

**REQUEST FOR PROPOSALS**  
**AERONAUTICAL DEVELOPMENT GROUND LEASE AREA**  
**Pullman Moscow Regional Airport's Last Available Aeronautical Use**  
**Building Site on the Existing Airport Layout**  
**July 1, 2014**

**1) BACKGROUND**

The Pullman Moscow Regional Airport (PMRA) is a regional governmental partnership serving the Palouse Region of the States of Washington and Idaho, The Cities of Pullman, Washington and Moscow, Idaho with smaller satellite towns, and two Division I Universities, Washington State University and University of Idaho.

PMRA is governed by an 8 member Board of Directors, comprised of elected and appointed members by their respective Institutions. The Airport has Commercial, Corporate, and General Aviation tenants and supports the operations of a Full Service FBO, Airframe and Power plant Repair, an Agricultural Aviation Operation, an Aeronautical Medical Transport Service, A Corporate Fleet, Scheduled Air Service, and Rental Car Fleets. The airport has one location left for Aviation use and development on the current layout and is requesting Proposals to enter into a ground lease with prospective tenants looking to provide or acquire aeronautical service.

**2) SCHEDULE**

PULLMAN MOSCOW REGIONAL AIRPORT would like to have the development of the improvements completed by July of 2015. The preliminary schedule for the development is:

**August 1** Proposal Selection

**August 30** Lease Negotiation & Execution

**September 2014- February 2015** Design approvals, Permit approval, and 7460 approval

**April – July 2015** Construction

**4) PROPOSAL FORMAT AND REQUIREMENTS**

Respondents must furnish one original and five copies of their Statement of Qualifications. Please limit Proposal to 10 pages. The Airport will select based on qualifications and negotiate terms and finances with the successful applicant based upon budget availability and scope of services required throughout the campaign.

Please address the following areas in your proposal:

A) Proposed Aeronautical Use of the area: Commercial, Storage, Private, etc. A description of the proposed use with a depiction of the building and apron areas with dimensions shall be shown and described in this section. Please attach a preliminary completed *FAA Form 7460-1, Notice of Proposed Construction or Alteration* such as would be submitted to FAA in the event of successful award of the proposal. A depiction of base location with areas delineated is provided for each bidder's use as Exhibit 1. A location exhibit is also provided as Exhibit 2.

B) Ability to execute a contract with the Airport Board and construct improvements within one year. Attached is a draft ground lease agreement and minimum construction standards for your review and use in completing this item.

C) Rate bid on a square foot per annum basis: Minimum bid price per square foot shall be .017 psfpa.

#### 5) PROPOSAL SELECTION

Submittals will be evaluated and scored by PMRA's Board of Directors at its sole discretion based on the following criteria:

A) Highest and Best Use of the available space for Aeronautical Use.

B) Demonstrated Capability of the Firm in timely execution of their proposal

C) Price per square foot bid.

The Committee may or may not choose to conduct telephone, online or in person interviews. Following proposal scoring, the top ranked firm, including the staff to be assigned to this campaign, will be expected to travel to Pullman at its expense for an interview. Upon selection of a finalist, PULLMAN MOSCOW REGIONAL AIRPORT will enter into contract negotiations. If these negotiations fail, PULLMAN MOSCOW REGIONAL AIRPORT will proceed with contract negotiations with the entity scoring second, and so on. Unsuccessful respondents will be notified as soon as possible.

#### 6) RFP QUESTIONS & RESPONSES

Questions and responses should be directed to PULLMAN MOSCOW REGIONAL AIRPORT, attn: Anthony Bean, 3200 Airport Complex North, Pullman, WA 99163, (509) 338-3223 [airport@pullman.com](mailto:airport@pullman.com). All responses to the RFQ must be received by July 25, 2015. Please state "Proposal for Aeronautical Ground Lease" on the outside of the response package. Please provide one original and five copies of the proposal.

#### 7) ADDITIONAL INFORMATION & CONDITIONS

##### A. STATEMENT OF NON-COMMITMENT

Issuance of this RFP does not commit the Pullman Moscow Regional Airport to award a lease or to pay any costs incurred in preparation of proposals responding to the RFP. The PULLMAN MOSCOW REGIONAL AIRPORT reserves the right to reject any or all proposals and re-advertise. All proposals become the property of the PULLMAN MOSCOW REGIONAL AIRPORT.

##### B. EQUAL EMPLOYMENT OPPORTUNITY

Pullman Moscow Regional Airport is an Equal Opportunity Organization (EEO) which does not discriminate against any prospective supplier on the basis of race, religion, color, sex, age, marital status, national origin, or presence of any sensory, mental, or physical disability in the consideration of contract award. The successful proposer will be required to comply with all EEO federal, state, and local laws and regulations.

##### C. EXISTING AGREEMENTS

Proposals from entities holding existing agreements with PMRA shall only be accepted if the existing agreement with the prospective bidder is current with the Airport Board. Questions regarding currency of existing agreements may be referred to Tony Bean, (509) 338-3223 or [airport@pullman.com](mailto:airport@pullman.com)

##### D. VENUE

The laws of the State of Washington govern this matter. The parties agree that any litigation concerning bid, proposal, or subsequent contract must be brought in the Court of Whitman County, State of Washington and each party shall pay its own costs and attorney fees.

#### **E. INSURANCE**

Certificates of Insurance, indicating compliance with the required coverage, must be filed with the Pullman Moscow Regional Airport within ten (10) working days of the Notice of Award. The proof of insurance/exemption must be valid for the entire contract period. Leases WILL NOT be issued to Bidders that fail to submit insurance certificates as specified herein:

Proof of Worker's Compensation Insurance valid within the State of Washington or proof of exemption thereof is also required.

Proof of commercial general liability insurance, including automobile insurance, with limits of not less than \$1,000,000 per occurrence.

#### **F. RFP AUTHORITY**

The right is reserved to reject any and all proposals, to waive any informalities and irregularities in the proposal submission process, to negotiate with any or all Proposers, and to accept proposals that are considered to be in the best interest of the Pullman Moscow Regional Airport. The Highest Ranking Proposal will be invited to discuss terms and compensation with the Pullman Moscow Regional Airport Board. In the event that terms cannot be reached with the 1<sup>st</sup> Proposer, the Airport may entertain the next proposal and invite that entity to discuss terms and compensation and so on.

