

**CITY COUNCIL AGENDA
CITY OF PENDLETON
April 1, 2014
CITY HALL COUNCIL CHAMBERS**

- A. **COMMUNITY DISCUSSION** 7:00 – 7:15 p.m.
This is the time designated for any person to ask questions or make statements before the City Council on any matter regarding City Business that is not on the agenda.
- B. **CALL TO ORDER**
1. Introduction of Guests
- C. **CONSENT AGENDA**
1. Accept the minutes of the March 18, 2014 City Council meeting.
2. Executive Session pursuant to ORS 192.660(2)(d) labor negotiations; and ORS 192.660(2)(h) litigation.
- D. **PUBLIC HEARINGS AND RELATED ORDINANCES AND RESOLUTIONS**
1. Public hearing, second reading and consideration of Ordinance No. 3846 prohibiting marijuana dispensaries in the City of Pendleton.
- E. **NEW BUSINESS**
1. Staff report and first reading of Ordinance No. 3847 proposing to amend Ordinance No. 2795, the Transient Room Tax Ordinance.
2. Staff report and recommendation to approve amendment to Peak 3 contract.
3. Staff report and recommendation regarding authorization to fund Phase 1 of the UAS Test Range Development.
4. Staff report and recommendation to approve Airport Solar Lease.
- F. **CITY MANAGER REPORT**
Information Only:
1. Pendleton Convention Center Calendar
2. Staff Activity Reports
3. Revenue & Expense Report
- G. **OTHER BUSINESS**
- H. **ADJOURNMENT**

If special accommodations for hearing, visual, or manual impairment are needed to allow an individual to participate, or if an interpreter is needed, please contact the City's administrative office at 541-966-0201 at least 48 hours in advance of the meeting.

**CITY COUNCIL MINUTES
CITY OF PENDLETON
March 18, 2014**

A regular meeting of the Pendleton City Council was held in the City Hall Council Chambers at 7:00 p.m., March 18, 2014, with Mayor Houk presiding. Members in attendance were: Wood, Brown, May, Hill, Young, Brenne, Marks, and Plute. Staff members present were: Corbett, Burford, Patterson, Graham, Carter, Patrick, Hamilton and Allman. Representing the media was P. Wright, East Oregonian.

PRESENTATION BY BILL CLEMENS OF PACIFIC POWER FOUNDATION

Mr. Bill Clemens presented the City of Pendleton with \$10,000, to assist in funding the George Fletcher Bronze to be placed on Main Street. Mayor Houk submitted an application on behalf of the Pendleton Arts Commission.

Mr. Clemens also presented John Brenne of the Foster Grandparents program with a \$4,000 check.

Mayor Houk thanked Bill Clemens and Pacific Power for all they do for the community.

Mayor Houk called the meeting to order.

INTRODUCTION OF GUESTS

Mayor Houk introduced candidate McKennon McDonald who is running for the City Council position in Ward 2.

CONSENT AGENDA

Mr. Young moved the following consent agenda items be approved:

March 4, 2014, Council minutes.

Executive Session pursuant to ORS pursuant to ORS 192.660(2)(e) real property: and ORS 192.660(2)(h) litigation.

The motion was seconded by Mr. Wood and carried 8-0.

COUNCIL BID AWARD FOR USED DUMP TRUNK

Mr. Brown declared a conflict of interest and sat in the audience.

Mr. Patterson gave the staff report. It was recommended City Council approve the City Manager to execute a Purchase Order to NWB Sales in the amount of \$54,387 for purchase of used 2000 Freightliner FL 70 4x4 Truck with installation of a new 10-foot bed and hydraulic controls for sander.

Replacement of a dump truck is budgeted for this fiscal year at \$86,500. This equipment is currently used for the streets, water distribution, and sewer collection systems related operation and maintenance work. No trade-in value exists for the current 1978 International. Staff will explore surplus opportunities with other surrounding communities after delivery of replacement dump truck.

Rebidding was done at the direction of Council. Bids were advertised and solicited, with Bids due on Thursday, February 18, 2014. Public Works requested a used 4x4 5 cubic yard

dump truck and sander, along with a list of minimum specifications and trade-in consideration for the existing dump truck.

Three bids were received from local suppliers and the bid tabulation follows:

- 1) \$52,500: Woodpecker Truck: 2000 International S2574 4x4 w/manual 13-speed transmission, which includes non-synchronized box with synchronized air operated hi-low range shift.
- 2) \$49,400: NWB Sales LLC: 2000 Freightliner FL 70 4x4 with w/manual 7-speed transmission (same as previously bid).
- 3) \$54,387: NWB Sales LLC: 2000 Freightliner FL 70 4x4 with synchronized manual 6-speed transmission (to be installed with purchase).

Public Works Superintendent reviewed bid information with Public Works Director, Purchasing Agent, Mechanic, Construction & Repair crew, and Streets crew. They recommend selection of option number 3 with the synchronized transmission.

NWB Sales has included a bid option to try the truck with the 7-speed transmission after Council approval and before any sander modifications for a 30-day test to see if the transmission works for the city employees. After the 30-day trial, if the city employees still desire the change to the 6-speed synchronized transmission, NWB Sales will change the transmission and install all sander equipment.

Notice of intent to award was sent on February 28, 2014. No protest was filed.

Mr. Wood asked about the manual non-synchronized transmission that was also bid by NWB Sales. He asked if staff was going to consider it.

Mr. Patterson said staff prefers the synchronized transmission but they will use the dump truck Council approves.

Mr. Young moved Council approve the City Manager to execute a Purchase Order to NWB Sales in the amount of \$54,387 for purchase of used 2000 Freightliner FL 70 4x4 Truck with installation of a new 10-foot bed and hydraulic controls for sander. The motion was seconded by Mr. Young and passed 8-0.

APPOINTMENT TO VACANT POSITIONS ON COMMITTEES AND COMMISSIONS

Mr. Plute moved Council confirm the appointment of Miruya Wolf to the Arts Commission with term expiring 2016. The motion was seconded by Ms. Hill and carried 8 to 0.

Ms. Marks moved Council confirm the re-appointment of Kathy Houk to the Pendleton Foundation Trust with term expiring 2019. The motion was seconded by Mr. Plute and carried 8 to 0.

STAFF RECOMMENDATION TO RAISE FUNDS FOR THE ICE SKATING RINK

Mr. Graham gave the staff report. It was recommended to continue operation of the Recreational Ice Rink at Roy Raley Park seasonally November 18, through mid February. The annual cost is \$9,442 to support the ice rink from Parks and Recreation budget. The 18 year old ice rink matting flooring system has come to end of its useful life and will require replacement at an estimated cost of \$80,000.

Recommend forming "Friends of the Ice Rink" to pursue local grants, fundraising, and donations to offset cost of operation and replacement of ice rink matting system. The

current ice rink attendance averaged weekdays 35 and weekends 150. It also supports 45 youth hockey players; they use the rink daily during the evenings and Saturday morning from 9 am – 12 noon for hockey practice.

A new ice matting flooring system is estimated to save substantial labor in set-up time by facilities staff from four weeks to two weeks, substantially reducing the labor intensity of setting up and operating the portable ice rink; it will provide increased efficiency, reduced electrical cost, and chemical cost for food grade glycol.

Mr. Hamilton said the Ice Skating Rink has been in operation for fifteen years. Parents will take their kids ice skating and since there is no shelter they will sit in the car. After ice skating they will rush their kids home to get them warm. His vision is to build an enclosed shelter on the other side like they have built to house the Zamboni. If this is accomplished, they will be able to expand the concession stand that will also generate revenue to offset the \$9,000 cost of operating the ice skating rink. There are a lot of holiday skaters. There is also a hockey league that uses the rink almost every night it is available.

Mr. Wood asked about possibility of implementing an annual pass.

Mr. Hamilton said they have discussed an annual recreation pass that would cover other events besides just ice skating.

Mr. May asked when the parts would have to be purchased.

Mr. Graham said the first part of November if the funds are raised.

Mr. Brown asked how much the ice skating rink would be expanded

Mr. Hamilton said it could be expanded 10 to 15 feet wide and an additional 10 feet long.

Mr. Plute moved to continue operation of the Recreational Ice Rink at Roy Raley Park seasonally November 18 through mid-February and pursue funding for replacement ice rink matting flooring system with an estimated cost of \$80,000. Motion was seconded by Mr. Young and passed 8-0.

Mr. John Beeker, President of Pendleton Ice Sports Association, said they are a non-profit organization that runs the hockey program. He charges \$100 per hockey player per season. They have tried to keep it affordable. They said if necessary they could raise their fees. He welcomed anyone who would like to help him fund raise. They would like to expand to a high school age team. They have drop-in hockey on Saturday mornings and often 20 to 30 people would participate.

Mr. Brenne asked how many people use the ice skating rink a year.

Mr. Hamilton said he would estimate 1000 users per year.

Mr. Corbett announced on April 1, at 6 p.m. in the City Council room there will be an Ice skating fund raising meeting.

ORDINANCE NO. 3846 – AN ORDINANCE IMPOSING A MORATORIUM ON MARIJUANA DISPENSARIES

Ordinance No. 3846 was presented to the Council for first reading. Mr. Corbett read

Ordinance No. 3846 - "An Ordinance Imposing a moratorium on Marijuana Dispensaries".

The Ordinance will be presented on April 1, 2014 for the second reading, public hearing, and consideration.

INSTITUTE SUMMER PARKS ADVENTURE CAMP FEE

Ms. Patrick gave the staff report. It was recommended Council approve charging \$15 per week for the six week Summer Parks Adventure Camp. Registering for the entire six weeks in advance would result in a discount of \$15 essentially giving the participant one free week of camp. An afternoon snack would be added with the addition of this fee.

An extended two week program is also being considered due to parent request. Due to school's later fall start date parents are looking for more "boredom buster" options for their kids. Fees for this additional two weeks would be set to cover the entire cost of the extended program. The program would only be run, and costs incurred, if enrollment was adequate to meet revenue required to cover all expenses.

Survey response from last year's participants indicates strong support for a \$15 weekly fee and for the program in general. There were comments regarding an interest in scholarship assistance (low-income) for those who qualify. Additionally, there were comments regarding additional sibling discounts. We do have a scholarship program in place but are in need of "real" dollars to fund it. We do not currently provide additional sibling discounts with any of our recreation programs.

Based on last year's attendance (which may decrease based on the change from a free to a fee program) and the addition of an afternoon snack the total program cost would be \$16,900. Approximately \$11,700 in new revenue would be generated resulting in net revenue of approximately \$5,200.

Adding two additional weeks (school year) would yield net revenue of \$300 after collecting \$2,700 in registration fees and covering \$2,400 in expenses while serving 45 children in this total direct cost recovery program.

Mr. Brenne moved Council approve charging \$15 per week for the six weeks Summer Parks Adventure Camp with a discount for early registration. The motion was seconded by Mr. Plute and passed 8-0.

COUNCIL APPROVAL TO UPGRADE CONTROL AUTOMATION SOFTWARE AND HARDWARE FOR CITY HALL, LIBRARY AND VERT AUDITORIUM INCLUDING AIRPORT HVAC SYSTEM

Mr. Graham gave the staff report. It was recommended Council approve purchase of upgraded control automation software and hardware for City Hall, Library, and Vert including Airport HVAC system. Current 1995-96 software and hardware are outdated and no longer supported by Siemens; part of the system has failed, not allowing us to see two McQuay units operations of City Hall and Library. The upgraded software and hardware will reinstate full automation of the HVAC system and economizing during operation, restoring efficient operation of the HVAC systems.

Siemens Corporation (Apogee) is the sole provider of compatible software and hardware with existing system.

A service agreement was offered by Siemens Corporation which would reduce software and

hardware upgrades cost. It required a three-year commitment of an estimated \$4,652 annually but is not recommended as in the best interest of the city at this time for the service offered. The least cost alternative to make repairs in-house and if needed paid hourly rate for specialized Siemens technician at the time of repair service as needed.

The project was planned and funded in the approved budget for \$50,000. The cost is \$41,966.

Mr. Plute asked if there are any estimates for cost savings.

Mr. Graham said currently it is operating at 60% efficiency. When the system is upgraded it should save approximately \$400 per month.

Mr. May asked how long this upgrade will last.

Mr. Graham said it shouldn't need an upgrade for fifteen years with some small updates.

Mr. Plute moved Council approve purchase of upgraded control automation software and hardware for City Hall, Library, and Vert including Airport HVAC system. The motion was seconded by Mr. Young and passed 8-0.

ODOT 2014 FUND EXCHANGE AGREEMENT NO. 29894

Mr. Patterson gave the staff report. It was recommended Council approve Mayor's signature to enter into the ODOT 2014 Fund Exchange Agreement No. 29894. These funds are recommended to be used for street preservation related to collector and arterial street preservation projects consisting of overlays, seal coats, reconstruction, etc.

With Council approval, the Agreement provides a total of \$178,773.90 in state funds for street preservation projects. In the past, Council has made exchange funds available for "collector" and "arterial" street preservation projects consisting of overlays, seal coats, reconstruction, etc.

Fund exchange is basically a program administered by ODOT where the City receives \$0.94 of every \$1.00 allocated to the city, or 94% of the funds, based on a state formula share for counties and cities. To utilize 100% of the funds, city would have to receive local agency Federal Aid certification through ODOT and bid all work in accordance with Federal Aid construction requirements established by ODOT. These requirements are onerous and would cost City more than the 6% difference in becoming certified and issuing contracts and completing the work in accordance with ODOT Federal Aid requirements.

Also, Federal Aid funds can only be used for street preservation projects and cannot be used for street related maintenance or personnel.

Mr. Young moved to approve the ODOT 2014 Fund Exchange Agreement No. 29894. Mr. Brenne seconded the motion and it passed 8-0.

