

AIRPORT SERVICES AGREEMENT
City of Hermiston/Gorge Aviation Services, LLC

This Agreement, effective the 1st day of July 2018, by and between the City of Hermiston, hereinafter called the “Owner” and Gorge Aviation Services, LLC, 17786 NW Elkcrest Ct., Portland, OR 97229, hereinafter called “GAS.” Unless terminated or extended, the term of this Agreement is five (5) years from the date written above, with three five-year renewal options by GAS.

WHEREAS, OWNER desires for an independent *Contractor* to perform the duties of Airport Manager and carry out the responsibilities described herein, and

WHEREAS, GAS desires to act as the Hermiston Airport (KHRI) Airport Manager and perform the responsibilities described herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto do mutually agree as follows:

- A. The Owner shall supply and make available to GAS the following:
 - 1. No later than July 1, 2019, GAS shall have the first right of refusal to lease the building on the Airport known as the “caretaker’s residence.”
 - 2. GAS shall have the first right of refusal to lease office space and appropriate office equipment in the Airport Terminal building for the Airport Management functions to be performed.
 - 3. Owner will provide at its cost all necessary Airport equipment and maintenance together with equipment and materials and commodities necessary for the operation of the Airport. The Owner shall provide snow removal at the Airport and all improvements, maintenance, mowing, weed eradication and repairs at the Airport shall be the expense of the Owner , *except for maintenance and performance of tasks required by subsection B. 8. I and j below.*
 - 4. Owner shall provide insurance to GAS *only* for the operation of the Airport that will cover all duties of GAS under this Agreement.
 - 5. To work with GAS for all requirements the Owner might have for the operation of the Airport.
 - 6. Owner shall make available to GAS all data including but not limited to all maps, property descriptions, contracts, leases, minutes, ordinances and agreements related to the Airport.
 - 7. Owner intends to make available the “blue” hangar currently occupied by Brandt Electric. Once the hangar is available GAS shall have the first right of refusal to negotiate a lease for that hangar.
- B. The Owner contracts with GAS as an independent contractor and GAS contracts with the Owner to perform the following services for Owner:
 - 1. Assist the Owner in working with the FAA and Oregon Department of Aviation in all matters related to KHRI. Work with Owner to obtain available state agency and federal funding assistance for KHRI.

2. Under the direction of Owner staff manage all of Owner's hangar leases, including negotiations, billing, and record keeping.
3. Under the direction of Owner staff manage all of Owner's air-side ground leases, including negotiations, billing, and record keeping in a manner that best supports the long-term fiscal sustainability of the Airport.
4. Under the direction of Owner staff manage all of Owner's land-side leases, including negotiations, billing, and record keeping in a manner that best supports the long-term fiscal sustainability of the Airport, while supporting long-term economic development in the community.
5. Under the direction, and in conjunction with, Owner's staff, work directly with contractors and consultants to complete capital improvements at the Airport.
6. Conduct community outreach efforts to promote interest in aviation at KHRI.
7. Other ancillary services as may be proposed will also be in to consideration on a proposal-by-proposal basis.
8. Beginning on January 1, 2019, GAS will also perform the following services in addition to those listed above:
 - a. Operate the Airport 7 days per week on the following schedule:
 - i. April 1 to October 31 8:00 am to 6:00 pm
 - ii. November 1 to March 31 8:00 am to 5:00 pm
 - iii. No presence or work at the Airport is required of GAS on Thanksgiving, Christmas and New Year's days.
 - b. Operate KHRI Base Radio during working hours.
 - c. Develop and operate a reasonable 24-hour security system for the Airport Grounds.
 - d. Operate the Owner's card-lock fueling facilities, including safety inspections, maintain tracking of sales and billing of fuel purchased and report the same to the Owner. Such fuel operation, and compensation for fuel sales maybe amended by mutual agreement between the Owner and GAS in the future.
 - e. Daily inspection of KHRI's runways, taxiways, lighting, buildings and other physical features and equipment. Coordinate or implement repair work as needed. All repairs to be at the expense of the Owner.
 - f. Periodic inspection of other KHRI's facilities and report any repair/maintenance needs to the Owner.
 - g. Manage airplane tie-down control, bill if appropriate, and record keeping.
 - h. Manage Owner's courtesy cars.
 - i. Maintain the outside yard work and plantings around the terminal building.
 - j. Perform janitorial and minor maintenance as needed in the Terminal building.
 - k. Coordinate major repair work to Airport facilities by obtaining bids, communicating with contractors, and other activities related to that work as needed.

- C. Compensation to GAS for Airport Services
 - 1. Beginning on July 1, 2018, Owner shall pay GAS the amount of \$3,791.00 per month then beginning on January 1, 2019, Owner shall pay GAS a total of \$6,916.00 plus \$0.16/gallon of fuel sold by the Owner at the Airport per month. Compensation paid to GAS under this contract shall be increased by the CPI, based on the Kennewick-Richland-Pasco CPI for all Nonfarm Salary Employment, as of January 1, of each year with any increase in compensation to be effective the following July 1, of each year. Owner and GAS desire to increase fuel sales in the future and the addition of fuel related equipment may be considered. In the event changes are agreed Owner and GAS may mutually amend the terms of the compensation for fuel sales at the Airport. In the event GAS renews this contract for an additional term(s) the base compensation paid to GAS shall be negotiated in good faith between the Owner and GAS for that term.
 - 2. In the event that Gas is in default of any duty under this Agreement, it shall have 30 days to cure such default after receiving written notification from the Owner of the alleged specific default.
- D. So long as GAS is not in default under any of its duties under this Agreement, or has remedied any such default, GAS shall have the right to renew this contract for three additional terms of five years each by sending written notification of such renewal at least 30 days prior to the expiration of each five-year term. Such renewal shall be effective upon notice given by GAS to the Owner that it intends to exercise the renewal option.
- E. GAS shall maintain all books, documents, papers and records relating to this Agreement for at least seven years after the term or terms of this Agreement.
- F. The work to be performed under this Agreement is that of an Independent Contractor. GAS is not an officer, employee, or agent of Owner as that term is used in ORS 30.265 of the Oregon tort Claims Act, GAS is not to be considered as officer, employee or agent to the of the City for any purpose. GAS shall be solely and entirely responsible for its acts and for the acts of its agents or employees during the performance of this Agreement. GAS is an independent Contractor for purposes of the Oregon Workers' Compensation Law (Chapter 656) and is solely liable for workers' compensation coverage under this Agreement. Owner does not have the right of direction or control of the manner in GAS performs the work under this Agreement.
- G. Neither the Owner or GAS, by virtue of this Agreement, is a partner or joint venture with the other party in connection with the activities carried out under this Agreement.
- H. All work product of GAS under this Agreement shall be the exclusive property of the Owner.
- I. GAS shall comply with applicable federal, state and local laws and ordinances applicable to the work under this Agreement. This Agreement incorporates the provisions required to be in an agreement of this type by ORS 279B.200 through 279B.235.
- J. This Agreement constitutes the entire Agreement between the parties. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties.

OWNER:
CITY OF HERMISTON

INDEPENDENT CONTRACTOR
GORGE AVIATION SERVICES, LLC.

[Authorized Representative]
Address:
City of Hermiston
180 NE 2nd Street
Hermiston OR 97838

Member

Gorge Aviation Services, LLC
17786 NW Elkcrest Court
Portland, OR 97229

Phone #: (541) 567-5521
Email: bsmith@hermiston.or.us

541-701-7233
rolf@gorgeaviationservices.com