

**Request for Proposals**  
**Full Service Fixed Base Operator**  
**Tri-Cities Airport**

**TENTATIVE SCHEDULE OF EVENTS**

Issuance of Request for Proposals	4/29/24
Pre-Bid Conference & Site Tour	5/14/24, 1:00 pm local time
Requests for Clarifications Due	5/30/24, 3 pm local time
Response to Requests for Clarifications Issued	6/14/24
Proposals Due	7/9/24, 3 pm local time
Interview Hold Dates	7/15/24-7/19/24
Notice to Apparent Successful Proposer Issued	7/24/24

## I. SUMMARY AND BACKGROUND

### A. Summary

The Port of Pasco, Washington (the “Port”) is seeking proposals from qualified fixed base operators (“Proposers”) to provide full Fixed Base Operator (“FBO”) services at existing Port-owned facilities at the Tri-Cities Airport (the “Airport”). The Port intends to select one (1) Proposer that will enter into an agreement for provision of the services described herein. Proposers to this Request for Proposals (“RFP”) should demonstrate excellence in guest service, revenue management and enhancement strategies, the offering of various aeronautical services, and implementation of effective operations and maintenance procedures.

### B. Airport Background

#### *General Information*

The Airport is located in Franklin County, Washington, just two miles northwest of downtown Pasco. The Airport is the largest airport in the Southeastern Washington and Northeastern Oregon region, and the fourth largest commercial airport in the state. The Airport occupies approximately 2,335 acres. The property includes an Airport Business Center, industrial park, and property leased for agricultural purposes.

The Airport is owned and operated by the Port of Pasco, Washington. The Port is a self-governing municipal corporation managed by a three-member Board of Commissioners. The Airport is designated by the NPIAS as a Non-Hub Commercial Service Primary Airport.

The Airport has three runways:

- Runway 3L/21R is 7,711 feet long and 150 feet wide. The Runway 21R landing threshold is displaced by 600 feet, making the runway length available for landing is 7,111 feet (All Weather Instrument Approach);
- Runway 12/30 is 7,703 feet long and 150 feet wide. The Runway 30 landing threshold is displaced by 200 feet limiting the runway length available for landing to 7,503 feet (Crosswind Runway): and
- Runway 3R/21L is 4,423 feet long and 75 feet wide (Utility Runway).

More specific information about the runways, including technical specifications, protection zones, and approach procedures can be found in the [Airport's Master Plan](#). The Master Plan also contains comprehensive information about the terminal areas at the Airport, including storage areas, aircraft taxiways and taxi lanes, and aircraft aprons.

### *Aircraft Activity*

The Airport is served by six commercial airlines serving eleven non-stop destinations. Information regarding carriers and destinations served can be found [here](#). Statistics regarding passenger enplanement levels can be found [here](#).

Further, the Airport is home to over 120 based, jet, twin-engine business aircraft, helicopter, single-engine and experimental aircraft. Those aircraft are used by professional pilots, business professionals, corporate, and recreational aircraft owners.

Scheduled cargo service at the Airport is provided by two air carriers. Empire Airlines operating on behalf of Federal Express (“FedEx”) flies daily to Spokane. FedEx has a dedicated 49,100 square-foot sorting facility at the Airport and uses the air cargo apron. Charter cargo carrier Ameriflight flies to Portland and uses the GA ramp to transfer cargo. Alaska Airlines transports cargo in the belly compartments of its commercial aircraft.

### *Existing FBO Services and Fuel Sales*

A full range of aviation services are currently available at the Airport, including fueling services, airframe and power-plant mechanics, avionics sales and service, aircraft sales, aircraft rentals, charter operations, hangars and flight training. The Airport currently has one Fixed Base Operator, Bergstrom Aircraft, Inc. (“Bergstrom”), which provides both 100LL and Jet A fuel sales. Bergstrom contracts with the air carriers for fuel service. Bergstrom’s FBO facilities include a passenger waiting area and lounge, pilot lounge, and rest area. Services provided include sales of pilot supplies, aircraft maintenance, aircraft parts, flight training, aerial tours, rental cars, and oxygen/nitrogen services.

During the past five years (2019-2023), annual fuel flowage gallons at the Airport averaged 311,000 per year.

## II. LEASEHOLD DESCRIPTION

**A. Existing Leasehold and Facilities.** A map of the available premises is attached hereto as Exhibit A. The available premises generally consists of the following spaces:

- a. Existing Building: Approximately 7,000 square feet in building #70 located at 3704 N. Stearman Avenue, which presently consists lounge space, restrooms, office area, and certain unfinished spaces. Diagrams of the building are attached here to as Exhibit A-1.
- b. 2,200 square feet of land for fuel storage, available at an additional land lease rate; and
- c. Approximately 1/3 acre landside, which represents the space between Building #70 and N. Stearman avenue, consisting of an un-fenced gravel lot suitable for parking.
- d. If the proposer wishes to demolish the current facility and build new, that is acceptable. The Tenant and Port will negotiate an agreement in this case that considers the building’s current appraised value or other agreed upon value.

- e. Tie down space is not leasable for exclusive use. However, pursuant to the Lease, the successful Proposer will be granted the preferential right to use and occupy the paved ramp and aircraft parking areas depicted on Exhibit A.

## **B. Additional Opportunity and Improvements**

### *Investment in the Facilities*

The facilities described in Subsection A, above, are able to be leased as-is. However, the Port seeks an FBO that is meaningfully committed to the Airport and desires to make improvements to the facilities. As further described in Section V.F., below, Proposer should prepare a plan for investment in current and/or new facilities and be able to demonstrate its financial ability to implement the proposed plan.

### *Hangar Space/Fuel Farm Space*

Property adjacent to the existing leasehold is available to lease, in addition, for construction of aircraft hangars and/or a stand alone fuel farm. Proposer should indicate in Section F of the Proposal its desire, if any, to lease and make use of adjacent space to construct a hangar(s) or stand alone fuel form.

Port owned hangars could be made available for use for maintenance, at an additional lease rate.

## **III. RESPONSIBILITIES OF SUCCESSFUL RESPONDENT**

### **A. Services Provided**

- a. All services provided shall be consistent with (i) the requirements of the Tri-Cities Airport Minimum Standards (the “Minimum Standards”), as the same may be adopted by the Board and amended from time-to-time. The Minimum Standards are attached as Exhibit C.
- b. The successful Proposer must provide, at a minimum: aircraft fueling, to include Jet-A and AVGAS; commercial self-service fueling of AVGAS; aircraft line services; customer services; aircraft storage; and aircraft maintenance and repair.

**B. Adherence to Applicable Laws.** The successful Proposer will be subject to applicable local, state, and federal laws, rules, regulations, codes, ordinances, directives, and other similar regulatory measures, including, but not limited to, the Tri-Cities Airport *Rules and Regulations*, as the same may be adopted and amended from time to time, pertaining to all activities contemplated by this RFP and the Proposal.

**C. Ground Lease:** The successful Proposer shall enter into a Leasehold Agreement with the Port (the “Lease”), substantially in the form attached hereto as Exhibit B, the key business terms of which are summarized in the subsections below.

- a. Rent: The ground rent amount shall be consistent with the Airport's Leasing Policy, as the same may be amended from time to time. Rent shall increase on a 3-year cycle, consistent with the cost of the Consumer Price Index. The Airport's Leasing Policy is attached as Exhibit D. Tenant will also be responsible for paying Washington State Leasehold Tax on a monthly basis.
- b. Fuel Flowage Fee: Tenant shall pay to the Port a fuel flowage fee, as determined and adjusted by the Port from time to time, for each gallon of aviation fuel delivered for Tenant's consumption or sale at the Airport. The current fuel flowage fee is seven cents per gallon.
- c. Term: The Port intends for the initial lease term to be ten (10) years, with the potential for two five-year extension periods, depending on the standing of the Tenant at the time of the renewal option. An extended term could be considered during negotiations based on the amount of investment of the Proposer.
- d. Utilities: Tenant shall pay the consumption costs of all utilities on the Demised Premises.
- e. Permits: Tenant, at its sole risk and expense, shall obtain any and all required licenses, certificates, permits, or other authorizations from any and all authorities having jurisdiction over Tenant's activities authorized under the Lease.
- f. Insurance: During contract negotiations, the successful Proposer shall be required to provide copies of current insurance policies meeting the required coverages and limits in accordance with the Lease.

#### IV. MINIMUM QUALIFICATIONS

To be considered for evaluation and selection, a proposer must meet the minimum qualifications set forth below. Inability to meet the minimum qualifications set forth in this RFP will result in the rejection of the proposal and Proposer will be deemed non-responsive.

A proposer will be deemed to meet the minimum qualification upon submission of a fully executed Certification of Minimum Qualifications form found in Appendix 1 certifying that the Proposer:

- Has been in continuous existence as a fixed base operator business for at least the last five (5) years, preferred, or other relative experience;
- Has performed FBO services for at least three (3) airports having a based aircraft population of over one hundred (100) aircraft similar to the mix and type of aircraft based at the Airport, preferred, or other relative experience;
- Has financing available to develop the capital investments proposed in their Proposal; and
- Has the financial resources to operate a FBO that meets the requirements of the Airport's Minimum Standards shown in Exhibit C.

#### V. PROPOSAL ORGANIZATION AND CONTENT

The proposal shall be organized in sections consistent with and in the order of Subsections A-H, below. Proposals are limited to fifty (50) single-sided pages. The following items are **not** counted toward the page limit: required forms (Appendix 1) and audited financial statements.

- A. Required Certifications and Forms:** Proposer shall complete and sign (where required) the forms attached hereto, which are:
- a. Form #1: Certification of Minimum Qualifications
  - b. Form #2: Signature Page
  - c. Form #3: General Information
  - d. Form #4: Litigation Disclosure
- B. Executive Summary** (limit 2 pages): Proposer shall highlight, in concise terms, the key elements of its Proposal.
- C. Financial Ability to Perform:** Proposer shall demonstrate its ability to perform the Agreement and any capital improvements described in its Proposal, supported by the following information:
- a. Audited financial statements for the Proposer's two (2) most recent fiscal years, demonstrating its financial ability to successfully execute its Proposal, including any proposed capital investment, and a statement of any significant financial events affecting the Proposer occurring after the closing date of the most recent financial statement.
  - b. A five-year financial pro forma, beginning with proposed Lease Year 1, that incorporates the following:
    - i. Anticipated itemized revenues from fuel sales, ground handling, and any other gross receipts from the operation of the FBO;
    - ii. Anticipated itemized expenses, including, but not limited to, salaries and benefits, marketing, maintenance, insurance, technology and connectivity costs, administrative, and other operating expenses;
    - iii. Anticipated debt service and other financing costs, including, but not limited to, the amortization of any cash capital contributions used to fund capital expenditures; and
- D. Past Performance and Industry Experience:** Demonstrate Proposer's past performance and industry experience supported by, the following information:
- a. Preferred, at least three (3) examples of other FBO locations that demonstrate the Proposer's experience managing and maintaining facilities similar to this opportunity. Each of these examples shall demonstrate the Proposer's ability to provide the following services for operators: aircraft fueling (including Jet-A and AVGAS), commercial self-service fueling of AVGAS, aircraft line services, customer services, aircraft storage, and aircraft maintenance and repair; or other relative experience.
  - b. Name, title, phone number, and email address for each reference, from an airport authority or aviation governing body for whom the Proposer has provided relevant services and who can act as sources of information relating to the Proposer's past performance.
  - c. An organizational chart, identifying proposed key personnel and their associated qualifications. The organizational chart must include, at a minimum, the personnel

described in Section 10.6 (Staffing and Personnel Qualifications) of the Minimum Standards.

**E. Operations and Management Plan:** Present a detailed and comprehensive plan to operate and manage the FBO. At a minimum, the components of the plan shall address the following:

- a. Aeronautical services to be offered by Proposer, including but not limited to those set forth in the Minimum Standards;
- b. Proposer's ability to accommodate, at a minimum, the average annual number of general aviation operations historically served at the Airport;
- c. Proposer's proposed local staffing structure that demonstrates coverage for, at a minimum, the required staffing and hours of operation set forth in the Minimum Standards;
- d. An inventory of equipment to demonstrate the Proposer has available, or is able to facilitate the provision of, the equipment required to provide FBO services, as outlined in the Minimum Standards;
- e. Proposer's description of its approach to providing a first-class guest experience. Proposer shall include in this section the metrics that the Proposer uses to measure guest service and track the impact of various guest experience enhancements the Proposer has implemented in other airports within Proposer's existing network, if applicable; and

**F. Capital Investment:** Describe Proposer's proposed investment and improvements in the Demised Premises, including

- a. Proposed construction schedule indicating key milestone dates and activities, critical path items, date of beneficial occupancy, and date of substantial completion;
- b. Estimate of costs of the proposed improvements; and
- c. While the Airport does not have established design guidelines, it is the intent of the Port that any proposed improvements are consistent with the exterior look and feel of the passenger terminal building and present a cohesive campus feel to the Airport environment.

## VI. SUBMISSION PROCEDURES

**A. Pre-Bid Conference and Site Tour.** A Pre-Proposal Conference (the "Conference") and tour of the available premises will be held on Tuesday May 14, 2024 at 1:00 pm PST. The Conference will be held in the Airport Conference Room, located on the second floor of the terminal. Staff will be available to present a brief overview of the proposed Lease, answer questions about the scope of services, available premises, and selection process. The Conference and tour are anticipated to last a total of two hours.

**B. Questions**

- i. Proposer is responsible for satisfying itself as to the conditions affecting the requirements of this RFP. Any failure of Proposer to acquaint itself with the requirements of this RFP shall not relieve it from estimating properly the difficulty or cost of successful performance. The Port assumes no responsibility for any conclusions or interpretations made by Proposer based on the information made available by the Port.
- ii. Any questions or inquiries related to this solicitation must be made in writing to Tara White, taraw@portofpasco.org, and submitted no later than 3:00 P.M. PST, on Thursday, May 30, 2024. Questions received after the stated deadline will not be answered.
- iii. All questions submitted in accordance with the requirements stated above will be answered in writing and provided to all proposers no later than 4:00 P.M. PST, on Friday June 14, 2024.
- iv. All proposers interested in this solicitation (including proposers' employees, representatives, agents, lobbyist, attorneys, and sub consultants) will refrain, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process. This policy is intended to create a level playing field for all potential proposers, assure that contract decision is made in public, and to protect the integrity of the selection process.

**C. Submission.** Each respondent must submit (1) hardcopy original of the Proposal, and one (1) electronic copies of their Proposal on a USB drive. The electronic copies and the hardcopy original must be identical. The proposal due date is Tuesday July 9, 2024 by 3 pm local time.

The envelope/package containing the original copy and hardcopies of the Proposals shall be marked:

**RFP - FULL SERVICE FIXED BASE OPERATOR**

and should be delivered to:

Tri-Cities Airport  
Airport Business Manager  
3601 N. 20<sup>th</sup> Avenue  
Pasco, WA 99301  
Attn: Tara White

## VII. SELECTION PROCESS

**A. Evaluation Panel.** The Port may designate an evaluation panel to be comprised of selected Port staff and subject matter experts, free of conflicts of interest, to review and score each Proposal independently. The evaluation panel will be responsible



for developing an ordinal ranking of proposers based on each panel member’s independent review. The evaluation panel will present its ordinal rankings to the Port Commission, who shall be responsible for selecting the apparent successful Proposer to begin contract negotiations.

The Port reserves the right to request and conduct oral interviews of any or all proposers, including a preselection list of the best qualified proposers based on an initial review of the proposal against the selection criteria enumerated herein.

**B. Selection Criteria and Scoring.**

<b>Criteria</b>	<b>Point Value</b>
<b>Financial Ability to Perform</b> <ul style="list-style-type: none"> <li>• Financial documentation provided supports Proposer’s financial capacity to deliver the proposed services and capital improvements</li> </ul>	<b>35</b>
<b>Past Performance and Industry Experience</b> <ul style="list-style-type: none"> <li>• Past performance and experience demonstrate Proposer’s ability to successfully carryout and maintain and operation of this type, size, and complexity.</li> </ul>	<b>20</b>
<b>Operations and Management Plan</b> <ul style="list-style-type: none"> <li>• Plan demonstrates Proposer’s ability to run a first-class operation in an efficient manner, and all aspects of the plan meet or exceed the Minimum Standards</li> </ul>	<b>25</b>
<b>Capital Investment</b> <ul style="list-style-type: none"> <li>• Proposed capital investments make sense in the context of the services offered and demonstrate a commitment to meaningfully improving the facilities and the Airport environment at large</li> </ul>	<b>20</b>
<b>Total Points Available:</b>	<b>100</b>

**C. Lease Agreement.** The Port Commission will notify the apparent successful respondent for the purpose of initiating contract negotiations, on the basis of the form of lease attached hereto as Exhibit B. If the parties are unable to reach an agreement, the Port may move on to the second highest ranked Proposer. Upon completion of negotiations, the resulting contract will be presented to the Port Commissioners for approval. The Port assumes no responsibility for any costs or expenses incurred by any respondent, including the apparent successful respondent, unless and until the Port makes an award by execution of a contract.

**VIII. GENERAL CONDITIONS**

**A. Reserved Rights of the Port**

- i. The Port reserves the right to reject all, or portions of any or all, proposals. The Port may, at its sole discretion, withdraw this RFP, re-advertise, extend deadlines, waive irregularities and technicalities, or modify or amend any

and all provisions herein. The Port will not pay for any information herein requested, nor is it liable for any costs incurred by the participating proposer. The Port reserves the right to extend the RFP submittal date if needed. All changes and/or clarifications will be distributed to all those indicating interest in this RFP in the form of addenda. Any award as a result of this procurement shall be contingent upon the execution of an appropriate contract.

- ii. If a selection cannot be made on the basis of the proposals, the Port reserves the right to select the most qualified proposer(s) to provide additional information and, if warranted, detailed interviews. No proposer shall be entitled to, or otherwise be guaranteed, an interview.
- iii. The Port is a municipal corporation of the state of Washington and, as a result, the proposal and other documents associated with this procurement may become public records subject to disclosure under the Washington Public Records Act (Chapter 42.56 Revised Code of Washington) upon submission to the Port. Each proposer shall be responsible for identifying any information in its submittal that it believes is subject to an exception from disclosure under state law.

**B. Costs.** Any cost or expense incurred by the proposer that is associated with the preparation of the Proposal during any phase of the selection process, shall be borne solely by proposer.

**C. Title VI Solicitation Notice.** The **Port** in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, small businesses or disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award.

