Aviation Advisory Committee Agenda

CITY OF Vancouver WASHINGTON

MEETING ACCESS INFORMATION
To access by phone (audio only), call: 1-347-941-5324
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Date: August 14, 2024
Time: 6:00 PM
Location: Pilot Lounge @ Pearson Airport, 101 East Reserve Street.

I. Call to Order and Roll Call

II. Approval of Minutes for July 10, 2024

Action Items/Tasks:

III. Discussion and possible action on Capital Improvement Plan 5-year forecast

IV. FBO Lease

V. Sub-Committee Reports

Communications

VI. Airport Managers Report

VII. Committee Members Comments

VIII. Community Communications

IX. Calendar - Next Regular Pearson Field Aviation Advisory Committee Meeting will be September 11, 2024, at 6:00PM

This is the place on the agenda where the public is invited to speak regarding any issue. Each speaker is requested to fill out a pre-printed testimony card (provided at the meeting entrance) with their name and matter to be discussed. They are also asked to give their name for the audio record. Community members testifying are asked to limit testimony to three minutes.

Adjournment (approx.. 7:30 PM)

Aviation Advisory Committee (AAC)

Meeting Minutes

Date: Wednesday, July 17, 2024
Time: 6 p.m.
Location: Pearson Field Airport - Pilot's Lounge
101 E. Reserve St.
Vancouver, WA

Commissioners/Board Members Present:
Barney Levie, Brittany Sulitzer, Jo Ong, Kevin Lux (via Teams), Peggy Keith, Shon Lindley

Commissioners/Board Members Absent:
Laura Krueger, Austin Merle

City Staff Present:
Guy Lennon, Angie McBurney

Item 1: Call to Order and Roll Call
The July 17, 2024, Aviation Advisory Committee (AAC) meeting was called to order at 6:00pm by Chairperson, Peggy Keith. The meeting was held at Pearson Field Airport in the Pilot's Lounge.

Welcome and introductions for new AAC members in attendance, Jo Ong and Shon Lindley.

Item 2: Approval of Meeting Minutes – June 12, 2024
Motion by Barney Levie, seconded by Brittany Sulitzer, and carried unanimously to approve the June 12, 2024, AAC meeting minutes with the following revision:

- Change Kristin's name to Kevin's name under the Finance section in Item 4: Sub-Committees Discussion and Possible Action.

Members

Peggy Keith, Chair

Barney Levie, Vice Chair

Austin Merle
Barney Levie
Brittany Sulitzer
Jo Ong
Kevin Lux
Laura Krueger
Peggy Keith
Shon Lindley

Public Works
Guy Lennon

101 E. Reserve St.
P.O. Box 1995
Vancouver, WA 98668
360-487-8619
TTY: 711
guy.lennon@cityofvancouver.us

Item 3: Informational Items – Guy Lennon

A. Financial Report (handout provided)

Executive summary, year-to-date:

- Revenue - $317, 600
- Expenses - $226,695

B. Operations Report: (handout provided)

The number of flight operations is based on a formula usingreported fuel sales - majority of flight are generated from the flight school.

C. Construction Report: (handout provided)

Electrical Vault/Runway Lighting Systems Update:

- Council approved the Federal Aviation Administration (FAA) and Washington State Department of Transportation (WA DOT) grants on July 17th.
- Contractor low bid award will be presented to Council on August 5th.
- Project Timeline and Details:
  - Estimated 40 days of construction work.
  - Total days required for the runway closure will be determined by the contractor.
  - Stakeholders will be invited to attend a preconstruction meeting with the contractor.
  - Time window for submitting Notice to Proceed to the contractor is Sept. 1st – Oct. 31st.
  - Work can be performed outside of the runway area during higher flight times to lessen flight impacts.
- See motion made by AAC members and associated comments presented by Ron Frederiksen under VIII. Community Communications section of the agenda.

HVAC for Flight School:

- Currently in process with the City's Contract Services.

Solar Project:

- The City is conducting infrastructure assessments for adding solar power options citywide. The assessment of the airport generated ideas on how to utilize the existing $237,500 WA DOT Sustainability Grant.

Item 4: Fixed Base Operator (FBO) Lease – Guy Lennon

The FBO lease is not ready and should be available at the next AAC meeting. Motion by Kevin Lux, seconded by Brittany Sulitzer and carried unanimously to postpone the FBO lease discussion until the August AAC meeting.

Item 5: Sub-Committee Reports

Peggy Keith provided a brief synopsis of the four subcommittee categories for Jo Ong and Shon Lindley. She asked them to choose two committees to work on, explained how to meet without reaching a quorum, and will provide them with the prior subcommittee's handout including detailed descriptions. Jo chose Operations and Planning and Shon chose Planning and Finance.