PENDLETON CONVENTION CENTER (PCC) EASTSIDE EXPANSION LOAN FINANCING BE AWARDED TO BANNER BANK

Ms. Carter gave the staff report. It was recommended Council award the financing for the Pendleton Convention Center (PCC) Eastside Expansion for \$600,000 be awarded to Banner Bank. Council needs to decide whether a 10 year or 15 year term loan is awarded and approve a financing loan resolution authorizing the City to finance the project.

A Request for Proposal (RFP) was distributed to local banks and advertised in the East Oregonian for a ten year financing proposal for the PCC Eastside Expansion. Three banks responded with proposals. Banner Bank was the lowest on rate and overall cost to the City at 3.50% fixed for ten years. After discussion with the City Manager, a request for an additional proposal for 15 years was sent out to the three banks that had responded for the ten year. Two of the three banks answered and Banner Bank was again the lowest rate at 4.35% fixed and the lowest overall cost to the City. A spreadsheet is attached with the recap of the bids received.

The PCC Tourist Promotion Assessment Charge (TPAC) Fund collects on average \$90,000 a year to pay for capital improvements. Council is asked to consider whether financing is to be awarded at a 10 year term or a 15 year term. The difference between collections and the reserve requirement would be available for additional improvements required at the PCC including roof repair, capital furniture purchases, etc.

The Pendleton Convention Center Commission and the TPAC Committee have endorsed the 15 year term financing so that additional funds are available during the term to address other capital needs at the Convention Center with remaining TPAC dollars not committed to the reserve and debt payment as required by the bank.

A ten year debt and reserve requirement would leave no additional funds available for improvements outside of the Eastside Expansion. A 15 year debt and reserve requirement would leave estimated \$15,000 a year for additional capital requirements at the PCC. Both terms would have declining payments as the debt is paid down since the principal payment stays level and the interest is less as the debt declines.

The additional cost to go 15 years will increase total interest paid on the loan by approximately \$85,000 which is close to one year's collection of TRT, but if the accompanying resolution passes, it extends the collection period out five years.

The financing resolution is required for the City to enter into financing with the bank. The resolution was prepared by bond counsel that is working on behalf of the City for this financing proposal.

Council had a discussion about the pros and cons of the ten and fifteen year financing.

Mr. Plute moved to allow City to go out to obtain financing for PCC Eastside Expansion for \$600,000. Motion seconded by Mr. Brenne and passed 8-0.

Mr. Plute moved Council to approve a fifteen year term for the PCC Eastside Expansion. The motion was seconded by Mr. Brenne and passed 8-0.

Mr. Young asked staff if the TPAC funds could be raised to \$2.00 and enter into a ten year term.

Mr. Corbett said he would have to research the issue with the PCC Commission and the TPAC Commission. If the TPAC was raised the City may be required to contribute more to the state.

Mr. Brenne moved to adopt Resolution No. 2556 - A Resolution Of The City Of Pendleton, Oregon Authorizing A Borrowing To Finance Expansion Of The Pendleton Convention Center And Related Matters. The motion was seconded by Mr. Plute and passed 8-0.

CITY MANAGER REPORT

Airport Commission minutes

General Fund Report

City Council Rules

CITY BUDGET AND CAPITAL IMPROVEMENT MEETINGS

Mr. Corbett announced the Budget Committee meetings have been scheduled and they are currently wrapping up the Capital Improvement Commission meetings.

MS. MARKS ASKED ABOUT LEASE ON SOLAR PANELS AT THE AIRPORT

Mr. Corbett said Ms. Kerns has been out ill and he has not had opportunity to discuss it.

Ms. Marks said there is a concern with a bottle neck in our legal process. It doesn't matter what department is asking for assistance it is taking 4 to 5 months to get projects done. She feels there needs to be a discussion about how the legal department is working because it doesn't seem to be adequately staffed.

Mayor Houk said it will be referred to the City Manager and he can report back to Council.

8TH STREET BRIDGE PROJECT

Mr. Wood asked about the 8th Street Bridge Project. He said it was suggested Council hold a work session so Council can get input from residents that live by the bridge.

Mr. Corbett added assuming the City arrived at an agreement with the County that would be presented to Council. It would allow staff to select an engineer. It would require minimizing impact on the neighborhood. There is a neighborhood organization that opposes the 8th Street Bridge rebuild. The City would meet with them and educate the neighborhood on how it will be impacted.

Mayor Houk suggested setting up a meeting to inform neighbors of potential plan options.

There being no further business to come before the City Council, the meeting adjourned.

Approved by: _____
City Recorder



CITY OF PENDLETON
REQUEST FOR CITY COUNCIL ACTION

Date Submitted:	Type of Action Requested:	Subject:
3/12/14	<input type="checkbox"/> Resolution	Ordinance for Moratorium on Marijuana Dispensaries
Date Action Requested: 3/18/14	<input checked="" type="checkbox"/> Ordinance	
	<input type="checkbox"/> Formal Action/Motion	
Attachments: (list)	<input type="checkbox"/> Other	

TO: Mayor and City Council

FROM: Nancy Kerns, City Attorney

RECOMMENDATION: Enact Ordinance that imposes a moratorium on marijuana dispensaries within the City of Pendleton until May 15, 2015.

DISCUSSION: Background: Federal law prohibits possession and sale of marijuana (Controlled Substance Act). Generally federal law prompts state law.

Local law (Ordinance No 3473) prohibits granting a business license to any activity that violates federal law. Marijuana dispensaries are to include in the permissible uses allowed by our local zoning ordinance.

Oregon Law prohibits possession and sale, however, allows possession and sale to medical cardholders (ORS 475.306) New Oregon law (Senate Bill 1531/ORS475.314) allows local governments to regulate marijuana facilities (sales to cardholders).

New Oregon law also allows local governments to enact a moratorium on facilities until May 15, 2015; and moratorium must be enacted by May 1, 2014.

FISCAL IMPACT: None

ALTERNATIVES: 1. Not impose moratorium and have our zoning and business license law conflict with state law, leaving potential risk for litigation.

Prepared by:
Nancy Kerns, City Attorney


Approved by:
Robb Corbett, City Manager

ORDINANCE NO. 3846

AN ORDINANCE IMPOSING A MORATORIUM ON MARIJUANA DISPENSARIES

SECTION 1. Authority to Impose Moratorium on Marijuana Dispensaries.

Section 2 of this Ordinance is enacted pursuant to one or more of the following authorities:

- (1) The inherent powers of The City of Pendleton pursuant to the Oregon Constitution and Oregon law.
- (2) The federal Controlled Substances Act, 21 USC 801, et seq.
- (3) City Business License Ordinance Number 3473, requiring business license applicants be engaged in activity that complies with state and federal law.
- (4) 2014 Senate Bill 1531.

SECTION 2. Moratorium on Marijuana Dispensaries.

- (1) There is a moratorium on the operation of any marijuana dispensary in any area subject to the jurisdiction of the City of Pendleton.
- (2) As used in this section, "marijuana dispensary" includes any facility that dispenses marijuana pursuant ORS 475.314, or any other provision of Oregon law.

SECTION 3. Notice to Oregon Health Authority.

A copy of this Ordinance shall be forwarded to the Oregon Health Authority by regular mail, and by any other such means as required by rule of the Oregon Health Authority.

SECTION 4. Emergency.

This Ordinance being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Ordinance takes effect on its passage.

PASSED by the City Council present and approved by the Mayor on April 8, 2014.

APPROVED: _____
Phillip W. Houk
Mayor

ATTEST: _____
Andrea F. Denton
City Recorder

APPROVED AS TO FORM:

Nancy Kerns
City Attorney



CITY OF PENDLETON
REQUEST FOR CITY COUNCIL ACTION

Date Submitted:	Type of Action Requested:	Subject:
2/27/14	<input type="checkbox"/> Resolution	Ordinance 3847 proposing amendment to Ordinance 2795 (Transient Room Tax)
Date Action Requested:	<input checked="" type="checkbox"/> Ordinance	
4/1/14	<input type="checkbox"/> Formal Action/Motion	
Attachments: (list) Proposed Amendments	<input type="checkbox"/> Other	

TO: Mayor and City Council

FROM: Nancy Kerns, City Attorney

RECOMMENDATION: Adopt Amendment provisions to the TPAC Ordinance which will (1) clarify that revenue can be used both to pay the loan and finance other capital improvement projects; and (2) extend the sunset date to the conclusion of payment of the PCC Expansion Project with a 15 year loan.

DISCUSSION: 1. The City has historically used TPAC revenue to pay for capital improvements at the Convention Center. The eastside expansion project at PCC has been planned and the budget approved, with the intention that some TPAC revenue would pay the debt service on that project, and some TPAC revenue would still be available for other capital improvement projects at PCC.

Bond counsel for the funding for the Eastside Expansion Project felt that the distinction between Eastside Project funding and the funding of other capital improvements is necessary.

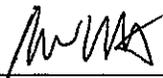
2. The sunset provision for the TPAC was previously extended to last until after the Eastside Projects debt service was paid, which was expected to be 10 years. Since amending the sunset provision, staff feels that financing the project over 15 years creates a lower debt payment and enables the remaining revenue to finance other capital improvements at PCC.

FISCAL IMPACT: Increase revenue received from TPAC by extending the sunset provision for approximately 15 years.

ALTERNATIVES: 1. Do not approve and risk inability to complete loan for Eastside Expansion project.

2. Approve, but sunset after 10 years and provide no other funding for other capital improvement projects.

Prepared by: Nancy Kerns



Approved by: City Manager

Proposed changes to Ordinance 2795:

1. Add to Definitions: "Convention Center Eastside Expansion Project" means a capital improvement project of the Convention Center which will be constructed beginning in 2014 in an amount estimated to be \$600,000 principal, plus interest, to be funded with by procurement of a loan, payable over a period of 15 years.

2. Amend Section 3 as follows:

SECTION 3. TAX IMPOSED.

A. For the privilege of occupancy in any hotel, each transient shall pay eight percent (8%) of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. The operator shall enter the tax on his records when rent is collected if the operator keeps his records on the cash accounting basis and when earned if the operator keeps his records on the accrual accounting basis. If rent is paid in installments, a proportionate share of the tax shall be paid by the transient to the operator with each installment. If for any reason the tax due is not paid to the operator of the hotel, the Tax Administrator may require that such tax shall be paid directly to the City. In all cases, the rent paid or charged for occupancy, shall exclude the sale of any goods, services and commodities, other than the furnishing of rooms, accommodations, and parking space in mobile home parks or trailer parks.

B. In addition to the tax imposed by Subsection A of this Section, for the privilege of occupancy in any hotel other than spaces in mobile home or trailer parks, each transient shall pay \$1.50 per night per paid room of occupancy and for mobile home or trailer park spaces, \$0.50 per night per paid space.

a. Revenue collected by the Tax Administrator under subsection B of Section 3 of this ordinance shall be used for debt payment of the Convention Center Expansion Project and for finance of other capital improvement projects at the Pendleton Convention Center.

~~a.~~ b. The provisions of subsection B of Section 3 of this ordinance shall be repealed on the last day of the first month after the month in which the debt is paid for the Convention Center Eastside Expansion Project, estimated to be \$600,000 principal, plus interest.

(Section 3, as amended by Ordinance No.2853, passed December 7, 1976; Ordinance No.3423, passed June 21, 1988; Ordinance 3670, passed July 16, 2002; Ordinance No. 3734, passed November 21, 2006; amended by Ordinance No. 3816, passed September 6, 2011; amendments made by Ord. No. 3816 will be repealed January 1, 2014; amended by Ordinance No. 3826, passed August 7, 2012; and Ordinance No. 3830 passed on December 18, 2012; -)

CITY OF PENDLETON

REQUEST FOR CITY COUNCIL ACTION

Date Submitted: March 26, 2014	Type of Action Requested: <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Formal Action/Motion <input type="checkbox"/> Other	Subject: Peak 3 (UAS): Contract Amendment
Date Action Requested: April 1, 2014		

TO: Mayor and City Council

FROM: Airport Manager/City Manager

RECOMMENDATION: Recommend increasing Peak 3's (UAS contractor) Phase 2 contract costs based on expansion of project. Extend deliverable date to July 31, 2014.

DISCUSSION: In an effort to quickly act on this unique UAS opportunity, our contractor, Peak 3, very rapidly put together a scope of work for a project that has never been done before, the standing up of a commercial UAS test range. In the process of completing Phase 1 (planning), there were new developments that have changed the project scope and require additional resources to complete that scope. Those changes are as follows:

1. Commercial companies almost immediately expressed interest in flying in our range, which forced Peak 3 to work with prospective customers much quicker than at first expected. Although that is a good problem to have, it altered the scope of Phase 1 and made apparent some areas that need to be addressed.

The Pendleton UAS Test Range needs a very sophisticated user interface that needs to not only be aesthetically attractive and project a professional, hi-tech image, but that also provides a customer Access database management system for the forms, processes and customer data. This site must be completely built from the ground up:

Web Master/Developer: Cost-\$13,996
IT Exchange Developer: Cost-\$10,179

2. We fully expect to have a customer on the range within 1-2 months. That is much quicker than originally thought. Phase 2 of the contract was a contract to be operational by the July 1 date, which would mean 1 customer in place by that date, not management beyond that date. This earlier than expected business requires that Peak 3 hire a Range Manager at least part time to prepare for and manage onsite operations.

This is a position that would have had to be hired internally or contracted out by July 1, so this is essentially just backing up the hire date. Again, a good problem to have but there is a cost:

Range Manager/Safety Officer: Cost-\$22,902 (Peak 3 will employ this person)

3. University of Alaska-Fairbanks (UA-F) is the actual test site manager and Pendleton operates under their oversight. It was originally expected that they would produce or play a major role in producing all the forms and policies and procedures utilized at all of the test ranges. As it has turned out, UA-F is overwhelmed by their own projects and seriously understaffed (3 people), so they are not providing the expected support. Therefore, Peak 3 has had to take on the entire task of producing all those materials from scratch. This has considerably increased the expected time involved in standing up the range. The revised Phase II proposal makes the following labor changes:

- a) Program Manager from 50% time to 75% time: Cost-\$16,560
- b) Ops Manager from 50% time to 100% time: Cost-\$25,303

In summation, we have three new additions to the original contract (website, IT exchange and range manager for \$47,077) and two increases in the original labor costs (program manager and ops manager for \$41,864) that increase total by \$88,891. With travel costs revised down slightly, this leaves a total revised Phase II cost of \$202,636.