#### **G. DEPOSIT REQUIRED**

PMRA will require all bidders to submit a \$1,000.00 deposit in the form of a cashiers check made out to the Pullman Moscow Regional Airport Board with each bid. The check shall be returned to any unsuccessful bids and be retained for the awarded bid and be retained and applied against attorney fees if the accepted proposal fails to comply with the requirements as stated in this RFP.

## **Pullman Moscow Regional Airport Minimum Construction Standards for Aircraft Hangars**

### **1. FRAMING**

All framing shall be of painted metal or dimensioned lumber. **A copy of the building plan must be submitted to the Airport for approval before construction is to proceed.**

### **2. EXTERIOR**

All exterior surfaces must be earth-tone colored, Double wall fire rated pre-finished aluminum or steel. No wood or other unfinished materials may be used. **All proposed exterior materials and colors must be submitted to the Airport for approval before construction may begin.** No galvanized metal shall be used on any exterior surface.

### **3. FLOOR & RAMP CONSTRUCTION**

All floors must be constructed of concrete with a minimum of four-inch (4") depth with steel reinforcement. Only a broom finish shall be used on exterior concrete ramps. Exterior ramp to taxiway shall be paved to meet the paving at adjacent hangars (1/2 the distance between buildings). Additional paved vehicle parking on the leased property is also recommended.

### **4. DOORS**

Bi-fold doors are recommended because of their ease of operation during the winter months. Approved overhead and sliding doors may also be used. All pedestrian doors must be of pre-finished metal construction in metal jambs. **No wood jambs will be permitted on exterior doors.**

### **5. UTILITIES**

All utilities including electrical, natural gas, water, sewer and telephone must be installed underground at the expense of the builder. Proposed location of these lines must have prior approval of the Airport before any digging starts. All wiring and plumbing in or on the building or site must be done to commercial codes and standards. All sewer and water lines shall be constructed in accordance with the latest edition of Washington Public Works Standards and shall be approved by the City of Pullman Public Works Department. If water or sewer service is installed, the owner shall install a water meter on the service line. A connection fee may be assessed to connect to utility services.

## 6. CONSTRUCTION STANDARDS

All construction must be accomplished in a workmanlike manner. During construction, the owner/builder will keep the site free of debris and refuse, in addition to making sure all building materials are secured to prevent them from blowing around and causing a safety hazard for aircraft. Construction trailers and/or campers used for work sites must be removed nightly and cannot be stored at the site for any length of time.

A representative of the Airport reserves the right to inspect and reject any phase of the construction. A detailed drawing of the proposed hangar and a copy of the City of Pullman Building Permit must be submitted to the Airport for approval before construction may begin.

## 7. CLEAN UP AND RECLAMATION

A covered dumpster or other appropriate covered receptacle shall be placed on the site prior to construction and shall be used for all waste materials.

All areas disturbed during the hangar construction, including utility trenches, must be cleaned up, compacted, and covered with topsoil and compacted again. The entire area shall then be re-seeded by the owner with the following grass mixture:

<i>Species</i>	<i>Pounds Per Acre</i>
Western Wheat Grass	12.5
Sodar Stream Bank	12.5
Fairway Crested	12.5
Slender Wheat Grass	12.5

All areas around the hangar must be back-filled in a manner that will allow mowing over the edges of ramps and adjacent to the building.

## 8. PAYMENT AND PERFORMANCE BONDS

The contractor who is to build the hangar shall obtain payment and performance bonds of which the hangar owner and the PMRA are both beneficiaries and insureds. In the event PMRA is brought into litigation by reason of any dispute related to construction of the new hangar, the losing party will pay the reasonable attorney fees and costs of airport counsel.

## 9. PERMITS

The hangar owner is responsible for obtaining all required permits related to City of Pullman Building Codes, FAA Form 7460-1, and/or State of Washington and Federal

requirements. A copy of the appropriate permits, along with a set of construction plans, shall be submitted to the Airport prior to the start of any construction.

#### **10. CONSTRUCTION TIME FRAME**

All construction and improvements must be completed within six (6) months from the physical start of construction. If a project requires a longer time period for completion, an application for an extension must be sent in writing to the Airport Board for approval. All applications for extension must identify the length of time in which the project will be completed.