Finance Report

Kevin Lux and Peggy Keith met with Guy Lennon and gleaned the following:

There is an ongoing Capital Improvement Program (CIP) chart with multiple types of funding for a 5-year forecast period. Pearson is considered as a non-primary field in terms of grant categories/funding with the FAA.

Operations Report

Brittany Sulitzer and Barney Levie narrowed down topics to focus on:

- Provide airspace and Pearson Field best-practices and education for pilots who do not use the airfield regularly and increase communication.
- The Chart Supplement is in process of updates by Guy Lennon. He will add access to the National Parks Service (NPS) Museum to it and to contact the NPS before taxing up to the museum.
- Act as liaison for the Portland International Airport (PDX) control tower and organize a tour for the new AAC members. Barney is working on creating a process that can be sustained over time.
- Increase regular communication between Pearson Airfield pilots and the PDX control tower.

Community Outreach Report

Barney Levie and Brittany Sulitzer will focus on the following:

- Create a message to present to the community that incorporates Pearson's history and engaging youth in aviation – new slogan "Our history is your future."
- Increase communication with Pearson's tenants so they are involved and heard by the AAC.
- Start a clean-up project of East Reserve Street near the airport's entrance.
- Generate a partnership with Cascadia Tech Aviation and create a satellite youth flight program at Pearson Field. Next steps: creating goals.

Planning Report

Peggy Keith asked for focus items and long-term goals.

- Peggy Keith:
    - Make the airport more vibrant and create a sustainable future.
    - Long-term goals: NPS agreement; Installing above ground fuel storage tanks in place of the existing underground fuel storage tanks.
- Shon Lindley:
    - Bring the same historical look/feel as Officers Row all the way down to Pearson Airfield.
    - Negotiate the NPS lease effectively.
    - Entice people to the airport – connect the path from the south waterfront to the airport and add a restaurant/café that pilots can fly into.
    - Keep the existing below ground fuel storage tanks for cost and physical space savings. The existing fuel tanks can be maintained and possibly resurfaced, if needed.
- Jo Ong:
    - Adding a café to Pearson Field to increase the volume of pilots flying into Pearson would be challenging because there is currently limited transient aircraft parking at Pearson.

After group discussion of keeping the existing below ground storage tanks versus adding above ground storage tanks, the AAC decided to generate a Pros/Cons list and have subsequent discussions.

Item 6: Airport Managers' Report – Guy Lennon

- Guy Lennon asked the ACC members to generate agendas and include the airport manager when subcommittees meet. The airport manager can take minutes for ongoing documentation – this will help when subcommittee members change so they do not have to reinvent the wheel.
- State CIP 5-Year Forecast: Guy is working on the plan and will provide the forecast at the next AAC meeting.
- Airport Manager Selection Update: Phone and in-person interviews have been completed and the candidates had a meet-and-greet with airport tenants. A final selection should be made soon.

- Guy has been working with the City's IT department to upgrade microphones, speakers, television screen, and camera for the AAC meetings in the Pilot's Lounge.

Item 7: Committee Members' Comments
No additional comments.

Item 8: Community Communications
Ron Frederiksen, community member and prior AAC member spoke about the Electrical Vault/Runway Lighting Systems upgrades and suggested the following:

- The AAC represents the entire aviation community for the runway lighting project.
- City Council will approve the contractor low bid award, but based on the published project details, the runway closure dates/time are not defined. It only states the runway will be open during weekends. This should be clarified.
- The AAC should request the contractor do the following before the contract is awarded on August 5th by Council.
    - What is the lead time for procuring the necessary construction materials?
    - How long will the airport runway be closed in zone 1?
    - Make a motion to request the project be moved to November or December 2024.
    - Ask to be included in the final review process for future Pearson projects with the City and Century West Engineering.

Motion by Barney Levie, seconded by Brittany Sulitzer and carried unanimously for Guy Lennon to request the City's Procurement Department ask the following questions of the proposed low bid contractor regarding the Electrical Vault/Runway Lighting Systems project on behalf of the AAC before Council meets August 5th:

- What is the contractor's timeline for availability and procurement of necessary project materials?
- How much time will be required to close the airport runway in zone 1?
- Are they open to pushing back the start date of the project to a later date?

Kristi Herrala, Aero Maintenance employee:
Has concerns about the upcoming runway closure length of time. Most of the key points have been addressed during this meeting.

Fuel tanks: The current underground tanks are inspected daily and have built in leak detectors.

Item 9: Calendar
The next two ACC meetings will be held August 14th and September 11th as Special Meetings.

Motion by Kevin Lux and seconded by Brittany Sulitzer to adjourn the meeting at 7:35PM.

