

INTERGOVERNMENTAL AGREEMENT BETWEEN
CROOK COUNTY AND THE CITY OF PRINEVILLE

This Agreement is made and entered into by and between the City of Prineville, a municipal corporation of the State of Oregon, hereinafter referred to as "Prineville," and Crook County, a political subdivision of the State of Oregon, hereinafter referred to as "Crook."

WITNESSETH:

WHEREAS, Prineville and Crook are authorized pursuant to ORS 190.003 through 190.110 to enter into an Intergovernmental Agreement for the performance of any or all functions which a party to the Agreement has the authority to perform; and

WHEREAS, both Prineville and Crook find it beneficial to enter into this Agreement in order for Prineville to provide services with respect to management of the Crook County/Prineville Airport (hereafter "Airport");

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, it is mutually agreed as follows:

1. EFFECTIVE DATE/DURATION

- 1.1. This Agreement is effective September 23, 2011.
- 1.2. This Agreement terminates at 11.59 p.m. on June 30, 2016, unless sooner terminated in accordance with Section 2 of this Agreement. This Agreement may be extended for subsequent five-year terms upon Agreement of the parties.

2. TERMINATION

- 2.1. This Agreement may be terminated by either party upon 30 days written notice to the other party. Termination under this section shall not affect any obligations or liabilities accrued prior to the effective date of termination.

3. PURPOSE

- 3.1. Prineville and Crook agree that Prineville shall manage the Crook County/Prineville Airport, which is located on property owned by Crook, as well as all improvements located on the Airport ("Facilities"). Certain Facilities located on the Airport property are leased by Crook to third parties. Except as otherwise provided herein, the Facilities shall be managed by Prineville.
- 3.2. Prineville shall be authorized to use all equipment owned by Crook and located at the Airport. Such equipment shall include, but not be limited to a fuel truck, dump truck and broom.

4. STATEMENT OF WORK

4.1.1. During the above-stated period, Prineville shall have exclusive management of the Airport, including all Facilities, as well as being an agent of Crook, and as such agent, shall provide all adequate arrangements and equipment, at the expense and subject to the approval of the parties for the operation and maintenance of the airport, together with all its facilities and appurtenances; shall make provisions for the leasing of ground and storage space for planes and other similar and dissimilar equipment of parties desiring to use the airport; and shall collect and, unless otherwise agreed by the parties, deposit such into the Airport Fund all sums collected for airport concessions, landing, storage, and other fees and rentals for ground, hangar, and waiting room space, after first deducting from those sums collected all disbursements for operating expenses. However, initial payments on hangar leases shall be the sole property of Crook and shall not be deposited into the Airport Fund.

4.1.2.

- (a) Prineville shall at all times keep and maintain the airport runways free and clear of any accumulations of dirt, debris, ice, snow, or other matter tending to interfere with their safe and proper use, and shall keep the waiting room and all its appurtenances in proper condition for the accommodation of passengers, visitors, and others rightfully on the premises.
- (b) Except for that part of the Airport premises being leased by or under the control of a third party, Prineville shall at all times keep and maintain all the airport premises free and clear of any growth of weeds, grass, sprouts, bushes, dumps, garbage or other matter of similar or dissimilar character tending to render

the premises unsightly, unsanitary, or unsafe for use as an airport.