**EXHIBIT A: PREMISES**

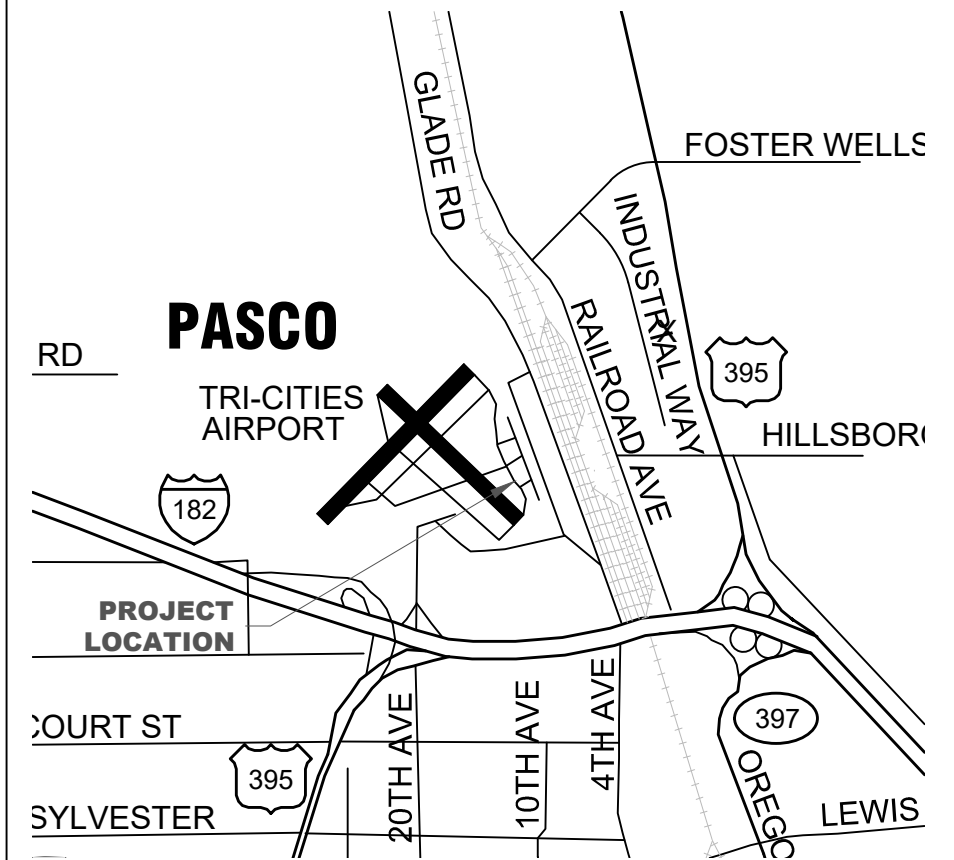
# TRI CITIES AIRPORT FIXED BASE OPERATOR (FBO) RFP

3704 STEARMAN AVE

PASCO, WA

SHEET NO.	TITLE
G-01 PH-01	PROJECT LOCATION & INDEX PHOTOGRAPHS
<u>EXHIBITS</u>	
EX-A EX-A1	SITE PLAN FLOOR PLAN

## SHEET INDEX



### SITE PLAN

**TRI-CITIES  
AIRPORT • PSC**  
3601 N. 20th Avenue  
Pasco, WA 99301  
P: 509.547.6352  
F: 509.547.9040  
www.portofpasco.org

TRI CITIES AIRPORT  
TRI CITIES AIRPORT FIXED BASED OPERATOR (FBO) RFP  
PASCO, WA

PROJECT LOCATION AND INDEX

APPROVAL		
DRAWN	TF	4/25/24
DESIGN		
CHECKED		
APPROVED		

NTS

### PROJECT VICINITY MAP

No.	REVISIONS	DATE	DRWN	CHKD	DESIGN	APPD	DWG. No.
							G-01
SCALE: NOTED							
CADFILE: FBOG01							
JOB No.							REV. 0





DEMISED PREMISES —  
 PARKING —  
 PREF APRON —



**TRI-CITIES**  
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TRI CITIES AIRPORT  
 TRI CITIES AIRPORT FIXED BASED OPERATOR (FBO) RFP  
 PASCO, WA

SITE PLAN

APPROVAL		
DRAWN	TF	4/25/24
DESIGN		
CHECKED		
APPROVED		

No.	REVISIONS	DATE	DRWN	CHKD	DESIGN	APPD

DWG. No.	EX-A
SCALE:	AS NOTED
CADFILE:	FBOEXA
JOB No.	
REV.	0

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**DISCLAIMER:**

- INTERIOR WALL LOCATIONS MAY BE DIFFERENT THAN SHOWN ON DRAWING.
- DRAWING IS NOT TO SCALE

**TRI-CITIES AIRPORT-PSC**  
 3601 N. 20th Avenue  
 Pasco, WA 99301  
 P: 509.547.6352  
 F: 509.547.9040  
 www.portofpasco.org

TRI CITIES AIRPORT  
 TRI CITIES AIRPORT FIXED BASED OPERATOR (FBO) RFP  
 PASCO, WA

FLOOR PLAN

APPROVAL		
DRAWN	TF	4/25/24
DESIGN		
CHECKED		
APPROVED		

No.	REVISIONS	DATE	DRWN	CHKD	DESIGN	APPD

DWG. No. **EX-A1**  
 SCALE: AS NOTED  
 CADFILE: FBOEXA1  
 JOB No.      REV. **0**



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PASCO, WA

PHOTOGRAPHS

APPROVAL		
DRAWN	TF	4/25/24
DESIGN		
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APPROVED		

No.	REVISIONS	DATE	DRWN	CHKD	DESIGN	APPD

DWG. No.	PH-01
SCALE:	NOTED
CADFILE:	FBOPH01
JOB No.	
REV.	0

**EXHIBIT B – SAMPLE FORM OF LEASEHOLD AGREEMENT**



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- Exhibit A: Premises
- Exhibit B: Reserved
- Exhibit C: Non-Discrimination
- Exhibit D: Maintenance

**LEASEHOLD AGREEMENT**

THIS LEASE ("Lease"), entered into this \_\_\_ day of \_\_\_\_\_ 202\_\_ ("Execution Date") by and between the PORT OF PASCO, a Washington municipal corporation (hereinafter referred to as the "Port") and \_\_\_\_\_, a Washington corporation (hereinafter referred to as the "Tenant"). The Port and Tenant are sometimes referred to jointly throughout this Lease as the "Parties".

**RECITALS**

WHEREAS, the Port is the owner and operator of the Tri-Cities Airport in Pasco, Washington (the "Airport");

NOW, THEREFORE, in consideration of the rentals, fees and charges to be paid and in consideration of the covenants herein contained, the Port and Tenant agree as follows:

1. PROPERTY OWNERSHIP/USE OF DEMISED PREMISES
  - a. FBO Facility and Ground Vehicle Parking Lot. Tenant shall have the right to exclusively use and occupy the FBO Facility as depicted on **Exhibit A**. Tenant shall also have joint use and of the Ground Vehicle Parking Lot depicted in **Exhibit A** for use by employees, customers, visitors, and the general public, whether or not the general public is doing business with Tenant. Together, the FBO Facility and Ground Vehicle Parking Lot shall be referred to as the "Demised Premises". Tenant has, prior to the execution of this Lease, examined the Demised Premises and all improvements thereon and accepts and receives the Demised Premises and its improvements in an AS IS condition with no warranties of any kind, expressed or implied, either oral or written, made by the Port or any of its agents or representatives. Tenant's use of the Ground Vehicle Parking Lot does not include any subleasing or collecting of revenue for use of the Ground Vehicle Parking Lot.
  - b. Ramp and Apron. Upon the Effective Date, Tenant shall have a preferential right to use and occupy the paved ramp and aircraft parking areas, which areas are depicted on **Exhibit A**; except that the Port reserves the right to reallocate portions of the ramp and aircraft parking area to another commercial aeronautical service provider as may be required in order to satisfy the Airport Minimum Standards. In no event shall Tenant use or occupy any portion of the Movement Area of the Airport for aircraft parking or storage.
  - c. Tenant's use and occupancy of the Demised Premises shall only be for purposes reasonably related to Tenant's business operations as an FBO. Tenant further agrees that it will not use or knowingly permit the Demised Premises to be used for any other purpose, for any unlawful

purpose, for any purpose that would unreasonably cause an increase in the rate of insurance on said Demised Premises, or for any purpose not reasonably related to Tenant's business operations that would unreasonably and materially disturb other tenants of the Airport. Tenant shall not allow the Demised Premises, or any improvement thereon, to remain vacant or unoccupied for a period of one hundred eighty (180) or more consecutive days (other than for renovations or remodeling or due to casualty or condemnation).

- d. Tenant shall use the Demised Premises for the purpose of operating an FBO in accordance with the Minimum Standards for the Tri-Cities Airport, as the same may be hereafter adopted and amended by the Port (the "Airport Minimum Standards"). Solely for purposes of illustration and without limitation, Tenant agrees to comply with Section 9 (Standards Applicable to All Commercial Aeronautical Operators) and Section 10 (Fixed Base Operators) of the Airport Minimum Standards.
- e. Tenant shall furnish commercial aeronautical services on a reasonable, and not unjustly discriminatory, basis to all users of the Airport. Tenant shall charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that Tenant is allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. Tenant shall provide thirty (30) days' advance written notice to the Port of any new or revised fees to be imposed on and collected from Tenant's customers.
- f. It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right to Tenant to conduct any aeronautical activity at the Airport within the meaning of 49 U.S.C. § 40103(e) or FAA Advisory Circular 150/5190-6, as the same may be amended from time to time.
- g. The Port reserves the right, upon written notice to Tenant, to grant utility and maintenance easements and rights-of-way for itself and others over, under, through, across, or on the perimeter of the Demised Premises provided that such use will not unreasonably or materially interfere with Tenant's use of the Demised Premises and provided further that such reservation or grant of rights shall not result in cost or expense to Tenant.

## 2. LEASE TERM

The term of this Lease shall commence on the date first set forth above ("Effective Date") and shall terminate on the tenth (10<sup>th</sup>) anniversary of the Effective Date ("Expiration Date"). The period between the Effective Date and the Expiration Date shall be referred to herein as the "Initial Term".

## 3. RENEWAL AND HOLDING OVER

- a. Tenant shall have the option to renew this Lease for two (2), five (5) year periods (the "Option Term(s)"), provided Tenant is in full compliance with the terms and conditions of this Lease and any amendments thereto in effect at the time it elects to renew. Tenant must also show evidence of insurance relative to the increase in coverage detailed in Section 18 of this lease. Tenant shall exercise such option by giving written notice to the Port not more than 365 days and not less than 90 days prior to the expiration of the Initial Term or Option Term, as the case may be. Any Option Term shall be on the same terms and conditions of this Lease, except for Rent during the Option Term, which shall be modified as set forth in Section 4(b) below. The Initial Term and Option Term(s), if any, together shall constitute the "Term".
- b. The Port may permit Tenant to hold over beyond the Expiration Date in order for the Port to conclude a procurement process or to prepare for a follow-on tenancy by Tenant or another business selected by the Port. The Port will notify Tenant in writing of Port's offer of a holdover

tenancy. Within thirty (30) days of receipt of Port's notice, Tenant shall notify Port in writing as to Tenant's acceptance of said holdover tenancy. If Tenant fails to so notify Port in writing within said thirty-day period, Tenant shall be deemed to have rejected Port's offer of holdover tenancy.

- c. If the Port permits Tenant to holdover, such a holding over shall not be deemed a renewal or extension of this Lease but shall create a month-to-month tenancy on the same terms and conditions as this Lease in effect immediately prior to the commencement of the holding over. The Port may terminate any holdover tenancy upon thirty (30) days' written notice to Tenant. Except as specified in this Section 3, Tenant may not otherwise remain on the Demised Premises for any reason beyond the Expiration Date.

4. RATES, FEES AND CHARGES

- a. Tenant hereby covenants and agrees to pay for the Demised Premises, upon the Effective Date and throughout the Term, rent in the amounts and manner and subject to the terms set forth in this Section 4 (the "Rent").

Rent as of the Effective Date. Tenant agrees to pay as rental for the leased Premises the sum of \_\_\_\_\_ (\$ per month.) Tenant shall pay all leasehold taxes due and owing on all taxable rent consistent with RCW Chapter 82.29A relating to leasehold excise tax, and any subsequent revision and amendments thereto. Taxable rent includes contract rent which is the amount of consideration due as payment for a leasehold interest, including the total of cash payments made to the Port, or to any other party for the benefit of the Port according to the requirements of the Lease agreement, including, but not limited to: any payments paid by a subTenant; expenditures for the protection of the Port's interest when required by the terms of the Lease or agreement; and expenditures for improvements to the property to the extent that such improvements become the property of the Port. The rent for each month shall be paid to the Port in advance on or before the first day of each and every month of the lease term and shall be payable at such place as the Port may hereafter designate.

Tenant acknowledges that late payment by Tenant to Port of Rent or other sums due hereunder will cause Port to incur costs not contemplated by this Lease, the exact amount of which would be extremely difficult and impractical to ascertain. Those costs include, but are not limited to, processing expenses, accounting expenses, and legal fees. Therefore, in the event Tenant fails to pay any installment of Rent or any other sum due hereunder within thirty (30) days after that amount is due, Tenant shall pay to Port, as Additional Rent, a \$100.00 late charge. Waiver of the late charge with respect to any installment or sum will not be deemed to constitute a waiver with respect to any subsequent late charge, which may accrue. In the event any amount so due is delinquent for a period in excess of thirty (30) days, Tenant shall pay Port an additional late charge, computed at the rate of 1½% per month upon the total amount so overdue and for each day following its due date that the payment is delinquent. Tenant shall pay Port a standard charge for each returned check based upon the amount banks are then charging. Tenant shall also pay the sum of \$100.00 for the service of any notice associated with a default of any kind by Tenant to reimburse Port for the cost of the preparation and service of such notice.

- i. Other Charges. All other charges owed for payments described in this Section 4 shall be due ten (10) days from the date such charges are billed by the Port.

b. After the lease has run for the first three (3) years, or for any succeeding three (3) year period (s), any increased rental to be paid by the Tenant and charged by the Port shall be determined as outlined in this section as the rental for each succeeding three (3) year period. The nearest quarterly consumer price index (hereinafter called the Index) to the commencement date of the initial term of this lease, or the commencement date of any current succeeding rental adjustment period, shall be the base Index and it shall be based on the data Index for

all items of the Bureau of Labor Statistics of the United States Department of Labor for all Western Small Cities. The quarterly Index issued nearest in point of time to the date at the end of the then current rental period shall be the current Index. The current Index number shall be divided by the base Index number. From the quotient thereof, there shall be subtracted the integer 1, and any resulting positive number shall be deemed to be the percentage of increase in the cost of rent for the succeeding period. The rent being paid in the current rent period shall be multiplied by the percentage increase to establish the rent increase which shall be added to the current rent to establish the new rental for the next succeeding period. Provided further that any increase during such three-year interval shall be limited and shall be no more than fifteen percent (15%) over the rental determined at the previous three year determination.

The Port shall, within a reasonable time after obtaining the appropriate data necessary for computing such increase, give the Tenant notice of any increase so determined, and the Port's computation thereof shall be conclusive and binding but shall not preclude any adjustment which may be required in the event of a published amendment of the Index figures upon which the computation was based unless the Tenant shall, within 60 days after the giving of such notice, notify the Port of any claimed error therein. If, at the time required for the determination of the additional rent the Index is no longer published or issued, the parties shall use such other index as is then generally recognized and accepted for similar determination of purchasing power. Any dispute between the parties as to any such rental computation shall be determined by arbitration. If arbitration is requested by either party, then each party shall notify the other party of their choice of one arbitrator each, and each party shall instruct their arbitrator to meet with the arbitrator selected by the other party, and it shall be their duty to mutually agree upon a third arbitrator. These three arbitrators shall then, as soon as practicable, meet to determine what rental adjustment, if any, should be made in accordance with the above guidelines. The majority decision of such arbitrators shall be binding upon both parties thereto. Each party shall be responsible for the fee charged by their selected arbitrator and shall bind themselves to share equally in the fee charged by the third arbitrator. In the event the decision of the arbitrators, or the Port where arbitration is not involved, is not available before the commencement of the next succeeding rental term, the Tenant shall continue to pay rent at the then current rental rate and any change in that amount made by the arbitrators, or the Port where arbitration is not involved, shall be promptly paid retroactively by the Tenant. If either party fails to appoint an arbitrator or if the two arbitrators that are appointed fail to select a third arbitrator within a reasonable time, either party shall have the right to apply to the Superior Court of Franklin County, State of Washington, for appointment of an arbitrator.

In lieu of the automatic increase in Rent determined as hereinabove provided, either party may elect to have the rental adjusted as of any Rental Adjustment Date as follows:

Ninety (90) days or more prior to a particular Rental Adjustment Date, either party may notify the other in writing of its election to have the Rent established at fair market value as herein after determined, in lieu of the CPI adjusted Rent. The Port and Tenant shall attempt to agree upon Rent for the Premises until the next Rental Adjustment Date, or the expiration of the term of the Lease, as the case may be (the "Succeeding Period"), such Rent to equal at least one hundred percent (100%) of the fair market rental value of the Premises for the Succeeding Period. If the parties are unable to agree upon the Rent for the Succeeding Period within thirty (30) days, then within ten (10) days thereafter each party, at its own costs and by giving notice to the other party, shall appoint a real estate appraiser with at least five (5) years full-time commercial real estate appraisal experience in the area in which the Premises are located to appraise and set Rent for the Succeeding Period. If a party does not appoint an appraiser within ten (10) days after the other party has given notice of the name of its appraiser, the single appraiser appointed shall be the sole appraiser and shall set Rent for the Succeeding Period. If there are two appraisers appointed by the parties as stated in this paragraph, they shall meet promptly and attempt to set Rent for the Succeeding Period. If the two appraisers are unable to agree within thirty (30) days after the second appraiser has been appointed, they shall attempt to select a third appraiser meeting the qualifications stated in this paragraph within ten (10) days after the last day the two appraisers were given to set Rent. If the two appraisers are unable to agree on the third appraiser within such ten (10) day period, either of the parties to this Lease, by giving ten (10) days' notice to the other party, may apply to the presiding judge of the Superior Court of Franklin County, for the selection of a third appraiser meeting the qualifications stated in this paragraph. Each of the parties shall bear one-half (1/2) of the cost of appointing the third appraiser and of

paying the third appraiser's fee. The third appraiser, however selected, shall be a person who has not previously acted in any capacity for either party.

Within thirty (30) days after the selection of the third appraiser, a majority of the appraisers shall set Rent for the Succeeding Period. If a majority of the appraisers are unable to set Rent within the stipulated period of time, the three appraisals shall be added together and their total divided by three (3). The resulting quotient shall be the Rent for the Premises during the Succeeding Period. If, however, the low appraisal and/or the high appraisal is/are more than five percent (5%) lower and/or higher than the middle appraisal, the low appraisal and/or the high appraisal shall be disregarded. If only one (1) appraisal is disregarded, the remaining two (2) appraisals shall be added together and their total divided by two (2), and the resulting quotient shall be Rent for the Premises during the Succeeding Period. If both the low appraisal and the high appraisal are disregarded as stated in this paragraph, the middle appraisal shall be Rent for the Premises during the Succeeding Period. In setting Rent, the appraiser or appraisers shall not take into consideration any properties located outside of the geographic location of the Premises.

After Rent for the Succeeding Period has been set, the appraisers shall immediately notify the parties thereof in writing, certified mail, return receipt requested.

In no event shall any appraisal procedures provided for herein, nor any determination by the parties hereto, result in Rent for any period being less than Rent for the immediately preceding period.

- c. All amounts due and payable by Tenant to the Port hereunder shall be paid at the office of the Director of Airport, Tri-Cities Airport, 3601 N. 20<sup>th</sup> Avenue, Pasco, Washington 99301 or the Port of Pasco, 1110 Osprey Pointe Boulevard, Suite 201, Pasco, Washington 99301.

## 5. BOND

Tenant shall, upon execution of this Lease, file and maintain with the Port a good and sufficient corporate surety bond or such other security as the Port may require in accordance with the requirements of the laws of the State of Washington, the form and terms of which bond or other security shall be subject to the approval of the Port, in the sum of \_\_\_\_\_ (\$) conditioned upon the full performance by Tenant of the terms and conditions of this Lease and the payment by Tenant of the rents and all other amounts herein provided for the full Term hereof.

## 6. SERVICE, UTILITIES, AND TAXES

- a. The Tenant shall be liable for and shall pay, throughout the term of this lease, all charges for all utility services furnished to the premises, including, but not limited to, electricity, gas, water, sewer and garbage disposal. The Tenant shall make application directly to Public Utility District No. 1 of Franklin County for its own electric meter and to any qualified electrical contractor for a meter base and meter loop, all at the expense of the Tenant. A water meter is required and it shall also be paid for and installed at the expense of the Tenant. In the event a water meter is necessary, it also shall be paid for and installed at the expense of the Tenant. Any Tenant not having a water meter and having a water type air conditioner on the Premises shall equip and maintain said air conditioner with a fully operating return pump at all times.
- b. Tenant shall be liable for and shall pay, throughout the Term, all license and excise fees and occupation taxes covering the business conducted on the Demised Premises and all taxes on property of Tenant on the Demised Premises and any taxes there may be on leasehold interest created under this Lease. At the present time, since the Port is a municipal corporation, there is no real property tax assessed on realty owned by it. Should such a tax be assessed or if a tax in

lieu of such a tax is assessed, Tenant agrees to pay the same promptly and before delinquency on that portion of it allocable to the Demised Premises.

- c. Should the real estate hereby leased, or any portion thereof, be specifically benefited by any local improvement district now in existence or hereafter formed by any other governmental entity such that an L.I.D. assessment is made as to such specially benefited property, Tenant covenants and agrees to pay to the Port annually, during the Term and any extensions thereof, a sum of money equal to that which the Port would be required to pay annually as to such property under the lengthiest payment schedule available to assessed property owners within the district.

## 7. NON-DISCRIMINATION

Tenant shall comply with the non-discrimination requirements contained in **Exhibit C**, attached hereto and made a part hereof.