Peggy, Keith, Chair

To request other formats, please contact:
City Manager's Office (360) 487-8600 | WA Relay 711
Amanda.Delapena@cityofvancouver. us

5 Year Capital Improvement Plan (CIP)

Airport Name (Loc ID), ST: Pearson Field Airport, KVUO, Vancouver, WA

CIP START YEAR: 2026

	2023 NPE (Expires FY26)	$145,000	2023 AIG (Expires FY26)	Federal Share	90%
	2024 NPE (Expires FY27)	$144,000	2024 AIG (Expires FY27)		
$150,000	2025 NPE (Expires FY28)	$144,000	2025 AIG (Expires FY28)		
$150,000	Estimated NPE (for planning through 2030)	$144,000	2026 AIG (for planning through 2026)		

Fed FY	Available		Funding Source	Data Sheet - Project Component/Phase	Estimated Cost	Funding Plan				
	NPE	AIG				NPE	AIG	Additional AIP	Other	Match
2026	**$300,000**	**$577,000**	Carryover	Carryover						
			BIL	Termial Construction Phase 1	$161,112		$145,000			$16,111
	Total = $877,000									
	$300,000	$432,000	Remaining Funds	**2026 Annual Subtotals:**	**$161,112**		**$145,000**			**$16,111**
2027	**$450,000**	**$432,000**	AIP	Airport Master Plan Update	$500,000	$450,000				$50,000
			BIL	Parking Apron Design	$160,000		$144,000			$16,000
	Total = $882,000									
		$288,000	Remaining Funds	**2027 Annual Subtotals:**	**$660,000**	**$450,000**	**$144,000**			**$66,000**
2028	**$150,000**	**$288,000**	AIP/BIL	Parking Apron Construction AIP portion: 78%	$1,146,500	$150,000		$881,850		$114,650
			AIP/BIL	Parking Apron Construction BIL portion: 22%	$320,000		$288,000			$32,000
	Total = $438,000									
			Remaining Funds	**2028 Annual Subtotals:**	**$1,466,500**	**$150,000**	**$288,000**	**$881,850**		**$146,650**
2029	**$150,000**		Carryover	Carryover						
	Total = $150,000									
	$150,000		Remaining Funds	**2029 Annual Subtotals:**						
2030	**$300,000**		State	Pavement Improvement Fog Seal and Striping	$398,500					$398,500
			AIP	Taxiway Light Replacement Design	$166,667	$150,000				$16,667
	Total = $300,000									
	$150,000		Remaining Funds	**2030 Annual Subtotals:**	**$565,167**	**$150,000**				**$415,166**
				5 Year CIP Totals:	**$2,852,779**	**$750,000**	**$577,000**			**$643,927**

SPONSOR SIGNATURE: Guy Lennon

DATE: August 1, 2024

LEASE AGREEMENT
FOR
FIXED BASED OPERATION AT PEARSON FIELD AIRPORT

WHEREAS, the City is the owner and operator of Pearson Field Airport "Airport" located in the City of Vancouver, County of Clark, state of Washington; and

WHEREAS, this lease agreement is to provide for and set forth the terms and conditions of such occupancy and use of said facilities at the Airport; and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein, and for the other good and valuable consideration, the parties hereto agree as follows:

Section 1. <u>THE PARTIES</u>

THIS LEASE AGREEMENT is made and entered into as of the ___ day of________, 202__ by and between the City of Vancouver, a municipal corporation of the state of Washington, Lessor, hereinafter referred to as "City", and <u>Aero Maintenance, Inc.</u>, hereinafter referred to as "Lessee."

Section 2. <u>LEASED PREMISES</u>

The City hereby leases to Lessee and Lessee leases from the City the following three separate described properties identified as Property 1, Property 2, and Fuel Facility (together referred to as the "Leased Premises"):

2.1 Property 1- 101 Building and Grounds

A. <u>Hangar building.</u> The building located at 101 East Reserve Street, comprising of approximately 9,600 square feet of hangar space and approximately 6,000square feet of office space with paved automobile parking available directly north of the building. (See attached Exhibit A).

B. <u>Building Apron and Parking Spaces</u>. A paved aircraft ramp area on the east and west side of the building, extending outward a distance of approximately 80 feet. (See Exhibit A).

2.2 Property 2- 105 Building and Grounds

A. <u>Hangar Building</u>. The building located at 105 East Reserve Street, comprising of approximately 7,200 square feet of hangar space on the east end of the building and approximately 1,200 square feet of office space (see attached Exhibit A). Lease does not include one of the 200 square foot office spaces that will be used as the Airport Manager's office. Lessee understands that the City may be renovating the approximate 1,500 square feet of office space during the time of this lease. An amendment to reflect the release of this portion of the agreement may be forthcoming and shall not be unreasonably withheld.

B. Building Apron and Parking Spaces. A paved area on the east side of the building, extending outward a distance of approximately 80 feet and half of the paved automobile parking area directly south of the building. This parking space to be designated as private parking for building tenants only (see Exhibit A).

