00	0.00	0.6%
Total 4110 - Grants Income	269,546.81	0.00	100.0%
4210 · Marina Revenue	5,271.87	5,000.00	105.4%
4211 · RV Park Revenues			
4211-1 · RV Park Monthly Rent	15,750.00	0.00	100.0%
4211-2 · RV Park Weekly Rent	1,140.00	0.00	100.0%
4211-3 · RV Park Daily Rent	2,425.00	0.00	100.0%
4211-4 · RV Park Dry Camp	1,430.00	0.00	100.0%
4211-5 · Monthly TV	10.00	0.00	100.0%
4211 · RV Park Revenues - Other	0.00	50,000.00	0.0%
Total 4211 · RV Park Revenues	20,755.00	50,000.00	41.5%
4213 · Marina Fuel Revenue			
4213-2 · Gasoline Sales	7,191.34	0.00	100.0%
4213-1 · Diesel Sales	1,759.30	0.00	100.0%
4213 · Marina Fuel Revenue - Other	4.72	12,000.00	0.0%
Total 4213 · Marina Fuel Revenue	8,955.36	12,000.00	74.6%
4214 · Marina Power and Water Revenue	30.00	250.00	12.0%
4340 · Willow Creek Rock Sales	0.00	20,000.00	0.0%
4350 · Willow Creek Lease Revenue	13,554.14	0.00	100.0%
4400 · Donations/Gifts	0.00	100.00	0.0%
4500 · Miscellaneous Income	14,693.98	100.00	14,694.0%
Total GENERAL FUND RESOURCES	456,568.21	1,037,745.00	44.0%

PORT OF ARLINGTON
YTD Income & Expense vs. Budget
 YTD

	Jul '21 - Jun 22	Budget	% of Budget
5000 · ECONOMIC DEVELOP FUND RESOURCES			
5034 · Taxes Collected for Triple Net	3,830.00	6,500.00	58.9%
5006 · Carryover (cash basis)	0.00	215,412.00	0.0%
5030 · Land Rental Mesa	0.00	1,000.00	0.0%
5031 · Building Lease 11-002	31,312.00	93,936.00	33.3%
5032 · Building Lease 11-004	7,500.00	18,000.00	41.7%
5033 · Flex Bldg Lease	16,250.00	39,000.00	41.7%
5113 · Grants - Gilliam County	0.00	1,000.00	0.0%
5114 · Unanticipated Grant Funds	0.00	1,000.00	0.0%
5116 · Grants - Other	0.00	0.00	0.0%
5130 · SIP Funds	0.00	25,000.00	0.0%
5600 · Transfer from General Fund	0.00	0.00	0.0%
Total 5000 · ECONOMIC DEVELOP FUND RESOURCES	56,892.00	400,848.00	14.7%
RESERVE FUND RESOURCES			
9000 · Reserve Fund Beginning Balance	0.00	767,590.00	0.0%
9001 · Transfer from General Fund	0.00	11,500.00	0.0%
9002 · Interest Earned Reserve Fund	166.77	400.00	41.7%
Total RESERVE FUND RESOURCES	166.77	779,490.00	0.0%
Total Income	526,016.98	2,374,033.00	22.2%
Expense			
8500 · Gronquist Fund Expenses			
GRONQUIST CAPITOL OUTLAY			
8633 · Grant Match Gilliam County	0.00	5,000.00	0.0%
8632 · Tenant Improvement/Building Imp	15,000.00	50,000.00	30.0%
8631 · Land Improvement & Development	0.00	1,000.00	0.0%
Total GRONQUIST CAPITOL OUTLAY	15,000.00	56,000.00	26.8%
8630 · CONTINGENCY	0.00	8,900.00	0.0%
Materials and Services			
8539 · Misc	0.00	2,000.00	0.0%
8538 · Cleaning Fee Reimbursed	0.00	1,150.00	0.0%
8537 · Bad Dept Write Off	0.00	100.00	0.0%
8536 · Property Taxes	0.00	10,000.00	0.0%
8535 · Advertising	0.00	1,000.00	0.0%
8534 · Donations	0.00	100.00	0.0%
8533 · Miscellaneous	0.00	500.00	0.0%
8532 · Pest Control / Fertilizer	0.00	300.00	0.0%
8531 · Alarm Monitoring	324.00	800.00	40.5%
85230 · Building Maintenance	402.31	5,000.00	8.0%
8529 · Fire Suppression System Inspec	0.00	3,800.00	0.0%
8528 · Supplies	324.47	1,500.00	21.6%
8527 · Telephone and Internet	382.25	800.00	47.8%
8526 · Audit, Budget, Legal Notices	0.00	500.00	0.0%
8521-1 · Credit Card Fees	14.80	500.00	3.0%
8525 · Dues / Subscriptions / Fees	37.00	1,000.00	3.7%
8524 · Insurance - Treasurer Bond	0.00	3,000.00	0.0%
8523 · Legal Fees	0.00	1,000.00	0.0%
8522 · Office Supplies and Equipment	0.00	1,500.00	0.0%
8521 · Utilities	1,773.96	10,000.00	17.7%
Total Materials and Services	3,258.79	44,550.00	7.3%
Personnel Services			
8514 · Employee Benefits - Retirement	1,714.69	3,500.00	49.0%
8513 · Employee Benefits Insurance	4,527.51	12,500.00	36.2%
8512 · Workers Comp Insurance	0.00	300.00	0.0%
8511 · Payroll Taxes	978.23	3,000.00	32.5%
8510-3 · Maintenance	3,543.65	7,300.00	48.5%
8510-2 · Event Coordinator	0.00	100.00	0.0%
8510-1 · Administrative Assistant	4,308.79	12,000.00	35.9%
8510 · Port Manager	6,500.00	7,800.00	83.3%
Total Personnel Services	21,569.47	46,500.00	46.4%
Total 8500 · Gronquist Fund Expenses	39,828.26	155,950.00	25.6%
8580 · Payroll Expenses	0.00	0.00	0.0%

PORT OF ARLINGTON
YTD Income & Expense vs. Budget
YTD

	Jul '21 - Jun 22	Budget	% of Budget
GENERAL FUND EXPENSES			
ADMINISTRATION EXPENSES			
6000 · Personal Services - AD			
6008 · Port Manager	8,500.59	13,000.00	50.0%
6009 · Administrative Assistant	7,754.09	35,000.00	22.2%
6011 · Payroll Taxes - Staff	1,134.34	6,634.00	17.1%
6012 · Training	0.00	100.00	0.0%
6013 · Workmens Compensation	129.45	250.00	51.8%
6015 · Employee Benefits Insurance	4,261.81	27,000.00	15.8%
6016 · Employee Benefits Retirement	1,315.69	7,500.00	17.5%
Total 6000 · Personal Services - AD	21,095.97	89,484.00	23.6%
6100 · Materials and Services - AD			
6110 · Internet Service	92.00		
6111 · Utilities	90.50	3,700.00	2.4%
6112 · Office Supplies and Equipment	1,156.75	3,500.00	33.1%
6113 · Legal Fees	2,041.01	8,000.00	25.5%
6114 · Insurance, Treasurer Bond	0.00	500.00	0.0%
6115 · Dues, Subscriptions, Fees			
6115-1 · Credit Card Fees	1,777.72	3,800.00	46.8%
6115 · Dues, Subscriptions, Fees - Other	3,572.73	7,000.00	51.0%
Total 6115 · Dues, Subscriptions, Fees	5,350.45	10,800.00	49.5%
6116 · Audit, Budget, Legal Notices	0.00	10,000.00	0.0%
6117 · Telephone and Internet Srv.	645.02	2,000.00	32.3%
6118 · Advertising - AD	0.00	250.00	0.0%
6119 · Commissioner Fees/Expenses	160.77	3,000.00	5.4%
6120 · Medi/SS for Commissioners	0.00	300.00	0.0%
6121 · Donations	0.00	1,000.00	0.0%
6122 · Meetings and Elections	148.50	2,000.00	7.4%
6123 · Miscellaneous - AD	0.00	200.00	0.0%
6124 · Consultant Services	0.00	1,000.00	0.0%
6126 · Contingency	0.00	46,609.00	0.0%
6127 · Commissioner Conference & Trave	258.33	3,000.00	8.5%
6128 · Staff Travel/Food/Lodging	0.00	500.00	0.0%
6129 · Postage	8.00	700.00	1.1%
6130 · Bad Debt Write Off	0.00	100.00	0.0%
6100 · Materials and Services - AD - Other	459.22		
Total 6100 · Materials and Services - AD	10,408.55	97,159.00	10.7%
6170 · Transfers Out of General Fund	0.00	111,500.00	0.0%
Total ADMINISTRATION EXPENSES	31,504.52	298,143.00	10.6%
ECONOMIC DEVELOPMENT	0.00	0.00	0.0%
ISLAND PARK			
6600 · Personal Services			
6615 · Employee Retirement	571.75	2,120.00	27.0%
6614 · Employee Benefits	2,082.68	7,602.00	27.4%
6610 · Maintenance Person	7,083.14	18,000.00	39.2%
6611 · Payroll Taxes	551.49	900.00	61.3%
6612 · Worker's Comp Insurance	0.00	500.00	0.0%
6613 · Other	0.00	0.00	0.0%
Total 6600 · Personal Services	10,269.06	29,122.00	35.3%
6620 · Materials & Services			
6621 · Water Fees	0.00	1,200.00	0.0%
6622 · Sanitation	268.00	1,500.00	17.9%
6623 · Comfort Station Supplies	27.78	1,800.00	1.5%
6624 · Park Electricity	0.00	1,500.00	0.0%
6625 · Pest Control / Chem & Fert.	0.00	200.00	0.0%
6626 · Insurance	0.00	2,000.00	0.0%
6627 · Park Maintenance & Supplies	2,186.27	4,000.00	53.9%
6628 · Miscellaneous	0.00	100.00	0.0%
Total 6620 · Materials & Services	2,451.03	12,300.00	19.9%