**\*\*\*\*\* Include This Form With A Signed Lease \*\*\*\*\***

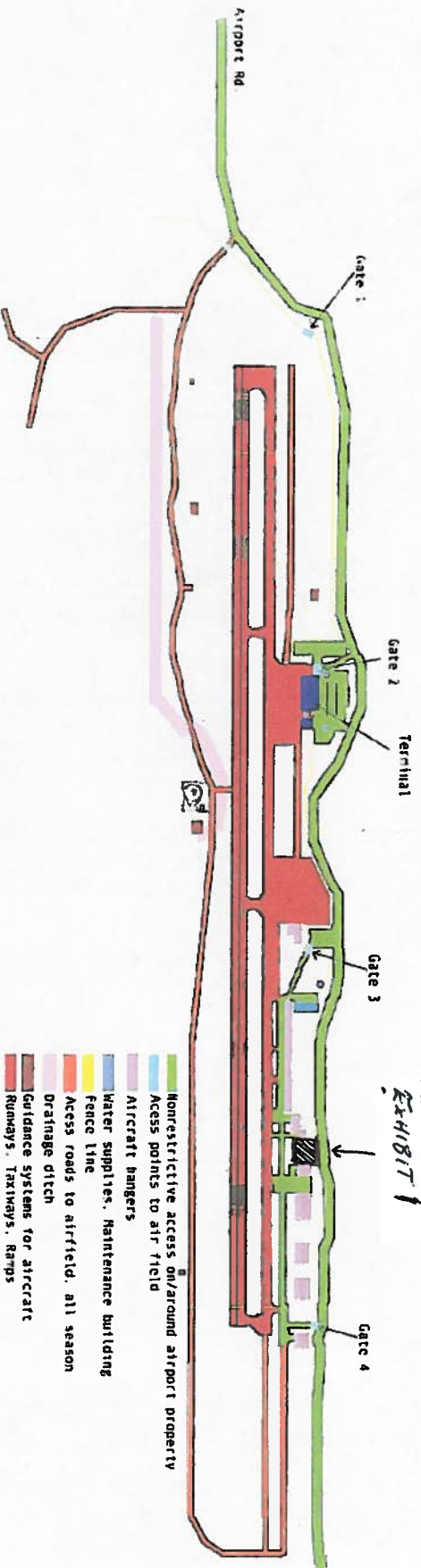
#### **ACKNOWLEDGMENT**

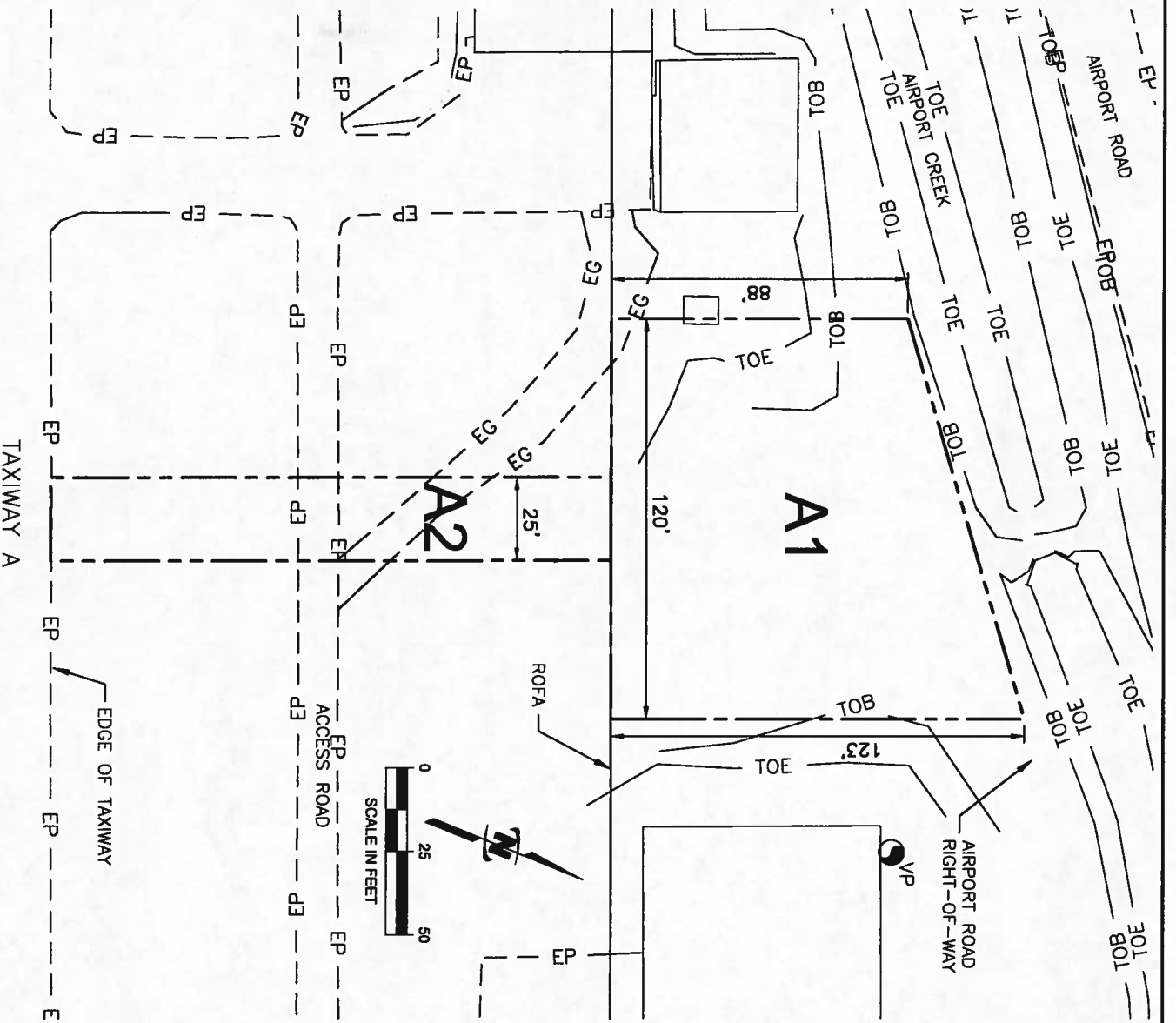
I hereby acknowledge that I have received and read a copy of the Pullman Moscow Regional Airport Minimum Construction Standards for Aircraft Hangars, and I agree to comply with the conditions contained therein.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Dated

# Airport Map





# APPROXIMATE PARCEL AREAS:

PARCEL	A1 = 12,623 SF
	A2 = 4,147 SF
	A = 16,770 SF (TOTAL)

## NOTES:

1. Areas and boundaries shown are approximate. Actual lease boundaries shall be in accordance with the lease agreements and in general conformity with the offset dimensions and physical site features such as buildings and the edge of asphalt. Lease boundaries shall be generally perpendicular or parallel to the taxiway centerline.
2. In the event of a dispute over the sufficiency of this exhibit to represent the location and area covered in the lease agreement, either party may have the boundary surveyed and substitute a valid survey of the premises. Neither party may contest, cancel, or void this lease based on the sufficiency of the exhibit.