Cost revenue analysis has been done by staff and consultants to estimate the cost benefit of the City's investment at the airport in consulting fees and infrastructure improvements. Our most conservative estimates are that the range would lose \$34,000/year. Our high estimate for revenue would be that the range would make \$261,000/year.

FISCAL IMPACT:

Phase 2-Plan Implementation will increase from \$118,983 to \$202,636 (Increase of \$83,743). Funds would come from the Community Development Fund which would require the Council to approve a supplemental budget .

ALTERNATIVES:

Revise original scope of Phase 2 and contract out these needs.

Prepared by: _____



City Manager

CITY OF PENDLETON

REQUEST FOR CITY COUNCIL ACTION

Date Submitted: March 26, 2014	Type of Action Requested: <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Formal Action/Motion <input type="checkbox"/> Other	Subject: Pendleton UAS Test Range: Phase 1 Development of East End of Airport
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TO: Mayor and City Council

FROM: Airport Manager/City Manager

RECOMMENDATION: Request funding for Phase 1 development of the Pendleton UAS Test Range. Airport Commission supports project.

DISCUSSION: Phase 1 of the four Phase plan is the creation of what is essentially a hi-tech RV park with leveled pads for UAS operators. We are currently unable to offer anything like this. This is considered to be a necessary step to allow ourselves to accommodate multiple clients and maximize range revenue. In addition, we will separate ourselves from competing ranges. City crews will be used to trench around the east side of airfield from Airport Road to Taxiway Foxtrot. They will bring water, sewer, power, and fiber around from the road to a series of 50x50 pads that our crews will level and gravel.

We anticipate having UAS companies working at the range within 1-2 months. Note that Phase 1 is a standalone project and has nothing to do with Phase 2, 3 or 4. There will be no development of additional phases until demand exceeds Phase 1 supply.

Cost revenue analysis has been done by staff and consultants to estimate the cost benefit of the City's investment at the airport in consulting fees and infrastructure improvements. Our most conservative estimates are that the range would lose \$34,000/year. Our high estimate for revenue would be that the range would make \$261,000/year.

FISCAL IMPACT:

Pendleton UAS Test Range: Phase 1 development costs-\$120,000. Funds would come from the Community Development Fund which would require the Council to approve a supplemental budget.

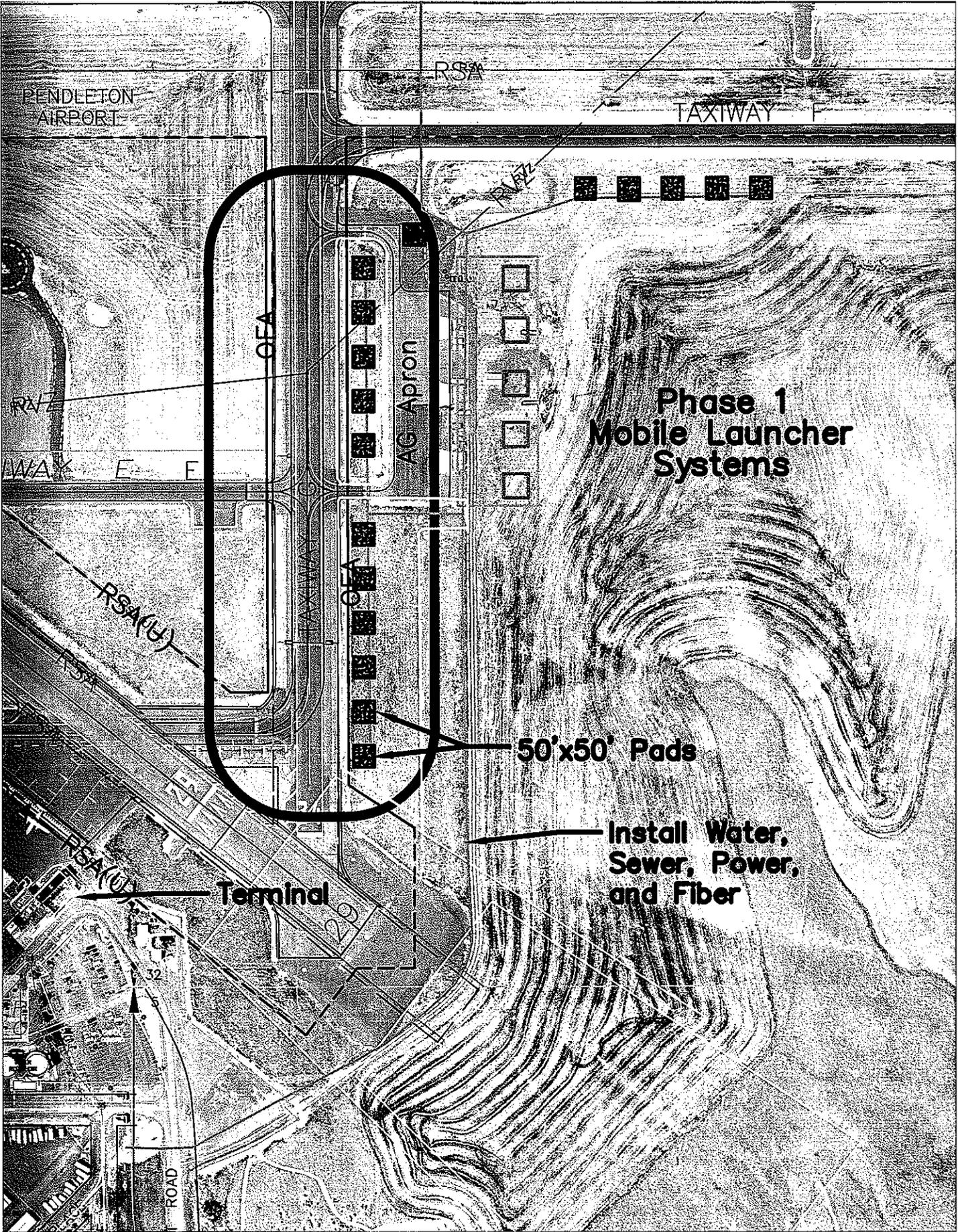
ALTERNATIVES:

Option 1: Delay development.

Prepared by: _____



City Manager



PENDLETON AIRPORT

RSA

TAXIWAY

CEA

AG Apron

Phase 1
Mobile Launcher
Systems

50'x50' Pads

Install Water,
Sewer, Power,
and Fiber

Terminal

RSA(14)

RSA(10)

ROAD

CITY OF PENDLETON

REQUEST FOR CITY COUNCIL ACTION

Date Submitted: March 26, 2014	Type of Action Requested: <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Formal Action/Motion <input type="checkbox"/> Other	Subject: Solar Lease Approval
Date Action Requested: April 1, 2014		

TO: Mayor and City Council

FROM: Airport Manager/City Manager

RECOMMENDATION: Recommend approving the 20-year lease with two 5-year extensions with TLS Capital, Inc. for the creation of a 65-acre solar farm. Airport Commission supports this recommendation.

DISCUSSION: TLS Capital, Inc. approached the Airport about leasing 65-acres to develop a 10 MW solar farm. It is a \$20 million development project. TLS, Capital, Inc. is represented by Troy Snyder, who has ties to Eastern Oregon (his sister works for Madison Farms in Echo). This does not appear to be a big organization, however, he puts projects together for Strata Solar (www.stratasolar.com), which looks to be a very established player in the renewable energy world. They have developed a number of solar projects at airports on leased land. Pacific Power is required to buy all the renewable energy they can produce (confirmed with Pacific Power).

Lessee requests permission to install a 65-acre (10 mw) solar field on the City acreage closest to the crux of Airport Rd and I-84. Lessee requests a 12-month due diligence period to clear the requirements of Pacific Power and FAA (typically takes 9 months). Lease payments would not begin until those contingencies are cleared and development begins. This is heavily sloped land with poor access and has very little agricultural value.

This does conflict somewhat with an earlier agreement to lease pasture to a rancher, but Lessee is fine with leasing the rest of the pasture to cattle and plans to build a fence around the solar field. Rancher still wishes to lease remaining property from City.

FISCAL IMPACT:

For a 20 year term, Lessee will pay \$500 per acre/year or \$32,500/year for the land. Potential for two 5-year extensions.

ALTERNATIVES:

Option 1: Try to find a different company.

Option 2: Reject proposal.

Prepared by: _____



City Manager

SOLAR GROUND LEASE

1. **Effective Date.** The effective date of this lease is _____, 2014.

2. **Parties.**

2.1 The parties to this lease are the City of Pendleton, an Oregon municipal corporation (hereinafter "Landlord") and Oregon Solar Land Holdings LLC, an Oregon domestic limited liability company (hereinafter "Tenant").

2.2 Unless indicated otherwise below, the parties may be reached at the following addresses and phone numbers for any and all purposes of this lease:

Landlord:

Steve Chrisman, Airport Director
Eastern Oregon Regional Airport
2016 Airport Road
Pendleton, OR 97801
(541) 276-7754

Tenant:

Troy Snyder
Oregon Solar Land Holdings LLC
932 NE Stafford St
Portland, OR 97211
(503) 816-6880

3. **Recitals.**

3.1 Tenant desires to build and operate a 10 megawatt solar photovoltaic electrical power generation facility. Before Tenant can obtain the necessary agreements from a utility company, Tenant must demonstrate that it has acquired a site where the facility can be built. As a result, Tenant desires to obtain a long-term lease for suitable land.

3.2 Landlord has bare industrial land which it wishes to lease on a productive and long-term basis, and which may meet the requirements for Tenant's facility. Landlord is supportive of the development of such facilities, but requires assurances that the facility will be designed and operated in a responsible manner that does not conflict with Landlord's other interests.

3.3 Tenant believes that the investigation and approval of a site for its facility will likely take several months. Tenant does not wish to be committed to a long-term lease if the development of Tenant's facility at Landlord's site proves to be impracticable.

4. **Premises to be Leased.** The "Premises" which is the subject of this lease is 65 acres (more or less) of undeveloped land specifically described on the attached Exhibit A. For the purposes of a more general description, the land is located in the City of Pendleton, west of Airport Road and NW N Avenue, immediately north of Interstate 84, and south of a line extending west from NW K Avenue. The land lies within Umatilla County tax lots 2N320500-00318 and 2N320600-00100A2.

5. Use of Premises.

5.1 "Intended Use". Tenant shall use the Premises for the purpose of constructing and operating a 10 megawatt solar photovoltaic electrical power generating facility. Tenant shall construct and operate that facility in a manner that is consistent with customary practices in the commercial solar power generation industry. Tenant is not authorized to use the premises for other purposes.

5.2 Alterations. Tenant may, at its expense, remove any existing improvements on the Premises, and make any alterations, additions, improvements and changes to the Premises that it deems reasonably necessary in the operation of its business without the consent of Landlord, including without limitation installation of fencing, security devices and/or signage; provided that such alterations, additions, improvements or changes are made in compliance with applicable laws. Landlord agrees to sign any permit applications and to take all such other actions as are reasonably required to allow Tenant to accomplish any such alterations, additions, improvements and changes to the Premises. Except in the case of the Landlord's election to take possession at the end of the lease (described below), any and all improvements constructed on the Premises by or for Tenant, and all machinery, fixtures, trade fixtures, furniture, equipment, and other personal property installed or placed in the Premises by or for Tenant shall, regardless of the manner of attachment to the Premises or the improvements thereon, be and at all times remain the property of Tenant, and shall be removed at Tenant's expense by it at the expiration or earlier termination of this Lease.

5.3 Compliance with *Instrument of Transfer*. The United States of America conveyed the Premises to Landlord by *Instrument of Transfer* dated July 13, 1948, as authorized by Public Law 80-311 (63 Stat. 700), as amended. The *Instrument of Transfer* is recorded in Book 192, Page 1 of the Deed Records of Umatilla County, Oregon. The *Instrument of Transfer* reserves certain rights to the United States of America, including (but not limited to) the right of the Federal Aviation Administration to impose regulations and restrictions on the Premises. Tenant acknowledges said limitations and consents to perform its obligations consistently with the terms and conditions of the *Instrument of Transfer*. Landlord reserves the right to terminate this lease, with or without fault of the tenant, if continuation of this lease prevents Landlord's compliance with the restrictions of its title. Any recapture of the premises by the United States of America in accordance with the terms of the *Instrument of Transfer* shall not give either party claim against the other.

5.4 Compliance With All Laws. Tenant shall, at its own expense, promptly observe and comply with all applicable present and future laws, ordinances, requirements, orders, directions, rules, and regulations of federal, state, county, and city governments and of all other governmental authorities having or claiming jurisdiction, directly or indirectly, over the Premises or any part thereof, whether the same are in force at the commencement of this lease or may in the future be passed, enacted, or directed. Without limiting the generality of the foregoing, Tenant shall also procure each and every permit, license, certificate, or other

authorization now or hereafter required in connection with the lawful and proper use of the Premises.

5.5 Compliance With Environmental Laws. The following paragraphs supplement the preceding subsection without limiting it.

A. The term "Environmental Laws" means all present or future federal, state, and local laws or regulations related to the protection of health or the environment, including but not limited to the Resource Conservation and Recovery Act (RCRA) (42 USC §6901, et seq.); the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) (42 USC §6601, et seq.); the Toxic Substances Control Act (15 USC §2601, et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136 et seq.); the Clean Water Act (33 USC §1251, et seq.); the Clean Air Act (42 USC §7401, et seq.); amendments to the foregoing; and any rules and regulations promulgated thereunder.