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 Cash Basis

PORT OF ARLINGTON YTD Income & Expense vs. Budget YTD

	Jul '21 - Jun 22	Budget	% of Budget
6630 · Capital Outlay			
6636 · Marine Board Grant Match	0.00	100.00	0.0%
6635 · Grant Match Isl.Erosion Repair	0.00	100.00	0.0%
6634 · Construction Grant	0.00	100.00	0.0%
6631 · Park Improvements	395.64	6,631.00	6.0%
6632 · Engineering & Surveying	0.00	40,000.00	0.0%
6633 · Island Park Construction Grant	0.00	1,000.00	0.0%
Total 6630 · Capital Outlay	395.64	47,931.00	0.8%
Total ISLAND PARK	13,115.73	89,353.00	14.7%
MARINA			
6700 · Personal Services			
6714 · Employee Retirement	82.71	640.00	12.9%
6710 · Maintenance Person	588.39	5,600.00	10.5%
6711 · Payroll Taxes	31.55	600.00	5.3%
6712 · Worker's Comp Insurance	0.00	200.00	0.0%
6713 · Other	172.44	2,300.00	7.5%
6700 · Personal Services - Other	0.00	0.00	0.0%
Total 6700 · Personal Services	875.09	9,340.00	9.4%
6720 · Materials & Services			
6721 · Marina Electricity	544.78	4,500.00	12.1%
6722 · OMB Repairs - 1/2 MAPS	380.50	2,000.00	19.0%
6723 · Insurance	0.00	2,600.00	0.0%
6724 · Marina Maint. & Supplies	756.64	5,000.00	15.1%
6725 · Miscellaneous	0.00	500.00	0.0%
6726 · Contractural Services	0.00	0.00	0.0%
6727 · Marina Fuel			
6727-2 · Marina Diesel	2,980.00		
6727-1 · Marina Gas	5,434.49		
6727 · Marina Fuel - Other	3,332.77	16,000.00	20.8%
Total 6727 · Marina Fuel	11,747.26	16,000.00	73.4%
Total 6720 · Materials & Services	13,429.18	30,600.00	43.9%
6730 · Captial Outlay			
6731 · Marina Improvements	3,411.27	100.00	3,411.3%
6732 · Engineering & Surveying	0.00	100.00	0.0%
6733 · Marina Equipment	770.38	0.00	100.0%
6734 · Marina Improvements Other	1,845.00	100.00	1,845.0%
Total 6730 · Captial Outlay	6,026.65	300.00	2,008.9%
Total MARINA	20,330.92	40,240.00	50.5%
RV PARK EXPENSES			
6314 · Employee Retirement	82.70	640.00	12.9%
6300 · Personal Services - RV			
6310 · Maintenance Person - RV	588.39	5,600.00	10.5%
6311 · Payroll Taxes, Maintenance - RV	43.20	600.00	7.2%
6312 · Workmens Compensation - RV	0.00	250.00	0.0%
6313 · Employee Benifits- RV	173.05	2,300.00	7.5%
Total 6300 · Personal Services - RV	804.64	8,750.00	9.2%
6320 · Materials & Services - RV			
6321 · Water Fees - RV	1,465.20	4,000.00	36.6%
6322 · Sanitation - RV	633.00	2,000.00	31.7%
6323 · Electricity - RV Park	2,935.04	9,000.00	32.6%
6324 · WIFI - RV	185.49	1,000.00	18.5%
6325 · Advertising - RV	0.00	1,000.00	0.0%
6326 · Maintenance & Supplies - RV	111.16	4,000.00	2.8%
6327 · Insurance - RV	0.00	1,800.00	0.0%
6328 · Misc. - RV	0.00	250.00	0.0%
6329 · Sewer	1,680.68	4,000.00	42.0%
Total 6320 · Materials & Services - RV	7,010.57	27,050.00	25.9%

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Cash Basis

PORT OF ARLINGTON
YTD Income & Expense vs. Budget
YTD

	Jul '21 - Jun 22	Budget	% of Budget
6340 · Capital Outlay - RV			
8341 · RV Park Const Improv	0.00	100.00	0.0%
8343 · Grant Match	0.00	100.00	0.0%
8344 · RV Park Equipment	4,180.52	10,000.00	41.8%
Total 6340 · Capital Outlay - RV	4,180.52	10,200.00	41.0%
Total RV PARK EXPENSES	12,078.43	48,640.00	25.9%
WILLOW CREEK QUARRY			
6520 · Materials & Services - WQ			
6523 · Miscellaneous - WQ	1,801.59	4,000.00	45.0%
6624 · Travel	0.00	100.00	0.0%
Total 6520 · Materials & Services - WQ	1,801.59	4,100.00	43.9%
6540 · Capital Outlay - WQ			
6542 · Engineering & Surveying	0.00	48,000.00	0.0%
6540 · Capital Outlay - WQ - Other	0.00	547,900.00	0.0%
Total 6540 · Capital Outlay - WQ	0.00	595,800.00	0.0%
Total WILLOW CREEK QUARRY	1,801.59	600,000.00	0.3%
Total GENERAL FUND EXPENSES	78,831.19	1,074,376.00	7.3%
8400 · ECON.DEVELOP.FUND EXPENSES			
PERSONNEL SERVICES			
8410 · Officer	13,001.78	59,000.00	22.0%
8410-1 · Admin. Asst. 1/3	8,954.98	14,600.00	61.3%
8411 · Payroll Taxes	1,548.21	9,800.00	15.8%
8412 · Worker's Comp Ins.	0.00	300.00	0.0%
8413 · Employee Benefits - Insurance	5,466.67	29,450.00	18.6%
8414 · Employee Benefits - Retirement	1,803.18	8,700.00	20.7%
Total PERSONNEL SERVICES	30,774.82	121,850.00	25.3%
MATERIALS AND SERVICES			
8421 · Travel/Food/Lodging	564.18	6,000.00	9.7%
8422 · Training/Seminars/Conventions	75.00	3,000.00	2.5%
8423 · Legal Fees	2,250.00	5,000.00	45.0%
8424 · Office Supplies & Equipment	1,860.84	3,500.00	53.2%
8424-3 · Consultant	0.00	500.00	0.0%
8425 · Utilities	182.50	3,500.00	5.2%
8426 · Advertising & Marketing	4,245.30	5,000.00	84.9%
8426-1 · Dues & Subscriptions	0.00	500.00	0.0%
8427 · Telephone & Internet Service	1,702.46	2,500.00	68.1%
8428 · Website Develop. & Maint.	0.00	500.00	0.0%
8429 · Building Insurance	0.00	9,000.00	0.0%
8430 · City of Arlington Insitu Lease	7,200.00	21,600.00	33.3%
8430-2 · Grant Match	0.00	1,000.00	0.0%
8430-4 · Property Taxes	10,370.92	6,500.00	159.6%
8433 · Telecom Infrastr Creation	0.00	100.00	0.0%
Total MATERIALS AND SERVICES	28,471.18	68,200.00	41.7%
CAPITAL OUTLAY			
8431 · Land Improvements/Development	0.00	17,000.00	0.0%
8432 · Engineering & Surveying	0.00	45,000.00	0.0%
8436 · Building Projects/Tenant Improv	0.00	65,500.00	0.0%
Total CAPITAL OUTLAY	0.00	127,500.00	0.0%
DEBT SERVICE			
8441 · Loan - Principal	4,061.96	9,839.00	41.3%
8442 · Loan - Interest	998.04	2,306.00	43.3%
Total DEBT SERVICE	5,060.00	12,145.00	41.7%
Total 8400 · ECON.DEVELOP.FUND EXPENSES	64,306.00	329,695.00	19.5%

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Cash Basis

PORT OF ARLINGTON
YTD Income & Expense vs. Budget
YTD

	Jul '21 - Jun 22	Budget	% of Budget
RESERVE FUND EXPENSES			
9500 - Repair, Maint., Grant Match	0.00	88,659.00	0.0%
Total RESERVE FUND EXPENSES	0.00	88,659.00	0.0%
Total Expense	182,965.45	1,648,680.00	11.1%
Net Ordinary Income	343,051.53	725,353.00	47.3%
Net Income	343,051.53	725,353.00	47.3%

PORT OF ARLINGTON
Balance Sheet
 As of October 31, 2021

	Oct 31, 21
ASSETS	
Current Assets	
Checking/Savings	
1000 - Beginning Cash Drawer Funds	100.00
1001 - Bank of E/O - Checking	520,536.84
1003 - LGIP Investment A/C	1,002,927.48
1004 - Reserve Fund	77,741.11
1005 - Municipal Money Market Account	89,744.10
Total Checking/Savings	1,691,051.53
Accounts Receivable	
1200 - Accounts Receivable	-21,707.64
Total Accounts Receivable	-21,707.64
Other Current Assets	
1201 - AR Audit	16,474.51
1210 - Property Tax Receivable	4,095.95
1300 - Prepaid Expense	5,718.75
Total Other Current Assets	26,289.21
Total Current Assets	1,695,633.10
Other Assets	
1006 - Cash With County	721.40
Total Other Assets	721.40
TOTAL ASSETS	1,696,354.50
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	132,724.44
Total Accounts Payable	132,724.44
Other Current Liabilities	
2002 - AP Audit	-2,724.48
2100 - Payroll Liabilities	-10,111.64
2110 - Deferred Rev. - Property Taxes	3,642.20
2111 - Direct Deposit Liabilities	-14,693.98
Total Other Current Liabilities	-23,887.90
Total Current Liabilities	108,836.54
Total Liabilities	108,836.54
Equity	
3110 - Retained Earnings	1,247,797.10
Net Income	339,720.86
Total Equity	1,587,517.96
TOTAL LIABILITIES & EQUITY	1,696,354.50