PULLMAN - MOSCOW  
 REGIONAL AIRPORT

LEASE  
 EXHIBIT 1

## *Proposed Draft HANGAR GROUND LEASE*

*THIS LEASE made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Pullman Moscow Regional Airport (hereinafter referred to as "Lessor"), and, \_\_\_\_\_ (hereinafter referred to as "Lessee").*

*For and in consideration of the prompt payment of rentals and performance of the covenants, terms and conditions of this lease, Lessor does hereby grant to Lessee the use of the demised premises hereinafter described for Lessee's use in connection with its aeronautical use. Such use shall be subordinate to the laws of the United States, State of Washington, City of Pullman and any Airport Rules and Regulations and Minimum Standards now in effect or created and modified in the future.*

*1. Use - Lessee's operation may include any or all of the following uses:*

- a. primary purpose shall be the storage of aircraft;*
- c. storage of ground vehicles supporting lessee's aviation function*
- d. the loading and unloading of aircraft on the Leased Premises in any lawful aviation related activities.*
- e. the maintenance and servicing of Lessee's aircraft on the Leased Premises which shall included overhauling, rebuilding, repairing, inspection and licensing of such aircraft on the Leased Premises.*
- f. the training on the Leased Premises of the personnel and employees of the Lessee in any art, science, craft, or skill pertaining directly or indirectly to the operations of Lessee's aircraft and aeronautical function.*
- g. the right of ingress and egress from the Leased Premises across the common areas of the Airport property.*
- h. that in no event will Lessee perform or sell, as a part of Lessee's ordinary course of business, any activity or services, on the Leased premises with respect to any aircraft not owned, leased, or operated by Lessee.*

*2. Demised Premises - The demised premises under this lease shall consist of one parcel situated on Pullman Moscow Regional Airport as more particularly described on Exhibit A attached hereto and made a part hereof. The parcel consists of 16,770 square feet for aeronautical use on Exhibit A.*

*Lessor reserves unto itself, its successors and assigns for the use and benefits of the public a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described, together with the right to cause in said airspace such noise as may be inherent in the operations of aircraft now known or hereafter used for navigation of or*

*flight in the said airspace and for use of said airspace for landing on, taking off from, or operating on the airport.*

*Lessee expressly agrees for itself, its successors and assigns to restrict the height of structures, objects and natural growth of vegetation, and other obstructions on the demised premises to such a height as to comply with Federal Aviation Regulation Part 77 and all other governmental rules and regulations, all as amended from time to time.*

*Lessee expressly agrees for itself, its successors and assigns to prevent any use of the demised premises which would interfere with or adversely affect the operation or maintenance of the airport or otherwise constitute an airport hazard.*

*Lessor reserves the right to readjust, relocate, or extinguish the land areas of the demised premises in the event that the same becomes necessary for the expansion, improvement, or safety of operation of Pullman Moscow Regional Airport. In the event of a readjustment or relocation the Lessor would pay Fair Market Value as determined by current Federal Aviation Administration practices at the time of readjustment or relocation.*

*3. Term - The term of the lease shall commence on the date hereof, and shall thereafter be for a term of twenty five (25) years, commencing on the \_\_\_\_\_, and terminating on \_\_\_\_\_.*

*If the lease agreement is not then in default, Lessee shall have only two options to renew this lease on the same terms and conditions, except for the amount of the land rental, which shall be subject to mutual agreement between the parties. Options to renew shall be for periods of five (5) years each, and shall be exercised by notice in writing given to Lessor not less than ninety (90) days, nor more than one hundred eighty (180) days before the last day of the expiring term.*

*4. Non-Discrimination - Lessee for itself, its successors in interest and assigns, as a part of the consideration of this lease, does hereby covenant and agree that in the event facilities are constructed, maintained or otherwise operated on the said demised premises for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 C.F.R. Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation and as said regulations may be amended.*

*Lessee for itself, its successors in interest and assigns as a part of the consideration hereof does hereby covenant and agree that: (1) no person on the grounds of race, color, or national origin shall 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 grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the Lessee shall use the premises in compliance with all other requirements composed by or pursuant to 49 C.F.R. Part 21, Non-Discrimination in Federal Assisted Programs of the Department of Transportation, and as said regulations may be amended.*

5. Non-Exclusive Right - Notwithstanding anything herein contained that may be, or appear to be, to the contrary, it is expressly understood and agreed that the rights granted under this lease are non-exclusive and the Lessor herein reserves the right to grant similar privileges to another operator or other operators on other parts of the airport.

6. Development of Landing Areas - Lessor reserves the right to further develop or improve the landing area of the airport as it sees fit regardless of the desires or views of Lessee and without interference or hindrance.

7. Lease Subordinate to Agreements with USA - This lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States of America relative to the development, operation, or maintenance of the airport.

8. War or National Emergency - This lease and all the provisions hereof shall be subject to whatever right the United States Government has affecting the control, operation, regulation, and taking over of said airport.

9. Performance - during the term of this lease, Lessee agrees to keep the demised premises neat and clean and to keep the improvements on the demised premises in a state of good repair. Any contemplated change in the exterior of improvements including the color thereof shall be subject to the approval of Lessor.

10. Use to Conform with Federal Aviation Regulations - Lessee agrees that Lessee's use of the demised premises, including all construction thereon shall conform to applicable Federal Aviation Regulations. Lessee further agrees to comply with the notification and review requirements covered by Part 77 of the Federal Aviation Regulations as the same may be amended from time to time or such other regulations replacing Part 77 as may be adopted by the Federal Aviation Administration prior to construction of any structure or building upon the demised premises or in the event of any planned modification or alteration of any present or future building or structure situated on the demised premises.

11. Liens and Encumbrances - Lessee agreed to keep the demised premises free of any construction, mechanic's or materialman's liens or other liens or encumbrances of any kind or nature for any work done, labor performed or material furnished thereon at the instance or occasion of Lessee. Lessee further agrees to indemnify and save Lessor harmless from and against any and all claims, liens, demands, costs, and expenses of whatsoever nature for any such work done, labor performed or materials furnished.

12. Rental - Lessee agrees to pay to the Lessor as ground rental the sum of \_\_\_\_\_ per square foot per year beginning \_\_\_\_\_ on all aeronautical lease area as depicted on Exhibit A. In addition, Lessee shall pay to Lessor the Leasehold Excise Tax applicable. Leased areas total as follows: Aeronautical area Exhibit A \_\_\_\_\_ Sq Ft. Said rental payments shall be increased every five years on the anniversary date of this agreement by the accumulative of the US inflation rate for the previous 5 full years rounded to the nearest tenth. US Inflation rate shall be derived from the Consumer Price Index as published by the US Department of Labor, CPI-U Percent Change December to December of the preceding 5 full years. Lessor reserves the right to adjust the rate to market value as appraised every 10<sup>th</sup> year of this lease in order to keep current with valuation as per FAA Grant Assurances thereby setting the new base rate for the next 10 year period. Lessor shall procure and pay for all

services of a certified Member of the Appraisal Institute (MAI) to perform an appraisal, with the most recent appraisal to be utilized as current valuation.