## 8. COMPLIANCE WITH PUBLIC ACCOMMODATION LAWS

Tenant warrants that, in managing and operating the New FBO Facility, it will comply with all applicable laws, regulations and building codes governing non-discrimination in public accommodations and commercial facilities ("Public Accommodation Laws"), including, without limitation, the requirements of the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.*) and all rules and regulations made on the basis of authority granted in that Act, and that the Demised Premises will remain in compliance with all Public Accommodation Laws throughout the Term.

## 9. LICENSES, CERTIFICATES, AND PERMITS

Tenant, at its sole risk and expense, shall obtain any and all required licenses, certificates, permits, or other authorizations from any and all authorities having jurisdiction over Tenant's activities authorized under this Lease. Tenant shall not engage in or permit others to engage in activities on the Airport in violation of any license, certificate, permit, or other authorization. If the attention of Tenant is called to any such violation, Tenant will immediately notify the Port and cease and desist from and immediately cause to be corrected such violation. Tenant shall pay all penalties, fines, costs, or expenses associated with any such violation or correction.

## 10. ALTERATIONS, ADDITIONS AND IMPROVEMENTS

- a. Tenant shall have the right, with the prior written consent of the Port, which consent shall not be unreasonably withheld, conditioned or delayed, to make nonstructural and/or interior alterations to the Demised Premises ("Alterations"). If prior written consent is obtained pursuant to this provision, Tenant shall do the following in making any such Alterations:
  - i. Notify the Port at least seven days prior to commencement of the Alterations;
  - ii. Require contractors to furnish satisfactory evidence of insurance;
  - iii. Comply with all applicable local, state or federal laws, regulations, codes or ordinances affecting the Alterations and the Demised Premises; and
  - iv. Pay all subcontractors and suppliers of material and labor incurred in connection with the Alterations and ensure that any liens filed against the Demised Premises as a result of such Alterations shall be removed within 30 days of receipt of written notice of such liens.
- b. In the event any alterations or improvements shall be made or fixtures (other than trade fixtures which can be removed without injury to the Demised Premises) installed by Tenant, such improvements or fixtures shall at once become the property of the Port. Should the Port grant

permission for Tenant to install a sub-ceiling in any building in which there is installed a sprinkler system, Tenant shall install a sprinkler system approved by the Washington Surveying and rating Bureau under any new sub-ceiling area.

- c. Tenant's personal property, trade fixtures, furnishings, and equipment located on or in the Demised Premises shall remain Tenant's property for all purposes and shall be removed by Tenant upon expiration or earlier termination of this Lease. Within ninety (90) days after the expiration or earlier termination of this Lease, Tenant shall repair any damage to the Demised Premises, and leave the Demised Premises in suitable condition, subject to casualty, condemnation and ordinary wear and tear. Notwithstanding the foregoing, Tenant shall have no obligation to remove any improvements on the Demised Premises.

#### 11. REPAIR AND MAINTENANCE OF DEMISED PREMISES

Tenant shall keep and maintain the improvements on the Demised Premises in good order and repair throughout the Term, subject to reasonable wear and tear, shall make all necessary repairs thereto, including, without limitation, all non-structural repairs. In the event Tenant fails to undertake the repairs required hereunder in a reasonably timely fashion, the Port in addition to the other remedies provided herein, shall have the right to make such repairs, at Tenant's cost and expense; provided Port first gives Tenant written notice of Port's election to make such repairs and Tenant shall keep the Demised Premises in a clean and healthful condition according to all applicable governmental statutes, rules, ordinances and regulations, the Port's rules and regulations, and any direction of duly authorized public officers throughout the Term, all at Tenant's cost and expense. Tenant shall repair all damage either structural or non-structural to the Demised Premises caused by the negligence or willful misconduct of Tenant, its employees, agents, independent contracting parties, servants, or invitees. The list as included as Exhibit D summarizes the major maintenance responsibilities of the Tenant and the Port. This list is not all inclusive but meant as a summary of frequent maintenance issues.

- a. The Port shall, at its sole expense, maintain the roof of the Demised Premises but shall not be liable for any damage caused by the condition of such roof or roofs unless Tenant shall have first given written notice to the Port of the defective condition and the Port shall have neglected to have the same repaired within a reasonable period of time after receiving such written notice.
- b. All repairs shall be:
  - i. Made with due diligence, in a good and workmanlike manner and in compliance with all laws, ordinances, orders, rules, regulations, or other governmental requirements;
  - ii. Promptly and fully paid for by Tenant or Port as outlined in Exhibit D.
  - iii. To the extent reasonably necessary, made under the supervision of an architect or engineer reasonably satisfactory to the Port and in accordance with the plans, specifications, and cost estimates approved by the Port prior to the commencement of work. The Port may designate a supervising architect to assure compliance with the provisions of this paragraph, and if it does, Tenant shall pay reasonable supervising architect's charges.
- c. Tenant will keep all trade and other fixtures, equipment, and personal property which are located on any part of the Premises in a clean and orderly condition and appearance; and
  - i. Provide and maintain fire extinguishers) and all other equipment of every kind and nature required by any law, rule, order, ordinance, resolution or regulation of any competent authority; and



- ii. Repair any damage to the surfaces of the Premises caused by use of the surfaces in excess of the approved specifications and planned use or by any oil, gasoline, grease, lubricants or other liquids or substances having a corrosive or detrimental effect thereon.
- iii. Be responsible for the maintenance and repair of all utility service lines beginning at the building demarcation point, including but not limited to, service lines for the supply of water, gas service lines, electrical power and telephone conduits and line, retention ponds, sanitary sewers and storm sewers that are now or that may be subsequently located upon the Premises and used by the Tenant.
- iv. Be responsible for the cost of security and security devices, snow and ice removal at the Demised Premises. Tenant will promptly remove from the Premises or otherwise dispose of in a manner approved by the Port, all garbage, debris, or other waste materials (whether solid or liquid), arising out of its occupancy of the Demised Premises or its operations. Any garbage, debris, or waste which is temporarily stored on the Premises will be kept in suitable, sealed garbage and waste receptacles, designed to safely and properly contain whatever material may be placed therein. Tenant will use extreme care when effecting removal of all such waste. Damaged or wrecked vehicles or equipment owned or operated by Tenant, its vendors, contractors or others will not be stored on the Premises and will be removed from the Demised Premises in a timely manner as determined by the Port.

## 12. COMPLIANCE WITH PORT REGULATIONS AND APPLICABLE LAWS

Tenant hereby agrees to comply with all applicable rules and regulations of the Port pertaining to the Demised Premises or other realty of which the Demised Premises are a part, which are now in existence or hereinafter promulgated for the general safety and convenience of the Port, its tenants, invitees, licensees, and the general public, including but not limited to: (i) the Port's Rules and Regulations, as may be hereafter adopted and amended by the Port, (ii) the Port's Minimum Standards (the "Minimum Standards"), as such Minimum Standards may be hereafter adopted and amended by the Port, and (iii) the Port's Airport Leasing Policy, as such Airport Leasing Policy may be amended from time to time by the Port in its sole discretion. Tenant also shall comply with any and all applicable governmental statutes, rules, orders, regulations, and security measures required of Tenant by the Port, Federal Aviation Administration (FAA), or Transportation Security Administration (TSA). Tenant is responsible for all compliance with security regulations.

## 13. SIGNS

Tenant agrees that it will not allow any signs, cards, or placards to be posted or placed on the Demised Premises except signs identifying Tenant and its business. Prior to the posting or placement of signs, cards, or placards, Tenant will submit drawings thereof for review and approval by the Director of Airport, and said approval shall not be unreasonably conditioned, withheld, or delayed. Upon expiration or earlier termination of this Lease, Tenant shall remove all signs, cards, placards, and/or advertising at the direction of the Port.

## 14. FLAMMABLE MATERIALS

There shall not be allowed, kept or used on the Demised Premises any flammable or explosive liquids or materials except such as may be necessary for use in the business of Tenant, in which event any such substances shall be delivered in amount, and stored and used, in accordance with applicable law.

## 15. ASSIGNMENT & SUBLEASE

- a. Tenant shall not assign this Lease, nor sublet the whole or any part of the Demised Premises, nor permit the same to be used by any person or entity for any purpose other than as herein stipulated, without Port's consent, which consent shall not be unreasonably withheld, conditioned or delayed.

Notwithstanding anything in this Section 15 to the contrary, Tenant may assign or sublet its interest in the Demised Premises without Port's consent, but upon notice to Port, to an entity that controls, is controlled by, or is under common control with Tenant; or to the surviving corporation in a merger, consolidation or other reorganization involving Tenant, or to the purchaser of all or substantially all of Tenant's assets (all such assignees or sublessees together comprising "Tenant Entity"). For any assignment or sublet, which requires Port's prior written consent, the Port reserves the right upon notice of a proposed assignment or sublet, to require whatever financial information of the proposed assignee or proposed sublessee that the Port in its reasonable discretion deems appropriate in order to determine the financial condition of the proposed assignee or proposed sublessee. If, in the reasonable discretion of the Port, the Port determines that the financial condition of the proposed assignee or sublessee is not sufficient, the Port need not approve the proposed assignment or sublease, and such proposed assignment or sublease shall not be effective.

- b. Notwithstanding the generality of the foregoing, Tenant shall be authorized to sublease portions of the Demised Premises in connection with Tenant's business operations, including for example and without limitation, for aircraft storage. In such event, Tenant shall not be required to obtain Port's prior written consent, provided Tenant uses a standard form sublease agreement that has been reviewed and approved by Port.

## 16. DISCHARGE OF LIENS

In the event of the filing of any mechanic's lien or liens or materialman's lien or liens, or any other charge whatsoever against the Demised Premises or any improvement thereof during the Term, which are attributable or based on actions taken by Tenant, Tenant shall, upon written notice of such lien, take all necessary steps to secure the release of same including contesting the same in accordance with applicable law. In the event Tenant fails to take reasonable steps to secure the release of any such liens or charges within thirty (30) days of receipt of written notice from Port regarding the lien, the Port upon ten (10) days' prior written notice to Tenant, shall have the right and privilege of taking the necessary steps, including payment, to secure the release of any such lien or charge, and any reasonable out-of-pocket amount so paid by the Port shall be added to the Rent due hereunder from Tenant to the Port and shall be paid by Tenant to the Port immediately upon receipt by Tenant from the Port of any itemized statement thereof.

## 17. INDEMNIFICATION

Lessee shall indemnify, defend, and hold Port harmless from all claims arising from Lessee's use of the Premises or the conduct of its business, or from any activity, work or thing done, permitted or suffered by Lessee in or about the Premises. Lessee shall further indemnify, defend, and hold Port harmless from all claims, liabilities, costs, attorneys' fees and expenses arising from any breach or default in the performance of any obligation to be performed by Lessee under the terms of this Lease, or arising from any act or omission of Lessee or of its agents or employees. Lessee's obligation to indemnify Port under this section includes an obligation to indemnify for losses resulting from death or injury to Lessee's employees, and Lessee accordingly hereby waives any and all immunities it now has or hereafter may have under any Industrial Insurance Act, or other worker's compensation, disability benefit or other similar act which would otherwise be applicable in the case of such a claim. In case any action or proceeding is brought against Port by reason of any such claim, Lessee, upon notice from Port, shall defend the same at Lessee's expense, by counsel approved in writing by Port. Lessee, as a material part of the consideration to Port, hereby assumes all risk of and waives any claims Lessee might have in respect to damage to property or injury to persons in, upon or about the Premises from any cause whatsoever, except that which is caused by Port's gross negligence.

## 18. INSURANCE REQUIREMENTS

### Tenant's Insurance Requirements.

i. Tenant shall maintain in force an aviation liability policy, including commercial general liability insurance in the amount of Two Million Dollars (\$2,000,000.00) per occurrence for bodily injury to or death of any persons or property damage, insuring Tenant against liability arising from Tenant's use, occupancy or maintenance of the Demised Premises and appurtenant areas and providing contractual liability coverage for the indemnities Tenant makes in this Lease. Tenant shall provide Hangarkeeper's Liability, Products Liability, and Aircraft Liability in the amount of Two Million Dollars (\$2,000,000.00) each aircraft and Two Million Dollars (\$2,000,000.00) each occurrence. All insurance policies set forth in this Section 18, shall name the Port and their employees as an additional insured,. The Tenant shall provide Port not less than thirty (30) days advance notice in writing of cancellation or non-renewal in the policy of insurance. Said insurance policy or policies providing such coverage, as well as the insurers providing same, shall be authorized to do business in the State of Washington, and shall be approved by the Port. Tenant shall secure and deliver to the Port appropriate insurance certificates showing evidence of the coverage as required hereunder.

ii. At the exercise of the first option to renew the lease for Five years, Tenant shall maintain in force the coverages listed below in this Section 18.a.ii, or lesser coverage amounts agreed upon by both parties at the time of renewal. If no agreement is made between the parties, the lease will expire at the end of the original ten (10) year term.

An aviation liability policy including commercial general liability insurance in the amount of Five Million Dollars (\$5,000,000.00) per occurrence for bodily injury to or death of any persons or property damage, insuring Tenant against liability arising from Tenant's use, occupancy or maintenance of the Demised Premises and appurtenant areas and providing contractual liability coverage for the indemnities Tenant makes in this Lease. Tenant shall provide Hangarkeeper's Liability, Products Liability, and Aircraft Liability in the amount of Five Million Dollars (\$5,000,000.00) each aircraft and Five Million Dollars (\$5,000,000.00) each occurrence. All insurance policies set forth in this Section 18, shall name the Port and their employees as an additional insured,.

The Tenant shall provide Port not less than thirty (30) days advance notice in writing of cancellation or non-renewal in the policy of insurance. Said insurance policy or policies providing such coverage, as well as the insurers providing same, shall be authorized to do business in the State of Washington, and shall be approved by the Port. Tenant shall secure and deliver to the Port appropriate insurance certificates showing evidence of the coverage as required hereunder.

iii. Additionally, Tenant shall maintain in force all risk property insurance covering personal property Tenant places upon or installs within the Demised Premises in an amount equal to the replacement cost of that personal property.. The Tenant shall assume all risks for loss of or damage to the contents and materials stored in the Demised Premises, and the Tenant may maintain such insurance as the Tenant deems necessary to protect against loss or damage to the contents and materials.

iv. Business Auto Liability. This policy shall be written in comprehensive form and shall protect Tenant and the additional insureds against all claims for injuries to members of the public and damage to property of others arising from the use of motor vehicles and shall cover

operation on and off the Premises of all motor vehicles licensed for highway use, whether they are owned, non-owned or hired. Coverage shall not be less than:

\$ 2,000,000.00 Combined Single Limit.

- iv. Workers' Compensation and Employer's Liability. If Tenant hires any employees, Tenant shall maintain Workers' Compensation and Employer's Liability insurance, which shall protect the Lessee against all claims under applicable state workers' compensation laws and employer's liability. The insured shall also be protected against claims for injury, disease or death of employees which, for any reason, may not fall within the provisions of a workers' compensation law. Coverage shall not be less than: Statutory Amount Workers' Compensation \$2,000,000.00; Employer's Liability, Each Accident \$2,000,000.00; Employer's Liability, Disease – Policy Limit \$2,000,000.00; Employer's Liability, Disease – Each Employee. The foregoing requirement will not be applicable if, and so long as, Tenant qualifies as a self-insurer under the rules and regulations of the commission or agency administering the workers' compensation program in Washington and furnishes evidence of such qualification to Port in accordance with the notice provisions of this Lease.
- v. Tenant shall maintain environmental liability, to include commercial auto pollution for any vehicles carrying hazardous substances including, but not limited to fuel, glycol, etc, in full force for the full period of the Lease and cover losses caused by pollution conditions including, but not limited to, any spill, underground pollution or any other environmental impairment. It shall apply to bodily injury; (including death), property damage, including loss of use of damaged property or property that has not been physically injured; cleanup costs; including, but not limited to, any costs required under CERCLA, and Washington MTCA; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. If coverage is written on a claims made basis, Tenant warrants that any retroactive date applicable to the coverage under the policy precedes the effective date of this Lease, and continuous coverage will be exercised for a period of two (2) years beginning from the time the Lease has expired. Coverage shall not be less than:  
  
\$2,000,000 per loss  
  
Such environmental insurance shall include the following:  
  
Pollutant Clean up and Removal;  
  
Remediation Expense; and  
  
Bodily Injury and Property Damage
- vi. Tenant may provide the insurance required by virtue of the terms of this Lease by means of a combination of primary and excess or umbrella coverage and by means of a policy or policies of blanket insurance so long as (i) the amount of the total insurance allocated to the Demised Premises under the terms of the blanket policy or policies furnishes protection equivalent to that of separate policies in the amounts required by the terms of this Lease, and (ii) the blanket policy or policies comply in all other respects with the other requirements of this Lease.
- vii. The Port, its board and commission members, officials, agents, guests, invitees, consultants and employees, shall be named as an additional insured on all insurance

policies required by this Section 18 and shall be furnished with a certificate by Tenant's insurer evidencing the coverage under such policy or policies of insurance.

#### 19. WAIVER OF SUBROGATION

Port and Tenant hereby mutually waive and release any and all rights of recovery against the other party arising out of damage or destruction of the Demised Premises, including, but not limited to, the improvements and any personal property therein, due to causes included under any property insurance policies to the extent such damage or destruction is covered by the proceeds of such policies and whether or not such damage or destruction shall have been caused by the Parties, their officers, employees or agents.

#### 20. FORCE MAJEURE

Notwithstanding anything contained herein to the contrary, neither the Port nor Tenant shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations, other than the payment of rentals, fees, and charges hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, acts of the public enemy, terrorism, weather conditions, riots, rebellion, or sabotage, or any other circumstances for which it is not responsible or which are not within its control.

#### 21. COMPLIANCE WITH ENVIRONMENTAL LAWS

- a. Tenant shall comply with all federal, state and local environmental, safety or health laws and ordinances and rules of common law, including but not limited to, the Occupational Safety and Health Act of 1970, as amended (29 U.S.C. 651 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. 1081 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6091 et seq.), the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), the Safe Drinking Water Act (42 U.S.C. 300f-300j), and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as any of the foregoing may hereafter be amended, any rule or regulation pursuant thereto, and any other present or future law, ordinance, rule, regulation, permit or permit condition, order or directive addressing environmental, health or safety issues of or by the federal government, or any state or other political subdivision thereof, or any agency, court or body of the federal government, or any state or other political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions.
- c. Tenant will not cause or permit any hazardous materials to be used, generated, manufactured, produced, stored, brought upon, or released on, under or about the leased Demised Premises, or transported to and from the leased Demised Premises, by Tenant, its agents, employees, contractors, invitees or third party in violation of the above environmental laws.
- d. In the event of any product spills or other environmental discharge, damage or impairment caused by or arising directly or indirectly from the Tenant's negligent act or omission or from Tenant's exercise of any of its rights granted hereunder, Tenant shall without delay undertake all reasonable steps to initiate corrective action consistent with prevailing Airport, Local, State, and Federal regulations. Tenant will be responsible for all costs and expenses of such reasonable corrective action.
- e. Notwithstanding any other provisions of this Lease, and in addition to any and all other requirements of this Lease or any other covenants, representations or warranties of Tenant,

Tenant hereby expressly covenants, warrants and represents to the Port, in connection with Tenant's operations at the Airport the following:

- i. Tenant is knowledgeable of and agrees to comply with all applicable federal, state, and local environmental laws, ordinances, rules, regulations and orders, that apply to Tenant's facilities or operations at the Airport and acknowledges that such environmental laws, ordinances, rules, regulations and orders change from time to time, and Tenant agrees to keep informed of any such future changes.
- ii. Tenant agrees to hold harmless and indemnify the Port with respect to the Demised Premises for any violation by Tenant of such applicable federal, state, and local environmental laws, ordinances, rules, regulations and orders and for any non-compliance by Tenant with any permits issued to Tenant with respect to the Demised Premises pursuant to such environmental laws, which obligations to hold harmless and indemnify will include but not be limited to, enforcement actions to assess, abate, remediate, undertake corrective measures and monitor environmental conditions and for any monetary penalties, costs, expenses, or damages, including natural resource damages, imposed against Tenant, its employees, invitees, suppliers, or service providers or Port by reason of Tenant's violation or non-compliance.
- iii. Tenant agrees to cooperate with any investigation, audit, or inquiry by Port or any governmental agency, regarding possible violation by Tenant of any environmental law or regulation upon the Airport.
- iv. Tenant agrees that all remedies of Port as provided herein with regard to violation of any federal, state, or local environmental laws, ordinances, rules, regulations, or orders will be deemed cumulative in nature and will survive termination of this Lease with respect to matters occurring during the term of this Lease.
- v. Tenant agrees that any written notice of violation, notice of non-compliance, or other enforcement action of applicable environmental law received by Tenant with respect to the Demised Premises will be provided to Port within 24 hours of receipt by Tenant or Tenant's agent. Any violation or failure to comply, an any notice of violation or non-compliance with federal, state, or local environmental law or ordinance that Tenant fails to rectify within the cure period established in the Default - Termination Article in this Lease will be deemed a default under this Lease. Any such default, which is not cured, will be grounds for termination of this Lease.
- vi. Tenant acknowledges that certain properties within the Airport, or on Port owned land, are subject to storm water rules and regulations. Tenant agrees to observe and abide by such storm water rules and regulations as may be applicable to the Demised Premises to the extent provided to Tenant in writing.