2021 Port of Arlington fuel Sales								
Date	\$/gallon	Gasoline			\$/gallon	Diesel		
		Number	Gallons	\$ Sales		Number	Gallons	\$ Sales
January-21	\$ 3.49	11	113	\$ 374.32	\$ 2.69	0	0	\$ -
February-21	\$ 3.49	12	172	\$ 562.85	\$ 2.69	0	0	\$ -
March-21	\$ 3.49	20	138	\$ 487.99	\$ 2.69	2	322	\$ 868.36
April-21	\$ 3.89	25	183	\$ 701.36	\$ 2.69	1	6	\$ 16.30
May-21	\$ 3.89	43	336	\$ 1,310.77	\$ 2.69	0	0	\$ -
June-21	\$ 4.89	45	379	\$ 1,674.72	\$ 2.69	0	0	\$ -
July-21	\$ 4.70	44	324	\$ 1,646.25	\$ 2.69	2	554	\$ 1,493.03
August-21	\$ 4.99	39	412	\$ 1,999.07	\$ 2.69	0	0	\$ -
September-21	\$ 4.99	50	444	\$ 2,317.30	\$ 2.69	3	19	\$ 71.25
October-21	\$ 5.29	10	84	\$ 457.76	\$ 2.69	0	0	\$ -
November-21					\$ 2.69			
December-21					\$ 2.69			
YTD Totals		299	2,586	\$ 11,532.39		8	901	\$ 2,448.94

2020 Port of Arlington fuel Sales								
Date	\$/gallon	Gasoline			\$/gallon	Diesel		
		Number	Gallons	\$ Sales		Number	Gallons	\$ Sales
January-20	\$ 3.99	7	94	\$ 373.93	\$ 2.69	0	0	\$ -
February-20	\$ 3.99	6	31	\$ 122.30	\$ 2.69	1	6	\$ 16.97
March-20	\$ 3.99	27	258	\$ 1,049.13	\$ 2.69	0	0	\$ -
April-20	\$ 3.99	32	259	\$ 1,032.66	\$ 2.69	0	0	\$ -
May-20	\$ 3.99	33	234	\$ 836.72	\$ 2.69	1	10	\$ 27.10
June-20	\$ 3.49	49	399	\$ 1,293.61	\$ 2.69	0	0	\$ -
July-20	\$ 3.49	50	388	\$ 1,144.76	\$ 2.69	2	83	\$ 223.99
August-20	\$ 3.49	67	805	\$ 2,622.41	\$ 2.69	3	89	\$ 240.06
September-20	\$ 3.49	52	495	\$ 1,631.00	\$ 2.69	0	0	\$ -
October-20	\$ 3.49	40	247	\$ 838.95	\$ 2.69	8	217	\$ 586.29
November-20	\$ 3.49	8	86	\$ 300.14	\$ 2.69	0	0	
December-20	\$ 3.49	19	163	\$ 541.93	\$ 2.69	0	0	
YTD Totals		390	3,460	\$ 11,787.54		15	405	\$ 1,094.41

2019 Port of Arlington fuel Sales								
Date	\$/gallon	Gasoline			\$/gallon	Diesel		
		Number	Gallons	\$ Sales		Number	Gallons	\$ Sales
January-19	\$ 3.90	11	109	\$ 413.84	\$ 2.69	0	0	\$ -
February-19	\$ 3.90	12	154	\$ 583.47	\$ 2.69	0	0	\$ -
March-19	\$ 3.90	13	91	\$ 337.40	\$ 2.69	0	0	\$ -
April-19	\$ 3.90	33	268	\$ 1,004.21	\$ 2.69	0	0	\$ -
May-19	\$ 4.59	41	291	\$ 1,256.28	\$ 2.69	0	0	\$ -
June-19	\$ 4.59	40	331	\$ 1,528.44	\$ 2.69	0	0	\$ -
July-19	\$ 3.99	46	443	\$ 1,872.21	\$ 2.69	1	13	\$ 35.49
August-19	\$ 3.99	57	618	\$ 2,442.36	\$ 2.69	3	108	\$ 290.91
September-19	\$ 3.99	45	465	\$ 1,757.99	\$ 2.69	5	46	\$ 123.11
October-19	\$ 3.99	38	422	\$ 1,576.03	\$ 2.69	4	184	\$ 472.91
November-19	\$ 3.99	24	229	\$ 914.15	\$ 2.69	0	0	\$ -
December-19	\$ 3.99	16	212	\$ 808.98	\$ 2.69	0	0	\$ -
YTD Totals		376	3,632	\$ 14,495.36		13	352	\$ 922.42

Rate Sched 135

PORT OF ARLINGTON
COMFORT STATION **Granquist**
PO BOX 279
ARLINGTON OR 97812-0279



Questions: Call
1-888-221-7070
24 hours a day,
7 days a week
pacificpower.net



BILLING DATE: **Nov 4, 2021**
ACCOUNT NUMBER: **[REDACTED]**
DUE DATE: **Nov 23, 2021**
AMOUNT DUE: **\$860.63**



Your Balance With Us

Previous Account Balance	556.55
Payments/Credits	-556.55
New Charges	+860.63
Current Account Balance	\$860.63

Payments Received

DATE	DESCRIPTION	AMOUNT
Oct 18, 2021	Payment Received - Thank You	556.55
Total Payments		\$556.55

Detailed Account Activity

ITEM 1 - ELECTRIC SERVICE

1150 Railroad Ave Arlington OR
Net Meter - 32 Kw Solar Schedule 135
Service ID: **[REDACTED]**

METER NUMBER	SERVICE PERIOD From To	ELAPSED DAYS	METER READINGS		METER MULTIPLIER	AMOUNT USED THIS MONTH
			Previous	Current		
70186082 ^M	Sep 29, 2021 Oct 28, 2021	29	5862	6089	40.0	9,080 kwh
70186082 ^S	Sep 29, 2021 Oct 28, 2021		3674	3686	40.0	-480 kwh
Total						8,600 kwh
Usage Adjustment						-4,263 kwh
Billed Usage						4,347 kwh
70186082	Demand Oct 28, 2021			1.595	40.0	64 kw
70186082	Reactive Oct 28, 2021			0.292	40.0	12 kvar

M = Main Meter S = Subordinate Meter

Next scheduled read date: 12-01. Date may vary due to scheduling or weather.

NEW CHARGES - 10/21	UNITS	COST PER UNIT	CHARGE
Basic Charge - 3P Sec Delivery	83 kw		35.00
Load Size Charge - 3P Sec Del	83 kw	0.9500000	78.85
Demand Charge Sec - Min 15 Kw	64 kw	6.2300000	398.72
Delivery Charge Secondary	4,347 kwh	0.0098000	42.60

See reverse

Write account number on check & mail to: Pacific Power, PO Box 26000, Portland, OR 97266-0001

RETAIN THIS PORTION FOR YOUR RECORDS.
RETURN THIS PORTION WITH YOUR PAYMENT.

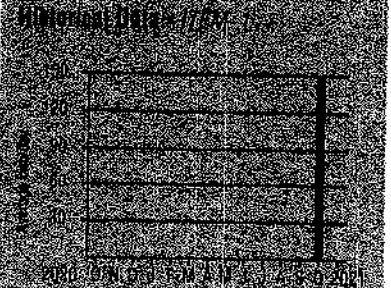
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PACIFIC POWER
PO BOX 26000
PORTLAND OR 97256-0001



H 27946101 005 015 000086063



Your Average Daily kWh Usage by Month

PERIOD ENDING	09/28/21	10/28/21
Avg Daily Usage	63	64
Total kWh	1,837	1,712
Avg kWh per Day	150	170
Overhead Day	\$26.08	\$10.00

Now you can earn \$5 in bill credits each year when you sign up for paperless billing. See details and terms at pacificpower.com/paperless.

Looking for other ways to pay?
Visit pacificpower.net/pay for all your options. You can choose to pay on your device using our mobile app, on our website, at a pay station in your community, or pay via the phone by calling 1-888-221-7070.

Late Payment Charge for Oregon
A late payment charge of 2.0% may be charged on any balance not paid in full each month.

Change of Mailing Address or Phone?
Check here & provide information on back.

Account Number: **[REDACTED]**
Date Due: **Nov 23, 2021**

AMOUNT DUE: \$860.63

Please enter the amount enclosed.
PORT OF ARLINGTON
COMFORT STATION
PO BOX 279
ARLINGTON OR 97812-0279

Questions about your bill. Call toll free 1-888-221-7070 pacificpower.net

BILLING DATE: **Nov 4, 2021** ACCOUNT NUMBER: **27946101-005** DUE DATE: **Nov 23, 2021** AMOUNT DUE: **\$860.63**

NEW CHARGES - 10/21 - CONTINUED			
	UNITS	COST PER UNIT	CHARGE
Supply Energy Secondary	4,347 kwh	0.0498800	216.83
Federal Tax Act Adjustment	4,347 kwh	-0.0004400	-1.91
Oregon Corp Activities Tax Adj		0.0054000	4.16
Public Purpose		0.0300000	23.23
Energy Conservation Charge	4,347 kwh	0.0030400	13.21
Low Income Assistance	4,347 kwh	0.0006900	3.00
Total New Charges			813.69

ITEM 2 - CONTRACT

1150 Railroad Ave Arlington DR
 Contract:senior Center Site:904421079 001 80% Mon Min Schedule 109
 Service ID: 904421079-003

NEW CHARGES - 10/21			
	UNITS	COST PER UNIT	CHARGE
80% Contract Minimum Monthly			46.94
Total New Charges			46.94

Wildfire safety & preparedness

Safety is a community effort that takes all of us working together. As we're taking steps to continue to mitigate wildfire risks by strengthening our system, pruning more trees and partnering with state and local agencies on emergency preparedness, it's also important for you to update your contact information and sign up for alerts with us.