2.3 Fuel Facility. A Fuel storage island consisting of three underground storage tanks, concrete pad and three fuel pumps and a dispenser, comprising a space approximately 40'x40' (see attached Exhibit A). Lessee understands that the City may be replacing the existing fuel system with an above ground Fuel Island within the timeframe covered by this Lease. Associated fees for this facility will change commensurate to the cost of this upgrade. The City reserves the right to assume responsibility for fueling operations any time after the installation of an above ground fueling facility.

Section 3. RENTAL AMOUNTS AND ASSOCIATED FEES

3.1 Base Rent. A Rent for property 1 at 101 East Reserve Street shall be $2.50 per square foot per year for hangar space and $5.20 per square foot per year for office space. (Hangar space is approximately 9,600, square feet at $2.50/sqft/yr equals $2,000.00 per month for the first year. Office space is approximately 6,000 square feet at $5.20/sqft/yr equals $2,600 per month for the first year).

Rent for property 2 at 105 East Reserve Street shall be $2.50 per square foot per year for hangar space and $5.20 per square foot per year for office space. Hangar space is approximately 7,200, square feet at $2.50/sqft/yr equals $1,500.00 per month for the first year. Office space is approximately 1,200 square feet at $5.20/sqft/yr equals $520.00 per month for the first year.

Rent for Fuel Facility at 101 East Reserve Street shall be $300.00 per month for the first year.

Lessee also agrees to pay any other additional state, federal or city taxes payable or which may become payable by the City and are associated with the leased property covered under this agreement. Rent shall be paid in monthly installments on or before the 10th day of every month, with the first payment due on January 1, 2025.

3.2 Fuel Flowage User Fee. In addition to the rents set forth above, Lessee shall pay the City a fuel flowage fee for each gallon of fuel delivered to the Fixed-Base Operator FBO at the Airport.

The fuel flowage fee shall be Eight Cents ($0.08) per gallon. The City may from time to time, in the exercise of its reasonable discretion, adjust the Fuel Flowage Fee to address market conditions. Any increase in fuel flowage fees will take effect thirty (30) days after the Airport Manager provides written notice to the FBO. The City will make commercially reasonable efforts to reach a mutual agreement with the FBO in determining the amount of any increases in fuel flowage fee. The City will use as a basis of consideration similar fees charged at other airports in the region operating under similar conditions. Lessee's fuel supplier and/or dealer are required to have a valid City business license.

Lessee shall provide the City with records of the end-of-month individual pump meter readings by the 10th day of each month. The City shall have the right to inspect Lessee's fuel flowage records. Should Lessee fail to record and deliver all information required within 10-days of request, a $50 penalty shall be incurred.

3.3 Additional Monthly Rent. If the Lessee reserves from the City any aircraft tie downs that are located on the public portion of the Airport Facilities and not on the Leased Premises, Lessee must pay the monthly rate charged by the City for use of the tie downs. This "Additional Monthly Rent" is due and payable at the same time as the Monthly Base Rent (the total of the monthly rent for the Leased Premises) and shall accompany the Monthly Base Rent payment made by Lessee to the City. The Additional Monthly Rent shall be the monthly rate charged by the City for use of aircraft tie downs on the Public Airport Facilities multiplied by the number of tie downs reserved by the Lessee (see Exhibit A). The Additional Monthly Rent shall be adjusted to coincide with the any change in the rate charged by the City to the public for use of tie downs owned and maintained by the City as part of the Public Airport Facilities.

3.4 Delinquent Payments. Delinquent rental payments, i.e. payments ten (10) or more days late, shall accrue interest payable to the City at the rate of 12% per annum. In addition, the Lessee shall pay a late fee of $500 for each month the payment is late. The City, as a courtesy, sends monthly invoices to Lessee. However, Lessee is responsible for paying all rents, late fees and interest regardless of whether the City sent to Lessee or Lessee received any invoice from the City.

3.5 Damage and Cleaning Deposit. Upon execution of this lease, Lessee shall deposit, unless already on deposit, the amount of $500 to be held for the term of this lease for the purpose of paying any outstanding charges upon termination of this lease including cleaning, damages, or unpaid utility bills. If no such charges exist at the termination of the lease, said amount will be refunded to the Lessee. Upon termination of the lease, should the cost of cleaning, damages or unpaid utility bills exceed $500, it is understood and agreed that the Lessee is responsible for such charges and shall remit to the City any amount owning upon receipt of notice of amount due.