Should the rent so fixed be determined by either party to be unreasonable, such party may request that the rental rate be fixed by arbitration, by written demand for arbitration given by the party demanding arbitration to the other party, not more than 30 days following the notification of change of rent, based on said comparison as provided for in RCW 14.08.120(5). In the event of arbitration, each party shall select one arbitrator and the two arbitrators so selected shall select a third. A majority vote of the arbitrators shall be binding on the parties during that rental period. In the event of arbitration, the arbitrators shall determine a reasonable rent considering all pertinent facts including, but not limited to, "Fair Market Value," a rate comparison of similar sized FAR Part 139 service airports located in the Northwest United States, any change in the Consumer Price Index, and any improvements made by the Lessee, the local share of which, in the opinion of the arbitrators, should be factored into determining a reasonable rent.

As used herein, the term "Consumer Price Index" shall be the Consumer Price Index as determined by the United States Department of Labor for the United States, as a whole, using 2013 as the base year. In the event said Department of Labor fails to continue to compute or determine the Consumer Price Index, a reliable governmental or nonpartisan publication, the arbitrators shall determine, as nearly as they deem practical, the information currently utilized by the Department of Labor in determining the Consumer Price Index, and shall consider any adjustments in that information along with the other information described above in determining a reasonable rent. Costs of arbitration shall be shared equally by the parties.

This rental shall be paid in a sum equal to one-twelfth (1/12) of the annual rent due hereunder in advance of the first day of each and every calendar month, beginning with \_\_\_\_\_; provided, however, that the Lessee shall have the privilege of prepayment of any annual rent by payment of the same before any anniversary date of this lease (said anniversary date being August 1 of each year).

Lessor may collect interest not to exceed ten cents (\$0.10) for each one dollar of each payment that is more than thirty (30) days in arrears to cover the extra expense involved in handling delinquent payments.

Nothing contained in this section shall be interpreted so as to relieve Lessee, its Lessees, sublessee, patrons, invitees, and others from field use charges as may be generally levied directly upon the operation of aircraft.

**13. Annual Reports** - Lessee shall, upon request of Lessor, submit a written report to Lessor listing all aircraft owned by Lessee as well as aircraft located on the demised premises. Said report shall be prepared on a form supplied by Lessor and include aircraft make, model, registration number, owner's name, address, and telephone number.

Lessee shall also submit, upon request of Lessor, a list of all Lessee's employees who hold access media for the Pullman Moscow Regional Airport. Said list shall be prepared on a form supplied by Lessor and include the employees' names, addresses, and telephone numbers. All additions or deletions to the list shall be promptly reported in writing to Lessor.

**14. Use of Public Airport Facilities** - Lessee is granted the nonexclusive use of all public airport facilities including but not limited to taxiways, runways, aprons, navigational aids and facilities relating thereto for the purposes of landings, takeoffs, and taxiing of Lessee's and Lessee's Lessees' aircraft. All such use shall be in accordance with the laws of the United States of America, the State of Washington, and the rules and regulations promulgated by their authority with reference to aviation and air navigation and in accordance with all reasonable and applicable rules, regulations and ordinances of Lessor now in force or hereafter prescribed or promulgated by ordinance or by law.

Lessor agrees during the term of this lease to operate and maintain the airport and its public airport facilities as a public airport consistent with and pursuant to the Sponsor's Assurances given by Lessor to the United States Government under the Federal Airport Act.

**15. Maintenance** - Lessee agrees to repair and maintain the leasehold and all improvements constructed on the demised premises in good order and repair and to keep the said premises in a neat, clean, and orderly condition including but not limited to the prevention of accumulation of any refuse or waste materials which might constitute a fire hazard or a public or private nuisance.

If in the opinion of Lessor the premises are not being properly maintained as aforesaid, Lessor may, after giving twenty (20) days written notice to Lessee, cause such repair and maintenance to be made. The cost of such maintenance shall be added to the rent. If said costs are not paid promptly by Lessee this lease shall be deemed to be in default and Lessor shall be entitled to all legal remedies provided hereunder.

**16. Inspection** - Lessor's representative shall have the right at all reasonable times to inspect the subject premises to determine if the provisions of this lease are being complied with. Lessee's representative must accompany the Lessor's representative on all official inspections.

**17. Assignment Subletting Encumbrances** - Any mortgage, pledge, hypothecation, encumbrance, subletting, transfer or assignment of Lessee's interest in the demise premises or any part or portion thereof shall first be approved in writing by Lessor, which shall not be unreasonably withheld. Any such mortgage, pledge, hypothecation, encumbrance, subletting, or assignment without the prior approval of Lessor whether voluntary or involuntary shall be void and shall confer no right of occupancy. Any document to mortgage, pledge, hypothecate, encumber, sublet, or assign the demised premises or any portion thereof shall incorporate directly or by reference all the provisions of this lease. Should Lessor consent to any encumbrances, assignment, transfer, or subletting, such consent shall not constitute a waiver of any of the restrictions of this clause, the same shall apply to each and every encumbrance, assignment, transfer, or subletting hereunder and shall be severally binding upon each and every encumbrance, assignee, transferee, subLessee, and other successor in interest of Lessee.