Other ways to take action at home: Make a plan, create defensible space, and plan for medical needs. Consider a backup generator if your medical equipment requires electricity. Signing up for reverse notifications if an emergency happens is easy and free. Check your local emergency management or public safety website for more information on how to sign up.

Visit our wildfire safety resource center to access an easy-to-use interactive map showing Public Safety Power Shutoff areas, outage preparation checklists, and view the 7-day forecasts for designated areas: www.pacificpower.net/wildfiresafety.

Seguridad y preparación

La seguridad es un esfuerzo comunitario que nos hace trabajar juntos. A medida que estamos tomando pasos para seguir mitigando los riesgos de incendios forestales mediante el fortalecimiento de nuestro sistema, apodando mas arboles y colaborando con agencias estatales y locales en la preparación para emergencias, también es importante que actualice su información de contacto y se registre para recibir nuestras alertas.

Otras formas de tomar medidas en casa: Haga un plan, mantenga un espacio defendible, y planifique para necesidades médicas. Considere como respaldo un generador si su equipo médico requiere electricidad. Registrarse para recibir notificaciones inversas si ocurre una emergencia es fácil y gratuito.

New Mailing Address or Phone?

Please print your new information below and check the box on the reverse side of this Payment Stub. Thank you.

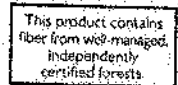
ACCOUNT NUMBER: **27946101-005 0**

LAST _____ FIRST _____ M.I. _____

NEW STREET ADDRESS _____

CITY _____

ST _____ ZIP _____ TELEPHONE NUMBER _____



NET METERING SERVICE
OPTIONAL FOR QUALIFYING CUSTOMERS

Available

In all territory served by Company in Oregon.

Applicable

To any Customer that uses a generating facility using solar power, wind power, fuel cells, hydroelectric power, landfill gas, digester gas, waste, dedicated energy crops available on a renewable basis or low-emission, nontoxic biomass based on solid organic fuels from wood, forest or field residues with a capacity of not more than twenty-five (25) kilowatts for residential customers and two (2) megawatts for non-residential customers that is located on the Customers' premises, is interconnected and operates in parallel with the Company's existing transmission and distribution facilities, and is intended primarily to offset part or all of the Customer's own electrical requirements. This Schedule is offered in compliance with ORS 757.300 and OAR 860-039-0005 through -0080.

Definitions

Net Metering Energy is the difference between the electricity supplied by the Company and the electricity generated by an eligible customer-generator and fed back to the electric grid over the applicable billing period.

Monthly Billing

The Electric Service Charge shall be computed in accordance with the Monthly Billing in the applicable standard service tariff.

Special Conditions

1. If the energy supplied to the Company is less than the energy supplied by the Company, the Company will charge the Customer the appropriate monthly charges and all applicable charges for the net electricity supplied by the Company.
2. If the energy supplied to the Company is greater than the energy supplied by the Company, the Customer shall be billed for the appropriate monthly charges and shall be credited for such Net Metering Energy with a cumulative kilowatt-hour credit to be applied at the full retail rate for each rate component on the bill that uses kilowatt-hours as the billing determinant on the customer-generator's next monthly bill.
3. For customers who are billed on time-of-use rates, kilowatt-hour usage during a monthly billing period shall be offset in the following sequence: (i) first by kilowatt-hours generated during the same time-of-use period; (ii) second by kilowatt-hour credits from previous monthly billing periods, but from the same time-of-use period; (iii) third by kilowatt-hours generated during different time-of-use periods, but from the same monthly billing period; (iv) last by kilowatt-hour credits from previous monthly billing periods and from different time-of-use periods.
4. When excess energy generated during the billing period or excess energy credits from previous billing periods from a designated meter that is subject to time-of-use rates are used to offset usage in an aggregated meter that is not subject to time-of-use rates, energy credits shall be applied in order of time-varying price with energy generated during the time of the highest price being applied first.

(continued)

Special Conditions (continued)

5. When excess energy generated during the billing period or excess energy credits from previous billing periods from a designated meter that is not subject to time-of-use rates are used to offset usage in an aggregated meter that is subject to time-of-use rates, energy credits shall be applied to usage in order of time-varying price with energy usage during the time of the highest price being offset first.
6. Any remaining unused kilowatt-hour credit accumulated through the March billing period each year shall be transferred to the Company's low-income assistance program at the Company's applicable average annual avoided cost rate.
7. Upon the customer-generator's request and with sixty (60) days notice to the Company, the Company shall aggregate for billing purposes the meter that is physically attached to the net metering facility ("designated meter") with one or more meters ("aggregated meter") if the following conditions are met: (i) the aggregated meter is located on the customer-generator's premises or property that is contiguous to such premises; (ii) the electricity recorded by the designated meter and any aggregated meters is for the customer-generator's requirements; and (iii) the designated meter and the aggregated meter are served by the same primary feeder at the time of application. At the time of notice to the Company, the customer-generator must identify the specific meters and designate a rank order for the aggregated meters to which Net Metering Energy credits are to be applied. Aggregated meters subject to the same rate schedule as the designated meter must be ranked above any other aggregated meters. A customer-generator may amend the rank order of the aggregated meters with at least 60 days advance notice before the next annual billing period.
8. The customer-generator is responsible for all costs associated with its facility and is also responsible for all costs related to any modifications to the facility that may be required by the company for purposes of safety and reliability.
9. A Net Metering facility installation shall be consistent with OAR 860-039-0020 and shall meet all applicable safety and performance standards established in the Oregon state building code.
10. Customer-generator must operate and maintain net metering facilities in compliance with Institute of Electrical and Electronics Engineers standards in OAR 860-039-0005(3)(j).
11. Except as provided for in OAR 860-039-0015, the customer-generator must install and maintain a manual disconnect switch that will disconnect the net metering facility from the Company's system. The disconnect switch must be a lockable, load-break switch that plainly indicates whether it is in the open or closed position. The disconnect switch must be readily accessible to the Company at all times and located within ten (10) feet of the Company's meter.
12. The Company may disconnect the customer-generator's electric service at any time if the net metering facility must be physically disconnected for any reason.
13. The Company shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a net metering facility, or for the acts or omissions of the customer-generator that cause loss or injury, including death, to any third party.

(continued)

**NET METERING SERVICE
OPTIONAL FOR QUALIFYING CUSTOMERS**

Special Conditions (continued)

14. Prior to receiving net metering service, an interconnection review may be required in accordance with OAR 860-039-0035 or -0040.

Continuing Service

This Schedule is based on continuing service at each service location. Disconnect and reconnect transactions shall not operate to relieve a Customer from monthly minimum charges.

Rules and Regulations

Service under this Schedule is subject to the general Rules and Regulations contained in the tariff of which this Schedule is a part, and to those prescribed by regulatory authorities.

**GENERAL SERVICE
 LARGE NONRESIDENTIAL 31 KW to 200 KW
 DELIVERY SERVICE**
Available

In all territory served by the Company in the State of Oregon.

Applicable

To Large Nonresidential Consumers whose entire electric service requirements are supplied hereunder and whose loads have not registered more than 200 kW, more than six times in the preceding 12-month period and as specified in the Company's Rules & Regulations, Rule 7.J. Deliveries at more than one point, or more than one voltage and phase classification, will be separately metered and billed. Service for intermittent, partial requirements, or highly fluctuating loads, or where service is seasonally disconnected during any one-year period will be provided only by special contract for such service.

Monthly Billing

The Monthly Billing shall be the sum of the Distribution Charge, Transmission & Ancillary Services Charge, and the System Usage Charge plus the applicable adjustments as specified in Schedule 90.

	<u>Delivery Voltage</u>	
	Secondary	Primary
<u>Distribution Charge</u>		
Basic Charge		
Load Size ≤50 kW, per month	\$ 19.00	\$ 25.00
Load Size 51-100 kW, per month	\$ 35.00	\$ 43.00
Load Size 101 - 300 kW, per month	\$ 84.00	\$100.00
Load Size > 300 kW, per month	\$119.00	\$143.00
Load Size Charge		
≤50 kW, per kW Load Size	\$ 1.20	\$ 1.40
51 - 100 kW, per kW Load Size	\$ 0.95	\$ 1.15
101 - 300 kW, per kW Load Size	\$ 0.55	\$ 0.70
> 300 kW, per kW Load Size	\$ 0.35	\$ 0.35
Demand Charge, per kW	\$ 4.03	\$ 4.90
Distribution Energy Charge, per kWh	0.411¢	0.069¢
Reactive Power Charge, per kvar	\$ 0.65	\$ 0.60
<u>Transmission & Ancillary Services Charge</u>		
Per kW	\$ 2.20	\$ 2.14
<u>System Usage Charge</u>		
Schedule 200 Related, per kWh	0.068¢	0.064¢
T&A and Schedule 201 Related, per kWh	0.079¢	0.075¢

kW Load Size:

For determination of the Basic Charge and the Load Size Charge, the kW load size shall be the average of the two greatest non-zero monthly demands established during the 12-month period which includes and ends with the current billing month.