3.6 Monthly Base Rent Increase.

Commencing on ________________1, 202__, said date being the first one (1) year anniversary of the Rent Commencement Date, and on each subsequent one (1) year anniversary thereafter, the Monthly Base Rent shall be adjusted in accordance with this paragraph. The rent increase shall be determined by multiplying the current annual rent by the annual percent change in the Consumer Price Index U.S. City Average—All Items for All Urban Consumers, West (1982 through 84 = 100) , for the month which is two (2) months prior to the month of the anniversary of the Rent Commencement Date ("the Adjustment Month") of the current lease year from the CPI-U for the Adjustment Month of the prior year, as those index figures are determined by the United States Department of Labor, Bureau of Labor Statistics. If there is no such CPI-U figure for the Adjustment Month of any year of the Term, then the Adjustment Month figure of the successor or most nearly comparable successor Index shall be used.

A. The calculation of the annual rent increase shall be as follows:

(1) Determine the current annual rent by multiplying the current monthly rent by 12.

(2) Determine the CPI-U index point change by subtracting the previous year's CPI-U index figure for the Adjustment Month from the current year's CPI-U index figure for the Adjustment Month.

(3) Determine the CPI-U annual percent change by dividing the index point change by the previous year's CPI-U index figure for the Adjustment Month. This quotient can be expressed as a percentage by multiplying by 100.

(4) Determine the additional annual rent by multiplying the current annual rent by the annual percent change.

(5) Determine the new annual rent by adding the additional annual rent to the current annual rent.

(6) Determine the new monthly rent by dividing the new annual rent by 12.

B. For example only, the following is shown for determining the annual percentage change:

CPI-U for current period	133.0
Less CPI-U for previous period	130.0
Equals Index Point Change	3.0
Divided by previous period CPI-U	130.0

	Equals	0.023		
Result multiplied by 100		0.023	x	100
	Equals percent change	2.3	%	

C. In no event shall the minimum Monthly Base Rent for any year during the Term be less than the minimum Monthly Base Rent for the immediately preceding year. Any annual adjustment shall not exceed three and a half (3.5) percent.

Section 4. USE OF LEASED PREMISES

4.1 Type of Operation. The premises shall be used primarily for the conduct of a Fixed Base Operator (FBO.) These services are to include at a minimum, aircraft maintenance, flight training, and fuel sales. Hours of operation are to be normal business hours (approximately 8:00 a.m. to 5:00 p.m., Monday- Friday), with fuel sales available on a 24-hour, self-serve, basis. Other services may be permitted with Airport Manager’s approval.

The Lessee shall maintain and operate all premises covered by this agreement in a first-class manner and shall keep such premises in a safe, clean, orderly and inviting condition at all times, in accordance with the highest standards for this type of operation at other airports in the area.

4.2 Fuel Tanks and Aviation Fuel Pumps. City shall maintain in good condition the pumps, fuel lines and underground storage tanks (or above ground storage tanks once a new fuel farm is constructed). City shall be responsible for regular and required tank testing. However, City shall not be obligated to clean-up fuel spillage nor make any repair or replacement occasioned by an act or omission of the Lessee or its employees, agents, licensees or customers. Lessee shall maintain in good condition the fuel dispensing hoses, nozzles and grounding wire and reels. The City shall be responsible for all costs of the replacement of said item when needed. Lessee shall own and maintain the card reader system on the fuel pump(s). Lessee shall be responsible for daily leak checks in the aviation fuel system and recording and reporting this information as required by the Washington State Department of Ecology. Lessee is also responsible for paying the City’s annual chemical hazard fee associated with the fuel system.

4.3 Subletting of Leased Premises. Subletting is approved for office and hangar spaces but not for parking spaces. Any subletting shall be approved by the Airport Manager in writing on a case by case basis, which approval shall not be unreasonably withheld. Lessee will provide the City with a copy of all subleases and a key to the subleased area of the building. At no time shall the Lessee sublet any of the premises without first contacting the Airport Manager.

4.4 Utilities. The Lessee shall pay all utilities, including but not limited to, electrical, water, sewerage, internet and storm water utilities; provided, however, that the City shall pay for water and electricity for the 105 Building.

Section 5. <u>TERM</u>

5.1 Term. The term of this lease shall be for five (5) years, commencing on ______, 202_, subject only to earlier termination in accordance with the terms of this agreement. Lessee may extend the terms of this lease for two (2) additional two (2) year periods, after which a new lease may be negotiated, by providing City written notice of interest to do so, at least one-hundred and twenty (120) days prior to the expiration of the additional lease term, provided Lessee is not in default at the time of giving such notice or on the date of expiration of the original term.

The Term shall not be extended if Lessee is in default of Lessee's obligations under this Lease Agreement, whether monetary or non-monetary, on the date that Lessee gives any such written notice to the City.

5.2 Termination. This Lease Agreement shall be subject to termination by either party, for cause, providing written notice to the other party of at least one-hundred and twenty (120 days) prior to the date on which termination takes place and in accordance with the terms of this Agreement. "Cause" shall be defined as a material breach of any terms or conditions of this Lease which remain uncured within sixty (60) days of notice of the breach. All written notice shall be made pursuant to Section 10.14.