B. The term "Hazardous Substances" means any hazardous, toxic, infectious, or radioactive substance, waste, or material as defined or listed by any Environmental Laws and includes, without limitation, any hazardous material, hazardous substance, ultra hazardous material, toxic waste, toxic substance, pollutant, radioactive material, petroleum product, and PCB, as those and similar terms are commonly used or defined by Environmental Laws.

C. Tenant may use or otherwise handle on the Premises only Hazardous Substances that are typically used or sold in the prudent and safe operation of such business as this lease authorizes Tenant to engage in on the Premises. Tenant may store those Hazardous Substances on the Premises only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant must comply with the environmental laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances, and Tenant must take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. Tenant shall not dispose of any Hazardous Substances on the Premises. When this lease expires or terminates, Tenant must remove all Hazardous Substances from the Premises.

5.6 Waste, Nuisance, Disrepair and Debris Prohibited. Tenant shall be responsible for the repair and maintenance of the entire Premises. At no time will Tenant commit, suffer to be committed, or allow or permit others to commit, any waste on or with respect to the Premises or any nuisance. Tenant will maintain the premises in good order and repair. Tenant shall maintain the Premises free of trash and debris.

5.7 Upon giving 24 hour notice to Tenant, Landlord or its designee may enter upon the premises at reasonable times for the purpose of inspection of the premises or to determine whether the terms of this lease are being violated. No notice is required in case of emergency.

6. Rent.

6.1 Initial Rental Rate. On or before the Effective Date, Tenant shall pay Landlord an initial rent payment of \$9,750.00, which is a rate of \$150 per acre for Premises, which for this purpose is assumed to be 65 acres in area. If Tenant does not begin construction of Tenant's facility by the first anniversary of the Effective Date, Tenant shall pay Landlord a second rent payment of \$9,750.00.

6.2 Rental Rate. The "Commencement Date" is the earlier of: 1) the date that Tenant begins construction of tenant's solar photovoltaic electrical power generating facility on the Premises, or 2) the second anniversary of the Effective Date. On the Commencement Date, the Rental Rate shall become \$500.00 per acre of the Premises as determined by Tenant's Survey (described below), excluding any portions of the Premises identified by Tenant as unsuitable for placement of solar panels.

6.3 Payment Schedule. Following the Commencement Date, rent shall be payable on a semi-annual basis.

A. The first semi-annual payment will be due on the Commencement Date and shall equal the Rental Rate, prorated for the number of days from the Commencement Date until the following January 15 or July 15, whichever is first in time after the Commencement Date. The amount of the first semi-annual payment shall then be reduced by the remaining prorated value of the initial rent payment, if any.

B. The second semi-annual payment of rent will be on either July 15 or January 15 whichever is first in time after the Commencement Date ("Second Rent Payment Date") and shall equal one-half of the Annual Rental Rate.

C. Subsequent payments of one-half of the Annual Rental Rate will be due every six (6) months after the Second Rent Payment Date.

6.4 Escalation of Annual Rental Rate. Beginning on the first annual anniversary of the Second Rent Payment Date and each anniversary date thereafter, the Annual Rental Rate payable hereunder shall increase or decrease from the Annual Rental Rate payable for the prior year in the same percentage as the most recent annual increase or decrease in the U.S Consumer Price Index (US City Average, All Items for All Urban Consumers, 1982-84=100). The change will be computed by comparing the schedule for the latest available month preceding the month in which the payment is due with the same month in the prior year. All comparisons will be made using Index figures derived from the same base period. In no event will this provision operate to decrease the Annual Rental Rate for the Premises below the initial Annual Rental Rate.

6.5 Due Date. Tenant shall pay all rent on or before the due date, as described above without notice or on demand, and without deduction or setoff of any amount except as

expressly provided otherwise in this Lease. Rent is deemed paid when it is actually received by Landlord. If Tenant fails to pay Landlord any rent or other sum payable by Tenant within five days following the Due Date, Tenant will pay to Landlord, in addition to the amount due, a late fee of 5% of the amount due. The parties agree that this late fee represents a fair and reasonable estimate of the costs that Landlord will incur by reason of the late payment. Collection of the late charge will not be considered a waiver of default nor of any other right or remedy.

7. Due Diligence Period.

7.1 The "Due Diligence Period" is the period of time from the Effective Date until the Commencement Date.

7.2 Tenant shall use the Due Diligence Period to perform any tasks that are necessary to complete prior to beginning construction, such as investigating the condition of the premises, surveying the premises, finalizing construction plans, obtaining financing, obtaining a power purchasing agreement and obtaining any required regulatory or other approvals.

7.3 Survey of Premises. During the Due Diligence Period, Tenant shall obtain a survey of the Premises. The survey shall show the outer boundary of the land to be used by Tenant's facility, as well as any areas within that boundary which Tenant deems unsuitable for placement of solar panels. Tenant shall promptly provide a copy of the survey to Landlord. The parties shall amend Exhibit A of this Lease to incorporate the legal description contained in the survey.

7.4 Livestock Grazing. The Premises are part of a 90 acre parcel of land ("Grazing Allotment") which Landlord leases for livestock grazing. During the Due Diligence Period, Landlord may continue leasing the entire Grazing Allotment for livestock grazing. On or before the Commencement Date, Landlord shall assure that an appropriate fence has been constructed to keep any livestock within the portion of the Grazing Allotment that is not occupied by the Premises, and that no livestock are on the Premises.

7.5 Discretionary Termination.

A. Not later than 60 days prior to the Commencement Date, Tenant shall deliver for Landlord's review the completed design specifications and plans for construction of Tenant's Facility, including the architectural components, structural systems and foundations, on-site civil engineering, mechanical and plumbing systems, electrical systems, specifications for materials, fire and safety systems, telecommunication systems, landscaping, drainage and related components, features, and systems. Landlord shall not unreasonably withhold its approval of these design specifications and plans. If Landlord does not approve of the design specifications and plans, Landlord may terminate this lease by giving written notice to Tenant no later than 30 days prior to the Commencement Date.

B. If Tenant determines that Tenant's leasing of the Premises is not feasible or desirable for any reason whatsoever, Tenant may terminate this lease by giving written notice to Landlord no later than 30 days prior to the Commencement Date.

7.6 Inspections and Testing. During the Due Dilligence Period, Tenant shall be entitled to conduct, at its own expense, such inspections and testing of the Premises as Tenant shall reasonably determine in its sole discretion (including without limitation, one or more environmental audits) and to physically inspect and review the Premises, which investigation shall be of such scope as Tenant shall determine. If Tenant decides to terminate this lease prior to the Commencement Date and Tenant's inspections have altered the Premises in any way, the lease shall not terminate until Tenant restores the Premises (and any other land of Landlord impacted by Tenant's use of the Premises) to substantially the condition it had on the Effective Date.

8. **Term of Lease.** This Lease shall commence on the Effective Date and shall end at 11:59 P.M. local time on the last day of the two hundred and fortieth (240th) full calendar month following the Commencement Date, unless sooner terminated as herein provided. Tenant shall have the right to extend the initial two hundred forty (240) month Term for up to two (2) additional successive "Renewal Terms" of five (5) years each by providing Landlord with written notice of Tenant's desire to extend the Term for the applicable Renewal Term prior to the Expiration Date (or prior to the expiration of the first Renewal Term, as applicable).

9. **Expiration or Earlier Termination of Lease.**

9.1 Termination During Due Dilligence Period. As provided above, under specific conditions either Landlord or Tenant may terminate this Lease during the Due Dilligence Period.

9.2 Tenant's Loss of Power Purchase Agreement. In the event that its power purchase agreement (or other agreement under which Tenant provides power generated at the Premises to a third party) is terminated for any reason whatsoever, Tenant may terminate this Lease by 30 day written notice to Landlord.

9.3 Force Majeure. If either party's performance of an obligation under this Lease (excluding a monetary obligation) is delayed or prevented in whole or in part by: 1) any legal requirement not attributable to an act or omission of the party, 2) any act of God, fire or other casualty, flood, storm, explosion, accident, epidemic, war, civil disorder, strike, or other labor difficulty, 3) shortage or failure of supply of materials, labor, fuel, power, equipment, supplies, or transportation, or 4) any other cause not reasonably within the party's control, whether or not the cause is specifically mentioned in this Lease, the party will be excused, discharged, and released of performance to the extent that such performance or obligation (excluding any monetary obligation) is so limited or prevented by the occurrence without liability of the party of any kind. If a condition excusing a party's performance continues for more than fifteen (15) days, then the other party may terminate this Lease by 30 day's notice to the excused party.

9.4 Default. As described below, Landlord shall have the right to terminate this Lease in the event of Default by Tenant.

9.5 Surrender of Premises at Expiration or Termination.

A. Surrender of Possession. Upon the expiration or prior termination of this Lease, Tenant will surrender and deliver the Premises to the possession and use of Landlord without fraud or delay, free and clear of all lettings and occupancies other than subleases then terminable at the option of Landlord or subleases to which Landlord has specifically consented, and free and clear of all liens and encumbrances other than those, if any, currently existing or created or suffered by Landlord, without any payment or allowance whatever by Landlord on account of any remaining improvements on the Premises.

B. Removal of Improvements. Prior to the expiration or earlier termination of this Lease, Tenant shall restore the Premises (and any other land of Landlord impacted by Tenant's use of the Premises) to substantially its condition as of the Effective Date using prudent engineering practices and removing Tenant's Property (including, without limitation, all fencing, roads, solar panels and mounting, and other improvements or alterations) and any electrical or communication or other utility poles, lines and connections (unless such lines and connections are used in connection with other property owned by Landlord and Landlord gives reasonable written notice to Tenant identifying the specific lines and connections to remain on the Premises). Tenant shall also remove any utility easements or other encumbrances Tenant has placed on the Premises. The removal and restoration shall be completed in a manner that does not materially and adversely affect the use of the Premises for livestock grazing purposes.

C. Optional Surrender of Improvements. Notwithstanding the foregoing, prior to the expiration or earlier termination of this Lease Landlord may, by written notice to Tenant, elect to retain the improvements installed by Tenant (or some portion thereof). Such election shall take effect on the date of expiration or termination of the Lease, in which case Tenant shall be relieved of the duty to remove the designated improvements. If Landlord makes such an election, Tenant may, prior to expiration or termination of the Lease, remove any furniture, records or equipment furnished by or at the expense of Tenant as long as the removal will not injure the Premises or the improvements or necessitate changes in or repairs to them. Tenant will pay or cause to be paid to Landlord the cost of repairing any damage arising from the removal and restoration of the Premises and/or the improvements to their condition before removal.

D. Remedies for Tenant Failure to Comply with this Section.

- (i) If Tenant fails to vacate and surrender the possession of the Premises at the expiration or earlier termination of this Lease, Landlord shall be entitled to recover from Tenant rent in an amount equal to one hundred twenty-five

percent (125%) of the amount of rent payable hereunder for the period, prorated on a daily basis, from the termination of this Lease until the date the Premises are vacated and surrendered.

(ii) If Tenant abandons the premises without removing the improvements as required in paragraph B or exercise of Landlords option under paragraph C, above, Landlord may, at the expiration or earlier termination of this Lease, take possession of the Premises and take ownership of any improvements or personal property located therein. Tenant shall be liable to Landlord for any costs associated with Landlord's removal of the improvements and/or disposal of the abandoned personal property.

(iii) The remedies provided in this section are supplemental to any other remedies provided elsewhere in this Lease.

(iv) The obligations of Tenant under this section shall survive the expiration or earlier termination of this Lease.

10. Taxes and Utilities.

10.1 Tenant shall pay when due all taxes and assessments of any kind or nature which may be imposed upon the Premises or its improvements during the Term by applicable governmental entities, including, without limitation, all improvements made to the Land by Tenant or upon any other property installed in or brought onto the Premises by Tenant.

10.2 Tenant will arrange for and pay all utilities that service the Premises.

11. Easements, Zoning and Related Paperwork.

11.1 Tenant is hereby authorized to grant such easements across, under and over the Premises (and/or across any adjacent property owned by Landlord) as are reasonably necessary for rights of way, ingress and egress and for the installation, construction, maintenance, repair and replacement of utility lines serving the Premises, including without limitation any such easements required to connect the Premises to a receiver of electric power generated at the Premises. Landlord covenants and agrees that Landlord shall, upon the request of Tenant, join in the execution of any such easement.

11.2 If no public road directly accesses the Premises, Landlord shall provide to Tenant during the term of this Lease a nonexclusive leasehold easement for ingress and egress to and from the Premises, by a route to be designated by Landlord across Landlord's adjoining property, which shall connect to a public road. Tenant shall have the right to improve the easement to such a condition that the anticipated construction can occur in a manner suitable to Tenant.

11.3 Landlord agrees that Tenant, as exclusive occupant of the Premises, may file and prosecute applications for all re-zonings, variances, land use approvals or other approvals required in order for Tenant to operate the Premises for its Intended Use. To the degree that

any such application or related document requires the signature of the Landlord in its capacity as property owner in order to be processed, Landlord, in its capacity as property owner **(but not in its capacity as the municipal government having regulatory authority over any such matter)**, agrees to sign such documents. Such a signature shall not be construed to or in any way have the effect of diminishing the authority or discretion of the City of Pendleton, as regulatory authority responsible for such matters, in its performance of its regulatory duties regarding such applications.

12. Insurance.

12.1 On or before the earliest of: 1) the Commencement Date, or 2) the date Tenant takes possession of any portion of the Premises, or 3) the date Tenant commences or causes to commence any work of any type in or about the Premises, and continuing during the Term of this Lease and any occupancy of the Premises by Tenant following the expiration or termination of this Lease, Tenant will, at its sole expense, procure and maintain for the mutual benefit of Tenant and Landlord (including Landlord's officers, employees and agents acting within the scope of their employment or duties) a policy or primary and umbrella policies of commercial general liability insurance covering all operations by or on behalf of Tenant, providing insurance for bodily injury, death, and property damage liability and including coverage for contractual liability (including Tenant's indemnification obligations under this Lease).