Minimum Charge

The minimum monthly charge shall be the Basic Charge and the Load Size Charge plus the demand charge. A higher minimum may be required under contract to cover special conditions.

(continued)

GENERAL SERVICE
LARGE NONRESIDENTIAL 31 KW to 200 KW
DELIVERY SERVICE

Page 2

Reactive Power Charge

The maximum 15-minute reactive demand for the month in kilovolt-amperes in excess of 40% of the measured kilowatt demand for the same month.

Demand

The kW shown by or computed from the readings of the Company's demand meter for the 15-minute period of the Consumer's greatest use during the month, determined to the nearest kW, but not less than 15 kW.

Metering Adjustment

For a Consumer receiving service at secondary delivery voltage where metering is at primary delivery shall have all billing quantities multiplied by an adjustment factor of 0.9845.

For a Consumer receiving service at primary delivery voltage where metering is at secondary delivery voltage shall have all billing quantities multiplied by an adjustment factor of 1.0157.

Supply Service Options

All Consumers taking Delivery Service under this schedule shall pay the applicable rates in Schedule 200, Base Supply Service. Additionally, each Consumer shall specify Supply Service Schedule 201 or Schedule 220, as appropriate and in accordance with the Applicable section of the specified rate schedule. If Consumer elects to receive Supply Service from an ESS, Delivery Service shall be provided under Schedule 728, Direct Access Delivery Service.

Franchise Fees

Franchise fees related to Schedule 200, Base Supply Service, are collected through the System Usage Charge - Schedule 200 Related rate. Franchise fees related to Transmission & Ancillary Services and franchise fees related to Schedule 201, Net Power Costs, are collected through the System Usage Charge - T&A and Schedule 201 Related rate. Franchise fees related to distribution charges are collected through distribution charges.

Special Conditions

The Consumer shall not resell electric service received from the Company under provisions of this Schedule to any person, except by permission of the Company or as otherwise expressly provided in Company tariffs.

Continuing Service

Except as specifically provided otherwise, the rates of this tariff are based on continuing service at each service location. Disconnect and reconnect transactions shall not operate to relieve a seasonal Consumer from minimum monthly charges.

Term of Contract

The Company may require the Consumer to sign a written contract which shall have a term of not less than one year.

Rules and Regulations

Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part and to those prescribed by regulatory authorities.



S | D | A | O

SPECIAL DISTRICTS
ASSOCIATION OF OREGON

Special District Board Member
Handbook



CONTENTS

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2: What You Should Know as a Special District Board Member	02
3: The Board as an Organization	03
4: Board Meetings: What is a Public Meeting?	07
5: Ethics Laws	11
Reference Materials & State Agency Resources	13

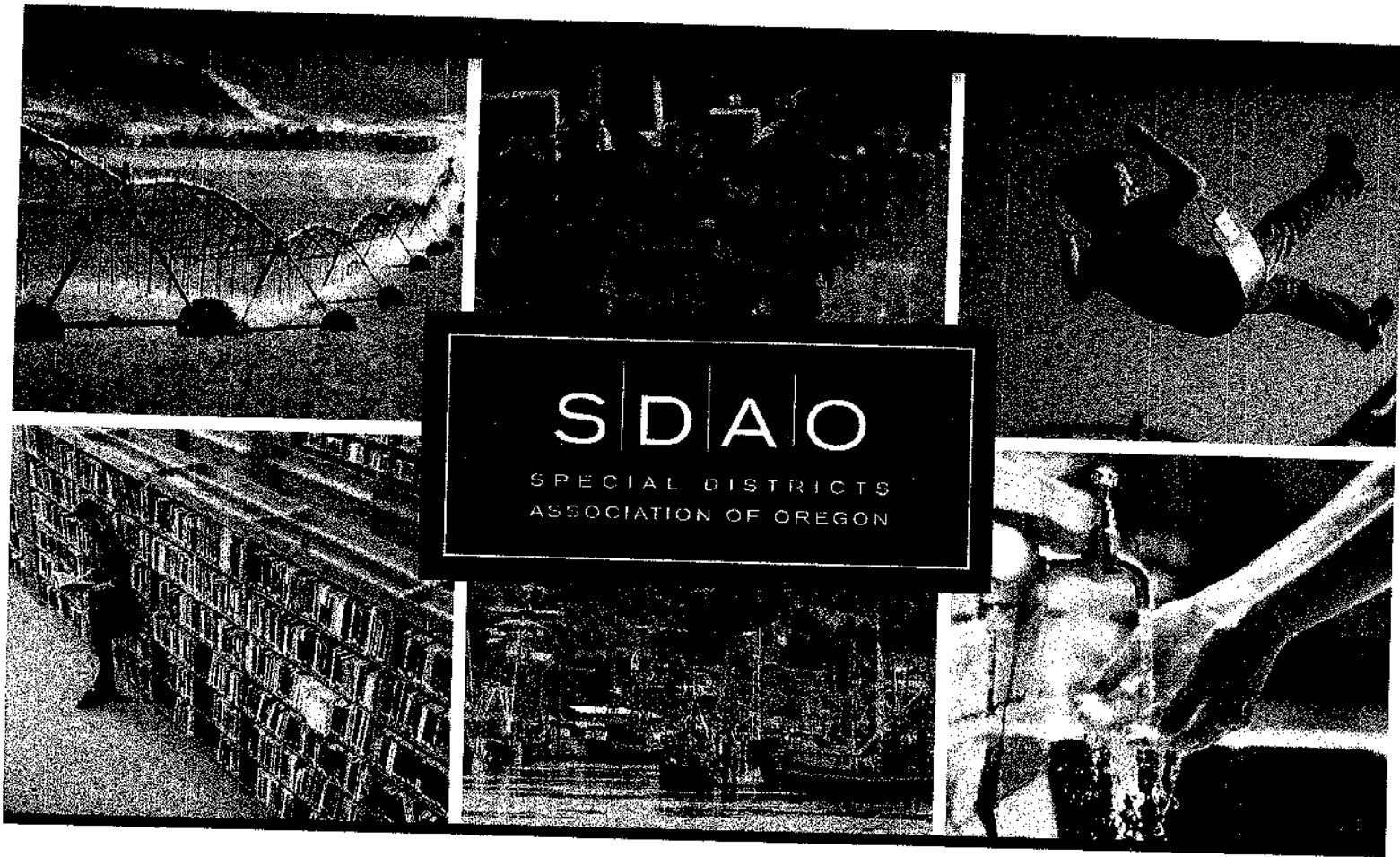
An Elected Officials Guide *To Governing A Special District*

Foreword

The Special Districts Association of Oregon (SDAO) was formed in 1979 to give special districts a stronger and united voice at the Oregon Legislature. As with similar associations that support cities, counties, schools, and local government, SDAO provides advocacy with state administrative agencies and other units of government, training, information resources, and other support programs. SDAO has grown its membership to over 900 local government members.

The association is governed by a twelve-member board of directors that exercises general supervision over the affairs of the organization. The Board's governance and formulation of policies are exercised in accordance with the association's bylaws. The annual business meeting of SDAO members, held in conjunction with the February annual conference, gives members an opportunity to elect, for two-year terms, their association's board of directors.

SDAO has become increasingly important as the membership has grown and the operation of special districts has become more complex. It has become an effective lobbying and educational organization that strives to serve the needs of its members.



S | D | A | O
 SPECIAL DISTRICTS
 ASSOCIATION OF OREGON

Chapter 1: Learning More About Special Districts

What are special districts?

Special districts are a form of local government. They are created by their constituents to meet specific service needs for their communities. Most perform a single function such as water delivery, fire protection, wastewater or cemetery maintenance, to name a few. Some, like county service districts, provide multiple services.

What kinds of special districts are out there?

- 9-1-1 Communications
- Airport
- Cemetery Maintenance
- County Service
- Diking
- Domestic Water Supply
- Drainage
- Emergency Communication
- Fire Protection
- Geothermal Heating
- Health
- Heritage
- Highway Lighting
- Irrigation
- Library
- Mass Transit
- Metropolitan Service
- Park and Recreation
- People's Utility
- Ports
- Predator Control
- Radio and Data
- Road Assessment
- Sand Removal
- Sanitary
- Soil and Water Conservation
- Special Road
- Transportation
- Vector Control
- Water Control
- Water Improvement
- Weather Modification
- Weed Control

How are special districts funded?

Special districts are funded either through property tax revenues, fees charged to customers for services, or a combination of the two.

Chapter 2: *What You Should Know as a Special District Board Member*

Power and Authority of Special Districts

Unlike cities, special districts have only the powers that are expressly provided for or necessarily implied in the Oregon Revised Statutes (ORS). These authorities can be found generally in ORS 198, and within the principal act that governs the various types of districts. A listing of the principal statute for each type of district can be found in ORS 198.010 through ORS 198.210.

Each type of special district has its own statute and requirements for board members. Some districts refer to board members as commissioners or directors. Most types of districts require by law that board members are electors, or at least own property within the boundary of the district. The number of board members varies, as does the length of their terms. For specific requirements, districts should refer to the Oregon Revised Statute that governs their type of district.