Section 6. <u>CONDITIONS AND ALTERATIONS</u>

6.1 Condition of Premises. The City makes no warranty or guarantee concerning the condition of the Leased Premises, including the physical condition or any condition which may affect the Leased Premises, and it is agreed that the City will not be responsible for any loss, damage or costs which may be incurred by Lessee by reason of any such conditions. Lessee has inspected the premises and agrees to accept the Leased Premises in its present condition. Subject to the provisions of Section 6.3, Lessee agrees also that it will provide at Lessee's own cost and expense any leasehold improvements, furniture, furnishings, fixtures and equipment it deems necessary for its purposes.

6.2 Maintenance of Premises and Operational Costs. Lessee shall maintain and keep in good state of repair the Leased Premises. Unless otherwise provided in this Lease, Lessee shall bear at its own expense all costs of operating the Leased Premises and shall pay, in addition to rental and all other costs connected with the use of the premises, all janitor services and supplies, re-lamping the lights, maintenance of all utility fixtures including plumbing, interior electrical wiring, hangar doors and all other services and supplies not furnished by the City, and shall pay for all permits and licenses required by City or other law. Lessee is responsible to provide for adequate pest control, including, but not limited to preventing and eliminating destructive insects, to include bees and wasps, rodents, and reptiles found on the Leased premises.

City shall maintain in good condition and repair, the roof, subflooring, interior and exterior plumbing and wiring and conduits, foundation, floor slab, structural supports (both interior and exterior), curbs, parking lots and aprons, sewers and drains, exterior of buildings and all other aspects of the Leased Premises not assigned to Lessee.

6.3 Future Alterations and Improvements. Lessee shall make no alterations, additions, replacements, or improvements during the term of this lease without obtaining the City's written approval in advance. Upon completion of any such improvements, Lessee shall file with the City a verified statement of final cost of such improvements together with copies of receipted invoices for labor and materials used and also including architectural engineering and design fees. Lessee hereby agrees that all fixtures and improvements shall become the property of the City upon the termination of this Lease through the expiration of the term or for any other reason. Maintenance and operation of such improvements shall be the sole responsibility of Lessee during the term of the lease.

6.4 Signs. Lessee may install signage for identification and advertising purposes with the City's written consent. All signage must comply with City codes including codes for the Vancouver National Historic Reserve.

6.5 Access to Premises. Lessee shall allow the City's authorized representatives access to the Leased Premises, leased exclusively to Lessee, upon 24 hour notice, for the purpose of examining and inspecting the premises, performing maintenance or for purposes connected with the performance of its obligations hereunder, in the exercise of its governmental functions or in the case of emergency. Lessee shall provide the City with a key to the buildings that are leased exclusively to the Lessee. City agrees that the key will only be used by airport staff and by City maintenance staff who are assigned to work at the airport.

Section 7. <u>LAWS, RULES AND REGULATIONS</u>

7.1 Laws, Ordinances, Etc. The Lessee shall observe and obey all the laws, ordinances, regulations and rules of the federal, state, county and municipal governments which may be applicable to its operations at the airport.

7.2 Rules and Regulations. The City shall have the right to and shall adopt and enforce reasonable rules and regulations with respect to the use of the airport and related facilities, which Lessee agrees to observe and obey.

7.3 Landlord Tenant Regulations. This Agreement is subject to the applicable statutory provisions of Title 59 RCW, Landlord-Tenant, which by this reference are incorporated herein as fully as though set forth verbatim, unless a different condition is specified in this agreement, then the term of the agreement shall control.

7.4 Temporary Lawful Assumption / Relief of Obligation. The temporary, lawful assumption by the United States Government or any authorized agency thereof of the operation, control or use of the airport and facilities, or any substantial part or parts thereof, which substantially restrict Lessee's use of the premises shall temporarily (during the time of such government use) relieve Lessee of its obligation for rental payment hereunder.

Section 8. VANCOUVER NATIONAL HISTORIC RESERVE

The Lessee acknowledges that Pearson Field is part of the Vancouver National Historic Reserve (VNHR), a federally designated national historic site.

8.1 Fly Neighborly. Pearson Field Airport is adjacent to Fort Vancouver National Historic Site, a unit of the National Park Service. Pilots are encouraged to reduce power as soon as practical for noise abatement and to also avoid flying over the stockade at Fort Vancouver except in the event of an emergency.

8.2 Independence Day. The airport may be closed the evening of July 4th in association with the annual Independence Day fireworks. The Airport Manager will notify tenants regarding airport access restrictions, closures and related issues prior to July 4 of each year.