## 22. ACCESS TO DEMISED PREMISES

- a. Upon reasonable notice to Tenant, Tenant agrees to allow the Port's Airport Director, or other duly authorized representative or agents of the Port, access at all reasonable times during ordinary business hours to the Demised Premises for the purpose of examining or inspecting same so long as Port does not interfere with Tenant's use of the Demised Premises. Tenant or its representative shall have the right to accompany the Port during any such inspection. The Port has the right to enter the Demised Premises at all times without notice in the event of an emergency or for the purpose of making emergency repairs provided the Port shall thereafter provide notice to Tenant as soon as practical.

- b. Tenant must establish background check procedures, and it is the Tenant's responsibility to assure that all persons employed by the Tenant who have unescorted access to any area on the Airport controlled for security reasons, have background checks, to the extent allowable by law, including as a minimum, references and prior employment histories necessary to verify representations made by the employee/applicant relating to employment in the preceding five (5) years.
- c. The Port reserves the right to recover from the Tenant any and all penalties and/or fines for security violations that relate to 49 CFR Part 1542 levied against the Port by the Transportation Security Administration (TSA) and/or the FAA as a direct result of action(s) or infraction(s) perpetrated by the Tenant.

## 23. RELOCATION

The Tenant agrees that if, at any time during the Term, the Port needs the Demised Premises or portions thereof for other uses or purposes of the Port, then the Tenant will move its facilities from the location under this Lease to another location on the Airport designated by the Port for the remaining term of the Lease, provided that the newly designated facilities are comparable in space, convenience, leasehold improvements, and alterations to the facilities granted under this Lease, and, provided further, that all costs of relocation, including the expenses associated with moving Tenant (including Tenant's fixtures, furniture and equipment) and making the newly designated facilities comparable as set forth above, shall be borne by the Port. If the Port relocates the Tenant as provided in this Section 23, the Port shall use its best efforts to conduct the relocation in a manner that is expeditious and that poses the least possible impact on the conduct of Tenant's business. At the time of any such relocation, Port and Tenant shall agree as to the rental rates that will govern the newly designated facilities which shall in no event exceed the rent due hereunder for the Demised Premises.

## 24. DEFAULT-TERMINATION

EVENTS OF DEFAULT. The following events shall be deemed to be events of default by Tenant under this Lease:

- a. Tenant fails to pay any installment of the rent herein reserved when due, or any other payment or reimbursement to Port required herein when due, and such failure continues for a period of ten (10) days from the date after written notice thereof to Tenant.
- b. Tenant becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors.
- c. Tenant files a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof; or Tenant is adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder.
- d. A receiver or trustee is appointed for all or substantially all of the assets of Tenant.
- e. Tenant abandons, deserts or vacates any substantial portion of the Demised Premises.
- f. Tenant fails to comply with any term, provision or covenant of this Lease (other than the foregoing in this paragraph A) and does not cure such failure within twenty (20) days after written notice thereof to Tenant.
- g. Tenant defaults in the Lease Agreements between parties hereto wherein the Tenant leases Buildings and/or Land at various locations in the Port of Pasco.

REMEDIES. Upon the occurrence of any such events of default described hereinabove, Port shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever.

- a. Port may accelerate all rent payments due hereunder which shall then become immediately due and payable.
- b. Terminate this Lease, in which event Tenant immediately shall surrender the Demised Premises to Port, and if Tenant fails so to do, Port may, without prejudice to any other remedy which it may have for possession, or arrearages in rent, enter upon and take possession of the Demised Premises and expel or remove Tenant and any other person who may be occupying the Demised Premises or any part thereof, without being liable for prosecution or any claim of damages therefor, and Tenant agrees to pay to Port on demand the amount of all loss and damage which Port may suffer by reason of such termination, whether through inability to relet the Demised Premises on satisfactory terms or otherwise.
- c. Enter upon and take possession of the Demised Premises and expel or remove Tenant and any other person who may be occupying the Demised Premises or any part thereof, without being liable for prosecution or any claim for damages therefor, and relet the Demised Premises for such terms ending before, on or after the expiration date of the Lease Term, at such rentals and upon such other conditions (including concessions and prior occupancy periods) as Port in its sole discretion may determine, and receive the rent therefor; and Tenant agrees to pay to Port on demand any deficiency that may arise by reason of such reletting. Port shall use reasonable efforts to mitigate its damages by reletting the Demised Premises. In the event Port is successful in reletting the Demised Premises at a rental in excess of that agreed to be paid by Tenant pursuant to the terms of this Lease, Port and Tenant each mutually agree that Tenant shall not be entitled, under any circumstances, to such excess rental, and Tenant does hereby specifically waive any claim to such excess rental.
- d. Enter upon the Demised Premises, without being liable for prosecution of any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Port on demand for any expenses which Port may incur in thus effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Port shall not be liable for any damages resulting to the Tenant from such action, whether caused by the negligence of Port or otherwise.
- e. Whether or not Port retakes possession or relets the Demised Premises, Port shall have the right to recover unpaid rent and all damages caused by Tenant's default, including attorney fees. Damages shall include, without limitation: all rentals lost, all legal expenses and other related costs incurred by Port following Tenant's default, all costs incurred by Port in restoring the Demised Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Demised Premises for reletting, all costs (including without limitation any brokerage commissions and the value of Port's time) incurred by Port, plus interest thereon from the date of expenditure until fully repaid at the rate of eighteen percent (18%) per annum.
- f. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, such remedies being cumulative and non-exclusive, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Port hereunder or of any damages accruing to Port by reason of the violation of any of the terms, provisions and covenants herein contained. No act or thing done by Port or its agents during the Lease Terms hereby granted shall be deemed a termination of this Lease or an acceptance of the surrender of the Demised Premises, and no agreement to terminate this Lease or accept a surrender of the Demised Premises shall be valid unless in writing signed by Port. No waiver by Port of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of



any of the terms, provisions and covenants herein contained. Port's acceptance of the payment of rental or other payments hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless Port so notifies Tenant in writing. Forbearance by Port to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default or of Port's right to enforce any such remedies with respect to such default or any subsequent default. If, on account of any breach or default by Tenant in Tenant's obligations under the terms and conditions of this Lease, it shall become necessary or appropriate for Port to employ or consult with an attorney concerning or to enforce or defend any of Port's rights or remedies hereunder, Tenant agrees to pay any reasonable attorneys' fees so incurred.

#### 25. SURRENDER AND DELIVERY OF TENANT DEMISED PREMISES

Upon expiration or early termination of this Lease, Tenant shall promptly and peaceably surrender to the Port the Demised Premises and all alternations and improvements thereon to which the Port is entitled in the same condition received, reasonable wear and tear and damage due to structural or pre-existing defects and approved alterations excepted, unless caused by Tenant's negligence. Provided Tenant is not in default of this Lease, Tenant will immediately remove all of its personal property from the Premises at the conclusion of the term. Failure on the part of Tenant to remove its personal property within ten (10) days after the date of termination will constitute a gratuitous transfer of title thereof to the Port for whatever disposition is deemed to be in the best interest of the Port. Any costs incurred by the Port in the disposition of such personal property will be borne by the Tenant. If Tenant is in default of any rent terms of this Lease, Port will have a lien for such rent upon any property found upon the Demised Premises in accordance with Washington statutes and, in such event, Tenant will not remove any property from the Demised Premises without written approval of the Port.

#### 26. DESTRUCTION OF DEMISED PREMISES

In the event fire or other casualty does damage to the leased building on the Demised Premises, to the extent of more than 30% of its replacement value, and whether or not the Port is carrying insurance against said hazard, the Port may elect to terminate this lease by giving notice to Tenant in writing of its election either to terminate the lease or repair the damage and said notice shall be given within sixty (60) days after the casualty has occurred. In the event the Port elects repair the damaged building, it shall do so promptly and expeditiously and complete the same in an expedient manner. Tenant's rent to the extent of Tenant's diminished use of the building shall be proportionately reduced on a square footage basis until such time as restoration has been completed by the Port. The Port shall have complete choice as to what materials it shall use in making the restoration. If the Port, by notice terminates the lease, then all obligation upon the part of the Port and Tenant to complete the terms of this lease and perform conditions after the casualty has occurred shall cease and terminate, except if the Tenant owes Rent, owes for utilities, or owes any other obligation under the Lease, which obligation is not paid for at the time the casualty occurs, then said payment shall be promptly made by Tenant after the occurrence of the casualty.

#### 27. AIRPORT DEVELOPMENT

The Port reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Tenant, and without interference or hindrance.

#### 28. ATTORNEY FEES

Tenant agrees to pay the costs incurred by the Port in collecting any sums due for rental under this Lease, including but not limited to attorney fees and expenses and/or expenses incurred for the services of a collection

agency, provided the sums due hereunder are at least Thirty (30) days past due at the time the Port incurs those costs. In addition, and without limiting the foregoing, Tenant also agrees to pay any attorney's fees necessitated by the enforcement of any provision herein contained.

#### 29. NO THIRD PARTY BENEFICIARIES

This Lease is for the sole benefit of the Parties and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person or entity other than the Parties any legal or equitable rights hereunder.

#### 30. PRIVATE MAINTENANCE AND SERVICE

It is specifically understood and agreed that nothing herein contained shall be construed as prohibiting any person, firm, or corporation operating aircraft on the Airport from performing any services on its own aircraft with its own employees, (including, but not limited to, maintenance and repair) that it may choose to perform.

#### 31. QUIET ENJOYMENT

Provided it has paid all rates, fees and charges owed to Port and is not otherwise in default, Tenant shall at all times during the Term peaceably and quietly enjoy the Demised Premises without disturbance by Port or any person claiming through Port.

#### 32. AUTHORIZATION

The entering into and execution of this Lease has been duly authorized and approved by Tenant's Board of Directors and all necessary parties on behalf of Port, and the person executing this Lease on behalf of Tenant and Port are duly authorized.

#### 33. GOVERNING LAW

Irrespective the place of execution of this Lease, it is the intention of Tenant and the Port that the laws of the State of Washington shall govern the validity of this Lease, the construction of its terms and the interpretation of the rights and duties hereunder, and further, that venue shall be restricted to Franklin County, Washington. This Lease shall be governed by and interpreted according to the laws of the State of Washington.

#### 34. BINDING EFFECT

This Lease shall be binding upon, and inure to the benefit of the Parties hereto and their successors and assigns subject in any event to restrictions upon assignment specified in this Lease.

#### 35. REMEDIES CUMULATIVE-NO WAIVER

The rights and remedies granted to the Port hereunder shall be deemed to be cumulative and non-exclusive. The failure by the Port at any time to assert any such right or remedy shall not be deemed to be a waiver, and shall not preclude the assertion of such right or remedy at a later date. Without limiting the foregoing, Tenant and Port agree that Port shall be entitled to receive and retain any payments due under this Lease with knowledge of Tenant's breach of duty or covenant hereof, and that the Port's receipt and retention of any such payments shall not be deemed to constitute a waiver of any breach unless waiver shall be expressly written and signed by the Port.

#### 36. NOTICE TO PARTIES

All notices, approvals, requests, consents and other communications given, required or permitted in accordance with the terms of this Lease must be in writing and must be hand-delivered or sent by facsimile transmission,

overnight delivery service or United States certified or registered mail. The Parties will consider notices given or delivered when received. The Parties will address notices as follows: If to the Port: Director of Airport, Tri-Cities Airport, 3601 N. 20<sup>th</sup> Avenue, Pasco, Washington, 99301. If to Tenant: \_\_\_\_\_, address, city state zip.

A party may change the address to which it wishes notices to be sent by delivering notice of the change of address to the other party in accordance with the terms of this Section 36.

### 37. SEVERABILITY

In the event any provision of this Lease be determined to be unenforceable, such provision shall be considered separate and severable from the remaining provision of this Lease, which shall remain in force and be binding as though such unenforceable provision had not been included.

### 38. ENTIRE AGREEMENT

This Lease constitutes the entire agreement between the Parties hereto, supersedes any and all prior written or oral agreements or understandings, and may be modified only by a writing executed by the Parties hereto.

### 39. DOMINANT AGREEMENTS

The Parties hereto expressly understand that this Lease is subordinate and subject to all existing agreements between the Port and the Federal Aviation Administration, or between the Port and the State of Washington. During the time of war or national emergency, the Port shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use, and, if such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the government, shall be suspended. Any executed lease shall be subordinate to the provisions of any existing or future Agreement between the Port and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport.

### 40. COVENANTS OF DEED

Tenant expressly understands that all provisions of this Lease are subject to the provisions of the deed under which the Port holds title to the above-described property and that the tenancy established herein is subject to the terms and conditions set forth in that deed as of January 6, 1953, recorded in Franklin County Auditor's Office, Volume 89, Page 517 of Deeds, wherein the County of Pasco obtained title to the Demised Premises from the Administration of General Services pursuant to authority of the provisions of the Federal Property and Administrative Services Act of 1949 and the Surplus Property Act of 1944 (58 Stat. 765) as amended and regulations and orders promulgated thereunder and Tenant further agrees to abide by the covenants of such deed and the restrictions set forth therein which are imposed pursuant to authority of Article 4, Section 3, Clause 2 of the Constitution of the United States of America, the Federal Property and Administrative Services Act of 1949 (Public Law 152-81st Congress), the Surplus Property Act of 1944 as amended thereby, and the applicable rules, regulations and orders and that the use of the Demised Premises by Tenant shall be in accordance with such covenants and conditions the same as though all of such covenants and conditions contained in such deed were set forth in full herein.

### 41. FLIGHT OPERATIONS

The Port reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Demised Premises, together with the right to cause in said airspace such noise, vibration, smoke, fumes, glare, dust, fuel, particles and all other impacts as

may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in said airspace, and for use of said airspace for landing on, taking off from or operating on the Airport.

#### 42. AIRCRAFT HAZARDS

The Port reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Tenant from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of the Port, would limit the usefulness of the Airport or constitute a hazard to aircraft.

#### 43. AIRPORT OPERATIONS

Tenant expressly agrees for itself, its successors and assigns, to prevent any use of the Demised Premises, which would interfere with or adversely affect the safe, secure, and efficient operation or maintenance of the Airport, as determined by the Port.

#### 44. FAR PART 77

Tenant expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other temporary and permanent structures on the Demised Premises, and to otherwise avoid any use of the Demised Premises, that the Federal Aviation Administration has advised would constitute a hazard to air navigation, in accordance with 14 C.F.R. Part 77.

#### 45. CONDEMNATION

- a. The Port shall not cause or encourage the condemnation of the Demised Premises.
- b. If any part of the Demised Premises is taken for public use by condemnation, eminent domain or other similar action, Tenant may immediately terminate this Lease by delivering notice to Port and any rent and other charges due Port shall be apportioned and paid to the date of such termination.
- c. If any part of the Demised Premises is taken and Tenant does not terminate this Lease, any rates, fee and charges due Port will abate for the balance of the Term in proportion to the diminished utility of the Demised Premises in the conduct of Tenant's business, and Port shall restore the remainder of the Demised Premises at its expense as necessary to render them suitable for Tenant's use.
- d. All condemnation awards made with respect to Port's reversionary interest in the Demised Premises will be the exclusive property of Port, but Tenant reserves the right to bring an action in its own name for its loss of business and leasehold interest as well as any other damages that Tenant may recover as a result of the condemnation action.

#### 46. HEADINGS

The section headings are included for reference purposes only and shall not be employed to interpret or to construe this Lease.

#### 47. COUNTERPARTS

The Parties may execute this Lease in any number of counterparts and all those counterparts taken together will constitute a single agreement.

48. EXHIBITS

All exhibits described in this Lease are incorporated in and made a part of this Lease.

49. TIME OF ESSENCE

Time is of the essence with respect to this Lease. If the final day of any period of time described in this Lease is a Saturday, Sunday or a legal holiday under the laws of the United States and the State of Washington, that period is extended to the next day that is not a Saturday, Sunday or legal holiday.

IN WITNESS WHEREOF, the Parties have caused this Lease to be executed by their appropriate officials, effective the day and year first above written.

PORT OF PASCO

TENANT

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

State of Washington)

: ss.

County of Franklin)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, the undersigned notary public in and for the State of Washington, duly commissioned and sworn, personally appeared Randy Hayden to me known to be the Executive Director of **THE PORT OF PASCO** that executed the within and foregoing instrument, and acknowledged that said instrument is the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned and on oath stated that they are authorized to execute said instrument.

Given under my hand and official seal the day and year last above written.

\_\_\_\_\_

Notary Public in and for the

State of \_\_\_\_\_

Residing at \_\_\_\_\_

My Commission Expires \_\_\_\_\_

SAMPLE

**INDIVIDUAL NOTARY ACKNOWLEDGEMENT**

State of \_\_\_\_\_)

: ss.

County of \_\_\_\_\_)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, the undersigned notary public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_ to me known to be the individual that executed the within and foregoing instrument, and acknowledged that said instrument is the free and voluntary act and deed of said individual, for the uses and purposes therein mentioned and on oath stated that Corey Bitton is/are authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_

Notary Public in and for the

State of \_\_\_\_\_

Residing at \_\_\_\_\_

My Commission Expires \_\_\_\_\_

CORPORATION NOTARY ACKNOWLEDGEMENT

State of \_\_\_\_\_)

: ss.

County of \_\_\_\_\_)

On this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, the undersigned notary public in and for the State of \_\_\_\_\_, duly commissioned and sworn, personally appeared \_\_\_\_\_ to me known to be the \_\_\_\_\_, respectively, of \_\_\_\_\_ that executed the within and foregoing instrument, and acknowledged that said instrument is the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned and on oath stated that they are authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_

Notary Public in and for the

State of \_\_\_\_\_

Residing at \_\_\_\_\_

My Commission Expires \_\_\_\_\_



Exhibit A:



Exhibit B: reserved

## EXHIBIT C: NON-DISCRIMINATION

1. Tenant agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If Tenant transfers its obligation to another, the transferee is obligated in the same manner as Tenant. This provision obligates Tenant for the period during which the property is used or possess by Tenant and the Airport remains obligated to the FAA. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.
  - a. During the performance of this Lease, Tenant for itself, its assignees, and successors in interest, agrees to comply with the following non-discrimination statutes and authorities:
    - i. Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d et seq. (prohibits discrimination on the basis of race, color, national origin);
    - ii. 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964);
    - iii. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601 (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
    - iv. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794 et seq. (prohibiting discrimination on the basis of disability), and 49 CFR Part 27;
    - v. The Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101 (prohibits discrimination on the basis of age);
    - vi. Airport and Airway Improvement Act of 1982, as amended, 49 U.S.C. § 47123 (prohibits discrimination based on race, creed, color, national origin, or sex);
    - vii. The Civil Rights Restoration Act of 1987 (broadening the scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
    - viii. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. § 12131-12189) as implementing by U.S. Department of Transportation Regulations at 49 CFR Parts 37 and 38;
    - ix. The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123 (prohibits discrimination on the basis of race, color, national origin, and sex);
    - x. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
    - xi. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficient (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100); and
    - xii. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq.)
  - b. Tenant, including personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Tenant will use the premises in compliance with all other requirements imposed by or pursuant to the list of non-discrimination acts and authorities, as enumerated in the preceding subsection. In the event of breach of any of the above nondiscrimination covenants, the Port will have the right to terminate this Lease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if the Lease had never been made or issued.
  - c. During the performance of this Lease, Tenant, for itself, its assignees, and successors in interest, agrees as follows:

- i. Nondiscrimination: Tenant, with regard to the work performed by it during the Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Tenant will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
- ii. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by Tenant for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Tenant of contractor's obligations under this Lease and the Nondiscrimination Acts and Authorities.
- iii. Information and Reports: Tenant will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Port or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Tenant will so certify to the Port or the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.
- iv. Sanctions for Noncompliance: In the event of Tenant's noncompliance with the non-discrimination provisions of this Lease, the Port will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to, cancelling, terminating, or suspending this Lease, in whole or in part.
- v. Incorporation of Provisions: Tenant will include the provisions of this subsection in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Tenant will take action with respect to any subcontract or procurement as the Port or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Tenant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Tenant may request the Port to enter into any litigation to protect the interests of the Port. In addition, Tenant may request the United States to enter into the litigation to protect the interests of the United States.