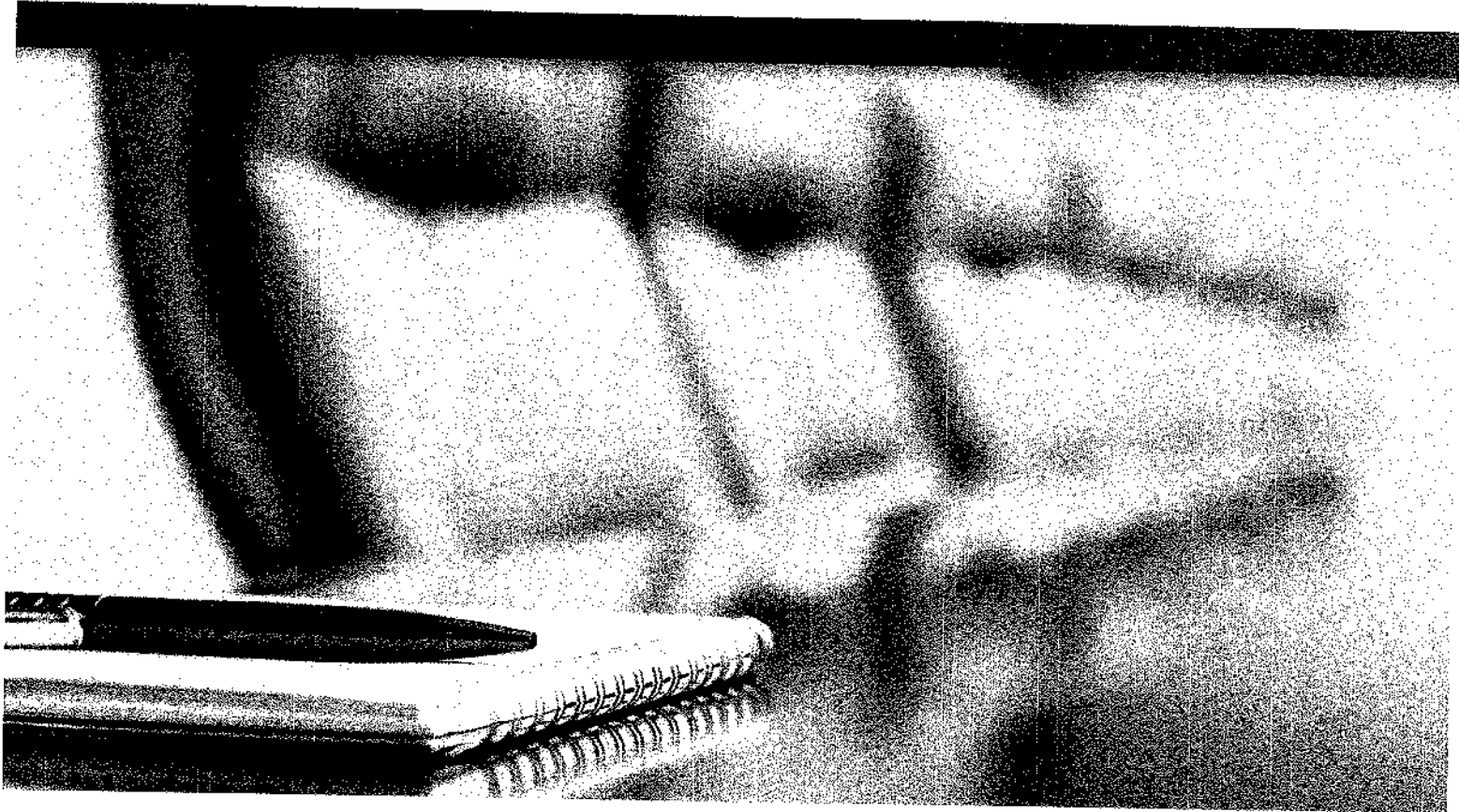
Implied powers are acts necessary to carry out the expressed powers granted by the statutes. For example, being authorized to provide drinking water implies the authority to purchase chemicals, operate a filtration plant and other actions necessary to carry out the expressed powers of the district. When a district decides to expand its role or responsibilities it should seek legal advice to ensure that actions taken by the district are within the scope of powers authorized by the statutes.

There are several types of power in addition to expressed and implied powers:

- **Intramural and Extramural Powers:** Powers that can be exercised within or outside of district boundaries. For example: owning property.
- **Governmental and Proprietary Powers:** Powers exercised in the district's governmental capacity (e.g. policy making) or powers exercised like a business (e.g. operating a marina or selling water).
- **Legislative or Administrative Powers:** The power to adopt policy as opposed to the power to implement policy. For example: adopting a budget is legislative; spending the money is administrative.
- **Quasi-Judicial Power:** The power to adjudicate. Requires a decision based on the law and the evidence presented at a hearing. Requires due process. For example: appeal of termination by an employee.

Delegation of Power

- A district can delegate some types of power. Delegation is governed by the Constitution and statutes.
- Powers can be delegated vertically (e.g. down to a staff person, consultant, or committee) or horizontally (over to another government agency).
- Legislative power cannot be delegated; only administrative or quasi-judicial power can be delegated. Only the board can exercise legislative power.
- Administrative power can be performed either by the board or delegated to staff, consultants, or committees. If funds permit, most administrative power should be delegated to trained or experienced staff or professionals. This is particularly true with complicated administrative duties like hiring, firing, and contracting.
- Board members should use caution in exercising administrative power because of the potential of liability, workers' compensation issues, staff morale issues, and other considerations.



- All delegations of power should be clear and in writing (e.g. a job description, employment contract, personnel manual, resolution, etc.).

Being a board member on a special district board entails a commitment to being actively involved in setting the direction of the district and, most importantly, serving the best interests of the community and district constituents.

Chapter 3: *The Board as an Organization*

Any board exists as an organizational entity, with its own unique organizational culture, norms, values, and operating style. There are attributes or characteristics that are consistently present in boards that operate in a highly effective way. Effective boards become known as effective because they operate in an organizational environment of trust, honesty and openness. These boards exhibit, as a team, the following characteristics:

- All board members are perceived to be equally legitimate – no matter how different or difficult an individual may be.
- The board strives to maintain a "no secrets, no surprises" operating norm.
- The board recognizes and accepts that conflicts and differences are inevitable, not necessarily "bad," and must be faced and analyzed.
- The effective board tends to immediately turn to solutions rather than playing the "gotcha" game.
- The effective board treats all community members with dignity and respect, even in the face of criticism and opposition.
- The effective board exhibits creative thinking, knows how to handle failure as well as success, encourages risk taking and creates a climate of support for excellence.
- The effective board assumes collective responsibility for the conduct, behavior and effectiveness of the board.

Commitment and Responsibilities

As a board member for a special district, you have committed to serve the best interests of the community, provide services that are essential to the community and represent the people who placed you in office.

One of the most significant responsibilities as a board member is to understand that the board is a team and you need to work together as such. Understanding the dynamics of your group as well as the individual perspectives and opinions of the other board members that you sit with will help to strengthen the district and provide the grounds for maintaining a clear vision of the future, a unity of purpose and a cohesive board. Additionally, the board typically has the specific responsibilities that coincide with their overall role as board members. Overall, your role as a board member is to make and approve district policies, set the direction of the district, make decisions, establish strategic goals and objectives, and be an advocate for special districts.

District board members have no individual powers separate from the powers of the board, and have no authority to act individually without delegation of authority from the board. If a board member acts without authority from the board, the individual can be exposed to personal and district liability. It is the responsibility and right of board members to participate in board meetings and vote on district issues as part of the board.

Also, individual board members have no individual authority to direct district staff or administrative activities without delegation of that authority from the board. Generally, the board is the policy making body, while staff, to the extent that funds exist, implements policy and administers the district. If a district has no staff, individual board members can assume administrative functions, but only with the authorization of the board. It is a good idea to make sure any delegation of powers to a board member is in writing, in case a public objection is raised, or in case of a potential lawsuit.

Accountability

Special districts are accountable to the voters and customers who use their services. Every special district must submit annual financial reports to the Secretary of State Audits Division and also must follow state laws pertaining to public meetings, record keeping, ethics, public contracting, budgeting, ethics, and elections.

Bonding

A district board shall require a bond or irrevocable letter of credit of any board member or employee of the district who is charged with possession and control of district funds and properties. The board shall fix the amount of the bond and the premium shall be paid from district funds. The letter of credit must be issued by a commercial bank (ORS 198.220). All board members or employees can be bonded for a minimal additional charge to the cost (premium) of bonding only one board member. It is practical and beneficial to take the necessary steps to bond all board members and the district manager.

Compensation & Expenses

ORS 198.190 allows districts to pay board members up to \$50 per day as compensation for serving as a board member. Such compensation does not constitute the holding of a lucrative office. Districts need to withhold the appropriate taxes for any compensation given to a board member and report this compensation on quarterly payroll tax returns. W2s should also be issued at the end of the year. Districts may also reimburse board members for reasonable expenses incurred in performing official duties.

Liability & Exposure

The Oregon Tort Claims Act (ORS 30.260 to 30.300) governs district tort liability and provides for the defense and indemnity of public officials and limits damages. Under the act, damage awards against districts or their officers, employees or agents are limited.

Further, districts and their officers, employees and agents are immune from tort liability for injuries covered by workers' compensation, claims regarding assessment or collection of taxes, and claims based on performance or failure to perform a discretionary function.

A district must provide indemnification for any tort claims, groundless or otherwise, occurring in the performance of duty, with the exception that indemnity is not required for malfeasance or wanton or willful neglect of duty. Unless investigation demonstrates that a claim arose out of the official's or employee's malfeasance or willful or wanton neglect, the district must provide counsel to defend the claim. For this reason, it is critical for the district to immediately notify the district's insurer of any claims.

Special Districts Insurance Services (SDIS) and other insurers provide "pre-loss legal" services designed to assist districts before the claim is filed. If there is a potential claim, districts should contact their insurer and seek assistance, as normally the insurer will defend the district if a claim is filed. If your district is insured with SDIS, contact SDAO at 800-285-5461 for pre-loss legal services.