12.2 The limits of liability under the insurance policy or policies shall not be less than those established for local public bodies under the Oregon Tort Claims Act, ORS 30.272 – 30.273, as amended. For purpose of illustration only (where the Act and these provisions differ, the Act shall govern), those limits are summarized as follows:

- A. For causes of action arising on or after July 1, 2013, and before July 1, 2014:
 - (i) For Personal Injury and Death, \$633,300 to any single claimant, and \$1,266,700 to all claimants.
 - (ii) For property damage or destruction, \$106,700 to any single claimant, and \$533,400 to all claimants.
- B. For causes of action arising on or after July 1, 2014 and before July 1, 2015:
 - (i) For Personal Injury and Death, \$666,700 to any single claimant, and \$1,333,300 to all claimants.
 - (ii) For property damage or destruction, an increase over the prior year's limits proportional to the change in the Portland-Salem, OR-WA Consumer Price Index for All Urban Consumers for All Items, as published by the Bureau of Labor Statistics of the U.S. Department of Labor, as determined by the State Court Administrator.

C. For Causes of action arising on or after July 1, 2015 and before July 1, 2016, and for each year thereafter, an increase over the prior year's limits proportional to the change in the Portland-Salem, OR-WA Consumer Price Index for All Urban Consumers for All Items, as published by the Bureau of Labor Statistics of the U.S. Department of Labor, as determined by the State Court Administrator.

12.3 Tenant's insurance policies required by this Lease shall:

A. Be issued by insurance companies licensed to do business in Oregon with a general policyholder's ratings of at least A- and a financial rating of at least VI in the most current Bert's Insurance Reports available on the Commencement Date;

B. Name Landlord as additional insured;

C. Provide that the insurance not be canceled, non-renewed or coverage materially reduced unless thirty (30) days advance notice is given to Landlord; Language stating that the insurers "shall endeavor" to notify the certificate holder in the event of expiration, cancellation, termination, or material change will not be acceptable;

D. Be non-assessable primary policies, and non-contributing with any insurance that Landlord may carry;

E. Provide that any loss shall be payable notwithstanding any negligence of Landlord or Tenant which might result in a forfeiture of such insurance or the amount of proceeds payable; and

F. Have no deductible exceeding Ten Thousand Dollars (\$10,000.00), unless approved in writing by Landlord;

G. Before or at the time Tenant's insurance is required under this Lease, and thereafter from time to time at Landlord's request, Tenant will furnish to Landlord evidence of insurance in the form of a certificate or other evidence reasonably satisfactory to Landlord that the insurance required by this Lease is in effect.

12.4 Tenant, at Tenant's sole cost and expense, will maintain, for the mutual benefit of Tenant, Landlord, and any leasehold mortgagee, property insurance covering loss or damage by fire and other risks as may be embraced within a special form type of insurance policy insuring the full replacement cost (excluding foundation and excavation cost) of the improvements to the Premises. If a special form type of insurance policy becomes unavailable, then Tenant will insure the improvements with coverage that is customary from time to time for comparable developments. Tenant shall be fully and exclusively responsible for insuring its facility.

13. Indemnification.

13.1 Tenant will be in exclusive control of the Premises, including any improvements on the Premises, and Landlord will not in any event whatsoever be liable for any injury or damage to any property or to any person happening on, in, or about the Premises or the improvements or any injury or damage to the Premises or the improvements or to any property, whether belonging to Tenant or to any other person, caused by any: 1) failure of or defect in any improvements within the Premises, 2) release of any Hazardous Materials within or from the Premises during the term of this Lease, or 3) movement of any material from within the Premises to locations off of the Premises.

13.2 Tenant shall indemnify and hold harmless Landlord and its respective agents, employees, officers, and directors, from and against any and all liabilities, judgments, demands, causes of action, claims, losses, damages, costs, and expenses, including, without limitation, reasonable attorneys' fees and costs that may be imposed on or incurred by or asserted against Landlord by reason of any of the following occurrences during the Term:

- A. Any work or thing done in, on, or about all or any part of the Premises or its improvements by Tenant or any party other than Landlord;
- B. Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of all or any part of the Premises or its improvements;
- C. Any negligence on the part of Tenant or any of its agents, contractors, servants, employees, officers, directors, sublessees, licensees, or invitees;
- D. Any accident, injury, or damage to any person or property occurring in, on, or about the Premises or its improvements, even if caused by the negligence of Landlord, but only up to the limits of Landlord's liability under the Oregon Tort Claims Act; or
- E. Any failure of Tenant to comply with or to perform any covenant, agreement, term, provision, condition, or limitation that this Lease requires Tenant to comply with or to perform, or for which Tenant is responsible under the terms of this Lease or in accordance with any governmental or insurance requirement.

13.3 In case any action or proceeding is brought against Landlord or its agents, employees, officers, and directors and such claim is a claim for which Tenant is obligated to indemnify Landlord pursuant to this section, Tenant, upon notice from Landlord, shall resist and defend such action or proceeding (by counsel reasonably satisfactory to Landlord).

13.4 Tenant shall carry insurance that covers its obligations under this section and shall deliver evidence of such insurance to Landlord.

13.5 The obligations of Tenant under this section shall survive the expiration or earlier termination of this Lease.

14. Assignment and Subletting.

14.1 Tenant shall not assign this Lease or sublet the Premises or any part thereof without the prior consent of the Landlord. Landlord agrees that it will not unreasonably withhold its consent to an assignment or subletting, so long as the proposed subtenant or assignee, in the reasonable determination of Landlord: (1) is of a character and quality similar to that of other businesses engaged in the types of activities described in the Intended Purpose of this Lease, and (2) has the financial net worth to enable it to meet its obligations under this Lease.

14.2 Tenant, as a corporation, may also assign or transfer this lease to a corporation into which Tenant is being merged or consolidated, and may assign or sublet its interest to a corporation that is a parent, subsidiary or affiliate of Tenant and which controls, directly or indirectly, not less than fifty percent (50%) of the outstanding stock of Tenant.

14.3 In any of the above circumstances, the assignment, transfer or sublease shall only take effect if the Tenant and the proposed assignee, transferee or sublessee promptly execute, acknowledge and deliver to Landlord an agreement in form and substance satisfactory to Landlord whereby these entities agree to be bound by and upon all the covenants, agreements, terms, provisions, and conditions which the Tenant is required to perform under the Lease.

14.4 If Tenant assigns its entire interest in this Lease to a party that expressly assumes in writing all obligations of Tenant under this Lease arising after the effective date of the assignment, Tenant shall be released or discharged from all of its covenants and obligations under this Lease, except such obligations as shall have accrued prior to the effective date of any such assignment or transfer; and Landlord agrees to look solely to Tenant's assignee for performance of such obligations. Otherwise Tenant shall continue to be responsible and bound by all terms and conditions of this Lease.

14.5 Tenant shall be responsible for any reasonable costs incurred by Landlord in connection with processing the assignment or sublease, including Landlord's reasonable attorneys' fees.

15. Leasehold Mortgages.

15.1 Tenant and every successor and assign of Tenant is hereby given the right by Landlord, without Landlord's prior written consent, to mortgage its interest in this Lease and assign its interest in this Lease as collateral security for such mortgage upon the condition that all rights acquired under such mortgage shall be subject to each and all of the covenants, conditions and restrictions set forth in this Lease, and to all rights and interest of Landlord herein, none of which covenants, conditions or restrictions is or shall be waived by Landlord by reason of the rights given Tenant to mortgage its interest in this Lease, except as expressly provided in this section.

15.2 If Tenant and/or Tenant's successors and assigns shall mortgage all or part of its interest in this Lease and if Tenant or the holder of such mortgage shall send to Landlord a true copy thereof together with written notice specifying the name and address of the mortgagee and the pertinent recording data with respect to such mortgage, Landlord agrees that so long as the leasehold mortgage remains unsatisfied of record or until written notice of satisfaction is given by the holder to Landlord, the following provisions shall apply:

A. Mortgage Consent. There shall be no cancellation, surrender or modification of this Lease by joint action of Landlord and Tenant without the prior written consent of the leasehold mortgagee.

B. Notices to Mortgagee. Landlord shall, upon serving Tenant with any notice of default, simultaneously serve a copy of such notice upon the holder of the leasehold mortgage. The leasehold mortgagee shall have the same period, after service of such notice upon it, to remedy or cause to be remedied the defaults complained of, and Landlord shall accept such leasehold mortgagee's acts if they had been performed by Tenant.

C. Insurance. Landlord agrees that the name of the leasehold mortgagee may be added to the "Loss Payable Endorsement" of any and all insurance policies required to be carried by Tenant under this Lease on the condition that the insurance proceeds be applied in the manner specified in this Lease and that the leasehold mortgage or collateral document so provide.

D. New Lease. Landlord agrees that in the event of termination of this Lease by reason of any default by Tenant, that Landlord will enter into a new lease for the Premises with the leasehold mortgagee or its nominee for the remainder of the Lease Term effective as of the date of such termination, at the rent and other charges, and upon the terms, provisions, covenants and agreement contained in this Lease, subject only to the rights, if any, of the parties then in possession of any part of the Premises, provided:

(i) The mortgagee or its nominee shall make written request upon Landlord for the new lease within fifteen (15) days after the date of termination and the written request shall be accompanied by any then due payment of rent and other charges under this Lease; and the mortgagee or nominee shall execute and deliver the new lease within fifteen (15) days after Landlord has delivered it.

(ii) The mortgagee or its nominee shall pay to Landlord, at the time of execution and delivery of the new lease, any and all sums which would then be due pursuant to this Lease but for such termination and, in addition thereto, any reasonable expenses, including reasonable attorney's fees, which Landlord shall have incurred by reason of such default, including the costs of negotiation, approval and recording the new lease.

(iii) The mortgagee or its nominee shall perform and observe all covenants in this Lease to be performed by Tenant and shall further remedy any other conditions which Tenant was obligated to perform under the terms of this Lease.

(iv) Landlord shall not warrant possession of the Premises to Tenant or the leasehold mortgagee under the new lease.

(v) The new lease shall be expressly made subject to the rights, if any, of Tenant under this Lease.

(vi) The tenant under the new lease shall have the same right, title and interest in and to the Premises as Tenant has under this Lease.

E. Confirming Documentation. Landlord shall, upon request, execute, acknowledge and deliver to each leasehold mortgagee an agreement prepared at the sole cost and expense of Tenant, in form satisfactory to the leasehold mortgagee and to Landlord, between Landlord, Tenant and the leasehold mortgagee confirming the provisions of this Section. Any additional reasonable costs incurred by Landlord in connection with the agreement, including reasonable attorneys' fees, shall be paid by Tenant or the leasehold mortgagee.

F. The term "mortgage," as used in this section, shall include deeds of trust and/or whatever security instruments are used in the State of Oregon from time to time, as well as financing statements, security agreements and other documentation required pursuant to the Uniform Commercial Code.

16. Condemnation.

16.1 In the event that the whole of the Premises shall be taken under the exercise of the power of eminent domain or by agreement with any condemnor in lieu of such taking, or such portion thereof that, in Tenant's judgment, the remainder of the Premises is not suitable for Tenant's purposes (herein called a "**Total Taking**"), then this Lease shall terminate as of the earlier of the date when title thereto vests in the condemnor or the date when possession thereof shall be delivered to the condemnor.

16.2 In the event that a portion or portions of the Premises shall be taken under the exercise of the power of eminent domain or by agreement with any condemnor in lieu of such taking, and such taking does not constitute a Total Taking (herein called a "**Partial Taking**"), then this Lease, only as to the portion or portions so taken, shall terminate as of the date possession thereof shall be delivered to the condemnor, but otherwise this Lease shall remain in full force and effect. In the case of a Partial Taking, the rent payable under this Lease after possession of the portion so taken shall be equitably reduced based on the acreage so taken and Tenant's loss of use of the remainder of the Premises. In the event of any Partial Taking, the condemnation award given to either Landlord or Tenant shall be paid first to Tenant to restore

the improvements on the Premises to a complete operational unit.

16.3 In the event that Landlord and Tenant are unable to obtain separate awards with respect to their respective interests in the Premises, then, the single award shall be fairly and equitably apportioned between Landlord and Tenant. The portion of the award to be received by Landlord shall be based upon the taking of or injury to the fee simple estate in the Land, but not the improvements thereon. The portion of the award to be received by Tenant shall be based upon the taking and reduction of Tenant's leasehold estate created by this Lease, the taking of any improvements constructed or placed by Tenant on the Land, loss or interruption of Tenant's business and the cost of any restoration or repair necessitated by such taking or condemnation. Tenant shall have the right to participate, at its own expense, in any such condemnation proceedings and to negotiate on behalf of itself in such proceedings, and Landlord agrees to cooperate with Tenant and to execute such documentation as may be reasonably necessary to allow Tenant to participate in such condemnation proceedings. Neither Landlord nor Tenant shall enter voluntarily into any binding agreement or settlement related to a Total Taking or a Partial Taking without the prior consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

17. Liens.

17.1 Tenant will not suffer or permit any construction liens to attach to the interest of Tenant in all or any part the Premises by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, Tenant or any person occupying or holding an interest in all or any part of the improvements on the Premises. If any such lien is filed against the Premises, Tenant will cause the same to be discharged of record within sixty (60) days after the date of its filing by either payment, deposit, or bond.

17.2 If Tenant fails to discharge or bond off the lien, Landlord will have the right to pay the amount of the lien and Tenant will promptly reimburse Landlord for any such payment by Landlord, together with all costs and fees (including attorney fees) incurred by Landlord in connection with the lien.

17.3 Landlord will have the right to post and keep posted at all reasonable times on the Premises and on the improvements any notices of nonresponsibility for the protection of Landlord and of the Premises and improvements from any such lien.