**Exhibit D: Maintenance**

<b>Item</b>	<b>Port Responsibility</b>	<b>Tenant Responsibility</b>
Building/Hangar Exterior Paint	X	
Building/Hangar Exterior Cleaning		X
Building/Hangar Roof/leaks/gutters/flashing/trim	X	
Parking Lot Landscaping/Irrigation/mowing/sprinkler blowout and startup/parts and weed control	X	
Parking Lot Striping	X	
Parking Lot Snow Removal		X
Parking Lot Crack Seal	X	
Parking Lot Lights and Photocell	X	
Interior Painting/Floors replaced		X
Exterior Doors/handles/locks	X	
Interior Doors/handles/locks		X
Electrical/Lighting minor maintenance/bulbs/plugs/switches/shop lights		X
Electrical/Lighting large repairs (greater than \$1,000)	X	
HVAC preventative maintenance-annual filters and servicing		X
HVAC large repairs (greater than \$1000)	X	
HVAC replacement if needed	X	
Roof	X	
Building/Hangar structural repairs	X	
Building/hangar window replacement as needed	X	
Fire System Maintenance/Monitoring/exit signs/fire doors	X	
Fire Extinguishers *	X (*Tenant will manage/schedule and will invoice Port)	
Overhead Radiant Shop Heaters	X	
Forced Air Waste Oil Shop Heater		X
Security Access Control		X
Security Cameras/monitoring etc.		X
Signage *		X (*with Port approval)
Restroom repairs (clogged sinks/toilets, flushometers, towel dispensers)		X
Large water/sewer line repairs/water heaters	X	
Kitchen appliances/dishwasher/ice machine		X
Exterior security fencing/gates (man gates and vehicle gates)	X	
GA ramp tiedown repairs/chain/hooks/parts	X	
Misc. (lightbulbs, fixtures, windows, cabinetry, floor/carpet cleaning, deep cleaning)		X

**EXHIBIT C - TRI-CITIES AIRPORT MINIMUM STANDARDS**

## RESOLUTION NO. 1596

### A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF PASCO APPROVING MINIMUM STANDARDS AT THE TRI-CITIES AIRPORT

**WHEREAS**, the Port Commission of the Port of Pasco owns, operates, and is responsible for the administration of the Tri-Cities Airport; and

**WHEREAS**, the minimum standards are designed to minimize the potential for violation of federal obligations at the airport as well as outline the minimum requirements necessary to conduct a specific activity at the airport.

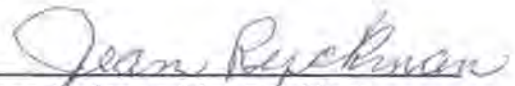
**NOW, THEREFORE, BE IT RESOLVED** that the Port of Pasco Commission hereby adopts the Tri-Cities Airport Minimum Standards, effective January 1, 2023, as set forth in Exhibit A.

ADOPTED this 15 day of December 2022,

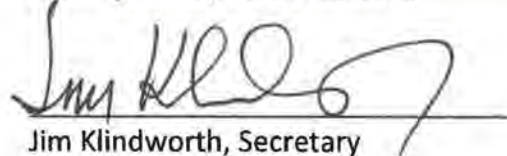
PORT OF PASCO COMMISSION



Vicki Gordon, President



Jean Ryckman, Vice-President



Jim Klindworth, Secretary



Exhibit A

**Tri-Cities Airport  
Minimum Standards**

**1. Legal Authority**

- 1.1. These Minimum Standards for the Tri-Cities Airport ("Airport") are effective as of the date of adoption by the Board of Commissioners of the Port of Pasco, which date is January 1, 2023 ("Effective Date").
- 1.2. The Port adopts these Minimum Standards pursuant to the authority of Revised Code of Washington ("RCW") Section 14.08.120(2), RCW Section 53.08.220(1), and the Port's authority as the owner, operator and sponsor of the Airport.
- 1.3. In addition to these Minimum Standards, all persons on the Airport are subject to applicable provisions of federal laws, regulations and directives of the Federal Aviation Administration and Transportation Security Administration; laws of the State of Washington; the laws and ordinances of the County of Franklin and the City of Pasco; the Airport Rules and Regulations; the Airport Leasing Policy; Protective Covenants and Restrictions applicable to the Airport; and the directives of the Airport Director concerning the safe, secure and efficient operation of the Airport.
- 1.4. The Port recognizes the jurisdiction of the federal government, delegated to the Federal Aviation Administration, concerning the licensing and regulation of pilots, Air Carriers and aircraft; and concerning the navigable airspace. Nothing herein is intended to assert jurisdiction by the Port over matters under the exclusive jurisdiction of the federal government, and the provisions hereof shall be interpreted consistent with this purpose.
- 1.5. These Minimum Standards cancel and supersede any and all previously-adopted Minimum Standards governing Commercial Aeronautical Activities at the Airport, except as provided explicitly herein.
- 1.6. The Port may, in its sole discretion, revisit and amend these Minimum Standards from time to time as circumstances warrant. Any amendments to these Minimum Standards shall be considered at a duly-noticed regular or special meeting of the Board of Commissioners in accordance with the Bylaws.
- 1.7. The invalidation of any specific provisions hereof shall not affect the validity of the remainder of these Minimum Standards.
- 1.8. Except as may be prescribed herein or pursuant to an Agreement, the standards and requirements of these Minimum Standards are minimums and may be exceeded.

## **2. Purposes**

- 2.1. These Minimum Standards set forth the conditions that must be satisfied in exchange for the privilege of conducting Commercial Aeronautical Activities at the Airport.
- 2.2. In establishing these Minimum Standards, the Port's goals are as follows:
  - 2.2.1. To encourage growth and development of the Airport by ensuring a minimum level of aeronautical services and facilities for Airport users.
  - 2.2.2. To promote safety in all Airport activities.
  - 2.2.3. To maintain a higher quality of service for Airport users.
  - 2.2.4. To protect Airport users from unlicensed and unauthorized products and services.
  - 2.2.5. To enhance the availability of service for all Airport users.
  - 2.2.6. To provide a clear and objective distinction between service providers that will provide a satisfactory level of service and those that will not.

## **3. Administration and Enforcement**

- 3.1. The Airport Director has primary responsibility for the administration and interpretation of these Minimum Standards and is authorized to issue determinations and interpretive guidance in conformity with these Minimum Standards.
- 3.2. An Entity may request an advisory opinion from the Airport Director as to the application of these Minimum Standards to such Entity. Any person may seek reconsideration of the Airport Director's advisory opinion through a written appeal to the Board of Commissioners.
- 3.3. These Minimum Standards are not intended to be independently actionable. Rather, compliance with these Minimum Standards is an obligation in each Lease, License or Agreement between the Port and a Commercial Aeronautical Operator. Violation of these Minimum Standards may constitute an event of default under the Lease, License or Agreement and subject the Operator to enforcement action, claims for damages, termination, and requests in judicial proceedings for injunctive relief, specific performance and other remedies.
- 3.4. These Minimum Standards shall be posted on the Airport website maintained by the Port and copies made available for inspection in the Airport administrative office.



#### 4. Application

##### 4.1. These Minimum Standards shall apply to the following:

- 4.1.1. Any Entity proposing to conduct a Commercial Aeronautical Activity at the Airport, including Fixed Base Operators (FBOs) and Specialized Aviation Service Operators (SASOs), after the Effective Date. These Minimum Standards shall apply to existing FBOs and SASOs operating on the Airport prior to the Effective Date in accordance with Section 4.3.
- 4.1.2. The Port, in any instance in which the Port is conducting a Commercial Aeronautical Activity at the Airport, provided that the Port shall not, in conducting a Commercial Aeronautical Activity, be required to satisfy the procedural requirements of Section 8.

##### 4.2. Non-Covered Entities and Activities

###### 4.2.1. These Minimum Standards shall not apply to the following Entities:

- 4.2.1.1. Air carriers, with respect to the conduct of scheduled passenger operations or all-cargo operations at the Airport in accordance with a use and lease agreement or operating permit between the Port and the air carrier.
- 4.2.1.2. Scheduled or non-scheduled air carriers providing service to and from the Airport in accordance with the operating regulations in 14 C.F.R. Part 135 and the economic regulations in 14 C.F.R. Part 135, Part 298, Part 380 or similar regulations of the U.S. Department of Transportation, but not as a tenant at the Airport. This includes, without limitation, an air taxi or charter operator accessing the Airport for the limited purpose of picking up or dropping off passengers when the operator is neither a tenant nor subtenant at the Airport.
- 4.2.1.3. A flight instructor accessing the Airport for the limited purpose of picking up or dropping off a student pilot or conducting flight training at the Airport when the flight instructor is neither a tenant nor subtenant at the Airport.
- 4.2.1.4. An aircraft manufacturer providing parts and services at the specific request of an aircraft owner or operator pursuant to a "rapid response" or similar program.
- 4.2.1.5. Flying Clubs, to the extent that they are exempt from these Minimum Standards as outlined in the Airport Rules and Regulations.

4.2.2. These Minimum Standards shall not apply to the following activities:

4.2.2.1. Non-commercial Aeronautical Activities, including, without limitation, private aircraft storage; Civil Air Patrol; aviation museums; temporary air shows and other special events; air ambulance and similar life flight services.

4.2.2.2. Self-servicing and self-fueling by a Tenant to the extent permitted by the Airport Rules and Regulations.

4.3. Application to Pre-Existing Commercial Aeronautical Operators

4.3.1. Consistent with the purposes hereof, the Port encourages all Commercial Aeronautical Operators operating at the Airport prior to the Effective Date to enhance their facilities and services as may be necessary to achieve compliance with the standards set forth herein.

4.3.2. All Commercial Aeronautical Operators whose Lease, License or Agreement requires compliance with the Airport Minimum Standards "as may be amended", or words to that effect, shall have six (6) months from the Effective Date to achieve compliance with these Minimum Standards. In the event of a conflict between these Minimum Standards and the requirements of the Lease, License or Agreement, the higher or more demanding requirement shall apply. In the event that the application of these Minimum Standards requires an Operator to increase the leased space at the Airport or make capital improvements to its leasehold, the Operator may request a Variance or Waiver in accordance with Section 5.

4.3.3. All Commercial Aeronautical Operators who are not required by operation of their Lease, License or Agreement to come into compliance with these Minimum Standards as provided in the preceding paragraph must achieve compliance with these Minimum Standards upon any of the following:

4.3.3.1. Any material amendment of the Operator's Lease, License or Agreement.

4.3.3.2. Any extension of the term of the Lease, License or Agreement, except an extension of the term in accordance with a provision that provides the Operator with the unilateral right to extend the term.

4.3.3.3. The execution of a new Lease, License or Agreement to the same Operator in accordance with Section 8.

4.3.3.4. Any increase or change in the types of Commercial Aeronautical Activities provided by the Operator.

4.3.3.5. Any assignment or subcontract requiring the Port's approval by which a new or different Operator will perform and provide Commercial Aeronautical Activities.

#### 4.4. Non-Tenant Operators

4.4.1. The Port intends for all Commercial Aeronautical Operators to lease space at the Airport in the minimum area prescribed by these Minimum Standards. The purpose of this policy is to ensure that Commercial Aeronautical Operators do not attempt to gain an unfair competitive advantage by operating without the same level of financial investment in the Airport and in their business operation as on-Airport Commercial Aeronautical Operators. Nevertheless, the Port recognizes that there may be limited instances in which a Commercial Aeronautical Activity may be performed by an Entity that does not lease space at the Airport. Specifically, an Entity may be permitted to provide products and services at the Airport upon demonstrating, to the satisfaction of the Airport Director, that no Commercial Aeronautical Operator leasing space at the Airport has the requisite certificate, certified personnel, or access to equipment and parts to provide the product or perform the service. The Airport Director may approve the request from an Entity meeting these conditions provided that (i) the Entity enters into an Agreement with the Port identifying the Commercial Aeronautical Activity that may be performed and the rates and charges assessed for the privilege of conducting the Commercial Aeronautical Activity, and (ii) the Entity satisfies all applicable Minimum Standards, other than minimum leased area, prescribed herein for the Commercial Aeronautical Activity.

#### 4.5. Prohibited Activities

4.5.1. Through-the-Fence Operations (TTF). Commercial Aeronautical Activities involving the taxiing of aircraft between the Airport and adjacent property are prohibited. The Port's obligation to make the Airport available for the use and benefit of the public does not extend to providing airfield access from adjacent property. TTF operations can provide unfair competitive advantage with on-Airport Commercial Aeronautical Operators, limit the Port's ability to regulate the quality of commercial aeronautical products and services; and derogate the safe, secure and efficient operation of the Airport.

4.5.2. Cross-Ownership. Consistent with the Port's obligation to avoid granting exclusive rights, no Person or Entity may hold or control, directly or indirectly, any ownership, voting, management or debt interests (actual or contingent) in

more than one on-Airport commercial aeronautical service provider, absent written authorization by the Airport Director.

- 4.5.3. Prohibited Aeronautical Activities. No Entity shall be permitted to conduct a Commercial Aeronautical Activity at the Airport in support of an Aeronautical Activity that is prohibited by the FAA, the State of Washington, or the Port, including by operation of the Airport Rules and Regulations.

## **5. Waivers and Variances**

- 5.1. Procedure. An Entity may apply in writing to the Airport Director for a Waiver or Variance from any of the requirements of these Minimum Standards. The request shall contain all information considered relevant by the requesting Entity to form a basis for the Port's decision. The Airport Director shall submit the request, along with the Airport Director's recommendation, to the Board of Commissioners at a regular or special meeting of the Board within sixty (60) days of the Airport Director's receipt of all information necessary to base a decision. The Board's decision shall be issued in accordance with the standards set forth in this section and any additional standards as may be considered relevant and appropriate by the Board.
- 5.2. Permanent Waiver for Government Agencies. The Port may issue a permanent Waiver for all or any portion of these Minimum Standards for the benefit of any government or government agency providing public or emergency services, including, for example, and without limitation: law enforcement, disaster relief, search and rescue, fire prevention and firefighting.
- 5.3. Other Permanent Waivers. In extraordinary circumstances, in order to further the Purposes outlined in Section 2.1, the Airport Director, in his/her sole discretion, may grant a permanent Waiver for any portion of these Minimum Standards.
- 5.4. Temporary Waivers and Temporary Variances. The Port may approve a temporary Waiver or temporary Variance of these Minimum Standards upon finding that each of the following conditions is satisfied:
  - 5.4.1. A special condition or unique circumstance exists that makes the application of these Minimum Standards unduly burdensome.
  - 5.4.2. The temporary Waiver or temporary Variance is narrowly tailored to address the special condition or unique circumstance.
  - 5.4.3. The Commercial Aeronautical Operator has agreed to come into full compliance with these Minimum Standards within a prescribed schedule and such schedule is made enforceable by the Port.

- 5.4.4. The Port finds that the temporary Waiver or temporary Variance will not materially interfere with the Commercial Aeronautical Operator's ability to provide high quality products, services and facilities to Airport users.
- 5.4.5. The temporary Variance will not create an unfair competitive relationship among Commercial Aeronautical Operators at the Airport.
- 5.5. Any temporary Waiver or temporary Variance approved by the Port hereunder shall apply only to the specific Commercial Aeronautical Operator and the specific circumstance and shall not serve to amend, modify, or alter these Minimum Standards.

## **6. Additive Standards and Conflicts**

- 6.1. Unless authorized in writing by the Airport Director or otherwise provided herein, Commercial Aeronautical Operators must meet every minimum standard for every authorized Commercial Aeronautical Activity.
- 6.2. In the event of conflicting minimum standards, the Commercial Aeronautical Operator will be required to satisfy the higher or more demanding standard. In the event of a conflict between the Lease, License or Agreement and these Minimum Standards, the terms of the Lease, License or Agreement shall apply.
- 6.3. The Port may permit a SASO conducting multiple Commercial Aeronautical Activities to satisfy a minimum standard hereunder that is less than the sum of the standards for each Commercial Aeronautical Activity, if the Port finds each of the following conditions is satisfied:
  - 6.3.1. The off-set will not affect the Commercial Aeronautical Operator's ability to provide high quality products, services and facilities to Airport users in keeping with the purposes hereof.
  - 6.3.2. The off-set will not create an unfair competitive relationship among Commercial Aeronautical Operators at the Airport. An off-set granted pursuant to his provision shall not constitute a temporary Waiver or temporary Variance as provided in Section 5.

## **7. Reservation of Rights**

- 7.1. The grant of permission by the Port to conduct Commercial Aeronautical Activities at the Airport shall not be construed as granting an exclusive right to conduct a Commercial Aeronautical Activity.
- 7.2. The Port reserves and retains the right to conduct Commercial Aeronautical Activities at the Airport either in competition with other Entities or by exercising a proprietary



exclusive right as recognized by the FAA in Order 5190.6B, *Airport Compliance Manual* (2009) and Advisory Circular 150/5190-6, *Exclusive Rights at Federally-Obligated Airports* (2007).

- 7.3. The Port reserves and retains the right for use of the Airport by others who may desire to use the same, pursuant to applicable federal, state and local laws, ordinances, codes, minimum standards and other regulatory measures pertaining to such use.
- 7.4. The Port reserves and retains the right to plan and develop the Airport in the best interest of the Port, tenants, Airport users and the community without hinderance or interference from any Commercial Aeronautical Operator.
- 7.5. The Port reserves and retains the right to designate the specific Airport areas in which specific Aeronautical Activities may be conducted. Such designation shall give consideration to the nature and extent of the operation and the land and improvements available for such purposes, consistent with the orderly and safe operation of the Airport. The Port reserves the right to refuse to renew, extend or issue a new Lease, License or Agreement to conduct a Commercial Aeronautical Activity on a parcel that has been redesignated for an alternate Aeronautical Activity.
- 7.6. The privilege of using the Airport and any and all of its facilities shall be conditioned on the assumption of full responsibility and risk by the user thereof. The Port reserves the right to claim immunity from liability in connection with its operation of the Airport and to assert any other defense available, including without limitation substantive or procedural defenses pursuant to RCW 4.96 (Actions Against Political Subdivisions, Municipal and Quasi-Municipal Corporations) and RCW 4.24.470 (Liability of Officials and Members of Governing Body of Public Agency – Definitions).

## **8. Selection of Commercial Aeronautical Operators**

- 8.1. This section shall not apply to the Port in its conduct of Commercial Aeronautical Activities at the Airport.
- 8.2. Procurement. Consistent with the purposes set forth in Section 2.1 and the Airport Leasing Policy, the Port shall promote competition for the conduct of Commercial Aeronautical Activities at the Airport through the open, fair and competitive selection of new Commercial Aeronautical Operators in the manner provided in this section.
- 8.3. The Port may, in its sole discretion, initiate a competitive solicitation under the following circumstances, without limitation:
  - 8.3.1. Upon the expiration or termination of a Lease, License or Agreement with an Entity conducting Commercial Aeronautical Activity(ies) at the Airport, in which event the Port may request Statements of Qualifications or proposals from

Entities to conduct the same Commercial Aeronautical Activity(ies), different Activity(ies), or not prescribe whether the submittals must be for commercial or non-commercial use. Notwithstanding the foregoing, nothing in these Minimum Standards shall preclude the Port from entering into negotiations with the incumbent Commercial Aeronautical Operator to extend, renew or enter into a new Lease, License or Agreement.

