

PRELIMINARY AGENDA FOR REGULAR MEETING

January 17, 2024

I. EXECUTIVE SESSION

One Matter related to Personnel Evaluation
RCW 42.30.110(1)(c)

11:00 AM

II. OPEN SESSION

Pledge of Allegiance

12:00 PM

PUBLIC COMMENT

Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit comments in writing to the Chief Executive Officer.

CONSENT ITEMS

All matters listed under Consent Items have been distributed to each member of the Commission for review, are considered routine, and will be enacted by the motion of the Commission with no separate discussion. If a separate discussion is desired, that item may be removed from the Consent Items and placed under Action Items by request.

A. Approval of Minutes of the Regular Meeting on January 4, 2024.

B. Approval of Checks

NEW BUSINESS/DISCUSSION ITEMS

C. Fly IT AP-01 & E-01 Lease- Director of Business & Real Estate Derek Jaeger

D. Immelman Hangars 1st Amendment - Director of Business & Real Estate Derek Jaeger

E. Resolution 3-24 Amend Resolution 6-21 Long Term Care - Director of Finance Krista Cagle

F. Resolution 4-24 Camas School Levy Support – CEO David Ripp

PUBLIC COMMENT

Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit comments in writing to the Chief Executive Officer.

ACTION ITEMS

G. Fly IT AP-01 & E-01 Lease

H. Immelman Hangars 1st Amendment

I. Resolution 3-24 Amend Resolution 6-21 Long Term Care

STAFF REPORTS & COMMENTS

COMMISSIONER REPORTS & DISCUSSION

ADJOURN

Regular business and meetings that members of the Commission may attend:

| <u>Date</u> | <u>Meeting</u> |
|--|--|
| January 25 th & 26 th , 2024 | Annual Planning Meeting 8:30 am-12:30 pm |
| February 1 st & 2 nd , 2024 | Port Day in Olympia |

(*Denotes events in which two (2) or more Commissioners may attend)

Join the meeting on the Conference Call Line: (253) 215-8782

Meeting ID: 829 0393 6339, Password: 154722 or via this video link:

<https://us06web.zoom.us/j/82903936339?pwd=U01pdWY1V0tES3dMZWFkNjJNbUNVZz09>

**MINUTES OF THE REGULAR COMMISSION MEETING
PORT OF CAMAS-WASHOUGAL
January 4, 2024**

By: Mackenzey Thomason, Administrative Assistant

A Regular Meeting of the Commissioners of the Port of Camas-Washougal was held in person and virtually at the Port Office at 24 South 'A' Street, Washougal, WA on Thursday, January 4, 2024, at 12 p.m.

PRESENT: Commissioner Cassi Marshall, Commissioner Larry Keister, Commissioner John Spencer, Chief Executive Officer David Ripp, Director of Finance Krista Cagle, Director of Business Development & Real Estate Derek Jaeger, Attorney Carolyn Lake, Administrative Assistant Mackenzey Thomason, and members of the press and public. The public has access in person and through a designated Zoom conference call line or video link.

At 12:00 p.m. following the Pledge of Allegiance, Commissioner Keister called to open the Regular Session public meeting to order. This meeting is video recorded, and the chat function has been disabled.

PUBLIC COMMENT #1:

Mayor of Washougal David Stuebe:

Mayor Stuebe said, "Happy New Year". Stuebe stated that 2024 is going to be a great year for the Port as well as the community. Stuebe also explained that it was great to see Commissioner Keister at the local RTC meetings and chat about bridges and corridors. Stuebe stated that David Scott and himself are going to be heading up to Olympia soon to speak with Legislators about some shared issues.

CONSENT ITEMS

Minutes & Checks

Minutes from the Regular Meeting on December 20, 2023, and electronic payments and the issuance of general fund checks 9284-9306 and printed checks 50135-50155 in the total amount of \$440,481.43 were presented for approval. After a brief discussion, a motion was made by Commissioner Spencer and seconded by Commissioner Marshall and the minutes and electronic payments and checks were carried unanimously.