**18. Obligations of Lessor** - Subject to all governmental rules, regulations and restrictions, Lessor covenants and agrees that at and until the granting and delivery of this lease, City of Pullman, Washington, is well seized of the leased premises and has good title thereto, free and clear of all liens and encumbrances having priority over this lease the same as herein set forth. Lessor warrants to Lessee peaceful possession of the leased premises during the term hereof upon performance of Lessee's covenants herein. Lessor covenants and agrees

*that during the term of this lease it will operate and maintain Pullman Moscow Regional Airport and its public airport facilities as a public airport consistent with and pursuant to the assurances given by Lessor to the United States Government under the Federal Airport Act. Lessor shall maintain all roads on the airport giving access to the leased premises in good and adequate condition for use by cars and trucks and shall maintain free access to the leased premises over said roads at all times, subject to the prior rights and powers of governmental entities to repair, rebuild, maintain, and modify said public rights of way and said governmental powers to restrict access in emergencies and inclement weather.*

*19. Hazardous Materials – Lessor warrants and represents that to the best of its knowledge that no release, lead, discharge, spill, disposal, or emission of Hazardous substances has occurred in, on, or under the Premises, and that the Premises are free of Hazardous Substances, petroleum products or other regulated substances as of the date hereof in compliance with all applicable federal, state and local laws, regulations and ordinances.*

*Lessee agrees to indemnify and hold harmless the Lessor, the Airport, Airport Board members, officers, employees and the City of Pullman, City of Moscow, Latah County, Idaho, Washington State University, the University of Idaho and their respective elected and appointed officers, agents and employees, from any and all claims, damages, from or in connection with the presence of Hazardous Substances in or on the Premises, unless the Hazardous Substances are present as a result of the negligence, willful misconduct, or other acts of the Lessor, its agents, or employees. Without limitation of the foregoing this indemnification shall include any and all costs incurred due to any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision.*

*For the purposes of this Article, the term "Hazardous Substances" shall be interpreted broadly to include but not be limited to substances designated as hazardous or regulated under the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et. seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251, et. seq., or the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. 9601, et. seq., or as may be amended, the Model Toxics Control Act, RCW 70.105D. et. seq. and any other applicable federal, state, or local law or regulation.*

*Lessee may with the consent of the Lessor install one or more fuel storage tanks on said leased premises for fueling of Lessee owned aircraft only. Such fueling shall be subject to the payment of a fuel flowage fee payable to Lessor in an amount determined from time to time by Lessor. Any and all such storage tanks shall be registered with the Washington State Department of Ecology, if registration therefore is required, and any other governmental authority which now or hereafter requires registration thereof. Any and all licenses and permits for any activity engaged in by Lessee at the leased premises shall be obtained by Lessee, at Lessee's expense, in a timely manner. As to any and all such storage tanks now placed or hereafter placed on the leased premises by Lessee, Lessee shall carry storage tank insurance therefore or environmental liability insurance in a sum equal to that required by the state of Washington with an insurance company authorized to do business in the state of Washington. Said insurance shall insure against all insurable risks arising out of said storage tanks, including but not limited to claims for personal injury, environmental damage, death and damage to property as well as insuring against all environmental cleanup costs which may be incurred as a result of said tanks. Said insurance shall be in addition to the insurance required in Section 12*

above. Any such policy or policies shall name the Airport, its officers, directors, agents, employees, volunteers and members of its governing Lessor as additional insureds and proof of such insurance shall be given to the Lessor. Proof of tank registration shall be provided to Lessor within 30 days upon written request.

If Lessee dispenses fuel and/or handles, storage and/or dispenses any hazardous wastes, hazardous substance or hazardous material (including but not limited to fuel, oil, fertilizer, pesticides and herbicides), Lessee shall at Lessee's sole expense, provide a written plan to the Airport for hazardous waste spill prevention, collection and clean up and Lessee shall also, at Lessee's sole expense, obtain a storm water permit from any and all governmental authorities requiring the same and shall comply with all provisions, regulations, conditions, and rules pertaining to said permit. Proof of such permit shall be given to the Lessor within 30 days upon written request.

At the termination of this lease, Lessee shall remove all storage tanks and restore the premises to its condition prior to the installation thereof, and shall obtain all decommissioning or other documentation confirming such removal issued by a governmental authority or agency having jurisdiction thereof and shall provide a copy thereof to the Lessor, all at the sole cost and expense of Lessee. Lessor may request Lessee to leave any of said tanks, in which case Lessee shall leave said tanks and they shall thereafter belong to Lessor and become the Lessor's responsibility.

The Lessee shall comply with those best management practices as set forth in Washington State Department of Ecology Publication WQ-R-95-56 entitled "Vehicle and Equipment Wash Water Discharges – Best Management Practices Manual." In lieu of complying with the "Manual", the Lessee may obtain a storm water permit from any and all governmental authorities pertaining to the discharge or release of vehicle, equipment or aircraft wash water.

20. Default in terms of this Lease - Should Lessee default in the performance of any covenant, condition or agreement herein contained and such default is not corrected within twenty (20) days, except for maintenance as described in Section 15, after written notice to it by Lessor, Lessor may declare this lease and all rights and interests created thereby to be terminated and Lessee will promptly and peaceably vacate the premises and surrender the same to Lessor. It is understood and agreed that with reference to a default in the payment of rent, thirty (30) days is a reasonable time after written notice within which to cure such default.

Should Lessor default in the performance of any covenant, condition or agreement herein contained in and such default is not corrected within twenty (20) days after written notice to it by Lessee, Lessee may declare this lease and all rights and interests created thereby to be terminated and Lessee will promptly and peaceably vacate the premises and surrender the same to Lessor. It is understood and agreed that with reference to a default in the payment of rent, thirty (30) days is a reasonable time after written notice within which to cure such default.

21. Surrender on Termination - In the event the Lessor, at the termination of the tenancy, or any extension or renewal thereof, desires the Lessee to remove improvements heretofore or hereafter installed by the Lessee, from the leased premises, Lessee shall fully remove said improvements, as requested by the Lessor, within ninety (90) days from the date of termination of this Lease. Provided, if this Lease is terminated by Lessor pursuant to Section

20 upon default of the Lessee, any building the Lessor requires to be removed shall be removed by Lessee at the expense of Lessee within ninety (90) days of the termination of this Lease. Any improvements not removed within said ninety (90) day period shall become the property of the Lessor, but nothing herein shall prevent the Lessor from disclaiming said property within thirty (30) days after said ninety (90) day period by written notice delivered to Lessee as herein provided, and upon said disclaimer, the Lessor shall be entitled to remove the same at the expense of the Lessee. Provided, further, the value of any buildings or improvements have not been considered by the parties in establishing the rental rate herein to be paid by Lessee. During the period of time that Lessee is removing the improvements, after the date of termination of this Lease, or any extension or renewal hereof, Lessee shall pay Lessor 1/12<sup>th</sup> of the annual rental rate last applicable to the leased premises for each month, or part thereof, that Lessee is working on the demolition and removal of the improvements on the Lease premises. The Lessee at the termination of the lease shall have the right to remove the Lessee's improvements and the obligation to remove any Lessee improvements as may be required by the lease.