- 8.3.2. Upon the determination of need for additional Commercial Aeronautical Activity(ies) at the Airport, based on, for illustration and without limitation, the following: traffic forecasts, waiting lists for aircraft storage facilities, activities by Non-Tenant Operators, and the findings and recommendations in updates to the Airport Master Plan.
- 8.3.3. Upon the determination that vacant improved or unimproved property exists at the Airport that is suitable for Commercial Aeronautical Activity(ies) in accordance with the Airport Master Plan and Airport Layout Plan.
- 8.3.4. Upon receipt of a Statement of Interest, as provided immediately below.
- 8.4. Unsolicited Statement of Interest. An Entity seeking to conduct a Commercial Aeronautical Activity at the Airport may submit an unsolicited Statement of Interest to the Airport Director.
  - 8.4.1. There is no required form for a Statement of Interest. However, the Statement of Interest should address, at a minimum, the following:
    - 8.4.1.1. General overview and scope of the proposed Commercial Aeronautical Activity(ies), including the general area in which the proposed Activity(ies) shall occur.
    - 8.4.1.2. Contact information, including the name, mailing address, email address and telephone number of the Entity.
  - 8.4.2. Upon receipt of a Statement of Interest, the Port may, in its sole discretion, initiate direct negotiations with the Entity, initiate a competitive selection in accordance with Section 8.3 and the Airport Leasing Policy, or take no action if the Statement of Interest contains sufficient information to determine that one or more of the disqualifying factors enumerated in Section 8.5.2 is present.
- 8.5. Proposals
  - 8.5.1. If the Port elects to conduct a competitive selection process, it will request a written proposal from interested parties. If the Port decides to enter into direct negotiations with an Entity submitting a Statement of Interest, the Port will

request a proposal from that Entity. Written proposals shall be in the form prescribed by the Port, or, in the absence of a form, shall include the following information and any additional information as may be requested by the Airport Director:

- 8.5.1.1. A comprehensive listing of all services proposed to be offered on or from the Airport.
  - 8.5.1.2. A map, to scale, of the amount, configuration, and location of the land requested or desired to be leased.
  - 8.5.1.3. The size and position of the building(s) to be constructed or leased and the proposed design and terms for the construction of any additional space and the ownership, leasing or subleasing thereof. An identification of any necessary or desirable capital improvements to be constructed in conjunction with the operation and applicant's proposal for financing the same.
  - 8.5.1.4. The requested or proposed date for commencement of the service and the term of conducting the same.
  - 8.5.1.5. The number of persons to be employed (including the qualifications and certifications of each person).
  - 8.5.1.6. Relevant information regarding the Entity's past experience and its key employees in providing the proposed Commercial Aeronautical Activity(ies), together with a statement that the Entity has the financial and managerial ability to perform the selected services.
  - 8.5.1.7. Evidence of the Entity's financial responsibility, in such form as determined reasonably necessary by the Airport Director, including for example and without limitation a letter from a recognized financial institution, copies of audited financial statements, a current credit report, SEC Form 10-K's, and/or annual reports for the previous three years.
- 8.5.2. The Port reserves the right to deny a Statement of Interest or proposal upon finding any of the following:
- 8.5.2.1. The Commercial Aeronautical Activity proposed by the Entity would not meet these Minimum Standards.
  - 8.5.2.2. The Statement of Interest or proposal includes a Commercial Aeronautical Activity that the Port has reserved for itself as a proprietary exclusive right.



- 8.5.2.3. The Port has determined, upon examination of the Entity's business plan, financial plan and/or credit report that the Entity is unlikely to be able to continue to meet these Minimum Standards throughout the term of a Lease, License or Agreement, including the payment of rates and charges.
- 8.5.2.4. The Entity applying or interested in the business cannot provide a performance bond or applicable insurance in the amounts and types required by the Port for that Commercial Aeronautical Activity.
- 8.5.2.5. The Entity has, either intentionally or unintentionally, supplied the Port, or any other Person, with false or misleading information or has failed to make full disclosure in their proposal or supporting documents.
- 8.5.2.6. There is no suitable space on the Airport to accommodate the proposed Commercial Aeronautical Activity without requiring the reduction in space leased to another Entity; or the development or use of the area requested by the Entity will result in a congestion of Aircraft or buildings or will result in unduly interfering with the operations of any present Commercial Aeronautical Operator on the Airport.
- 8.5.2.7. The proposed Commercial Aeronautical Activity is inconsistent with the Airport Layout Plan or the Airport Master Plan.
- 8.5.2.8. The FAA has determined that any proposed development would constitute an obstruction or hazard to air navigation.
- 8.5.2.9. The proposed Commercial Aeronautical Activity would require the Port to spend funds or to supply resources, and such funds or resources are not available or budgeted, or the operation will result in a financial loss to the Port.
- 8.5.2.10. The Entity, an immediate family member of the Entity, a principal of the Entity, or another entity of which a principal of the Entity was a principal, was party to an agreement with the Port that was terminated for cause, was previously evicted from the Airport, or has been party to vexatious or frivolous litigation, including, without limitation, administrative litigation, against the Port concerning Commercial Aeronautical Activities at the Airport.
- 8.5.2.11. The Entity, an immediate family member of the Entity, a principal of the Entity, or an entity of which a principal of the Entity was a

principal, has been debarred by any department, agency or bureau of the U.S. Government or State of Washington or by the Port.

## **9. Standards Applicable to All Commercial Aeronautical Operators**

### **9.1. Lease, License or Agreement**

9.1.1. Commercial Aeronautical Operators must enter into a Lease, License or Agreement with the Port setting forth, at a minimum, permitted and prohibited Commercial Aeronautical Activity(ies) and requiring compliance with these Minimum Standards, as the same may be amended from time to time.

9.1.2. Any Lease shall contain the terms required by the Airport Leasing Policy.

### **9.2. Personnel and Customer Service**

9.2.1. Commercial Aeronautical Operators are to provide high quality customer service by meeting or exceeding Airport customer needs through consistent, responsive, and professional service.

9.2.2. Commercial Aeronautical Operators are to employ the necessary number of trained staff, on-duty management and supervisors to provide for the efficient, safe and orderly operations of its business.

9.2.3. Each Commercial Aeronautical Operator shall provide to the Airport Director a list of contacts, including after-hours contacts in the event of emergencies. The Operator shall update the contact list when changes occur.

9.2.4. Commercial Aeronautical Operators are to control the conduct and demeanor of their personnel, agents, subcontractors, and subtenants, as well as conduct their business operations in a safe, orderly, efficient, and proper manner so as not to unreasonably disturb or endanger any Airport customers, Tenants or other operators.

9.2.5. All personnel employed by a Commercial Aeronautical Operator to perform duties on the Airport are required to be appropriately dressed and identifiable while on duty and to wear a Port-issued airport security badge, as may be required by regulation or directive of TSA. The business name shall be included in the means of identification on each person whose job responsibilities include regular interaction with Airport customers.

### **9.3. Compliance with Federal, State and Local Requirements**

- 9.3.1. Commercial Aeronautical Operators are to comply with all federal, state and local requirements applicable to their operations.
- 9.3.2. Commercial Aeronautical Operators are to conduct all activities so as to allow the Port to remain in compliance with all federal and state statutes, regulations, orders, policies, and grant assurances applicable to the Port in the operation, maintenance, and development of the Airport, including without limitation the Port's obligations under 14 C.F.R. Part 139 and the Port's Airport Compliance Manual.
- 9.3.3. Commercial Aeronautical Operators are to comply with the rules imposed by the Port and the City of Pasco applicable to conduct on the Airport, including without limitation applicable provisions of the Pasco Municipal Code, the Airport Rules and Regulations, and applicable Protective Covenants and Restrictions.
- 9.3.4. Without limiting the generality of the foregoing, Commercial Aeronautical Operators are to comply with the following requirements:
  - 9.3.4.1. Security. Commercial Aeronautical Operators are to comply with the laws, regulations, orders and directives of TSA, as each may be amended; instructions of law enforcement personnel; and the policies, orders and directives of the Port in furtherance of the Airport Security Program.
  - 9.3.4.2. Safety. Commercial Aeronautical Operators are to comply with federal, state and local law applicable to workplace and aviation safety; and the orders and directives of the Airport Director in furtherance of a Safety Management System or similar or related program at the Airport designed and intended to enhance safety.
  - 9.3.4.3. Environmental. Commercial Aeronautical Operators are to comply with all applicable federal, state and local environmental laws; orders and directives of a federal or state agency with requisite jurisdiction over environmental conditions at the Airport; Port environmental policies and procedures, including, for example and without limitation, Spill Prevention Control and Countermeasure ("SPCC") Plan, Stormwater Management Plan ("SWMP") and spill response plan; and generally accepted industry environmental policies and standards.
  - 9.3.4.4. Licenses, Permits, Certifications and Ratings. Commercial Aeronautical Operators shall, at their own costs, obtain, maintain, and comply with all necessary licenses, permits, certifications, or rating required for the conduct of their activities at the Airport. Upon request,

Operator shall provide copies of such licenses, permits, certifications, or rating to the Airport Director.

9.4. Hours of Operation

- 9.4.1. Commercial Aeronautical Operators are encouraged to be and remain open seven (7) days per week, each day throughout the year, during normal business hours, except as otherwise provided herein.
- 9.4.2. Commercial Aeronautical Operators are encouraged to provide on-call, after-hours services and conspicuously post contact information on the Operator's leased premises, website or by other means.

9.5. Signage

- 9.5.1. Each building, vehicle, and piece of mobile or vehicular equipment used on the Airport in conjunction with the Commercial Aeronautical Activity shall bear the Commercial Aeronautical Operator's identification in the form of a company logo, sign, emblem, or other means to designate to whom the building, vehicle, or equipment belongs or is assigned.
- 9.5.2. Identification shall be legible on a contrasting background and shall be visibly displayed.
- 9.5.3. All Commercial Aeronautical Operator identification shall be professionally designed and affixed.

9.6. Vehicles and Equipment

- 9.6.1. The specific equipment requirements contained in these Minimum Standards shall be deemed satisfied if the Commercial Aeronautical Operator owns, leases or otherwise has sufficient access to the equipment to provide the applicable aeronautical services promptly on demand without causing any flight delays or other operational impacts on aircraft at the Airport.
- 9.6.2. Equipment must be maintained in safe operating condition and good appearance.
- 9.6.3. All vehicles operating at the Airport shall comply with applicable rules and regulations governing vehicles and traffic and have required authorization, including authorization to operate on the Movement Area and Safety Areas.

9.7. Reasonable and Not Unjustly Discriminatory Fees and Services

- 9.7.1. Commercial Aeronautical Operators shall furnish and offer services on a reasonable, and not unjustly discriminatory, basis to all customers and prospective customers.
- 9.7.2. Commercial Aeronautical Operators shall charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the Operator may make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

#### 9.8. Subcontracting, Subleasing and Assignment

- 9.8.1. As provided in these Minimum Standards and a Lease, License or Agreement, Commercial Aeronautical Operators may sublease or subcontract to another Entity to conduct a Commercial Aeronautical Activity. In such event, the sublessee or subcontractor shall be responsible for complying with all applicable Minimum Standards; provided, however, that the Commercial Aeronautical Operator shall remain liable to the Port for compliance with these Minimum Standards and the terms of an Agreement.
- 9.8.2. Each Lease, License and Agreement shall require the Board's approval of any assignment, or the Airport Director's approval if such approval authority has been formally delegated to the Airport Director.
- 9.8.3. No Entity shall conduct a Commercial Aeronautical Activity as a lessee or sublessee of Airport property that is leased or designated for a non-commercial use, including, for example and without limitation, a hangar leased for private, non-commercial use.

#### 9.9. Insurance

- 9.9.1. Each Entity conducting Commercial Aeronautical Activities at the Airport must maintain insurance policies and coverage limits that are relevant and appropriate to the activities conducted at the Airport.
- 9.9.2. Each Lease, License or Agreement shall prescribe the insurance types and coverage limits for the Commercial Aeronautical Operator based upon the circumstances and the risks presented by the proposed Commercial Aeronautical Activity. The applicable insurance coverage shall be in force during the period of any construction of the Commercial Aeronautical Operator's facilities and/or prior to its entry upon the Airport for the conduct of its business. Each Entity must maintain the required insurance throughout the term of a Lease, License or Agreement. Lapses in insurance coverage may result in denial of access to the Airport.



- 9.9.3. Any Commercial Aeronautical Operator who, by nature of its size, has become self-insured shall furnish evidence of financial capacity to self-insure and shall hold the Port and all its personnel, officers, agent and assigns harmless in the event of any claims or litigation arising out of the Entity's operation on the Airport.
- 9.9.4. Insurance shall be secured by a company authorized to conduct business in the State of Washington. Each insurance policy, except workers' compensation, shall cover both bodily injury and property damage. Each policy shall be primary and non-contributory. Each Entity required to maintain insurance by operation of these Minimum Standards or a Lease, License or Agreement will provide a Certificate of Insurance listing the Port as an additional insured. This obligation shall not apply to any workers' compensation policy. Each policy, except a workers' compensation policy, shall insure the defense and indemnity obligations assumed by the Entity under a Lease, License or Agreement. It shall be the Entity's responsibility to pay any retention or deductible for the coverages required herein and in a Lease, License or Agreement. Insurance policies must include a requirement that a 30-day notice of cancellation, material change or non-renewal will be sent to the Airport Director.
- 9.9.5. In prescribing insurance types and coverage limits, the Port is not representing or guaranteeing that the types and limits are adequate to protect the Entity's interests and liabilities. It is understood that the specified amounts of insurance shall in no way limit the liability of an Entity. In requiring Entities to maintain insurance hereunder, the Port in no way assumes liability for injury or damage occurring on or in connection with the Airport, and the Port reserves the right to claim any defenses or immunity available under law.

## **10. Fixed Base Operators**

### **10.1. Required and Optional Services**

- 10.1.1. A Fixed Base Operator or FBO engages in and furnishes a full range of aeronautical products, services and facilities to the public, which shall include, at a minimum, the following: aircraft fueling, to include Jet-A and AVGAS; commercial self-service fueling of AVGAS; aircraft line services; customer services; aircraft storage; and aircraft maintenance and repair.
- 10.1.2. An FBO may be permitted to provide, as optional services, any other Commercial Aeronautical Activities for which Minimum Standards have been prescribed herein.

10.1.3. Each FBO shall provide or have under an approved contract the personnel, equipment, and facilities required to service all types of Aircraft normally operating at the Airport.

10.1.4. FBO services shall be provided (1) on the FBO's leased premises; (2) within areas of the Airport leased to another Entity, at the Entity's specific request; and/or (3) within public areas of the Airport managed by the Port or by the FBO, in which event each FBO shall provide products and services in common with other FBOs or Commercial Aeronautical Operators. No FBO shall be authorized to exercise exclusive use and possession of any areas of the Airport outside of the FBO's leased premises, including for example and without limitation any portion of the Movement Area.

## 10.2. Agreements and Sub-Agreements

10.2.1. Each FBO shall have in effect a Lease with the Port at all times during which Commercial Aeronautical Activities are conducted on the Airport, which Lease shall provide for the use of space in accordance with these Minimum Standards, prescribe the specific Commercial Aeronautical Activities that may be provided by the FBO, contain such terms and conditions as prescribed by the Airport Leasing Policy, and contain such other terms and conditions as may be included in the Port's standard form Agreement or Agreement prepared for the specific FBO.

10.2.2. The term of a Lease to an FBO generally shall be no longer than twenty (20) years but may be longer, in accordance in the Airport Leasing Policy, based on the level of financial investment at the Airport to be made by the FBO.

10.2.3. The Lease or other Agreement with an FBO may provide for the management and preferential use of public-use ramp and apron, including pavements constructed or improved with federal financial support, provided that the Lease or other Agreement shall require the FBO to ensure public use of the ramp or apron on reasonable and not unjustly discriminatory terms and conditions and require the FBO to assume responsibilities for the maintenance and safe use of the area.

10.2.4. FBOs may subcontract, sublease, or use third-party contractors approved by the Airport Director to provide FBO services, except for aircraft fueling and aircraft line services, which services must be provided directly by the FBO and its personnel. Subcontractors, sublessees, and third-party operators shall meet all Minimum Standards applicable to such services. All subcontractors, sublessees, and third-party operators must be approved by the Airport Director in writing prior to the FBO entering into any binding contracts with such subcontractors, sublessees and third-party operators.

### 10.3. Fees and Charges

- 10.3.1. The Port shall charge each FBO for the lease and use of Airport facilities, for services provided by the Port, and for the privilege to conduct Commercial Aeronautical Activities at the Airport.
- 10.3.2. Fees may be imposed through a Lease or other Agreement or by resolution or other action of the Board of Commissioners.
- 10.3.3. Fees may be calculated per square foot of space leased to the FBO, as a percentage of gross revenues, or both. Rental rates may reflect whether the land is improved or unimproved, whether improvements were constructed by the FBO, and similar and related factors.
- 10.3.4. The Port reserves the right to vary the fees and charges imposed on FBOs, if the Port determines that two or more FBOs are not similarly situated, based on, for example and without limitation, the location, size, age and use of the land and facilities and similar and related factors.
- 10.3.5. The Port may require each FBO to collect fees from FBO customers, to include without limitation fuel flowage fees and landing fees, which the FBO shall collect without markup and remit promptly to the Port.

### 10.4. Land and Facility Requirements

- 10.4.1. Total Leased Area. Each FBO must lease sufficient area from the Port as necessary to satisfy the requirements of these Minimum Standards and the present and forecast needs of based and itinerant users of the Airport. Each FBO must lease, at a minimum, (i) an FBO terminal for use by its customers; (ii) hangar space for purposes of aircraft storage, maintenance and repair; and (iii) setback and appurtenant areas surrounding the FBO terminal and hangar. The Port and FBO further may negotiate for the lease by the FBO of parking areas for ground vehicles, ramp and apron, aircraft tie-down, and other improved and unimproved areas for use in connection with the FBO. The Port prefers that each FBO lease contiguous space rather than multiple, nonadjacent parcels.
- 10.4.2. Improvements. Building improvements shall be permanent in nature and constructed only upon issuance of a building permit and approval by the Port.
- 10.4.3. FBO Terminal. The FBO terminal building, or portion of hangar dedicated to crew and passenger services, shall be sufficient in size to provide the customers services prescribed hereunder and to accommodate the present and forecast needs of FBO customers.



- 10.4.4. Aircraft Storage. Each FBO shall lease one or more fully-enclosed, climate-controlled aircraft hangars, which shall be equipped with a fire suppression system as may be required, and capable to store one or more large corporate, jet aircraft. The FBO shall ensure that some portion of the leased hangar space is available for short-term rental by itinerant users of the Airport.
- 10.4.5. Ramp. Each FBO shall either lease from the Port, or secure through a management agreement or preferential use right, sufficient ramp and apron space to satisfy the requirements for fueling, line service, and customer service prescribed hereunder and to accommodate the present and forecast needs of FBO customers. Each FBO shall coordinate with the Port to ensure that the weight-bearing capacity of such pavements can accommodate the largest aircraft to be serviced at the FBO without causing undue stress or degradation to the pavement. As of the Effective Date, the Airport experiences more than 500 annual operations by General Aviation aircraft in Aircraft Approach Category B and Airplane Design Group II (Airport Reference Code B-II).
- 10.4.6. Fuel Storage and Mobile Refueler Parking. Each FBO shall lease from the Port, or construct at its own cost, fuel storage facilities with sufficient capacity to accommodate the present and forecast demand by FBO customers for Jet-A and AVGAS. The Port reserves the right to designate an area on the Airport for a consolidated fuel farm, in which event all new Agreements with FBOs shall provide for fuel storage within the consolidated fuel farm. Each FBO shall have access, through the Lease or other Agreement, for sufficient and properly designed and equipped space to park and store mobile refueling trucks and equipment.
- 10.4.7. Tie-Downs. Each FBO may, but is not required, to provide tie-downs as considered desirable to accommodate the forecast demand for short- and long-term outside aircraft storage. Tie-down areas to be made available to FBO customers shall be designed and operated consistent with FAA design standards, currently found at FAA Advisory Circular 150/5300-13B, *Airport Design*, App. E.2.3 (Tiedowns). FBOs may lease paved tie-down areas from the Port, in which event the FBO shall provide adequate equipment, including ropes, chains and other types of restraining devices, and wheel chocks for the typical number and type of aircraft using tie-downs. Alternatively, FBOs may contract with the Port to manage tie-down spaces owned by the Port, in which event the Lease shall prescribe the Port's and FBO's responsibilities for operating and maintaining the tie-down area.
- 10.4.8. Ground Vehicle Parking. Each FBO shall ensure that access is available to ground vehicle parking in close proximity to the FBO terminal and aircraft storage hangars sufficient to accommodate the parking demands of all employees,

customers and visitors to the FBO during peak periods. The Lease shall indicate whether ground vehicle parking is included within the leased premises and, if not, how ingress, egress and access to ground vehicle parking shall be provided. If the leased premises includes a parking area for ground vehicles, the Lease further prescribe the FBO's responsibilities for the design, operation and maintenance of the parking area, including, without limitation, lighting, snow removal and the provision of ADA-compliant parking spaces.