NEW BUSINESS / DISCUSSION ITEMS:

Chelan-Douglas Port Authority Interlocal Agreement- CEO David Ripp:

Chief Executive Officer David Ripp stated there is a tax for fuel for aviation that should be going back to WDOT, used for grants, and generally going back to the aviation community. Ripp stated the state has failed to do so and is instead going into the state's general funds. Ripp explained that the Port of Chelan and Douglas County are leading the effort to hire an attorney to review this matter. Ripp stated the Port has contributed \$500.00 to help pay for legal fees in this effort. Approval will be requested during action items.

CEO Delegation of Authority- CEO David Ripp:

Chief Executive Officer David Ripp stated the delegation of authority is reviewed annually. Ripp

stated this is to review the authority and job duties that the CEO has. Ripp explained this was last updated in May of 2019. After reviewing, Ripp stated that minor corrections need to be made such as verbiage and some typos. Ripp explained that this could be re-visited at any point in time but at this time, no real changes need to be made. Ripp stated this will no longer be an action item.

Resolution 1-24 Surplus of Property- Director of Finance Krista Cagle:

Director of Finance Krista Cagle stated this resolution is passed every January. Cagle explained the resolution authorizes the CEO to sell surplus non-real property with a value of less than \$22,000 without advertisement or public competitive bid per RCW 53.08.090. Cagle explained that last year the dollar amount was roughly \$19,000. Approval will be requested during action items.

Resolution 2-24 2025 Budget Schedule- Director of Finance Krista Cagle:

Director of Finance Krista Cagle stated this resolution is setting an alternative schedule for filing the annual budget. Cagle explained that this year, the Port will adopt the preliminary budget in October and notify the local newspapers. Cagle stated on November 20th the public hearing and adoption of the 2025 budget will be completed. Approval will be requested during action items.

Mission Statement Revision-CEO David Ripp:

Chief Executive Officer David Ripp stated the Port has been having discussions about changing the mission statement. Ripp stated there have been proposed different languages and staff have tried to make it less wordy. The newly proposed mission statement is, “It is the mission of the Port of Camas-Washougal to enhance the community’s quality of life by bringing jobs, infrastructure, and recreational opportunities to East Clark County through environmentally and socially responsible investments”. Approval will be requested during action items.

PUBLIC COMMENT #2:

Bob Martilla of Washougal-

Martilla said, “Happy New Year” and he was looking forward to the new waterfront development getting started. Martilla asked if there was any progress on Wi-Fi at the Airport and asked about changing the location of the windsock. Martilla also mentioned the Northwest Aviation Conference is in Puyallup on February 24th and 25th.

ACTION ITEMS:

Chelan-Douglas Port Authority Interlocal Agreement:

Commissioner Spencer requested formal approval of the Chelan-Douglas Port Authority Interlocal Agreement as presented during discussion items. Upon motion by Commissioner Spencer seconded by Commissioner Marshall and carried unanimously, the Chelan-Douglas Port Authority Interlocal Agreement was approved effective January 4, 2024.

Resolution 1-24 Surplus of Property:

Commissioner Marshall requested formal approval of Resolution 1-24 Surplus of Property as presented during discussion items. Upon motion by Commissioner Marshall seconded by Commissioner Spencer and carried unanimously, Resolution 1-24 Surplus of Property was approved effective January 4, 2024.

Resolution 2-24 2025 Budget Schedule:

Commissioner Spencer requested formal approval of the Resolution 2-24 2025 Budget Schedule as presented during discussion items. Upon motion by Commissioner Spencer seconded by Commissioner Marshall and carried unanimously, the Resolution 2-24 2025 Budget Schedule was approved effective January 4, 2024.

Mission Statement Revision:

Commissioner Marshall requested formal approval of the Mission Statement Revision as presented during discussion items. Upon motion by Commissioner Marshall seconded by Commissioner Spencer and carried unanimously, the approval of the Mission Statement Revision effective January 4, 2024.