17.4 Nothing in this Lease may be deemed to be, or be construed in any way as constituting, the consent or request of Landlord, express or implied, by inference or otherwise, to any person, firm, or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration, or repair of or to the Premises or to the improvements, or as giving Tenant any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that might in any way give rise to the right to file any lien against Landlord's interest in the Premises or against Landlord's interest, if any, in the improvements. Tenant is not intended to be an agent of Landlord for the

construction of improvements on the Premises.

18. Estoppel Certificate. Within fifteen (15) days after a request made by the other party, the party to whom the request was made will, without charge, give a certification in writing to any person, firm, or corporation reasonably specified by the requesting party stating: 1) that this Lease is then in full force and effect and unmodified, or if modified, stating the modifications; 2) that Tenant is not in default in the payment of Rent to Landlord, or if in default, stating the default; 3) that as far as the maker of the certificate knows, neither party is in default in performing or observing any other covenant or condition to be performed or observed under this Lease, or if either party is in default, stating the default; 4) that as far as the maker (if Landlord) of the certificate knows, no event has occurred that authorized, or with the lapse of time will authorize, Tenant to terminate this Lease, or if such an event has occurred, stating the event; 5) that as far as the maker of the certificate knows, neither party has any offsets, counterclaims, or defenses, or, if so, stating them; 6) the dates to which Rent has been paid; and 7) any other matters that may be reasonably requested by the requesting party.

19. Confidentiality. Landlord acknowledges that Landlord may become privy to confidential information of Tenant, in addition to information regarding the terms of this Lease. Landlord therefore agrees to take all steps to ensure that any information with regard to Tenant, Tenant's proposed use of the Land and improvements thereon and/or to this transaction, shall remain confidential and shall not be disclosed or revealed to outside sources by Landlord or by its employees, officers, agents, counsel, accountants or representatives except when reasonably necessary. The provisions of this paragraph shall survive termination of this Lease.

20. Quiet Enjoyment. Subject to the terms and conditions of this Lease, so long as Tenant is not in default under this Lease, Landlord covenants and agrees that Tenant is entitled to quiet possession of the Premises during the Term.

21. No Representations. Tenant acknowledges that it has examined the Premises and that no representations regarding the condition of the Premises have been made by Landlord or any agent or person acting for Landlord (except as expressly provided in this Lease). Before any construction commences on the Premises, Tenant will conduct tests of the subsurface and soil conditions to ascertain the suitability of the Premises for the contemplated Project and will furnish any fill and take any other steps that may be required before the commencement of construction. Landlord will have no liability because of, or as a result of, the existence of any subsurface or soil condition, either on the Premises or on adjacent land, that might affect Tenant's construction.

22. Default. The occurrence of any one or more of the following events of default constitutes a breach of this Lease by Tenant: 1) failure of Tenant to pay rent or any other charges when due; 2) failure of Tenant to perform any other duty or obligation or fulfill any other covenant of Tenant under this Lease following 30 day's written notice by the Landlord of Tenant's default; 3) Tenant defaults upon and does not cure an obligation to one of Tenant's

lenders, including any leasehold mortgage lender; 4) any bankruptcy or similar proceeding filed by or against Tenant, whether voluntary or involuntary; 5) the taking of any of Tenant's assets pursuant to any creditor or reorganization action or assignment of assets to creditor by Tenant; 6) abandonment: failure of Tenant for forty five (45) days or more to occupy the property for one or more of the purposes permitted under this lease unless such failure is excused under other provisions of this lease; 7) Landlord's issuance of three (3) notices of default to Tenant within any twelve (12) month period.

23. Remedies.

23.1 Termination. If the Tenant defaults, this Lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not this Lease is terminated by the election of Landlord or otherwise, Landlord will be entitled to recover damages from Tenant for the default, and Landlord may reenter, take possession of the Premises and its improvements, and remove any persons or property by legal action or by self help with the use of reasonable force and without liability for damages and without having accepted a surrender.

23.2 Reletting. Following reentry, Landlord will use reasonable efforts to relet the Premises and its improvements on their fair market rent and terms, and in that connection may make any suitable alterations or refurbish the improvements, or both, or change the character or use of the Premises and its improvements. Landlord may relet all or part of the Premises for a term longer or shorter than the term of this Lease, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

23.3 Damages. In the event of termination or retaking of possession after default, Landlord will be entitled to recover immediately, without waiting until the due date, any future rent or, until the date fixed for expiration of the Term, the following amounts as damages:

- A. The loss of rent from the date of default until a new tenant is, or with the exercise of reasonable efforts could have been, secured.
- B. The reasonable costs of reentry and reletting including without limitation the cost of any cleanup, refurbishing, removal of Tenant's property and fixtures, costs incurred in accordance with this Lease, or any other expense occasioned by Tenant's default including but not limited to any reasonable remodeling or repair costs, attorney fees, court costs, broker commissions (prorated for the unexpired Term), and advertising costs.
- C. Any excess of the value of the rent and all of Tenant's other obligations under this Lease over the reasonable expected return from the Premises for the period commencing on the earlier of the date of trial or the date the Premises is relet, and continuing through the end of the Term.

23.4 Right to Sue More than Once. Landlord may sue periodically to recover damages during

the period corresponding to the remainder of the Term, and no action for damages will bar a later action for damages subsequently accruing.

23.5 Remedies Cumulative. The foregoing remedies will be in addition to and will not exclude any other remedy available to Landlord under applicable law and may be exercised concurrently or successively in such order or combination as Landlord in its sole discretion may elect. All the covenants and conditions herein required to be performed by each party shall be considered to be continuing covenants and unless otherwise expressly stated shall exist for the terms of this Lease and any renewals and extensions thereof.

24. General Provisions.

24.1 Time Is of the Essence. Time is of the essence as to the performance of all the covenants, conditions, and agreements of this Lease.

24.2 Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of Oregon.

24.3 Entire Agreement; Counterparts. This Lease contains the entire agreement between the parties and, except as otherwise provided, can be changed, modified, amended, or terminated only by an instrument in writing executed by the parties. Tenant and Landlord mutually acknowledge and agree that there are no verbal agreements or other representations, warranties, or understandings affecting this Lease. This Lease may be executed in any number of counterparts, each of which will constitute an original, but all of which will constitute one Lease.

24.4 Binding Effect. This Lease shall be binding upon and inure to the benefit of the parties hereto and their legal representatives, successors and assigns.

24.5 Interpretation. In interpreting this Lease in its entirety, the printed provisions of this Lease and any additions written or typed thereon shall be given equal weight, and there shall be no inference, by operation of law or otherwise, that any provision of this Lease shall be construed against either party hereto. Landlord and Tenant acknowledge that they and their counsel have reviewed and revised this Lease and that any otherwise applicable rule of construction or any other presumption to the effect that any ambiguities are to be resolved against the drafting party shall not be used in the interpretation of this Lease or any exhibit or amendment hereto.

24.6 Headings, Captions, and References. The headings and captions contained in this Lease are for convenience only and do not in any way define, describe, limit, or amplify the scope or intent of this lease or any term or provision in it. The use of the term *herein* refers to this Lease as a whole, inclusive of the Exhibits, except when noted otherwise. The use of a masculine or neuter gender in this Lease includes the masculine, feminine, and neuter genders and the singular form includes the plural when the context so requires.

24.7 Waiver. The waiver by any party of any breach of any covenant or agreement herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other covenant or agreement herein contained.

24.8 Invalidity of Particular Provisions. If any term or provision of this Lease (or the application of the Lease to any person or circumstance) is, to any extent, held to be invalid or unenforceable, the remainder of this Lease (or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable) will not be affected, and each term and provision of this Lease will be valid and be enforced to the fullest extent permitted by law.

24.9 Relationship of Parties. Nothing contained in this Lease is to be deemed or construed, either by the parties to this Lease or by any third party, to create the relationship of principal and agent or to create any partnership, joint venture, or other association between Landlord and Tenant. It is understood and agreed that neither party to this Lease, in performing any of the duties or obligations imposed upon either party or exercising any rights or benefits granted hereunder, shall at any time hold itself out to be the agent, servant, or employee of the other party in any manner whatsoever.

24.10 Brokerage. Landlord and Tenant represent to each other that they have not employed any brokers in negotiating and consummating the transaction set forth in this Lease, but have negotiated directly with each other.

24.11 Notices. All notices, elections, demands, requests, payments and other communications hereunder shall be in writing, signed by the party making the same and shall be sent by certified or registered United States mail, postage prepaid, or by national overnight courier service which provides tracking and acknowledgement of receipts, addressed as indicated in section 2, above, or at such other address as may hereafter be designated in writing by either party hereto. The time and date on which mail is postmarked shall be the time and date on which such communication is deemed to have been given.

24.12 Memorandum of Lease. Promptly after the full execution of this Lease, Landlord and Tenant shall execute and (at Tenant's expense) shall record at the Umatilla County Records Office, a memorandum of this lease, specifying the Effective Date, the Expiration Date, the Premises, and such other provisions hereof as the parties may mutually agree to incorporate therein, which memorandum of lease shall be in form sufficient to publish notice and protect the validity of this Lease and Tenant's rights hereunder.

[REMAINDER OF PAGE BLANK. SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

OREGON SOLAR HOLDINGS LLC:

Troy Snyder, _____

THE CITY OF PENDLETON:

Phillip Houk, Mayor

Attest:

Andrea Denton, City Recorder

APPROVED BY CITY COUNCIL ON _____, _____

APPROVED AS TO FORM:

Nancy Kerns, City Attorney

Steve Chrisman, Airport Manager

Pendleton Convention Center 2014 Summary of Events Calendar

January	2	Leadership Pendleton
	4	Full Nelson MMA Fights
	10	Pendleton Fire Operations Chief Interviews
	10 – 12	CTUIR – Basketball Tournament*
	11	Happy Canyon/Round Up Courts Announcement*
	17 - 19	Clash at the Border Basketball*
	24 – 26	Eastern Oregon Sportsmen Show HC
February	5&6	Yellow Hawk Suicide Prevention Training
	6	Buck Boosters Banquet and Auction
	7	Happy Canyon Helpers Party
	8	Daddy Daughter Dance*
	15	Oregon Hunter Assn. Banquet and Auction
	18	Suzanne Coppock Retirement Reception
	19	Pendleton Chamber of Commerce 28 th Annual Economic Outlook Luncheon
21&22	Catholic Men Conference*	
March	3	Chamber 2A Volunteer Appreciation
	3 - 8	State 2-A Basketball*
	11	Youth Leadership Conference
	12	Happy Canyon Suitcase Party
	13 – 15	PGG Spring Spectacular
	18 & 19	City Confined Space
	18	FFA Alumni Auction and Dinner
	21	Eastern Oregon Dental Society
22	Rocky Mt Elk Foundation Banquet & Auction *	
April	1	US Forest Service Open House
	4 - 6	Boots in the Blues Square Dance Festival*
	9	Bennett Transport Safety Meeting*
	9	Junior Jam Dance Recital*
	11 – 13	Spring into Summer Home and Garden*
	15	City of Pendleton Rail Hasmat Response Training
	19	Patrons Ball*
	22 – 24	Pendleton School District Art Show*
	22 – 24	Pendleton School Dist. Kindergarten Sign Up
	23	Happy Canyon Foundation
	24 & 25	OHSU Public Health Training*
26 & 27	Jehovah's Witnesses*	
30	PGG Shareholders Annual meeting and Dinner	
May	2 – 4	Krazy Horse Quilter's show*

	9 – 11	Cattle Baron's Weekend*	HC
	14 – 17	TOPS	
	21	BMCC Career Fair	
	23 – 25	Foot of the Blues Cowboy Gathering*	
		Western Music and Cowboy Poetry	
	24	Cascade Gas Rodeo	
	31	Friends of the NRA	
June	2	Sharp Alliance	
	3	Blue Mt. Conference*	
	4	Pendleton High School Scholarship Ceremony	
	5 & 6	Oregon CPA's	
	7	Pendleton High School Graduation *	
	7	Oregon Medical Association	
	11	UNUM/PERS Health Solutions	
	14 – 18	Eastern Star State Convention	HC
	19 – 21	Rainbow Girls State Convention*	HC
	27 & 28	Oregon Washington Cattlemen Joint meetings	
July	3 & 4	"Bulls, Barrels and Bikes"*	
		Barrel racing in Round Up Arena*	
		Pro Bull Riding Happy Canyon Arena*	HC
	3 – 5	NW Tandem Bike Rall	
	11	Line Backers Annual Hall of Fame Banquet*	
	11 – 13	Fire Fighters Combat Challenge	
	17 – 20	Yoga in Round Up Grounds and PCC*	
	21 – 31	Stunt School	
August	8	Oregon Mayors Conference	
	12	OSAA-Admin	
	13 – 17	USA Square Dance	
	23 – 24	Gun Show	
	20	Round Up/Happy Canyon Parents Party	
September	10 – 21	Happy Canyon and Round Up Events*	
	26 – 28	Central Pacific Conference of United Church of Christ*	
October	3 – 5	ASFME Union Conference	
	9 – 11	Pendleton Friends of the Library Book Sale	
	14 – 17	APWA	
	25 - 26	Jehovah's Witnesses*	
	28 & 29	Confederation of Oregon School Administrators*	
	31	Halloween	
November	2	EO Bridal Show	

	5 – 8	Leather Crafters Show
	14	Greater Oregon Behavioral Health
	22	Altrussa Bazaar
December	4 – 6	Festival of Trees*
	12	Yellow Hawk Health Christmas Party
	13	Eastern Oregon Correction Institute Christmas Party
	13	Umatilla County Cattlemen Christmas Party

*Possible TRT/TPAC events
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APRIL STAFF ACTIVITY REPORTS

Parks:

1. Parks Department staff and Parks Commission are still working on a vision and mission statement for the department. I feel we are real close to having it. We will share this with the Mayor and Council for approval when we feel it is complete.
2. Frazier Project should be complete within the next week. It will be a big improvement and may even come in under budget.
3. Seasonal staff have been given a start date of March 31st. Look for our new mower in the bigger parks. It's big and orange.