22. Utilities and Services - Lessee shall be responsible for payment prior to their delinquency date of all charges for utilities, janitorial service, snow removal (except snow removal required for the runway and taxiway) and other such services that may be necessary or required in the operation or maintenance of the leased premises including improvement district assessments; provided, however, that Lessee is hereby given the right to connect to such sanitary and storm sewers, water, and utility outlets as Lessee deems necessary or as may be required or available. Any such connection shall be at Lessee's sole expense and cost. Any septic system in use, for Lessee's needs, shall be maintained at the sole expense of Lessee, in accordance with all applicable laws, ordinances, rules and regulations pertaining thereto; and at the end of this tenancy said septic tank shall not be removed but shall become the property of the Lessor, if Lessor, after an inspection of the tank, desires that the tank be left on the premises. If the Lessor determines that the septic tank should be removed, Lessee shall, at Lessee's sole cost and expense, remove said septic tank from the premises.

23. Billboards and Signs - Lessee agrees not to construct, erect or maintain any billboards or advertising signs on the demised premises until such billboard or advertising signs are approved in writing by Lessor, such approval shall not be unreasonably withheld.

24. Unlawful Use - Lessee agrees no improvements shall be erected, placed upon, operated nor maintained on the leasehold premises nor shall business be conducted or carried on thereon in violation of the terms of this lease or any regulation, law, statute, bylaw or ordinance of any governmental agency having jurisdiction thereover.

25. Reservations to Lessor - The leased premises are accepted by Lessee subject to any and all existing easements or other encumbrances; and Lessor shall have the right to install, lay, construct, maintain, repair, relocate and operate such sanitary sewers, drains, storm water sewers, pipelines, telephone and telegraph power lines, navigational aids, and other such appliances with appurtenances necessary or convenient to use in connection therewith over, in, upon, through, across, and along the leased premises or any part thereof as will not interfere with Lessee's operation hereunder and to enter thereupon for any and all such purposes. Lessor also reserves the right to grant franchises, easements, rights-of-way and permits in, over and upon, along or across any and all such portions of said lease premises as Lessor may

elect so to do, provided, however, that no right of the Lessor provided in this paragraph shall be so executed so as to interfere unreasonably with Lessee's operations hereunder.

Lessor agrees that any right as set forth in this clause shall not be exercised unless a prior written notice of 60 days is given to Lessee. However, if such right must be exercised by reason of emergency, then Lessor will give Lessee such notice in writing as is reasonable under the existing circumstances.

Lessor agrees that it will cause the surface of the demised premises to be restored to its previous condition upon the completion of any construction. Lessor further agrees that should the granting of these rights temporarily interfere with the use of any or all of the demised premises by the Lessee the rental hereunder shall be reduced by negotiation during such temporary period in a proportion to the amount said interference bears to the total use of the demised premises.

26. Hold Harmless - Lessee agrees to indemnify and save harmless Lessor, the Airport, the Airport Board Members, officers, employees and the City of Pullman, City of Moscow, Latah County, Idaho, Washington State University, the University of Idaho and their respected elected and appointed officers, agents and employees, from and against any and all claims, demands, loss or liability of any kind of nature which Lessor, its officers, agents, and employees may sustain or incur or which may be imposed upon them or any of them for injury to or death of persons or damaged property arising out of or in any manner connected with the negligence or lack of care of Lessee, its officers, agents, or employees in the use of the demised premises including the use of Pullman Moscow Regional Airport and its facilities.

27. Insurance - Lessee shall, at its expense, maintain insurance in full force and effect during the term of this Agreement in such amounts as to meet the minimum limits of liability specified below, and insurance shall be placed with companies or underwriters satisfactory to the Washington State Insurance commissioner. Failure to obtain and maintain such insurance shall constitute a default under this Agreement. The insurance policy(ies) shall be the Comprehensive General Liability Coverage form or equivalent, to cover all operations of the Lessee and shall include, but not by way of limitation, bodily injury, property damage, and contractual coverage including the obligation pursuant to Article 27 herein. Lessee shall also maintain a vehicular insurance policy insuring any of its vehicular operations on the Airport and the policy shall be issued by a company authorized to do business in the state of Washington. The Lessor and the Airport board members shall be named as additional insureds under all policies as required herein with respect to Lessee's use of the Airport and the Premises which are the subject of this Agreement. Lessee shall promptly upon execution of this Agreement, furnish to the Lessor appropriate certificates of insurance evidencing coverage affected and to be maintained for the term of this Agreement. Each general liability policy coverage shall not be less than Two Million Dollars (\$2,000,000.00), combined single limit or split limits equal to and not less than Two Million Dollars (\$2,000,000.00), for bodily injury and property damage with respect to each occurrence; such limits subject to periodic adjustments.