STAFF REPORTS & COMMENTS

Chief Executive Officer-

Chief Executive Officer David Ripp stated he wanted to remind everyone that the new radio frequency number at Grove Field is 122.7. Ripp explained that Port employee Jennifer Taylor was leading the effort to get the number changed and that WDOT was aware. Ripp also mentioned there was a drafted legislative agenda. Ripp spoke about the capital request for SW 41st Street. The cost of the project has more than doubled since originally started due to inflation.

Upcoming Events:

Governor Inslee will be in the Industrial Park to view the Community Solar Project on January 5th from 12:30 pm-1:15 pm.

CREDC Meeting at Ilani on January 16th from 6 pm-8:30 pm.

Annual Meeting on January 25th & 26th from 8:30-12:30 pm. This meeting is open to the public.

Ripp also announced his retirement after 16 years with the Port of Camas-Washougal. Ripp explained that he has had a great 30-year career in the Port industry. Ripp started his career with the Port of Woodland and started with the Port of Camas-Washougal in 2008. Ripp explained that the staff size has doubled since his start and that he is proud of all the Port has accomplished. Ripp stated he plans to retire in the Fall and that the hiring process will begin at the end of January, or early February. Between hiring the new CEO, to the fall, Ripp will spend time bringing that person up to speed and making sure that they are engaged in the community.

Director of Business & Real Estate-

Director of Business & Real Estate Derek Jaeger said “thank you” to CEO Ripp for being a great leader. Jaeger also touched on his visit to the Port of Kalama’s “Timber Market”. Jaeger explained that it was interesting to hear about what their activity and sales looked like and that the Port of Kalama is happy with their new tenants.

Director of Finance-

Director of Finance Krista Cagle also shared her thanks to CEO David Ripp. Cagle also stated that it’s the Director of Facilities, Eric Plantenberg’s birthday today.

COMMISSIONER REPORTS & DISCUSSION

Commissioner Marshall

Commissioner Marshall shared that it was bittersweet to see Ripp go. Marshall stated she is, however, happy that he gets to retire and enjoy his adventures with his wife. Marshall explained

that Ripp has done the work to set the Port up to be successful and that it is a collaborative environment because of his efforts.

Commissioner Spencer

Commissioner Spencer stated he had stopped by the Port of Kalama’s “Timber Market” the other day and he was extremely impressed. Spencer also shared that he attended his first City of Camas meeting. Spencer stated he had met Ripp in the Rotary Club in 2012. Spencer shared that while writing the CEO job description, he wanted to write “We want Dave”.

Commissioner Keister

Commissioner Keister shared his thanks to CEO David Ripp. Keister stated that Ripp has done so much for the community as well as the Port over the years. Keister shared that he became a Commissioner because of Ripp. Keister stated the team concept that Ripp has created throughout the years is unbeatable and he is very proud to have worked with him.

The regular meeting adjourned at 12:34 pm.

PORT OF CAMAS-WASHOUGAL COMMISSION

Commissioners

LEASE

THIS LEASE is made and entered into this day by and between the PORT OF CAMAS-WASHOUGAL, a municipal corporation organized and existing under the laws of the state of Washington, hereinafter called "Lessor", and FLYIT LLC, a Washington limited liability company, hereinafter called "Lessee".

WITNESSETH:

Section 1. PREMISES LEASED: For and in consideration of the payment by Lessee of the rentals hereinafter specified, and performance by Lessee of the covenants and obligations hereinafter provided to be kept and performed by Lessee, Lessor does hereby lease, demise and let unto Lessee approximately 6,000 square feet of hangar space in Lessor's Airport AP-1 (formally AP1 and AP1 East), located at 632 NE 267th, Camas WA 98607, Clark County, as shown in Exhibit "A" attached hereto and incorporated by this reference (hereinafter called the premises). Lessee shall, in addition, have a right-of-way in common with others over and across private roads and streets giving access to the leased premises, which right-of-way shall terminate at such time as such private roads and streets are dedicated to the public.

Lessor shall deliver the premises broom clean with all plumbing, electrical, mechanical systems, and doors in proper working order.