Recreation:

1. 15 teams participated in our first indoor 3 on 3 basketball tournament. They came from as far away as Boise and the Tri-Cities. It was a success.
2. Lisa is now working on the next 3 on 3 tournaments which will be played outside, and should be as successful.
3. Dugouts are being constructed at Community Park. Once complete these dugouts will be the final hurdle in becoming AAU compliant. We should then be able to start holding AAU tournaments here, which will bring in many families to Pendleton for a couple of weekends a year.

Cemetery:

1. We just planted 15 trees in the Cemetery and mapped their locations. These trees are the start of the Arboretum we are establishing with the help of The Friends of Olney Cemetery. With their efforts financially and physically, we hope to make a large planting this fall and creating something the City can be proud of.

CITY OF PENDLETON

General Fund Revenues & Expenses

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29-Jan-13

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YTD % Guideline
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Actual		ADOPTED BUDGET	ACTUAL	PERCENT
FY13	Description	FY14	THRU 02/28/14	FY14
GENERAL FUND REVENUES				
2,215,719	Beginning Fund Balance	2,422,600	2,422,611	100.00%
5,495,461	Taxes	5,801,900	5,129,511	88.41%
884.30	Special Assessments	0	0	
3,083,667	Licenses and Permits	3,233,805	2,061,491	63.75%
933,871	Intergovernmental Revenues	837,550	628,489	75.04%
1,329,781	Charges for Services	1,315,520	1,243,872	94.55%
399,122	Fines and Forfeitures	360,000	256,445	71.23%
432,254	Miscellaneous Revenues	143,950	108,473	75.35%
147,000	Transfers	182,000	0	0.00%
<u>14,037,759</u>	Total General Fund Revenues	<u>14,297,325</u>	<u>11,850,891</u>	82.89%
GENERAL FUND EXPENDITURES				
338,732	Court	329,200	209,266.65	63.57%
4,081,394	Police	4,181,860	2,648,205.09	63.33%
3,471,786	Fire & Ambulance	3,690,050	2,183,002.21	59.16%
1,123,212	Parks	1,097,650	648,635.29	59.09%
437,933	Recreation	480,650	280,932.63	58.45%
436,242	Aquatic Center	448,400	305,386.10	68.11%
0	Cemetery	269,550	133,937.30	49.69%
284,695	Planning	260,800	151,086.79	57.93%
250,103	Building	257,800	150,949.82	58.55%
92,953	Economic Development	67,250	17,397.71	25.87%
<u>1,098,099</u>	NonDepartmental Expenditures	<u>3,214,115</u>	<u>451,755.54</u>	14.06%
<u>11,615,148</u>	Total General Expenditures	<u>14,297,325</u>	<u>7,180,555</u>	50.22%

CITY OF PENDLETON

Special Revenue Fund Revenues & Expenditures

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29-Jan-13

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67.00%

Actual FY12	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
STATE TAX STREET FUND				
Revenues				
517,199	Beginning Fund Balance	528,670	528,514	99.97%
0	Licenses & Permits	0	0	
902,892	Intergovernmental Revenues	1,323,845	819,493	61.90%
217,194	Charges for Services	198,400	136,050	68.57%
22,915	Miscellaneous Revenues	4,085	18,644	456.39%
0	Interfund Transfers	0	0.00	
1,660,200	Total Street Fund Revenues	2,055,000	1,502,700	73.12%
Expenditures				
314,426	Personal Services	337,100	212,666	63.09%
647,358	Materials and Services	719,935	375,406	52.14%
159,842	Capital Outlay	650,000	153,734	23.65%
0	Debt Service	0	0	
10,060	Interfund Transfers	11,570	0	0.00%
0	Contingency	336,395	0	0.00%
1,131,685	Total Street Expenditures	2,055,000	741,806	36.10%
CITY FUEL TAX FUND				
Revenues				
255,853	Beginning Fund Balance	0	0	
276,396	Taxes	0	0	
281	Miscellaneous Revenues	0	0	
532,530	Total Fuel Tax Fund Revenues	0	0	
Expenditures				
0	Materials and Services	0	0	
532,530	Debt Service	0	0	
	Transfers Out	0	0	
532,530	Total Fuel Tax Expenditures	0	0	
BIKE FUND				
Revenues				
5,983	Beginning Fund Balance	6,100	7,157	117.33%
9,120	Intergovernmental Revenues	9,505	5,847	61.51%
54	Miscellaneous Revenues	50	29	58.76%
15,157	Total Bike Fund Revenues	15,655	13,033	83.25%
Expenditures				
8,000	Materials and Services	8,000	0	0.00%
0	Capital Outlay	0	0	
0	Unappropriated Balance	7,655	0	0.00%
8,000	Total Bike Expenditures	15,655	0	0.00%

CITY OF PENDLETON

Special Revenue Fund Revenues & Expenditures

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29-Jan-13

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Actual FY12	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
LIBRARY FUND				
Revenues				
88,051	Beginning Fund Balance	82,300	69,192	84.07%
11,963	Licenses & Permits	18,000	7,805	43.36%
404,409	Intergovernmental Revenues	413,075	383,826	92.92%
25,315	Miscellaneous Revenues	26,020	399	1.53%
43,390	Interfund Transfers	63,030	42,002	66.64%
573,128	Total Library Revenues	602,425	503,225	83.53%
Expenditures				
401,450	Personal Services	394,400	237,759	60.28%
89,406	Materials and Services	143,030	89,880	62.84%
0	Capital Outlay	16,500	0	0.00%
0	Debt Service	1,200		
13,080	Transfers	11,470	0	0.00%
0	Contingency	35,825	0	0.00%
503,936	Total Library Expenditures	602,425	327,639	54.39%
LIBRARY SPECIAL TRUST FUND				
Revenues				
650,326	Beginning Fund Balance	647,000	651,974	100.77%
18,585	Miscellaneous Revenues	26,000	8,675	33.37%
826	Interfund Transfers	3,305	0	0.00%
669,737	Total Library Special Trust Reven	676,305	660,649	97.69%
Expenditures				
17,763	Materials and Services	610,655	589,174	96.48%
0	Capital Outlay	0	0	
0	Reserve		0	
0	Unappropriated Balance	65,650	0	0.00%
17,763	Total Library Special Trust Expen	676,305	589,174	87.12%
LIBRARY PERMANENT TRUST FUND				
Revenues				
140,578	Beginning Fund Balance	140,600	140,578	99.98%
826	Miscellaneous Revenues	2,000	282	14.11%
0	Interfund Transfers	0	0	
141,405	Total Library Perm Trust Revenue	142,600	140,861	98.78%
Expenditures				
826	Transfer to Library Special	142,600	134,488	94.31%
	Unappropriated Balance	0		
826	Total Library Perm Trust Expendi	142,600	134,488	94.31%

CITY OF PENDLETON

Special Revenue Fund Revenues & Expenditures

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Actual FY12	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
TRANSPORTATION FUND				
Revenues				
329,270	Beginning Fund Balance	36,000	389,378	1081.61%
13,311	Licenses and Fees	15,000	14,224	
263,899	Intergovernmental Revenues	295,700	116,392	39.36%
13,946	Miscellaneous Revenues	7,100	1,025	14.43%
20,000	Interfund Transfers	22,500	15,000	66.67%
640,427	Total Trans Revenues	376,300	536,019	142.44%
Expenditures				
210,513	Materials and Services	335,500	149,497	44.56%
40,536	Capital Outlay	12,000	0	0.00%
0	Debt Service		0	
0	Contingency	28,800	0	0.00%
251,049	Total Trans Expenditures	376,300	149,497	39.73%
COMMUNITY DEV BLOCK GRANT				
Revenues				
-2,070	Beginning Fund Balance	2,600	2,613	100.51%
8,750	Intergovernmental Revenues	741,250	0	0.00%
28	Miscellaneous Revenues	0	8,758	
0	Interfund Transfers	0	0	
6,707	Total CDBG Revenues	743,850	11,371	1.53%
Expenditures				
4,094	Materials and Services	743,850	8,750	1.18%
0	Debt Service	0	0	
0	Interfund Transfers	0	0	
0	Contingency	0	0	
4,094	Total CDBG Expenditures	743,850	8,750	1.18%
COMMUNITY DEVELOPMENT				
Revenues				
607,401	Beginning Fund Balance	750,000	774,318	103.24%
0	Intergovernmental Revenues	0	0	
266,614	Miscellaneous Revenues	263,500	116,521	44.22%
0	Interfund Transfer		0	
874,016	Total Community Development R	1,013,500	890,839	87.90%
Expenditures				
94,815	Materials and Services	71,000	355	0.50%
0	Capital Outlay	0	0	
4,883	Debt Service	198,500	51,042	
0	Interfund Transfer	160,000	0	
0	Reserve	584,000	0	0.00%
99,698	Total Community Development E	1,013,500	51,397	5.07%

CITY OF PENDLETON

Special Revenue Fund Revenues & Expenditures

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Actual FY12	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
SIDEWALK REPAIR LOAN				
Revenues				
(128,234)	Beginning Fund Balance	0	(97,714)	
0	Intergovernmental Revenues	0	0	
32,816	Miscellaneous Revenues	102,500	24,367	23.77%
0	Interfund Transfers	0	0	
-95,418	Total Sidewalk Repair Loan Revei	102,500	-73,347	-71.56%
Expenditures				
62	Materials and Services	300	0	0.00%
0	Capital Outlay	0	0	
2,234	Debt Service	102,200	1,265	1.24%
	Contingency	0		
2,296	Total Sidewalk Repair Loan Expei	102,500	1,265	1.23%
PENDLETON CONVENTION CENTER				
Revenues				
(145,924)	Beginning Fund Balance	0	(158,540)	
404,456	Transient Room Tax	390,000	239,597	61.44%
52,104	Licenses & Permits	50,000	40,586	81.17%
0	Intergovernmental	0	0	
236,524	Charges for Services	257,500	99,468	38.63%
14,516	Miscellaneous Revenues	162,800	12,458	7.65%
0	Interfund Transfers	0	0	
561,675	Total PCC Revenues	860,300	233,568	27.15%
Expenditures				
317,242	Personal Services	243,100	171,621	70.60%
389,685	Materials and Services	415,510	226,753	54.57%
0	Capital Outlay	0	0	
4,288	Debt Service	194,000	2,969	1.53%
9,000	Interfund Transfers	7,690	0	0.00%
0	Contingency		0	
720,215	Total PCC Expenditures	860,300	401,344	46.65%

CITY OF PENDLETON

Special Revenue Fund Revenues & Expenditures

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Actual FY12	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
PCC TPAC FUND				
Revenues				
12,018	Beginning Fund Balance	60,000	42,927	71.54%
90,585	TPAC Fee	90,000	51,157	56.84%
5,483	Miscellaneous Revenues	600,000	190	0.03%
0	Interfund Transfer	0	0	
108,086	Total PCC TPAC Revenues	750,000	94,274	12.57%
Expenditures				
0	Materials and Services	0	0	
65,129	Capital Outlay	650,000	78	0.01%
30	Debt Service	32,000	0	0.00%
0	Reserve for TPAC	68,000	0	
65,159	Total PCC TPAC Expenditures	750,000	78	0.01%
POLICE INTERAGENCY SPECIAL REVOLVING				
Revenues				
48,647	Beginning Fund Balance	41,100	56,513	137.50%
166,177	Intergovernmental Revenues	140,000	73,942	52.82%
6,735	Miscellaneous Revenues	1,600	4,231	264.41%
0	Interfund Transfers	0	0	
221,559	Total Police Special Rev Revenue	182,700	134,685	73.72%
Expenditures				
165,046	Materials and Services	182,700	41,754	22.85%
0	Capital Outlay	0	0	
0	Interfund Transfers	0	0	
165,046	Total Police Special Revolv Expen	182,700	41,754	22.85%
SYSTEM DEVELOPMENT FEES FUND				
Revenues				
626,765	Beginning Fund Balance	691,750	700,446	101.26%
574	Assessments	550	287	52.15%
74,243	Miscellaneous Revenues	307,500	51,254	16.67%
0	Interfund Transfer	0	0	
701,582	Total System Development Fees	999,800	751,987	75.21%
Expenditures				
1,137	Capital Outlay	999,800	6,796	0.68%
0	Debt Service	0	0	
0	Interfund Transfer Out	0	0	
0	Reserve for Future Development	0	0	
1,137	Total System Development Fees	999,800	6,796	0.68%

CITY OF PENDLETON

Special Revenue Fund Revenues & Expenditures

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Actual FY12	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
PARKS TRUST FUND				
Revenues				
116,613	Beginning Fund Balance	80,700	121,357	150.38%
7,297	Miscellaneous Revenues	4,000	6,174	154.35%
0	Interfund Transfers	0	0	
123,910	Total Parks Trust Revenues	84,700	127,531	150.57%
Expenditures				
2,553	Capital Outlay	45,000	0	0.00%
0	Reserve for Future Development	39,700	0	0.00%
2,553	Total Parks Trust Expenditures	84,700	0	0.00%
PARKS EQUIPMENT RESERVE FUND				
Revenues				
36,849	Beginning Fund Balance	46,150	46,143	99.99%
6,384	Miscellaneous Revenues	250	150	60.01%
12,000	Interfund Transfers	12,000	8,004	66.70%
55,233	Total Parks Equipment Res Reven	58,400	54,297	92.97%
Expenditures				
9,090	Capital Outlay	37,000	6,255	16.91%
0	Reserve for Equipment	21,400	0	0.00%
9,090	Total Parks Equip Res Expenditur	58,400	6,255	10.71%
FIRE EQUIPMENT RESERVE FUND				
Revenues				
(80,345)	Beginning Fund Balance	0	(39,024)	
0	Intergovernmental	0	0	
141,984	Charges for Services	174,000	109,546	62.96%
57	Miscellaneous Revenues	100	9	8.85%
0	Interfund Transfers	0	0	
61,697	Total Fire Equipment Res Revent	174,100	70,531	40.51%
Expenditures				
55,727	Capital Outlay	62,500	57,544	92.07%
644	Debt Service	8,500	120	1.41%
44,350	Interfund Transfer Out	0	0	
0	Reserve for Equipment	103,100	0	
100,721	Total Fire Equip Res Expenditure.	174,100	57,663	33.12%