Section 9. INDEMINTY/INSURANCE

9.1 Indemnity. Lessee agrees fully to indemnify, and save and hold harmless, the City**, its officials, employees and agents,** from and against all claims and actions and all expenses incidental to the investigation and defense thereof, based upon or arising out of damage or injuries to third persons or their property, caused by the fault or negligence or alleged fault or negligence of Lessee, its agents or employees, in the use or occupancy by Lessee of the Leased Premises covered by this agreement; provided, however, that Lessee shall not be liable for any injury or damage or loss occasioned by the sole negligence of the City, its agents or employees; and provided further that City shall give to Lessee prompt and reasonable notice of any such claims or actions and Lessee shall have the right to investigate, compromise and mutually defend the same.

9.2 General Liability Insurance. Lessee agrees to carry and keep in force, general liability insurance covering bodily and personal injury, property damage and contractual liability, and such other insurance as may be necessary to protect the City herein from such claims and actions aforesaid. Without limiting its liability as aforesaid, Lessee agrees to maintain with insurance underwriters satisfactory to the City a standard form of policy of insurance in an amount of not less than $1,000,000 per occurrence. City shall be listed as an additional insured.

9.3 Hangarkeeper's Insurance. Lessee shall procure and at all times keep in force hangarkeeper's legal liability insurance in the amount of $100,000 per aircraft and $500,000 per occurrence. City shall be listed additional insured. Lessee shall provide the City with a copy of this insurance certificate.

9.4 Lessee Responsible for Any and All Damages Resulting from Floods. Lessee hereby acknowledges that the Leased Premises are situated on a 100-year floodplain according to the United States Army Corps of Engineers and the Federal Emergency Management Agency. Accordingly, the Lessee hereby agrees that they will be solely liable for any and all damages that results to any personal property owned by the Lessee from any type of flood that occurs on the Leased Premises. Lessee further agrees to hold harmless and defend the City**, its officials, employees and agents,** from any and all claims, damages, lawsuits and/or appeals for any losses or damages to property, physical and/or psychological injuries that result from of any flood that may occur on the Leased Premises. Lessee understands that they bear full responsibility of taking any and all precautionary measures to prevent or mitigate damages or injuries to Lessee's personal property from flooding on the Leased Premises, and that they can proactively mitigate damages by procuring an insurance policy that will cover such damages and/or injuries from flooding on the Premises.

Section 10. GENERAL PROVISIONS

10.1 Assignment, Transfer and Subletting: The Lessee shall not at any time assign, sublease or transfer this agreement or any of the rights, privileges, uses or interests arising hereunder without first having obtained written approval from the City which approval shall not be unreasonably withheld. In the event of any assignment, sublease, or transfer approved by the City, any assignee, sublessee or transferee shall be subject to the same conditions, obligations and terms as set forth herein, and the Lessee shall be responsible for the observance by its assignees, sublessees or transferees of the terms and covenants of this lease. In case of default by any assignee, sublessee or transferee, the Lessee, as well as assignee, sublessee or transferee shall remain responsible for the performance by such assignee, sublessee or transferee of such lease.

10.2 Redelivery. Upon termination of this lease the Lessee shall have no further right or interest in the Leased Premises and the City shall be entitled to have the Leased Premises returned to it immediately. The Lessee shall remove all improvements constructed or installed by Lessee that the City directs the Lessee to remove from the Leased Premises. The Lessee shall remove such property from the Leased Premises at the direction of the City within sixty (60) days after said termination and restore the premises to their original condition. However, the Lessee hereby agrees that all fixtures shall be the property of the City upon the termination of this Lease unless the City specifically waives the right to own the fixtures in writing. The Lessee further agrees that the City shall have the sole option to waive the provisions of this section either in whole or in part that relate to the Lessee's removal of fixtures and other property constructed or installed by Lessee from the Leased Premises. In the event that the City does not require the Lessee to remove fixtures and/or other property from the Leased Premises, then all buildings and improvements of all types, including fixtures, constructed on the Leased Premises by the Lessee or the City shall become the property of the City upon the termination of this Lease.

10.3 Holding Over. In the event Lessee shall hold over and remain in possession of the Leased Premises after the expiration of this agreement without any written renewal thereof, such holding over shall not be deemed to operate as a renewal or extension of this agreement but shall only create a tenancy from month to month which may be terminated at any time by the City or the Lessee with a minimum of 30 days notice in writing.

10.4 Non-Waiver: Any waiver of any breach of covenants herein contained to be kept and performed by either party hereto shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the other party hereto from declaring a forfeiture, termination or cancellation for any succeeding breach either of the same condition or covenant or otherwise. Acceptance or payment of rent shall not be deemed a waiver.

10.5 Attorney's Fees. In the event any action or suit or proceeding is brought to collect the rent or to become due hereunder or any portion thereof or to take possession of the Leased Premises or to enforce compliance with this Agreement or for failure to observe any of the covenants of this

Agreement, the prevailing party shall be entitled to recover such sum as the court may adjudge reasonable as attorney's fees to be allowed in said suit, action or proceeding, and in the event of an appeal as allowed by the appellate court. The parties agree that the venue for any action brought under this Agreement shall be Clark County superior court.