Section 2. TERM: The term of this lease shall commence on February 1, 2024 and shall terminate on January 31, 2029 unless sooner terminated pursuant to this Lease or applicable law.

Lessee shall give Lessor written notice ninety (90) days prior to the expiration of the then current term regarding Lessee's intent to extend the Lease or vacate the premises upon expiration of the then current term. The absence of timely notice from Lessee will be deemed to be notice that Lessee intends to vacate the Premises upon expiration of the then current term.

If Lessee holds over after the expiration or termination of the term with Lessor's consent such

tenancy shall be deemed to be a holdover tenancy on a month-to-month basis. All other terms, covenants, and conditions of the Lease shall remain in effect, except that rent shall be increased by the same percentage as at the beginning of the last lease year. If Lessee holds over after the expiration or termination of the term without Lessor's consent, then such tenancy shall be deemed a holdover tenancy on a month-to-month basis, on the terms, covenants, and conditions of this Lease in effect at the expiration or termination of the term, except that rent shall be increased to 200% of the rent last payable under this Lease. This section does not grant any right to Lessee to holdover, and Lessee is liable to Lessor for any and all damages and expenses of Lessor as a result of any holdover.

Section 3. POSSESSION: Lessee shall have the right to possession of the premises pursuant to this Lease commencing on the commencement date of the lease term.

Section 4. RENT: Lessee shall pay to Lessor, without any notice or demand, and without setoff or deduction, in addition to taxes, assessments and other charges required to be paid hereunder by Lessee, rent for the premises as follows:

| | |
|---|----------------------|
| Rent for February 1, 2024 – January 31, 2025: | \$2,478.30 per month |
| Rent for February 1, 2025 – January 31, 2026: | \$2,726.13 per month |
| Rent for February 1, 2026 – January 31, 2027: | \$2,998.74 per month |
| Rent for February 1, 2027 – January 31, 2028: | \$3,298.61 per month |
| Rent for February 1, 2028 – January 31, 2029: | \$3,397.57 per month |

In addition to the rental amounts specified above, Lessee shall pay to Lessor with each monthly rental payment the Washington State Leasehold Tax on the leased premises, which tax is currently 12.84% of the monthly rental payment. Rental payments are payable in advance on the 1st day of each month during the term of this lease. Rent for partial months shall be prorated.

2,726.13

Lessee agrees to pay a late charge, in an amount equal to 5% of the monthly rental payment then due with any rental or leasehold tax payment which is not received in full by Lessor by the tenth day of the month.

Section 5. LEASE BOND: Lessor hereby waives its right to require a lease bond pursuant to RCW 53.08.085.

Section 6. TAXES AND UTILITIES: Lessee shall pay all taxes and other public charges of every kind and nature and all assessments, charges for or related to heat, light, electricity, and any and all other utilities and services which shall, during the term of this lease, be charged or imposed upon the premises or the land or any buildings, improvements, or other structures situated thereon.

Lessee shall pay the leasehold tax as provided in RCW 82.29A or successor, and all other taxes, assessments, and other expenses arising from ownership or operation of the premises or property, Lessee's possession of the premises or operation of Lessee's business on the premises, or are required because of Lessee's operations to make the property conform to government regulations, or which are imposed upon Lessee or Lessor due to the existence of this lease.

Lessee shall pay and discharge promptly, as the same becomes due and before delinquency, the taxes, assessments and other charges as described herein. Lessee shall pay, upon demand, the taxes, assessments and other charges on behalf of Lessor, or if this is not permitted by law, Lessee shall reimburse Lessor for the amount of any such tax, assessment and other charge paid by Lessor, provided that Lessee shall have the right to contest any such tax or assessment at its own expense.

Section 7. LIENS: Lessee shall keep the premises free and clear of all liens, including mechanic's, materialmen's, or other liens for work or labor done, and liens for services, materials, appliances and power performed, contributed, furnished or used or to be used in or about the premises, or in connection with any operations of Lessee, or any alteration, improvement, repair, or addition which Lessee may make, permit, or cause to be made or any work or construction by, for, or permitted by Lessee on or about the premises. Lessor shall not be responsible for liens caused by Lessee's activities on the premises.