10.4.9. Walkways. Each FBO shall provide paved walkways within the leased premises to facilitate pedestrian access.

#### 10.5. Hours of Operation

10.5.1. Fuel sales, line services and customer services shall be provided during those hours necessary to adequately meet public demand for such services. This service shall be provided a minimum of twelve (12) hours per day, seven (7) days per week, including holidays, with a thirty (30) minute response call out service outside normal business hours.

10.5.2. Other services, both required and optional, shall be available, at a minimum, to the public between the hours of 8:00 a.m. and 5:00 p.m. local time daily, five (5) days per week, excluding holidays.

10.5.3. Each FBO shall provide the Airport Director with written notice of the FBO's hours of operation and any changes in hours of operation.

#### 10.6. Staffing and Personnel Qualifications

10.6.1. Staffing. During the required hours of operation, each FBO shall employ and have on duty sufficient staff to meet the Minimum Standards for each Commercial Aeronautical Activity provided. A staffing plan shall be submitted to the Airport Director for reference. Each FBO shall have at least two (2) personnel, trained and certified as required below, on site at all times during required hours of operation. Additional personnel must be available within thirty (30) minutes on call outside normal hours of operation. A manager/supervisor must be on site or on call within thirty (30) minutes during all required hours of operation.

10.6.2. Supervision. The general manager or operations manager overseeing the FBO's day-to-day activities must have a minimum of five (5) years' continuous work experience in the general aviation industry, with at least two (2) years' experience specific to FBO or FBO operations management. FBO shall provide the Airport Director with a point-of-contact including phone numbers for personnel empowered to make decisions during emergency situations.

10.6.3. Personnel Qualifications. All FBO aircraft fuel handling personnel shall be fully trained in the safe and proper handling, dispensing, and storage of aircraft fuel. Acceptable training shall be NATA Safety 1<sup>st</sup> Professional Line Service Training or an equivalent training program. Records identifying completed training programs shall be kept on file and submitted to the Airport Director upon demand.

## 10.7. Procedures

10.7.1. Each FBO shall prepare and distribute standard operating procedures, an employee manual or similar document providing instruction and guidance to managers, supervisors and personnel on the provision of FBO services at the Airport. The document shall address, at a minimum, operations, safety, security, customer service, billing, recordkeeping, and other routine and emergency matters. The document shall be specific to FBO services at the Airport, notwithstanding whether the FBO provides services at one or more other airports.

10.7.2. Each FBO shall submit the document referred to in the preceding paragraph to the Airport Director for review and approval prior to initiating any Commercial Aeronautical Activity at the Airport and further shall provide any material update to the Airport Director before implementing the proposed change in procedures.

## 10.8. Required Fuel Services

10.8.1. Each FBO must provide the sale and into-plane delivery of common and recognized brands of aircraft fuels, lubricants and other aviation petroleum products and pay the Port a fuel flowage fee for all gallons of fuel dispensed. All equipment used for the storage or dispensing of aircraft fuel must meet all applicable federal, state, local laws, rules and regulations. The location of the aircraft fuel storage area shall be in conformance with the airport layout plan and airport master plan, and the facility must comply with all federal, state and local environmental requirements. The location and design must be approved in writing by the Port.

10.8.2. Each FBO shall provide for the dispensing of aviation fuels, oils and lubricants by uniformed employees of the FBO whose duties will not prevent them from providing such sales and services on an immediate basis.

10.8.3. Each FBO shall have two metered, filter equipped dispensers, fixed or mobile, for dispensing two grades of aviation fuel (AVGAS and Jet-A) from storage tanks having a minimum capacity of twelve thousand (12,000) gallons of AVGAS and twenty thousand (20,000) gallons of Jet-A. Mobile dispensing trucks shall have a total minimum capacity of seven hundred fifty (750) gallons of AVGAS and three

thousand (3,000) gallons of Jet-A. A separate dispensing pump for each grade of fuel is required.

- 10.8.4. Fuel service vehicles for AVGAS and Jet-A shall be equipped and operated consistent with federal, state and local laws and regulations and with National Fire Prevention Association Code No. 407 (Standard for Aircraft Fuel Servicing) and FAA Advisory Circular 150/5230-4 (Aircraft Fuel Storage, Handling and Dispensing on Airports). Without limiting the generality of the foregoing, each fuel service vehicle shall be equipped with adequate bonding apparatus to eliminate the hazards of static electricity and further shall be equipped with approved types of fire extinguishers or other equipment commensurate with the hazard involved in the refueling and servicing of aircraft, including spill kits.
  - 10.8.5. Each FBO shall provide to the Airport Director a copy of an enforceable Agreement whereby a reputable aviation gasoline and lubricant distributor agrees to provide the FBO with fuel and oil in quantities necessary to meet the requirements set forth herein.
  - 10.8.6. Each FBO shall maintain at all times an adequate inventory of AVGAS and Jet-A, sufficient to meet no less than five-days' supply by the FBO's customers, based on historical demand during the same time period.
  - 10.8.7. Each FBO shall maintain an adequate inventory of generally accepted grades of aviation engine oil and lubricants.
- 10.9. Required Line Services
- 10.9.1. Marshalling. Each FBO shall provide necessary equipment, supplies, and a minimum of two trained personnel for aircraft apron assistance, towing, parking, and tie-downs, within the leased premises. The trained personnel may also serve as the required refuelers. Equipment shall be sufficient to facilitate the handling of aircraft from single engine up to and including corporate jets. Equipment to be provided and maintained by the FBO shall consist of one tug, one ground power unit, one universal tow bar, and one tow bar with changeable heads for turbine aircraft.
  - 10.9.2. Line Service. Each FBO shall provide personnel and proper equipment for engine preheating, aircraft starting, repairing and inflating aircraft tires, servicing struts, changing engine oil, servicing oxygen systems, washing aircraft and aircraft windows and windshields, lavatory and potable water service, and recharging or energizing discharged aircraft batteries and starters.
  - 10.9.3. Deicing and Anti-Icing. Each FBO shall provide Aircraft deicing and anti-icing services within areas designated by the Port for this purpose, using only FAA-



approved fluids, and in accordance with procedures established by the FBO in accordance with best industry practice.

- 10.9.4. Disabled Aircraft. Each FBO shall be prepared to remove disabled aircraft. Each FBO shall have personnel trained and have access to the equipment or be able to arrange for the equipment and/or services required to remove damaged aircraft from the Airport Movement Areas. Each FBO shall have personnel on call and be able to respond to a damaged aircraft within 15 minutes of notification during regular hours of operation and within 45 minutes after hours.

#### 10.10. Required Customer Service

- 10.10.1. Each FBO shall provide the following services and concessions inside an FBO terminal building located within the leased premises:

- 10.10.1.1. Customer service counter stocked with basic pilot supplies
- 10.10.1.2. Public lounge and waiting area
- 10.10.1.3. Pilot Rest Area
- 10.10.1.4. Flight planning work area with flight service station and weather service communication links and personal computers with free high speed internet access
- 10.10.1.5. Free high speed internet access for personal laptop computers and other personal mobile devices used within the facility
- 10.10.1.6. Free courtesy car for travel within ten (10) miles of the Airport
- 10.10.1.7. Snack food and beverage service, which may be satisfied by automated vending machines
- 10.10.1.8. Local ground transportation services or contacts

- 10.10.2. Lounge or waiting rooms shall be heated and air conditioned with appropriate furnishings for passengers and airplane crews of itinerant aircraft, and include public, sanitary restrooms for men and women.

#### 10.11. Required Aircraft Storage

- 10.11.1. Each FBO shall maintain sufficient space to accommodate reasonable demand for overnight and short-term aircraft storage.

- 10.11.2. Each FBO shall require all subtenants leasing space within the hangar for more than thirty (30) days to have an executed agreement prior to occupancy, the form of which provides adequate insurance and indemnification protection for the Port. A copy of the standard sublease form must be approved by the Airport Director in writing prior to commencement of leasing activities. FBO must provide a listing and copies of all executed subleases of all aircraft stored within the hangar facilities.

10.11.3. Each FBO must ensure that hangar subtenants perform no maintenance within the hangar other than preventative maintenance on their own aircraft, utilizing their own employees, to the extent permitted in 14 C.F.R. Part 43, as currently in effect or as it may hereafter be amended. Painting, welding, and any type of hazardous material storage shall not be permitted within aircraft hangars unless authorized specifically by the Airport Director in writing prior to conducting such work or engaging in such usage. The piling and storage of crates, boxes, barrels, containers, refuse and surplus property shall not be permitted.

10.11.4. Each FBO shall provide a waste oil receptacle within the immediate vicinity of the hangar(s). This receptacle shall be capable of holding a minimum of fifty (50) gallons, have secondary containment protection and be emptied at regular intervals and be in compliance with all regulatory requirements as currently in effect or as they may hereafter be amended.

#### 10.12. Required Aircraft Maintenance and Repair

10.12.1. Each FBO shall have available at the Airport at least one technician eight hours per day, five days per week. Personnel must be FAA-certified and possess an airframe, power plant, or aircraft inspector rating as specified in 14 C.F.R. Part 65, as currently in effect or as it may hereafter be amended, or the maintenance facility shall be certified under and satisfy all the requirements as specified in 14 C.F.R. Part 145, as currently in effect or as it may hereafter be amended.

10.12.2. Each FBO must maintain an adequate inventory of parts and supplies regularly used in routine maintenance and repair functions and access to vendors for additional parts and supplies required in performing aircraft airframe and power plant maintenance and repair.

10.12.3. Each FBO must provide work space for any aircraft upon which airframe or engine repairs are being performed.

10.12.4. Each FBO must provide storage space for aircraft before and after repair and maintenance have been accomplished.

10.12.5. Each FBO must provide adequate equipment, including without limitation machine tools, jacks, lifts and testing equipment, as required for its operation and further shall provide adequate shop space to house all equipment.

#### 10.13. Required Commercial Self-Service Fueling

10.13.1. Each FBO shall provide commercial self-service fueling equipment in addition to the required aircraft fuel equipment, with the prior written consent



of the Airport Director. Commercial self-service fueling equipment will be located at the Airport's designated self-fuel apron and must comply with all applicable federal, state, local laws, rules and regulations.

10.13.2. Each FBO shall provide an AVGAS tank with a five hundred (500) gallon minimum capacity and associated pumps, metering equipment, credit card acceptance device and other equipment as necessary for this level of service. The tank shall be an aboveground, fire rated, heavy duty industrial strength and concrete coated tank with pumping equipment which shall meet all local fire codes and the requirements and/or regulations of the Washington State Department of Ecology, U.S. Environmental Protection Agency, OSHA, NFPA and any other local, state or national governmental agencies having jurisdiction.

10.13.3. The commercial self-service fueling facility shall be available for use twenty-four (24) hours a day, seven (7) days each week.

10.13.4. FBO must post signage communicating the location and procedures for the emergency shut-off valve and any emergency service contact phone numbers.

10.13.5. FBO shall inspect the facility daily and have trained personnel during normal hours of operation available to answer questions, provide other assistance, and respond to fuel spills from the facility.

#### 10.14. Optional FBO Services

10.14.1. Each FBO may conduct Commercial Aeronautical Activities at the Airport in addition to the required FBO services, with the prior written consent of the Airport Director, which may include, but are not limited to, the Commercial Aeronautical Activities identified in Section 11 below. Any FBO providing optional FBO services through a sublessee or subcontractor shall submit to the Airport Director a copy of the sublease or subcontract which must be approved in writing and must comply with the requirements of these Minimum Standards.

### 11. Specialized Aeronautical Service Operators

#### 11.1. General Requirements

11.1.1. SASOs shall be required to satisfy the general requirements set forth in Section 9, the specific requirements of this Section 11, and the terms and conditions of a Lease, License or Agreement.

11.1.2. SASOs shall not be permitted to provide commercial aircraft fueling services, such services being reserved to FBOs.

11.1.3. Each SASO shall provide, by means of an office or a telephone, a point of contact for the public desiring to utilize the SASO's services.

## 11.2. Flight Training

11.2.1. Statement of Concept. Flight training means the Commercial Aeronautical Activity of instructing pilots in dual and solo flight, in fixed or rotary wing aircraft, and related ground school instruction as necessary to complete an FAA written pilot's examination and flight check ride for various categories of pilots' licenses and ratings. Flight training includes any portion of a flight between two or more airports or other destinations where the primary purpose is to increase or maintain pilot or crew member proficiency. Flight training also includes simulator training for pilot or crew proficiency.

11.2.2. Each SASO conducting flight training and each FBO providing flight training as an optional FBO service must satisfy the following minimum requirements:

11.2.2.1. Maintain such certifications as may be required in accordance with 14 C.F.R. Part 61 (Certification: Pilots, Flight Instructors, and Ground Instructors) or 14 C.F.R. Part 141 (Pilot Schools), as each of the same may be amended or superseded.

11.2.2.2. Provide ground-based instruction on the Airport. Sufficient space must be provided on the Airport for classroom training.

11.2.2.3. Provide at least one (1) flight instructor and ground instructor, properly rated and experienced.

11.2.2.4. Not operate from a t-hangar or tie-down.

11.2.2.5. Own, subcontract or lease two or more dual-equipped, single-engine airworthy aircraft. Aircraft may be fixed or rotary wing.

11.2.2.6. Include adequate mock-ups, pictures, digital media, DVDs, videotapes, or other training aides necessary to provide proper and effective ground school instruction. All materials shall meet FAA requirements for the training offered.

11.2.2.7. Keep premises open and services available a minimum of eight (8) hours a day, hours of operation must fall between 6:00 a.m. and 10:00 p.m., seven (7) days per week. Hours of operation shall reflect student needs and aircraft availability. Premises may be closed during flight training if insufficient personnel are available during that time.

11.2.2.8. Satisfy all safety and security requirements imposed on flight schools by the Federal Aviation Administration and Transportation Security Administration, including, and without limitation, the Flight Training Security Program.

11.2.3. Flying clubs, which are organized for the express purpose of providing their members with aircraft for their personal use and enjoyment, shall not be authorized to conduct flight training as a commercial aeronautical activity. Flying club aircraft shall not be used for flight training. A SASO or FBO authorized to conduct flight training may train a member of a flight club for compensation.

### 11.3. Aircraft Storage

11.3.1. Statement of Concept. Aircraft storage means the business of renting and leasing hangar storage space to aircraft owners or operators solely for aircraft storage purposes. This does not include assigning or subleasing an aircraft hangar to another Entity.

11.3.2. Each SASO conducting aircraft storage must satisfy the following minimum requirements:

11.3.2.1. Require all tenants who lease space to have an executed agreement with the SASO prior to occupancy, the form of which provide adequate insurance and indemnification protection for the Port. A copy of the standard sublease form must be approved by the Airport Director in writing prior to commencement of leasing activities. SASO must provide a listing and copies of all executed lease or subleases of all aircraft stored with the SASO or sublessee's hangar facilities to the Airport Director, including Aircraft tail numbers.

11.3.2.2. Ensure that hangar subtenants perform no maintenance within the hangar other than preventative maintenance on their own aircraft, utilizing their own employees, to the extent permitted in 14 C.F.R. Part 43, as currently in effect or as it may hereafter be amended. Painting, welding, and any type of hazardous material storage shall not be permitted within aircraft hangars unless authorized specifically by the Airport Director in writing prior to conducting such work or engaging in such usage. The piling and storage of crates, boxes, barrels, containers, refuse and surplus property shall not be permitted.

11.3.2.3. Provide a waste oil receptacle within the immediate vicinity of the hangar(s). This receptacle shall be capable of holding a minimum of fifty (50) gallons, have secondary containment protection and be emptied at

regular intervals and be in compliance with all regulatory requirements as currently in effect or as they may hereafter be amended.

11.3.2.4. Ensure that hangar subtenants do not store vehicles or property not related to the use, operation or maintenance of aircraft, without the prior written permission of the Airport Director. This prohibition shall include, without limitation, storage of automobiles, recreational vehicles, boats, personal items, and non-airworthy aircraft (without a present intention to restore the aircraft to an airworthy condition). The Lease, License or Agreement with the SASO shall provide the Airport Director and his/her designee with the right of inspection to ensure compliance with this requirement. This prohibition shall not preclude the storage of ground vehicles on a temporary basis while the occupant is traveling in an aircraft stored in the hangar.

11.3.3. Hangar cooperatives shall not provide fuel services to members of the cooperative or to the public.

#### 11.4. Aircraft Airframe and Power Plant Maintenance and Repair

11.4.1. Statement of Concept. Aircraft airframe and power plant maintenance and repair means the Commercial Aeronautical Activity of providing airframe and power plant services, which includes the repair, maintenance, inspection, constructing, and making of modifications and alterations to aircraft, aircraft engines, propellers and appliances including the removal of engines for major overhaul as defined in 14 C.F.R. Part 43, as currently in effect or as it may hereafter be amended.

11.4.2. Each SASO conducting Aircraft airframe and power plant maintenance and repair must satisfy the following minimum requirements:

11.4.2.1. Have available at the Airport at least one technician eight hours per day, five days per week. Personnel must be FAA-certified and possess an airframe, power plant, or aircraft inspector rating as specified in 14 C.F.R. Part 65, as currently in effect or as it may hereafter be amended, or the maintenance facility shall be certified under and satisfy all the requirements as specified in 14 C.F.R. Part 145, as currently in effect or as it may hereafter be amended.

11.4.2.2. Maintain an adequate inventory of parts and supplies regularly used in routine maintenance and repair functions and access to vendors for additional parts and supplies required in performing aircraft airframe and power plant maintenance and repair.

- 11.4.2.3. Provide work space for any aircraft upon which airframe or engine repairs are being performed.
- 11.4.2.4. Provide storage space for aircraft before and after repair and maintenance have been accomplished.
- 11.4.2.5. Provide adequate equipment, including without limitation machine tools, jacks, lifts and testing equipment, as required for its operation and further shall provide adequate shop space to house all equipment.

#### 11.5. Air Charter, Air Taxi and Aircraft Management

- 11.5.1. Statement of Concept. Air charter and air taxi means the Commercial Aeronautical Activity of providing air transportation (persons or property) to the public for hire, either on a charter basis or as an air taxi, as each is defined and regulated by the Federal Aviation Administration under the Federal Aviation Regulations. Aircraft management means the Commercial Aeronautical Activity of providing aircraft flight dispatch, flights crews, or aircraft maintenance coordination on behalf of an aircraft owner.
- 11.5.2. Each SASO conducting air charter, air taxi or Aircraft management services and each FBO providing air charter, air taxi or Aircraft management services as an optional FBO service must satisfy the following minimum requirements:
  - 11.5.2.1. Have available for hire, either owned or under written lease to the SASO or FBO, at least one (1) four-place aircraft equipped for and capable of use in instrument conditions, or a sufficient number of Aircraft properly certificated to handle the proposed scope of its operation.
  - 11.5.2.2. If flight crew services are provided, employ or subcontract with and have on duty at least one (1) person who holds a current FAA commercial pilot certificate and current Class I or Class II medical certificate. In addition, all flight personnel shall be properly rated for the aircraft operated. If flight dispatch services are provided, the SASO or FBO shall have dispatch capability within four (4) hours of a customer request and shall employ or subcontract with at least one (1) individual with experience and ability to provide charter quotes, schedule and dispatch support and customer service. The Port reserves the right to require, in a Lease, License or Agreement, that the SASO or FBO provide additional personnel as necessary to meet reasonably anticipated customer demand.



11.5.2.3. If air charter and/or air taxi services are provided, have available qualified operating crews and personnel for checking in and ticketing passengers, handling of luggage, and for furnishing or arranging for suitable ground transportation.