10.6 Default. (A) If Lessee shall fail to pay rent when due, or (B) if Lessee shall fail or neglect to do or perform or observe any of the covenants contained herein on Lessee's part to be kept and performed, and such default under (A) shall continue for a period of not less than ten (10) days or under (B) for a period of not less than thirty (30) days after the City has notified Lessee in writing of Lessee's default, or if Lessee shall be declared to be bankrupt or insolvent according to law, or if any assignment of its property shall be made for the benefit of creditors or if Lessee abandons its operation of the facility for a period of forty-five (45) days, then in any of said cases or events, the City, lawfully may, at its option, immediately or at any time thereafter, without demand or notice terminate this lease and enter into and upon the Leased Premises or any part thereof and repossess the same of its former estate, and expel said Lessee and those claiming by, through, or under it, and remove its effects, if any, forcibly if necessary, without compensation and without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or a preceding breach of covenant.

10.7 Quiet Enjoyment. The City agrees that on payment of the rent and performance of the covenants and agreements on the part of the Lessee to be performed hereunder, Lessee shall peaceably have and enjoy the Leased Premises and all rights and privileges of Pearson Field, its appurtenances and facilities granted herein.

10.8 Destruction of Premises. In the event the premises are totally destroyed by fire or other casualty, the City may, at its option, terminate this lease, or it may rebuild the building and/or facilities situated on said premises and the rent shall abate between the time of such destruction and the time the building and/or facilities are rebuilt and said premises are ready for occupancy, or in the event of a partial destruction of said premises by fire or other casualty, the City at its option may terminate this lease or rebuild and repair said premises, and in such case the rent shall proportionately abate during the time between such partial destruction and repair or rebuilding thereof; provided, that in the events aforesaid, the City shall give notice to the Lessee of the option it shall exercise within thirty (30) days after the event giving rise thereto.

10.9 Subordination. This Lease shall be subordinate to the provisions of any agreement between the City and the United States relative to the operation or maintenance of the airport, the execution of which has been required as a condition precedent to the expenditure of federal funds for the development of the airport.

10.10 Non-Discrimination. Pursuant to Title VI of the Civil Rights Act of 1964, by Part 15 of the Federal Aviation Regulations and by the City of Vancouver Charter, Article VII, Section 7.10 , Lessee agrees it will not discriminate on the basis of age, race, color, national origin, ethnicity, creed, religious opinions or affiliations, sexual orientation, gender identity/expression, pregnancy, marital status, family status, mental or physical disability, military status, status as a veteran or any other protected status, and will not permit discrimination against any person or group of persons in any manner prohibited by Part 5 of the Federal Aviation Regulations. The City reserves the right to take such action as the United States may direct to enforce the provisions of this covenant, or as it may find necessary.

10.11 Interpretation of Lease. Nothing in this Lease shall be construed or interpreted in any manner whatsoever as limiting, relinquishing, or waiving of any rights or ownership enjoyed by the City in the airport leased property, or in any manner waiving or limiting its control over the operation, maintenance, etc., of airport property except as it specifically provided for herein or in derogation of such governmental rights as the City possess.

10.12 Invalid Provisions. In the event any covenant, condition, or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way effect any other covenant, condition or provision herein contained; provided that the invalidity of such covenant, condition or provision does not materially prejudice either the City or Lessee in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Lease.

10.13 Successors and Assigns Bound by Covenants. All of the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of the legal representative, successors, and assigns of the respective parties hereto.

10.14 Notices: Notices to the city, provided for herein, shall be sufficient if sent by certified mail, postage prepaid, addressed to:

Pearson Field Airport Manager
City of Vancouver, P.O. Box 1995,
Vancouver, Washington 98668

Notices to the lessee shall be sufficient if sent by certified mail, postage prepaid, addressed to:

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10.15 Cessation of Operation. In the event Pearson Field permanently ceases to be operated as an airport during the term of this lease, City and Lessee's mutual obligations hereunder will cease. Nothing herein shall be construed to interfere with the City's right to cease, for a valid governmental purpose, such airport operation.

10.16 Entire Agreement. This Agreement constitutes the entire agreement of the parties and cannot be modified or changed unless done so in writing and signed by the parties to this Agreement.

EXECUTED this _____ day of _________________________202__.

CITY OF VANCOUVER,
a municipal corporation

AERO MAINTENANCE, INC.
a Washington corporation

Eric J. Holmes, City Manager

Attest:

Natasha Ramras, City Clerk

Approved as to form:

____
Philip Gigler, Asst. City Attorney

EXHIBIT A

101 East Reserve Street & 105 East Reserve Street