If sued, do the following:

- Immediately provide the document to the district's counsel, insurance agent and insurer.
- Do not discuss the matter publicly. Executive sessions may be called to discuss pending or threatened litigation with district counsel.
- Preserve attorney-client privilege.
- Gather and preserve all related documents.
- Don't panic.

Office Holding

There are several constitutional and statutory limitations and requirements governing election to public office. Some restrictions apply before election and some during the term of office. The election of board members shall be conducted as provided by the district's organic act and ORS Chapter 255.

Eligibility for Office

Each district will have in its principal act the criteria for eligibility for office in that district. In some districts, board members must be citizens and residents of the area. In other districts, board members must own property. In most districts, board members must be an elector. In addition, board members may be ineligible if they have been convicted of a felony, adjudged mentally incapacitated, convicted of making bribes, threats or unlawful rewards, or advocating the overthrow of the government.

Oath of Office

Each newly elected or appointed board member shall take an oath of office at a board meeting prior to assuming the duties of the position.

Maintenance of Eligibility

Board members must maintain their eligibility throughout their term of office. For example, if residency is an eligibility requirement, a board member who moves out of the district during the term of office will lose his or her position.

Employees as Board Members

ORS 198.115 provides that a district can adopt an ordinance or resolution providing that employees are not eligible to serve as board members. Ordinance or resolution must take effect at least one year prior to the next regular district election.

Dual Office Holding

In Oregon, volunteer public officials are encouraged to hold as many unpaid public offices as they wish. For example, a person may be on the school board and the fire district board at the same time. Such dual office holding is not a conflict of interest. The only limitation is that a public official cannot hold two lucrative offices (i.e. the same person could not hold the position of sheriff and district attorney).

Resignation of Office

The holder of a public office may resign the office effective at a future date that is prior to the expiration of the term of the office. A resignation is binding unless withdrawn in writing by the end of the third business day after the resignation is made.

Except where an election is required by law, the appointing authority required by law to fill a vacancy may begin the process to fill the vacancy and may select a successor prior to the effective date of the resignation.

Filling Vacancies on a Board

When a vacancy occurs on a district board between elections, the vacancy shall be filled by appointment by a majority of the remaining board members. If there is not a majority of the board available or if a majority of the board cannot agree on filling the vacancy, the county commissioners will fill the position.

An example would be if a recall election is held and a quorum of the board (e.g. three members out of five) is not available, the vacancies are filled by the board of county commissioners. In yet another example, if four members are present but cannot get a majority of three to vote to fill a position, then the decision would go to the board of county commissioners. A person filling a vacancy will serve until June 30th following the next regular district election at which board members are elected, which is May in odd numbered years. The successor elected at the next regular election serves for the remainder of the unexpired term, if any.

POLITICAL ACTIVITIES

Generally, ORS 260.432 states that a public employee (includes any public official, paid or unpaid, who is not elected) may not, while on the job during working hours, promote or oppose election petitions, candidates or ballot measures. Additionally, no person (including elected officials) may require a public employee (at any time) to do so.

Elected officials may:

- Advocate a political position - they are not considered a "public employee" for the purposes of ORS 260.432 OR ORS 260.432(4)(a).
- Vote with the other elected officials of a governing body (such as a school board, city council, or county commission) to support or oppose a ballot measure, and publicly discuss such a vote - but must not use the public employee staff time to assist in this.
- Perform campaign activity at any time, but must take caution not to involve any public employee's work time to do so.

Notices

Public employers are required to post a notice that advises employees of the rights and duties they have regarding campaigning. The text of this notice is set forth in ORS 260.432(3).

Campaigning

Public employees have the right to express personal political views. They may wear political buttons or clothing at work as long as it does not violate the district's policy. The district can prevent campaign buttons and stickers from being affixed to any district equipment or facilities.

The Federal Hatch Act is applicable to any state or local government employee who is funded by federal resources. The Hatch Act is even more restrictive on an employee's political campaigning rights.

Use of Public Funds to Influence Ballot Measures

Public funds may not be used for campaigning. Public officials who authorize such expenditures are personally liable to taxpayers for their return (ORS 294.100(2)). However, public funds may be used to inform the public regarding measures.

Chapter 4: *Board Meetings*

What is a public meeting?

A meeting is a convening of a quorum of the governing body of a public body for the purpose of deciding or deliberating upon a public issue. Without a quorum, the meeting is not a public meeting and the open meetings law does not apply:

- If less than a quorum of a board meets and discusses a public issue, it is not a public meeting.
- If a quorum of the board meets for a reason other than deliberation or decision on a public issue (e.g. a party, a seminar, a reception, etc.) it is not a public meeting.
- If a quorum meets for a reason other than deliberation or decision on a public issue, but then engages in such discussion, the meeting becomes a public meeting and would be unlawful unless proper notice had been given.

An advisory body, subcommittee, task force, or other official group that has authority to make recommendations to a public body on policy or administration is also required to comply with public meetings law.

A staff meeting is not covered under Public Meetings Law because it does not require a quorum, and because staff simply makes recommendations to the board which is the policy making body. If, however, a staff meeting includes enough board members as to constitute a quorum, then it must be open to the public.

Public Meetings Law is not a "public participation law." The right of the public to attend meetings does not include the right to participate by giving testimony or comment. However, the public must be allowed to give comment on employment of a public officer or the standards to be used in hiring a chief executive officer.

In Oregon, it takes a majority of the entire membership of the board to adopt a motion, resolution or ordinance or take any other action. A majority of a quorum is insufficient. This means that three affirmative votes on a five-person board are required to pass a motion, even if there is a quorum.

Adopting Rules of Procedure

There are not specific statutory requirements governing the parliamentary procedures of a district. Boards can adopt model rules such as Roberts Rules of Order or draft their own rules of procedure. It is recommended that districts not adopt any model rule in its entirety, as most are designed for boards of legislative bodies much different than a special district board. A district should adopt their own.

Forms of Action

Districts usually take action by the use of ordinances, resolutions, and motions.

- **Ordinances** are generally used to adopt law or policy that applies to the residents of the district. They are subject to the statutory process found in ORS 198.510 to 198.600. The process must be followed strictly or the ordinance may be found to be invalid. Ordinances are subject to the initiative and referendum laws.
- **Resolutions** are used to express policy or opinion of the board or to approve an action such as a contract or major expenditure of funds. A resolution should not be used for adoption of law or policy that applies to the residents of the district. A resolution may be used for the adoption of internal regulations such as personnel rules.
- **Motions** are a way to place a matter before the board for consideration. It is a procedural device rather than a written document. Motions should not be used to adopt or approve a matter that will create policy or have major effect beyond the meeting itself.

PUBLIC NOTICE

The law requires that public notice be given of the time and place of meetings. This includes regular, special, and emergency meetings and workshops, and also includes meetings of subcommittees and advisory committees established by the governing body.

- Notices must be reasonably calculated to give actual notice to interested persons, including news media that have requested notice.
- The same notice must be given if a meeting is to only include an executive session. Any notice of an executive session must also include the specific statutory provision authorizing the executive session. If a regular, special, or emergency meeting is to be held which will include an executive session, the notice of executive session should be included in the notice along with the statutory authority. (See section on Executive Sessions for statutory authority.)
- Notice must include a list of the principal subjects anticipated to be considered at the meeting. The agenda does not need to go into detail about subjects scheduled for discussion, but should be sufficiently descriptive so that interested persons will have an accurate picture of the anticipated agenda topics.
- The law does not require that every proposed item of business be described in the notice, but rather a reasonable effort to inform the public of the nature of the more important issues to be considered. Additional subjects may be considered at the meeting, even though not included in the notice.
- Paid display advertising is not required.

Regularly Scheduled Meetings

Notices may be issued to:

- Wire Service: Associated Press and United Press International.
- Local Media Representatives: If the meeting involves a local matter then the notice should be sent to local media.
- Mailing Lists: Districts maintaining mailing lists of persons or groups for notice of public meetings should send notice to the persons on the list.
- Interested Persons: If a district is aware of persons interested in receiving notice of a meeting, these persons should be notified.
- Notice Boards: Some smaller communities have a designated area or bulletin board for posting notices. Governing bodies may want to post notices of meetings in such areas.

Special Meetings

Special meetings require at least 24 hours' notice. Such notice should include a press release or telephone call to media, particularly media that has requested prior notice. Special meeting notice should also include telephone, letter, or fax notice to other interested parties.

Emergency Meetings

Emergency meetings may be held on less than 24 hours' notice. An actual emergency must exist, and the minutes must describe the emergency, which justifies less than 24 hours' notice. Notice of an emergency meeting must be "appropriate to the circumstances," which should at least include a reasonable attempt to contact the media and other known interested persons.

- An actual emergency on one item does not permit consideration of other items at the emergency meeting.
- Work schedule conflicts or inconvenience of board members is not a justification for an emergency meeting.

Executive Sessions

Districts may have executive sessions (meetings closed to the public) under specific circumstances that are authorized by the statutes.

Executive sessions may be held for the following purposes:

- Employment of public officers, employees and agents
- Discipline of public officers and employees
- Performance evaluations of public officers and employees
- Labor negotiator consultations
- Labor negotiations
- Real property transactions
- Consideration of exempt public records
- Consultation with legal counsel regarding litigation
- Public Investments

No executive session may be held for the purpose of taking final action or decision, only a preliminary decision can be made. Executive sessions may be called during a regular meeting, special or emergency meeting for which proper notice has been given, or a noticed executive session can be held without being part of another meeting.

The media cannot be excluded from an executive session, except when the purpose is to do labor negotiations. Media representatives in attendance at an executive session must be instructed not to report or disclose matters discussed. If not instructed, the media may disclose the executive session discussion. The presiding officer of the board may prohibit the media from recording an executive session. Compliance of the media to the rules is based primarily on cooperation, not on the imposition of any penalties.