- 4.1.3. Prineville shall operate the Airport entirely from revenues derived from the Airport and other funds dedicated by law and by Crook and Prineville through their respective budget processes for the operation and management of the Airport.
- 4.1.4. It is recognized that the County is the legal owner of the Airport property and improvements managed by Prineville. Prineville is subject to County policies with regard to capital improvements and said improvements shall be approved by the County Court.
- 4.1.5. Prineville shall establish and maintain an "Airport Fund". The Airport Fund shall be a component of the City of Prineville budget and subject to State law, local budget law and City policy. All moneys appropriated by the County Court from County funds, all monies appropriated by the City Council, all revenues derived from grounds and facility rental (except those specifically to be retained by Crook), shall be deposited in the Airport Fund. All expenditures approved by Prineville shall be paid from funds on deposit in the Airport Fund.
- 4.1.6. Prineville shall annually submit to Crook a proposed budget for Crook's consideration. Each party shall approve or modify such budget and submit it to its respective Budget Committee for further proceedings in accordance with the budget schedules and policies established by each party. Prineville shall originate and submit to its financial officer all requests for transfers within the Airport Fund, the appropriation of contingency funds, or supplemental budgets. Such requests shall be subject to each party's governing board approval or denial.
- 4.1.7. Crook shall continue to carry insurance on all Facilities and equipment owned by Crook even though the Facilities and equipment are managed and operated by Prineville. The cost of such insurance shall be paid from the Airport Fund.

5. CONSIDERATION

- 5.1. Crook and Prineville agree that the operation of the Airport serves the interests and needs of both parties and that such service constitutes the consideration for this Agreement.
- 5.2. Prineville and Crook may annually allocate general fund monies to the Airport Fund for the management and operation of the Airport. To the

extent revenues from operation of the Airport do not meet required expenses, the parties shall contribute equally to cover the shortfall.

- 5.3. Crook loaned money from its Road Department Fund for the purpose of retiring a debt to Home Federal Bank in the approximate amount of \$1,003,107.32. The loan by Crook County is to be repaid in part out of the proceeds of initial payments for hangar leases (in the approximate sums of \$21,000 or \$32,000 depending upon the size of the hangar property). It is understood and agreed by the parties that Crook currently holds approximately \$32,000 of such proceeds and will apply these funds to the balance of the loan upon execution of this Agreement. The remainder of the loan will be repaid through the sale or lease of other County-owned property currently restricted for disposition by the federal Aviation Administration. Annual hanger lease rental proceeds shall be contributed to the Airport Fund described in Section 4.1.5 and used for operating expenses in accordance with the Airport budget.

6. DELEGATION AND REPORTS

- 6.1. Prineville shall not delegate the responsibility for providing services hereunder to any other individual or agency and shall provide Crook with periodic reports at the frequency and with the information reasonably requested by Crook.
- 6.2. Upon 30 days prior notice to the other party, Prineville and Crook's governing bodies shall meet to discuss the Airport operation and management.

7. ASSIGNMENT

- 7.1. Neither this Agreement nor any of the rights granted by this agreement may be assigned or transferred by either party.

8. BINDING EFFECT

- 8.1. The terms of this Agreement shall be binding upon and inure to the benefit of each of the parties and each of their respective administrators, agents, representatives, successors and assigns.

9. AGENCY AND PARTNERSHIP

- 9.1. It is agreed by and between the parties that Prineville is carrying out a function on behalf of Crook and Prineville.
- 9.2. Neither party is, by virtue of this Agreement, a partner or joint venturing with the other party and neither party shall have any obligation with

respect to the other party's debts or liabilities of whatever kind or nature, except as otherwise provided herein.

10. INDEMNIFICATION

- 10.1. To the extent permitted by Article XI, Section 10, of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, Prineville shall defend, save, hold harmless and indemnify Crook and its officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities costs and expenses of any nature resulting from or arising out of, or relating to the activities of Prineville or its officers, employees, contractors, or agents under this Agreement.
- 10.2. To the extent permitted by Article XI, Section 10, of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, Crook shall defend, save, hold harmless and indemnify Prineville and its officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities costs and expenses of any nature resulting from or arising out of, or relating to the activities of Crook or its officers, employees, contractors or agents under this Agreement.
- 10.3. Neither party shall be liable to the other for any incidental or consequential damages arising out of or related to this Agreement. Neither party shall be liable for any damages of any sort arising solely from the termination of this Agreement or any part hereof in accordance with its terms.