CITY OF PENDLETON

Special Revenue Fund Revenues & Expenditures

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Actual FY12	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
COUNTY DISPATCH CAPITAL EQUIPMENT FUND				
Revenues				
156,785	Beginning Fund Balance	194,500	195,483	100.51%
60,000	Charges for Services	60,000	40,000	66.67%
1,058	Miscellaneous Revenues	600	589	98.17%
217,843	Total County Dispatch Equipmen	255,100	236,072	92.54%
Expenditures				
22,360	Materials & Services	5,100	0	0.00%
	Capital Outlay	250,000	52,478	
0	Interfund Transfer Out		0	
0	Reserve for Equipment	0	0	#DIV/0!
22,360	Total County Dispatch Equipmen	255,100	52,478	20.57%
Horne Cemetery Special Trust Fund				
Revenues				
0	Beginning Fund Balance	20,175	20,246	
101	Miscellaneous Revenues	100	61	60.86%
20,175	Interfund Transfers	0	0	#DIV/0!
20,276	Total Horne Special Trust Revenu	20,275	20,307	100.16%
Expenditures				
30	Materials & Services	200	0	0.00%
0	Reserve	20,075	0	0.00%
30	Total Parks Equip Res Expenditur	20,275	0	0.00%
Hospital Road Special Fund				
Revenues				
0	Beginning Fund Balance	0	0	
372,259	Intergovernmental Revenues	550,000	377,740	68.68%
0	Miscellaneous Income	0	0	
372,259	Total Hospital Rd Spec Revenues	550,000	377,740	68.68%
Expenditures				
372,259	Capital Outlay	550,000	377,740	68.68%
372,259	Total Hospital Rd Spec Expenditu	550,000	377,740	68.68%

CITY OF PENDLETON

Capital Projects & Debt Funds Revenues & Expenses

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Actual FY12	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
LID CONSTRUCTION FUND				
Revenues				
(66,090)	Beginning Fund Balance	(112,000)	(12,981)	11.59%
180,363	Special Assessments	92,000	152,602	165.87%
61	Miscellaneous Revenues	1,111,200	14,898.23	1.34%
114,334	Total LID Const Fund Revenues	1,091,200	154,519	14.16%
Expenditures				
369	Materials and Services	500	0	0.00%
0	Capital Outlay	800,000	354,557	44.32%
126,946	Interest	290,700	63,463	21.83%
0	Contingency	0	0	
127,315	Total LID Cont Expenditures	1,091,200	418,020	38.31%
HHB2001 ROAD PROJECTS CONSTRUCTION FUND				
Revenues				
(14,867)	Beginning Fund Balance	2,075	2,084	
25,824	Intergovernmental Revenues	1,215,000	423,546	34.86%
4	Miscellaneous Revenues	0	6	
14,386	Transfers In	0	0	
25,347	Total HB2001 Rd Construct Fund R	1,217,075	425,636	34.97%
Expenditures				
0	Material & Services	0	0	
22,724	Capital Outlay	1,215,000	419,415	34.52%
538	Debt Service	2,075	340	
23,263	Total HB2001 Rd Construct Fund E	1,217,075	419,755	34.49%
DEBT SERVICE FUND				
Revenues				
53,056	Beginning Fund Balance	34,033	35,150	103.28%
483,721	Taxes	476,840	460,265	96.52%
498	Miscellaneous Revenues	350	596	170.21%
537,275	Total Debt Service Revenues	511,223	496,011	97.02%
Expenditures				
502,125	Debt Service	502,610	502,610	100.00%
0	Unappropriated Balance	8,613	0	0.00%
502,125	Total Debt Service Expenditures	511,223	502,610	98.32%

CITY OF PENDLETON

Enterprise Funds Revenue & Expenses

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Actual FY13	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
	WATER FUND			
	Revenues			
-325,187	Beginning Working Capital	0	(121,058)	
21,155	Intergovernmental	0	0	
3,445,087	Charges for Services	3,601,000	2,524,100	70.09%
3,606	Miscellaneous Revenues	4,000	35,696	892.40%
0.00	Interfund Transfers	0	0	
3,144,661	Total Water Fund Revenues	3,605,000	2,438,738	67.65%
	Expenditures			
461,463	Personal Services	498,650	257,802	51.70%
1,827,865	Materials and Services	1,884,910	1,302,871	69.12%
500,377	Capital Outlay	500,000	242,818	48.56%
464,143	Debt Service	638,130	450,181	70.55%
11,870	Interfund Transfers	14,210	0	0.00%
0	Contingency	69,100	0	0.00%
0	Reserve	0	0	
3,265,718	Total Water Expenditures	3,605,000	2,253,673	62.52%
	SEWER FUND			
	Revenues			
1,079,085	Beginning Working Capital	826,600	1,368,872	165.60%
257,146.00	Intergovernmental	150,000	588,030	392.02%
3,847,531	Charges for Services	3,900,500	2,590,480	66.41%
26,467	Miscellaneous Revenues	97,725	18,054	18.47%
0.00	Interfund Tranfers	0	0	
5,210,228	Total Sewer Fund Revenues	4,974,825	4,565,436	91.77%
	Expenditures			
463,542	Personal Services	508,600	313,536	61.65%
1,721,505	Materials and Services	1,775,200	1,173,071	66.08%
609,326	Capital Outlay	850,000	417,673	49.14%
289,387.00	Debt Service	426,742	221,621	51.93%
757,598	Interfund Transfers	1,255,465	740,773	59.00%
0.00	Contingency	158,818	0	0.00%
3,841,357	Total Sewer Expenditures	4,974,825	2,866,674	57.62%

CITY OF PENDLETON

Enterprise Funds Revenue & Expenses

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Actual FY13	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
SEWER CAPITAL RESERVE FUND				
Revenues				
2,975,463	Beginning Working Capital	3,725,450	2,645,194	71.00%
25,507	Miscellaneous Revenues	15,000	9,612	64.08%
0	Interfund Transfers	500,000	0	0.00%
3,000,969	Total Sewer Cap Res Revenues	4,240,450	2,654,805	62.61%
Expenditures				
355,776	Capital Outlay	0	0	
0	Debt Service		0	
Interfund Transfers				
0	Reserve for Future Dev	4,240,450	0	0.00%
355,776	Total Sewer Cap Res Expenditure	4,240,450	0	0.00%
WWTP CAPITAL PROJECTS CONSTRUCTION FUND				
Revenues				
759,255	Beginning Working Capital	0	141,418	
2,763	Miscellaneous Revenues	0	0	
Interfund Transfers				
762,019	Total WWTP Capital Projects Con	0	141,418	
Expenditures				
0	Materials & Service	0	0	
620,600	Capital Outlay	0	0	
0	Reserve for Future Dev	0	0	
620,600	Total WWTP Capital Projects Con	0	0	
WWTP BOND RESERVE FUND				
Revenues				
744,698	Beginning Working Capital	744,700	744,698	100.00%
0	Miscellaneous Revenues	0	0	
0	Interfund Transfers			
744,698	Total WWTP Bond Reserve Rever	744,700	744,698	100.00%
Expenditures				
0	Reserve for Future Debt Service	744,700	0	0.00%
0	Total WWTP Bond Reserve Expen	744,700	0	0.00%

CITY OF PENDLETON

Enterprise Funds Revenue & Expenses

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YTD % Guideline
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Actual FY13	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
	WWTP DEBT SERVICE FUND			
	Revenues			
0	Beginning Working Capital	0	0	
0	Miscellaneous Revenues	0	0	
744,598	Interfund Transfers	740,775	740,773	100.00%
744,598	Total WWTP Debt Service Revent	740,775	740,773	100.00%
	Expenditures			
744,598	Debt Service	740,775	740,773	100.00%
744,598	Total WWTP Debt Service Expenc	740,775	740,773	100.00%
	WWTP RATE STABILIZATION FUND			
	Revenues			
450,000	Beginning Working Capital	450,000	450,000	100.00%
0	Interfund Transfers	0	0	
450,000	Total WWTP Debt Service Revent	450,000	450,000	100.00%
	Expenditures			
0	Reserve for Future Debt Service	450,000	0	0.00%
0	Total WWTP Debt Service Expenc	450,000	0	0.00%
	AIRPORT FUND			
	Revenues			
(2,137,146)	Beginning Working Capital	0	(2,214,576)	
0	Licenses & Fees	0	0	
149,015	Intergovernmental Revenues	1,057,850	713,121	67.41%
374,870	Charges for Services	410,260	267,036	65.09%
6,359	Miscellaneous Revenues	2,265,740	35,459	1.57%
78,560	Interfund Transfers	236,900	40,000	16.88%
(1,528,341)	Total Airport Revenues	3,970,750	(1,158,960)	-29.19%
	Expenditures			
231,813	Personal Services	250,400	170,054	67.91%
202,211	Materials and Services	460,550	148,531	32.25%
197,731	Capital Outlay	995,000	755,519	75.93%
45,689	Debt Service	2,256,000	29,697	1.32%
8,790	Interfund Transfers	8,800	0	0.00%
0	Contingency	0	0	
686,234	Total Airport Expenditures	3,970,750	1,103,801	27.80%

CITY OF PENDLETON

Enterprise Funds Revenue & Expenses

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YTD % Guideline

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Actual FY13	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
CEMETERY FUND				
Revenues				
(1,422)	Beginning Working Capital	0	0	
93,149	Fees	0	0	
5,439	Charges for Services	0	0	
4,130	Miscellaneous Revenues	0	0	
146,750	Interfund Transfers	0	0	
248,045	Total Cemetery Revenues	0	0	
Expenditures				
152,089	Personal Services	0	0	
84,858	Materials and Services	0	0	
0	Capital Outlay	0	0	
0	Debt Service	0	0	
24,375	Interfund Transfers	0	0	
0	Contingency	0	0	
261,323	Total Cemetery Expenditures	0	0	
CEMETERY PERP CARE TRUST FUND				
Revenues				
739,086	Beginning Fund Balance	735,500	729,538	99.19%
1,558	Fees	3,725	1,932	51.87%
13,895	Miscellaneous Revenues	25,000	369	1.48%
754,538	Total Cemetery Trust Revenues	764,225	731,839	95.76%
Expenditures				
25,000	Interfund Transfers	25,000	0	0.00%
0	Unappropriated Balance	739,225	0	0.00%
25,000	Total Cemetery Trust Expenditures	764,225	0	0.00%
C&R FUND				
Revenues				
202,648	Beginning Working Capital	231,800	338,280	145.94%
1,157,802	Charges for Services	1,204,190	804,291	66.79%
10,749	Miscellaneous Revenues	9,010	1,449	16.08%
1,371,199	Total C&R Fund Revenues	1,445,000	1,144,019	79.17%
Expenditures				
812,863	Personal Services	841,650	553,109	65.72%
177,404	Materials and Services	200,000	121,140	60.57%
18,171	Capital Outlay	261,500	109,754	41.97%
24,480	Interfund Transfers	27,770	0	0.00%
0	Contingency	54,080	0	0.00%
0	Reserve for Equipment	60,000	0	0.00%
1,032,919	Total C&R Expenditures	1,445,000	784,003	54.26%

CITY OF PENDLETON

Internal Service Revenues & Expenditures

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YTD % Guidelines
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Actual FY13	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
CENTRAL SERVICE FUND				
Revenues				
417,512	Beginning Working Capital	488,000	488,000	100.0%
15,495	Fees	14,000	12,280	87.7%
41,162	Licenses & Permits	51,830	41,192	79.5%
24,493	Intergovernmental Revenues	60,000	0	0.0%
2,506,690	Charges for Services	2,569,970	1,712,360	66.6%
4,892	Miscellaneous Revenues	13,300	16,546	124.4%
0	Interfund Transfers		0	
<u>3,010,243</u>	Total C S Fund Revenues	<u>3,197,100</u>	<u>2,270,377</u>	71.0%
Expenditures				
341,971	City Manager's Office	370,550	231,166	62.4%
50,375	City Council & Mayor	55,300	39,691	71.8%
246,956	Insurance	269,500	269,126	99.9%
239,829	Legal	287,750	163,322	56.8%
532,175	Finance	788,650	375,919	47.7%
353,782	Engineering	422,490	215,032	50.9%
534,978	Facilities	562,600	336,716	59.9%
152,657	Information Technology	188,500	106,887	56.7%
7,000	Interfund Transfers	7,000	4,668	66.7%
62,520	Interfund Transfers	60,800	0	0.0%
0	Contingency	183,960	0	0.0%
<u>2,522,243</u>	Total C S Expenditures	<u>3,197,100</u>	<u>1,742,527</u>	54.5%

CITY OF PENDLETON

Capital Projects & Debt Funds Revenues & Expenses

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Actual FY12	Description	ADOPTED BUDGET FY14	ACTUAL THRU 2/28/14	PERCENT FY14
PENDLETON FOUNDATION TRUST FUND				
Revenues				
493	Beginning Fund Balance	5,000	41,263	825.25%
158,052	Miscellaneous Revenues	235,000	31,014	13.20%
158,545	Total Pendleton Found Revenues	240,000	72,276	30.12%
Expenditures				
117,283	Materials & Services	240,000	71,784	29.91%
117,283	Total Pendleton Found Expenditur	240,000	71,784	29.91%
EASTERN OREGON DRUG TASK FORCE				
Revenues				
0	Beginning Fund Balance	0	0	
49,664	Intergovernmental Revenues	0	0	
49,664	Total EODTF Revenues	0	0	
Expenditures				
49,664	Materials & Services	0	0	
49,664	Total EODTF Expenditures	0	0	