Districts are encouraged to consult with legal counsel before calling an executive session to ensure that the notice, procedures and subject comply with state law. The Oregon Government Ethics Commission may consider complaints against public officials for violation of executive session laws, and may impose penalties on elected officials.

Notice of Ordinances: If an ordinance is to be considered, ORS 198.540 requires that the meeting agenda be published between 4 and 10 days before the meeting and that it be posted in three places 10 days before the meeting.

Meeting Locations

The governing body is responsible to assure that there is adequate room for public attendance. Unexpected overflow crowds need not be accommodated, but reasonable efforts should be made to allow unexpected crowds to attend.

- Meetings must be held within the geographic boundaries of the district, at the district's administrative headquarters, or at any other nearest practical location. Emergency meetings and training sessions are not subject to those alternative requirements.
- Public meetings may be held in private places, such as restaurants or residences, as long as adequate notice of the location is given so that interested persons may attend and accommodations can be made for public attendance.
- Meetings may not be held where discrimination on the basis of race, creed, color, sex, age, national origin, or disability is practiced.
- Public meetings must be held in places accessible to individuals with mobility and other impairments, and a good faith effort to provide needed interpreters for hearing-impaired persons needs to be made. A hearing-impaired person requesting an interpreter must give the governing body at least 48 hours' notice.

Control of Meetings

The presiding officer has the inherent authority to keep order and impose reasonable restrictions necessary for the orderly and efficient conduct of a meeting. Unless the board decides otherwise, the presiding officer may regulate or disallow public input, may limit public input to relevant points, and may establish time limits for such input. Persons who fail to comply with such reasonable regulations or who otherwise disturb the meeting may be asked to leave, and upon failure to do so, may be treated as a trespasser.

- Members of the public cannot be prohibited from unobtrusively recording public meetings.
- Smoking is banned at public meetings at meeting places that are rented, leased, or owned by the district. The presiding officer should make an announcement at the beginning of each meeting to remind participants that smoking is not allowed.

Voting

All official actions by governing bodies must be taken by public vote of the governing body, and the results of such vote, including how each board member voted on each issue, must be covered in the minutes. Secret ballots are prohibited. Failure to record a vote is not grounds to reverse that decision without a showing of intentional manipulation of the voting.

Minutes & Record Keeping

Written minutes must be taken of all meetings. Minutes need not be verbatim transcripts, nor are tape recordings required. Minutes, in whatever form, must give a true reflection of matters discussed at the meeting and the views of the participants. Governing bodies must prepare minutes and have them available to the public within a reasonable time after the meeting. Minutes must be made available to the public even though not formally approved by the board.

Any tape recordings or written minutes of public board meetings or executive sessions shall be retained by the district until such time as their disposal is authorized by rule or specific authorization of the State Archivist pursuant to ORS 192.105. It is recommended that minutes be retained forever. Minutes of executive sessions are not public records.

Written minutes must include:

- Members present
- Motions, proposals, resolutions, orders, ordinances, and measures proposed and their disposition
- Results of all votes taken
- The substance of any discussion of any matter
- A reference to any document discussed at the meeting

Chapter 5: Ethics Laws

Elected and appointed officials have an obligation to conduct business in an ethical manner and make decisions that are in the best interest of their constituents. As a board member for a special district, it is imperative that you keep the public's interest in mind and avoid any situations where your self-interests are put first. Building the public's confidence and trust by demonstrating your ability to recognize potential ethics problems and then removing yourself from that situation is a key factor to your success as a board member.

The Oregon Ethics Commission (OGEC) is charged with regulating the activities of public officials in three primary areas: financial disclosure, prohibition against the use of office for financial gain, and conflicts of interest. Additionally, the OGEC enforces public meetings laws under (ORS 192.610 to 192.690).

Prohibition Against the Use of Office for Financial Gain

ORS 244.040 states that "No public official shall use or attempt to use official position or office to obtain financial gain or avoidance of financial detriment that would not otherwise be available but for the public official's holding of the official position or office..." This provision is the basis for violations relating to use of public equipment (such as cell phones and vehicles) and accepting offers for discounted rates from merchants and service providers. The prohibition does not include acceptance of official salary, reimbursement of expenses, honoraria and unsolicited awards for professional achievement.

Conflicts of interest

Oregon Government Ethics Law identifies and defines two types of conflicts of interest: An actual conflict of interest and a potential conflict of interest. A public official is met with a conflict of interest when participating in official action which could or would result in a financial benefit or detriment to the public official, a relative of the public official or a business with which either is associated.

A public official is met with an **actual** conflict of interest when the public official participates in action that **would** affect the financial interest of the official, the official's relative or a business with which the official or a relative of the official is associated. The public official must announce the nature of the conflict and not discuss or take any official action on the issue.

A public official is met with a **potential** conflict of interest when the public official participates in action that **could** affect the financial interest of the official, a relative of that official or a business with which the official or the relative of that official is associated. The public official must announce the nature of the conflict and may discuss and take official action on the issue.

At each session or meeting at which the issue is addressed, the official must make the same public disclosure. However, the official is required to make that announcement only once at each meeting, even if the issue involves a series of votes.

Gifts

When Oregon Government Ethics Law uses the word "gift" it has the meaning in ORS 244.020(6)(a):

"Gift" means something of economic value given to a public official, a candidate, or a relative or member of the household of the public official or candidate. In other words, a "gift" is something of economic value that is offered to:

- A public official or candidate or to relatives or members of the household of a public official or candidate without cost or at a discount or as forgiven debt and the same offer is not made or available to the general public who are not public officials or candidates.
- If the source of the offer of a gift to a public official has a legislative or administrative interest in the decisions or votes of the public official, the public official can only accept gifts from that source when the aggregate value of gifts from that source does not exceed \$50 in a calendar year.

For more information on gifts, obtain a copy of "A Guide for Public Officials" from the Oregon Ethics Commission's website.

Advisory Opinions and Staff Opinions

To assist public officials in avoiding ethics violations, the OGEC lists both staff opinions and advisory opinions on its website. A staff opinion is an informal opinion that addresses only the application of Oregon Ethics Law or Lobbying Regulation Law to the facts stated in the request. Any relevant information, which was not included by the requester of this opinion in the stated facts, could completely change the outcome of this opinion. Other laws or requirements may also apply. The opinion does not exempt a public official from liability under the applicable law for any action or transaction carried out in accordance with the opinion. The opinion is the personal assessment of the executive director of the Oregon Government Ethics Commission.

When in doubt regarding specific activity, you may almost always find an existing opinion related to the topic at hand. If not, you may request an opinion from the OGEC or contact the SDAO Pre-Loss Department.



Reference Materials

- Attorney General's Public Meetings and Records Manual: Department of Justice
- Oregon Attorney General's Public Contracting Manual: Department of Justice
- A Guide for Public Officials: Oregon Ethics Commission Website
- Local Budget Law: Oregon Department of Revenue
- Special District Elections: Secretary of State Elections Division
- Restrictions on Political Campaigning by Public Employees: Secretary of State Elections Division

State Agency Resources

Board of Accountancy	(503) 378-4181
Bureau of Labor and Industries	(971) 673-0761
Construction Contractor's Board	(503) 378-4621
Department of Administrative Services	(503) 378-2349
Department of Justice	(503) 378-4400
Department of Revenue (Finance & Taxation)	(503) 378-4988
Oregon Government Ethics Commission	(503) 378-5105
Oregon Occupational Safety and Health Division	(503) 378-3272
Secretary of State Archives Division	(503) 373-0701
Secretary of State Audits Division	(503) 986-2255
Secretary of State Elections Division	(503) 986-1518
State Treasury	(503) 986-1518
Workers' Compensation Division	(503) 947-7810



director. Boards of directors can also suspend another director's duties or ask them to resign when there are allegations of egregious conduct.

It's not only the alleged board director who suffers – the reputation of the organization is also at stake. About a third of companies will face sanctions like lost business, federal investigations, shareholder or federal lawsuit, bankruptcy or shareholder activist movements.

A Few Final Words on Board Director Misconduct

While there's increasing pressure on boards to be independent and diverse because of new regulatory concerns, most boards are collaborative and consider themselves to be a team. It's common for board members to develop friendships and camaraderie, but it's not permissible to let them get in the way of business.

Strong relationships between board directors may make it hard to call someone out for unethical behavior, unwise choices, and other misgivings that affect the corporation and its shareholders. Board directors should never hold their relationships above the best interests of those they serve. When one board director engages in inappropriate behavior, on the larger scale, it's always a reflection on the rest of the board directors and on the leadership of the organization.

Difficult as it may be, when allegations of misconduct arise, the remaining board directors have an obligation to investigate the details, take a proactive stance, and when appropriate or required, communicate the results to the shareholders and to the public. In addition to dealing directly with scandals and debacles, shareholders and the public will be watching to see how well the board handles such matters, which goes a long way toward restoring an organization's credibility.

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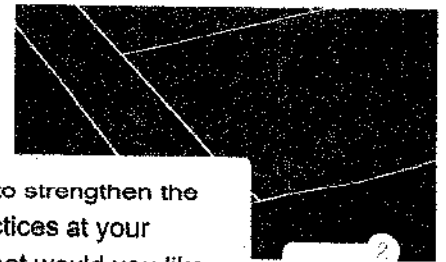


Nonprofit Board Template

Much of what happens in board meetings is routine. There simply



Now is the time to strengthen the governance practices at your organization! What would you like to...



The uniqueness of each organization and its board calls for flexibility surrounding