The limits of liability shall not be less than the amount shown below for the following coverages:

Personal Injury	Two Million Dollars (\$2,000,000.00)
Automobile, hired and non-Owned	One Million Dollars (\$1,000,000.00)

*It is agreed that the Lessee's policy provides coverage separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respect to the Lessor's limit of liability. Insurance afforded under this Additional Insured Endorsement shall apply as primary insurance and other insurance afforded by the Airport, its officers, employees and the City of Pullman, City of Moscow, Latah County, Washington State University, and the University of Idaho and their respective elected and appointed officers, agents, employees, and shall be excess only and not contributing with insurance provided under this policy. Nothing in this paragraph modifies paragraph 26. This paragraph operates in conjunction with and in compliance with paragraph 26.*

*The insurance policies shall not be subject to cancellation except after notice to the Lessor by registered mail at least thirty (30) days prior to the date of such cancellation or material change. Where any policy(ies) has(have) normal expirations during the term of this Agreement, written evidence of renewal shall be furnished to the Lessor prior to such expiration. Upon written request by the Lessor, Lessee shall permit the Lessor to inspect the originals of all applicable policies. Insurance requirements and minimums shall be subject to and subordinate to the laws of the City of Pullman and any Airport Rules and Regulations and Minimum Standards now in effect or created or modified in the future.*

**b. Fire and Peril Coverage Insurance:**

*Upon completion of construction, Lessee shall procure and maintain policies of insurance at its own expense, insuring the Premises and improvements thereon against loss or damage by fire, volcano, lightning, wind, storm, hailstorm, aircraft, vehicles, smoke, explosion, riot or civil commotion as provided by the Standard All Risk Coverage Policy. The insurance coverage shall be for not less than one hundred percent (100%) full replacement value of said Premises and improvements with an agreed amount clause and a reasonable and customary deductible on said Premises and improvements. Such amount is subject to final approval by the Lessor. The Lessee shall furnish to the Lessor evidence that such coverage has been procured and is being maintained in full force and effect.*

**28. Destruction of Premises** - *If the demised premises or any part thereof are damaged or destroyed by reason of any cause whatsoever Lessee shall within 30 days commence and diligently pursue to completion the repair or reconstruction of the demised premises in which event this lease shall remain in full force and effect, or at Lessee's option, Lessee may terminate this lease upon 30 days written notice to Lessor.*

**29. Abandonment** - *If Lessee shall abandon or be dispossessed by process of law or otherwise, any personal property belonging to Lessee and left on the premises 30 days after such abandonment or dispossession shall be deemed to have been transferred to Lessor and Lessor all have the right to remove and dispose of the same without liability to account therefore to Lessee or to any person claiming under Lessee.*

**30. Termination by Lessee** - *If it should occur that during the term of this lease any law or ordinance so restricts the use to which the leasehold premises can be put that the Lessee is unable to use the leasehold premises in the manner contemplated herein, then the Lessee may*

upon first obtaining written consent from the holder of any encumbrance upon the demised premises, upon thirty (30) days written notice to Lessor terminate this lease. In the event of termination by Lessee under this clause Lessee shall pay all rental payments and other consideration up to the date of termination to Lessor and the lease shall be terminated.

31. Termination by Lessor - Lessor may upon 90 days written notice terminate this lease upon the happening of any or all of the following events:

1. Lessor should require the demised premises in connection with the future expansion and/or operation of Pullman Moscow Regional Airport, or

2. Should Lessor alter its proposed plan of development of Pullman Moscow Regional Airport in a manner that would preclude Lessee from operating under the terms of this lease.

3. Should any other governmental agency assume control of the airport or any portion thereof in a manner that would preclude Lessee from operating under the terms of this lease.

If this lease is canceled under the terms of this paragraph Lessee shall have the right to lease from Lessor, to the extent of Lessor's ability to lease, a site similar in size to the demised premises, if any, on the same terms and conditions as contained in this lease provided land is available to the Pullman Moscow Regional Airport. In such an event Lessor reserves the right to relocate any of the facilities including buildings in its sole discretion upon the new site. Any such relocation shall be at the expense of Lessor provided; however, that Lessor shall not be liable to Lessee for any damages suffered by Lessee for any loss of business or other loss, cost, or expense resulting from such relocation. Lessor shall pay Fair Market Value as determined by Federal Aviation Administration practices currently in use. During the period of relocation Lessor agrees to allow Lessee to operate from any existing facilities or temporary site which Lessor may then have available.

32. Taxes and Assessments - All taxes and assessments which become due and payable upon the demised premises or upon fixtures, equipment, aircraft, or other property constructed thereon, or used in Lessee's operation shall be the full responsibility of Lessee and it shall cause said taxes and assessments to be paid promptly.

33. Holding Over - In the event Lessee shall hold possession of the demised premises after the term herein created then such holding shall be a tenancy from month to month only and governed by the same conditions and covenants as contained in this lease.

34. Notices - All notice given or to be given by either party to the other shall be given in writing and shall be addressed to the parties at the addresses hereinafter set forth or at such other addresses as the parties may by written notice hereafter designate

Lessor:  
Pullman Moscow Regional Airport  
3200 Airport Complex N  
Pullman, WA 99163

Lessee:

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

35. Amendments to be in Writing - This lease sets forth all of the agreements and understandings of the parties and is not subject to modification except in writing signed by Lessor and Lessee indicating mutual agreement.

36. Successor in Interest - the covenants herein contained shall, subject to the provisions as to assignments, apply to and bind the successors and assigns of the parties hereto.

37. Partial Invalidity - If any term, covenant, condition, or provision of this lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

38. Marginal Captions - The various headings and numbers herein and the groupings of the provisions of this lease into separate sections and paragraphs are for the purpose of convenience only.

39. Waiver - The failure of Lessor or Lessee to insist upon strict performance of any of the terms, conditions, or covenants herein shall not be deemed a waiver of any rights or remedies that either may have and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions or covenants herein contained.

40. Time - Time is of the essence in this agreement.

IN WITNESS WHEREOF the parties have hereunto set their hands this \_\_\_\_\_ day of November, 2013.

LESSOR: PULLMAN-MOSCOW REGIONAL AIRPORT

By \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary/Treasurer

LESSEE: \_\_\_\_\_

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

*County of Whitman*

On this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn personally appeared Glenn A. Johnson and Anthony W. Bean to me known to be the Chairman and Secretary-Treasurer, respectively, of the Pullman-Moscow Regional Airport, the entity that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

**NOTARY PUBLIC** in and for the State  
of Washington, residing at \_\_\_\_\_.  
My commission expires: \_\_\_\_\_.

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

On this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn personally appeared \_\_\_\_\_ and \_\_\_\_\_ to me known to be the President and Secretary-Treasurer, respectively, of the \_\_\_\_\_, the entity that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

NOTARY PUBLIC in and for the State  
of Washington, residing at \_\_\_\_\_.  
My commission expires: \_\_\_\_\_.