11.5.2.4. If air charter and/or air taxi services are provided, have and display in public view, a current 14 C.F.R. Part 135 certificate or provisional 14 C.F.R. Part 135 certificate and the aircraft identification page from the operating specifications manual of each aircraft listed on the certificate.

11.5.2.5. If rotorcraft operations are conducted, have and display in public view, if applicable, a current copy of 14 C.F.R. Part 133 for rotorcraft operations detailing the external-loading requirements.

11.5.2.6. If aircraft management services are provided, conduct aircraft management activities in accordance with 14 C.F.R. Part 91.

#### 11.6. Specialized Commercial Flying Services

11.6.1. Statement of Concept. Specialized commercial flying services means the Commercial Aeronautical Activity of providing one or a combination of the following Aeronautical Activities for hire: nonstop sightseeing tours, aerial photography or surveying, powerline or pipeline patrol, firefighting or fire patrol, air ambulance, airborne mineral exploration, and other air transportation operations specifically excluded from 14 C.F.R. Part 135, as now in effect or as may hereafter be amended.

11.6.2. Each SASO conducting specialized commercial flying services and each FBO providing specialized commercial flying services as an optional FBO service must satisfy the following minimum requirements:

11.6.2.1. Employ or subcontract with and have available sufficient personnel who hold current FAA commercial pilot certificates and medical certificates with ratings appropriate for the operator's aircraft.

11.6.2.2. Maintain a reservation system, for services made available to the general public, and keep the premises open eight (8) hours per day, between the hours of 7:00 a.m. and 5:00 p.m., five (5) days per week.

11.6.2.3. Not conduct or offer any Aeronautical Activity that is prohibited by federal, state or local law or ordinance, including the Airport Rules and Regulations. In the event the Airport Rules and Regulations requires the Port's or Airport Director's prior permission to conduct the Aeronautical



Activity, the SASO or FBO must seek and obtain such permission prior to advertising the service, holding itself out to the public as available to provide the service, or taking reservations to provide the service at the Airport.

- 11.6.3. The Port reserves the right to add to these minimum requirements in a Lease, License or Agreement with additional standards that are relevant, appropriate and attainable based on the specific circumstances surrounding the specialized commercial flying service.

## **12. Definitions**

**Aeronautical Activity** – An activity that involves, makes possible, or is required for the operation of aircraft, or that contributes to or is required for the safety of such operations.

**Agreement** – A written, legally enforceable contract between the Port and an Entity that, for purposes of these Minimum Standards, concerns access to and use of the Airport.

**Aircraft** – Any contrivance now known or hereafter invented which is used or designed for navigation of or flight in air, except a non-powered parachute or other contrivance designed for such navigation but used primarily for safety equipment. This includes, but is not limited to, airplanes, airships, balloons, dirigibles, rockets, helicopters, gliders, gyrocopters, ground-effect machines, sailplanes, ultra lights and sepalanes.

**Airport** – The TriCities Airport located in Pasco, Washington and all of the area, buildings, facilities and improvements within the interior boundaries of such Airport as it now exists or as it may be hereafter extended or enlarged and as depicted on an Airport Property Map prepared by the Port.

**AVGAS** – Aviation gasoline, 100LL or equivalent, intended for use in a piston aircraft.

**Commercial Aeronautical Activity** – Any commercial operation that is related to the operation of Aircraft as prescribed by these Minimum Standards. This does not include any commercial operation not directly related to the operation of Aircraft, e.g., restaurant, rental car, or other concession.

**Commercial Aeronautical Operator** – Any Entity or Person conducting, or intending to conduct, a Commercial Aeronautical Activity at the Airport. For purposes of these Minimum Standards, an Entity or Person shall be considered a Commercial Aeronautical Operator subject to these Minimum Standards if the Entity or Person holds themselves out, by advertising or otherwise, as available to provide commercial aeronautical products, services and/or facilities at the Airport.

**Commission** – The Commission of the Port of Pasco.

**Entity** – Each natural person, partnership, organization or business that has a legal and separately identifiable existence.

**Fixed Based Operator** – An Entity that maintains and operates facilities at the Airport for the purpose of providing commercial aeronautical products and services including but not limited to the retail sale of aviation fuels, aircraft line services, and aircraft and airframe and engine repair and maintenance at the Airport.

**Lease** – A contractual agreement between the Port and an Entity that confers a leasehold interest and the right to occupy, on an exclusive basis or otherwise, a portion of the Airport. A Lease is written and enforceable by law.

**License** – A contractual agreement between the Port and an Entity that does not confer a leasehold interest but rather grants or otherwise authorizes the use of and access to land or building space at the Airport to conduct specified activities. A License is written and enforceable by law.

**Port** – The Port of Pasco.

**Specialized Aeronautical Service Operator** – An Entity that is authorized to provide one or a combination of Commercial Aeronautical Activities that does not include commercial fueling, as described more fully in Section 11.

**Variance** – The grant of a modification to these Minimum Standards requirements, often for only a temporary period to address unique facts or hardships.

**Waiver** – The grant of an exception from a requirement of these Minimum Standards.

**EXHIBIT D - AIRPORT LEASING POLICY**



AIRPORT LEASING POLICY  
FEBRUARY 2021

## AIRPORT LEASING POLICY

### **1 Authority, Purpose and Scope**

- 1.1 The Port adopts this Leasing Policy pursuant to Revised Code of Washington Section 14.08.122 and Section 53.08.220(1) and as the owner and operator of the Tri-Cities Airport (“Airport”).
- 1.2 The purposes of this Leasing Policy are as follows: (1) to provide sound, consistent guidance to tenants and prospective tenants about the terms and conditions associated with leasing Airport property; (2) to generate revenue for the purpose of reinvestment in the Airport and to make the Airport a self-sustaining enterprise; and (3) to promote compliance with the Port’s obligations under federal law and grant agreements with the Federal Aviation Administration (“FAA”).
- 1.3 This Leasing Policy is not intended to create legal obligations enforceable against the Port. The Port reserves the right to waive or vary from the provisions of this Leasing Policy for good cause.
- 1.4 This Leasing Policy shall apply to all property considered part of the Airport on the FAA-approved Airport Layout Plan and Exhibit “A” Property Map.
- 1.5 This Leasing Policy is not intended to alter or modify the terms of a lease in effect at the time of initial adoption of this Policy.
- 1.6 The Port is prohibited by federal law (49 U.S.C. § 40103(e)) and FAA grant agreements from conferring an exclusive right to engage in any aeronautical activity at the Airport. Nothing in this Leasing Policy or any lease shall be interpreted or construed to grant an exclusive right in violation of this statutory and contractual obligation.

### **2 Designation of Property Available for Lease**

- 2.1 The Port has designated specific areas of the Airport as available for aeronautical and non-aeronautical activities, including the Airport Business Center and the East Side Industrial Park.
- 2.2 The Port may lease Airport property and facilities to, without limitation, air carriers, concessionaires, commercial aeronautical operators, and other entities for the conduct of commercial and non-commercial aeronautical activities and non-aeronautical activities.
- 2.3 The Port shall lease property for uses consistent with the then-current Airport Layout Plan and Airport Master Plan. If a proposed use requires an amendment to the Airport

Layout Plan subject to FAA approval, the Airport Layout Plan amendment must be approved by the FAA before the lease can be effective.

- 2.4 The Port may change the land use designations from time to time and depict any such re-designations on the Airport Layout Plan or similar planning document.
- 2.5 The Port reserves the right to plan and develop the Airport in the best interest of the Port, tenants and Airport users.

### **3 Terms and Conditions of Lease**

- 3.1 The Port will confer the right of exclusive, preferential or joint use possession of a portion of the Airport by means of a lease or other written instrument. The lease may be in addition to other agreements, permits and approvals required by the Port to, for example and without limitation, conduct commercial aeronautical activities and/or store and dispense fuel.
- 3.2 All leases shall be for a definite period of time, shall be in writing, and shall not be effective unless and until signed by the Executive Director.
- 3.3 The Executive Director is authorized to grant rights of access to and temporary occupancy of Airport property pursuant to a license or permit.
- 3.4 The Port may lease improved or unimproved Airport property and facilities.
- 3.5 The Port may develop one or more standard form leases that may be presented to prospective tenants for execution. The Port further may develop additional standard forms, to include without limitation subleases and assignments. The Port reserves the right to update or revise its standard forms at any time.
- 3.6 Each lease shall prescribe permitted and prohibited uses of the property or facility. In no event shall parcels and facilities designated for aeronautical use be used for non-aeronautical use without the Port's written consent. Uses within the Airport Business Center must conform to the applicable Protective Covenants and Restrictions.
- 3.7 Each lease shall provide for relocation of tenant if necessary for the safe and efficient operation of the Airport or the planned improvement of the Airport in accordance with the Airport Layout Plan. Each lease further shall account for potential condemnation of the lease in accordance with RCW Section 53.08.020 (Acquisition and Operation of Facilities).
- 3.8 Each lease shall require the Port's consent to any assignment or sublease.
- 3.9 Each Lease shall be subordinate to the terms, conditions and assurances of FAA grant



agreements; assurances required in connection with the Port's imposition, collection and use of Passenger Facility Charges; and any ordinances, indentures and covenants executed in connection with the Port's issuance of Airport-related debt instruments.

- 3.10 Each lease further shall address, without limitation: construction and development, financial security (e.g., security deposits, payment bonds, etc.), maintenance and repair, insurance, indemnification, access and inspection by the Port, compliance with law, safety, security, environmental protection, and provisions necessary for compliance with FAA grant agreements.

#### **4 Lease Term**

- 4.1 Leases shall be for a term mutually agreed upon between the parties commensurate with the prospective tenant's financial investment in the parcel or facility.
- 4.2 Leases for aeronautical use generally shall have an initial term of no more than thirty (30) years. A longer initial term may be granted by the Port in extraordinary circumstances in which the prospective tenant is planning to make a significant capital investment. In no event shall the total term (initial term plus renewal terms) be more than fifty (50) years.
- 4.3 Leases for nonaeronautical use may be granted on a long-term basis, subject to compliance with federal statutory obligations, including without limitation Section 163 of the FAA Reauthorization Act of 2018, FAA grant agreements, and FAA policy and guidance.

#### **5 Rent and Capital Investment**

- 5.1 The Port may establish and impose rent by rule or as part of the drafting and negotiation of an individual lease.
- 5.2 The Port may calculate rent based on a percentage of gross receipts, including without limitation for Airport concessionaires.
- 5.3 Non-aeronautical users shall be charged fair market value, as established by the Port by appraisal or other means.
- 5.4 Leasing of property at less than fair market value for non-aeronautical use shall conform with federal law, FAA grant agreements and FAA policy.
- 5.5 The Port may require an initial capital investment, investments during the term of the Lease, and/or turn-back standards to ensure the proper maintenance and improvement of the parcel or facility.

5.6 All leases shall provide for escalation of rent, which may include re-appraisal, percentage increases, and/or use of an index (e.g., Consumer Price Index).

## **6 Leasing Process**

6.1 The Port may lease property on a first-come-first-served basis, based on an expression of interest from a prospective tenant; may initiate a procurement or other solicitation for specific parcels or facilities; or may maintain a list of specific parcels and facilities available for lease.

6.2 Under certain circumstances, including when there are multiple parties interested in leasing a specific parcel or facility and/or there are few remaining parcels or facilities available for a specific use, the Port may decide not to negotiate on a first-come-first-served basis and instead initiate a procurement action and competitive selection.

6.3 The Port reserves the right to establish a waiting list for property and facilities owned and operated by the Port, such as hangars and tie-down spaces. Upon the vacancy of any such property or facility, the Port shall extend the opportunity to the first entity listed on the waiting list.

6.4 The Port will lease only as much property as is necessary to enable a tenant to accommodate demonstrated and reasonable future needs, in addition to any other contiguous Airport property that would be rendered commercially unmarketable by virtue of its size, access, configuration or other conditions.

6.5 Any entity wishing to lease property at the Airport must demonstrate sufficient financial capacity to make any required capital investment and any continuing investment and to pay rent and other rates, fees and charges throughout the term of the Lease.

6.6 The Port reserves the right to deny a request to lease a parcel or facility if the intended use necessitates an investment by the Port in infrastructure or other Airport improvements that the Port has not included in its budget.

6.7 The Port reserves the right to deny a request to lease a parcel or facility to conduct a commercial aeronautical activity where the Port has reserved for itself the proprietary exclusive right to conduct such commercial aeronautical activity.

6.8 The Port reserves the right to submit any proposed lease to the FAA for review and comment and to refrain from executing the lease until comments are received.

## **7 Lease Extension and Reversion**

- 7.1 Prior to the expiration of each lease, the tenant may request extension or renewal.
- 7.2 Generally, the Port will not consider requests to extend or renew leases more than one year prior to lease expiration. Exceptions include, without limitation at the Port's discretion, (i) assignment of a lease where the assignee requests a lease extension, and (ii) specific plans by a tenant to make a significant capital investment in the parcel or facility.
- 7.3 In absence of a demonstrated reason to deny a request to renew or extend a lease, the Port may at its discretion grant the request, subject to then-current rents, fees and charges as determined by the Port. The following are factors the Port will utilize to determine whether to approve the request for renewal or extension:
- a) Whether the parcel has been re-designated for a different use or has been identified for a higher and better use on the Airport Layout Plan, Airport Master Plan, Port Comprehensive Scheme, or site-specific master plans.
  - b) The existing tenant's compliance with the terms and conditions of the lease.
  - c) Planned capital or other changes to be made by the tenant during the renewal or extension, e.g.
  - d) Other factors the Port may consider relevant. ex: (structural integrity, code compliance, or physical appearance).
- 7.4 If the Port denies a request to renew or extend a lease in accordance with Section 7.3 or a lease otherwise terminates or expires without renewal or extension, then, at the expiration of the lease, the improvements and all personal property must be removed. If improvements are not removed, the Port can demand reimbursement for removal or consider the improvements to be abandoned and take possession and title of such improvements.

## **APPENDIX 1 – REQUIRED CERTIFICATIONS AND FORMS**

## CERTIFICATION OF MINIMUM QUALIFICATIONS (RFP Form #1)

By submission of this Proposal, the Proposer certifies that to the best of its knowledge and belief, it meets the following Minimum Qualification Requirements. Check each box that applies:

- 1)  Has been in continuous existence as a fixed base operator business for at least the last five (5) years (preferred) or;  
 Has other relevant experience;
- 2)  Has performed FBO services for at least three (3) airports having a based aircraft population of over one hundred (100) aircraft similar to the mix and type of aircraft based at the Airport (preferred), or;  
 Has other relevant experience;
- 3)  Has financing available to develop the capital investments proposed in its Proposal, if any; and
- 4)  Has the financial resources to operate a FBO that meets the requirements of the Airport's Minimum Standards.

I hereby affirm that the foregoing statements and representations are true. I also acknowledge that any materially false statement or representation shall be grounds for termination for cause by the Port without prejudicing any remedies available to the Port in equity or law.

\_\_\_\_\_  
Name of Proposer

\_\_\_\_\_  
Name of Proposer's Authorized Representative

\_\_\_\_\_  
Signature of Proposer's Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Proposer's Authorized Representative

## SIGNATURE PAGE (RFP Form #2)

“” Check box that indicates business structure of Proposer

- Individual or Proprietorship
- Partnership or Joint Venture
- Corporation

The undersigned certifies that (s)he is authorized to sign this RFP Form (if a Corporation then by resolution with Certified Copy of resolution attached) for and on behalf of the entity named below, and that (s)he is authorized to execute same for and on behalf of and bind said entity to the terms as required by this RFP, and has the requisite authority to execute an Agreement on behalf of Proposer, if awarded.

Proposer Organization Name: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

If Proposer is a Joint Venture, an authorized signature from a representative of each party is required.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



## GENERAL INFORMATION (RFP Form #3)

Provide the following information regarding the Proposer.

### 1. Basic Proposer Information

Proposer Name: \_\_\_\_\_

(NOTE: Give exact legal name as it will appear on the contract, if awarded.)

Principal Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone No. \_\_\_\_\_ Website address: \_\_\_\_\_

Year established: \_\_\_\_\_

Provide the number of years in business under present name: \_\_\_\_\_

Social Security Number or Federal Employer Identification Number: \_\_\_\_\_

Business Structure: Check the box that indicates the business structure of the Respondent.

Individual or Sole Proprietorship \_\_\_\_\_ Partnership \_\_\_\_\_ Corporation \_\_\_\_\_ Other \_\_\_\_\_

(If "Other" is checked, list business structure): \_\_\_\_\_

Printed Name of Contract Signatory: \_\_\_\_\_

Job Title: \_\_\_\_\_

Provide any other names under which Proposer has operated within the last ten (10) years and length of time under for each: \_\_\_\_\_

Provide address of office from which this project would be managed: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone No. \_\_\_\_\_ Website address: \_\_\_\_\_

Annual Revenue: \$ \_\_\_\_\_

Total Number of Employees: \_\_\_\_\_

Total Number of Current Clients/Customers: \_\_\_\_\_

Briefly describe other lines of business that the company is directly or indirectly affiliated with:

\_\_\_\_\_  
\_\_\_\_\_

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List Related Companies: \_\_\_\_\_

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2. Contact Information:

List the one person who the Port may contact concerning your proposal or setting dates for meetings.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone No. \_\_\_\_\_ Email address: \_\_\_\_\_

3. Does Proposer anticipate any mergers, transfer of organization ownership, or management reorganization within the next twelve (12) months?

\_\_\_\_\_ Yes \_\_\_\_\_ No

4. Is Proposer authorized and/or licensed to do business in Washington?

\_\_\_\_\_ Yes \_\_\_\_\_ No

If "Yes", list authorizations/licenses: \_\_\_\_\_

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Note: Prior to executing a contract, the entity must furnish the Port with a valid certificate from the Secretary of the State of Washington with authority to do business in the State of Washington.

5. Where is the Proposers' corporate headquarters located?

Principal Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

6. Local/County Operation: Does the Proposer have an office located in Franklin County, Washington?

\_\_\_\_\_ Yes \_\_\_\_\_ No

7. Debarment/Suspension Information: Has the Proposer or any of its principals been debarred or suspended from contracting with any public entity?

\_\_\_\_\_ Yes \_\_\_\_\_ No

If "Yes", identify the public entity and the name and current phone number of a representative of the public entity familiar with the debarment or suspension, and state the reason for or

circumstances surrounding the debarment or suspension, including but not limited to the period of time for such debarment or suspension.

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8. Surety Information: Has the Proposer ever had a bond or surety canceled or forfeited?

\_\_\_\_ Yes \_\_\_\_ No

If “Yes”, state the name of the bonding company, date, amount of bond and reason for such cancellation or forfeiture.

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9. Bankruptcy Information: Has the Proposer ever been declared bankrupt or filed for protection from creditors under state or federal proceedings?

\_\_\_\_ Yes \_\_\_\_ No

If “Yes”, state the date, court, jurisdiction, case number, amount of liabilities and amount of assets.

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10. Disciplinary Action: Has the Proposer ever received any disciplinary action, or any pending disciplinary action, from any regulatory bodies or professional organizations?

\_\_\_\_ Yes \_\_\_\_ No

If “Yes”, state the name of the regulatory body or professional organization, date and reason for disciplinary or impending disciplinary action.

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11. Previous Contracts:

a. Has the Proposer ever failed to complete any contract awarded?

\_\_\_\_ Yes \_\_\_\_ No

If “Yes”, state the name of the organization contracted with, services contracted, date, contract amount and reason for failing to complete the contract.

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- b. Has any officer or partner proposed for this assignment ever failed to complete a contract handled in his or her own name?

\_\_\_\_ Yes \_\_\_\_ No

If “Yes”, state the name of the individual, organization contracted with, services contracted, date, contract amount and reason for failing to complete the contract.

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## LITIGATION DISCLOSURE (RFP Form #4)

Respond to each of the questions below by checking the appropriate box. Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your response from consideration or termination of the contract, if awarded.

1. Have you, or a member of your Company, or Team to be assigned to this engagement been terminated (for cause or otherwise) from any work being performed for the Port of Pasco or any other Federal, State, or Local Government, Airport, or Private Entity?  
YES   
NO
2. Have you, or a member of your Company, or Team to be assigned to this engagement been involved in and claim or litigation with the Port of Pasco or any other Federal, State, or Local Government, Airport, or Private Entity?  
YES   
NO

If you have answered “Yes” to either of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your response.