11. NON-DISCRIMINATION

- 11.1. Each party agrees that no person shall, on the grounds of race, color, creed, national origin, sex, marital status, age or sexual orientation, suffer discrimination in the performance of this Agreement when employed by either party. Each party agrees to comply with Title VI of the Civil Rights Act of 1964, with Section V of the Rehabilitation Act of 1973, and with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. Additionally, each party shall comply with the Americans with Disabilities Act of 1990 (Pub. L. No. 101-366), ORS 659.425, and all regulations and administrative rules established pursuant to those laws.
- 11.2. Each party agrees to comply with Title VI of the Civil Rights Act of 1964, with Section V of the Rehabilitation Act of 1973, and with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

12. ATTORNEY FEES

12.1. In the event an action, lawsuit or proceeding, including appeal there from, is brought for failure to fulfill or comply with any of the terms of this Agreement, each party shall be responsible for their own attorney fees, expenses, costs and disbursements for said action, lawsuit, proceeding or appeal.

13. NO WAIVER OF CLAIMS

13.1 The failure by any party to enforce any provision of this agreement shall not constitute a waiver by that party of that provision or of any other provision of this Agreement.

14. SEVERABILITY

14.1. Should any provision or provisions of this Agreement be construed by a court of competent jurisdiction to be void, invalid or unenforceable, such construction shall affect only the provision or provisions so construed, and shall not affect, impair or invalidate any of the other provisions of this Agreement which shall remain in full force and effect.

15. HEADINGS

15.1. The headings of this Agreement are for convenience only and shall not be used to construe or interpret any provisions of this Agreement.

16. INCORPORATION OF RECITALS

16.1 The recitals set forth above are hereby incorporated into and made a part of this Agreement.

17. APPLICABLE LAW

17.1. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon.

18. ENTIRE AGREEMENT

18.1. This Agreement constitutes the entire Agreement between the parties concerning the subject matter hereof, and supersedes any and all prior or contemporaneous agreements or understandings between the parties, if any, whether written or oral, concerning the subject matter of this Agreement which are not fully expressed herein.

18.2. This Agreement may not be modified or amended except by a writing signed by both parties.

19. NOTICES.

19.1 All notices and other communications under this Agreement must be in writing and shall be deemed to have been given if delivered personally, sent by facsimile (with confirmation), or mailed by certified mail to the parties at the following addresses or facsimile numbers (or at such other address or facsimile number as a party may designate by like notice to the other party):

To Crook:
300 NE Third Street
Prineville, OR 97754
Attn: Mike McCabe, County Judge
Facsimile No.: 541-416-3891

To Prineville:
387 NE Third Street
Prineville, OR 97754
Attn: Steve Forrester, City Manager
Facsimile No.: 541-447-5628

Copy to Dave Gordon, County Counsel
300 NE Third Street
Prineville, OR 97754
Facsimile No. 541-416-3891

Copy to Carl M. Dutli, City Attorney
545 NE Seventh Street
Prineville, OR 97754
Facsimile No.: 541-447-7827

Any notice or other communications shall be deemed to be given a) on the date of personal delivery; b) at the expiration of the second day after the date of deposit in the United States mail; or c) on the date of confirmed delivery by facsimile.

DATED this ___ day of _____, 2011.

CITY OF PRINEVILLE

Betty Roppe, Mayor

Steve Forrester, City Manager

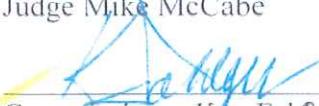
ATTEST:

Dated this ___ day of _____, 2011

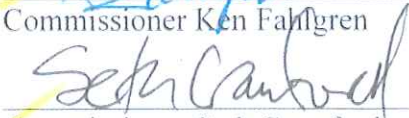
CROOK COUNTY COURT



Judge Mike McCabe

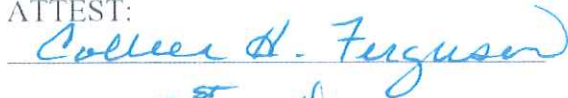


Commissioner Ken Fahlgren



Commissioner Seth Crawford

ATTEST:



Colleen H. Ferguson

Dated this 21st day of December 2011



Crook County Court Secretary