Nothing in this lease shall be deemed or construed in any way as constituting the consent or request of Lessor, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialman, for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to, or repair of the premises or any part thereof, nor as giving Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the premises or any part thereof.

In the event that any lien, charge, or order for the payment of money described as the responsibility of Lessee in this section is filed against Lessor or any portion of the premises, Lessee shall, at its own cost and expense, cause the same to be discharged of record or bonded within sixty (60) days after notice from Lessor to Lessee, in the manner provided in Section 26, of the filing thereof; and Lessee shall indemnify and save harmless Lessor against and from all costs, liabilities, suits, penalties, claims, and demands, including reasonable counsel fees, resulting therefrom.

Section 8. CONTESTING LIENS AND TAXES: Lessee may contest any lien set forth in Section 8 or any tax, assessment, or other charge which Lessee shall pay under Section 7, provided that Lessee notifies Lessor, in the manner provided in Section 26, of their intention to do so within sixty (60) days of the filing of such lien or within thirty (30) days of receipt of notice of such tax, assessment, or other charge; and provided further that Lessee posts a bond or other security with Lessor, prior to the contest, in an amount equal to the amount of the contested lien or tax, assessment, or other charge.

Within sixty (60) days of the determination of its validity, Lessee shall satisfy and discharge any remaining lien, or pay and discharge any remaining assessment, or other charge, and all penalties, interest, and costs in connection therewith. Satisfaction and discharge shall not be delayed until execution is had on any judgment rendered, nor shall satisfaction, payment and discharge be delayed until sale is made of the whole or any part of the premises on account thereof. Any such delay shall be a default of Lessee under this lease.

In the event of any such contest, Lessee shall protect and indemnify Lessor against all loss, expense, and damage resulting therefrom.

Section 9. USE OF PREMISES: Lessee covenants and agrees as follows:

- a. To use the premises for the storage of aircraft and maintenance and mechanic services in connection with Lessee's business as a flight school instructor. Lessee's use and all equipment utilized by Lessee within the premises shall fully comply with all local, State, and/or federal requirements and, in addition, Lessee shall have procured in advance all necessary permits or authorizations for such use from any local, state or federal agency, including, but not limited to, approval for the intended use from the Washougal Fire and Building Department prior to occupancy. Lessee shall not use the premises for other purposes without Lessor's prior written consent.
- b. Not to use or occupy the premises, or permit the premises to be used or occupied, for other than legal purposes, or in a manner which shall violate any certificate of occupancy in force relating to any building or improvement hereafter erected thereon;
- c. To conform to and abide by all lawful rules, laws and regulations in connection with the use of said premises and the operation of Lessee's business thereon, and not to permit said premises to be used in violation of any lawful rule, law, regulation or other authority; and
- d. Not to commit or permit any waste of the leased premises nor commit or permit the maintenance or commission of any nuisance on the premises.

Section 10. NO REPRESENTATION: Lessee has leased the premises after an opportunity for examination thereof and of the subsurface conditions beneath the same, and without any representation on the part of Lessor, except that Lessor states that it has no knowledge of any spill of hazardous materials or the presence of any hazardous materials on the leased premises as of the date of the commencement of the lease term. As used in this lease, the term "hazardous substances" or "hazardous materials" means any

hazardous or toxic substances, materials or waste, including but not limited to those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or such substances, materials and wastes as are or become regulated under any applicable local, state or federal law. Lessee assumes the sole responsibility for the condition, operation, maintenance and management of the leased premises.

Section 11. IMPROVEMENTS: No additions or buildings shall be added to the premises by Lessee, and Lessee shall not make structural modifications, improvements or alterations which materially change any portion of the premises, without the written consent of the Lessor being first obtained. At the expiration or other termination of this lease, all improvements by Lessee shall be removed by Lessee unless otherwise agreed to by Lessor, in which case they shall automatically become the property of Lessor; provided, however, that all machinery, fixtures, portable buildings and equipment installed by Lessee and which are adapted only for the special use of Lessee, shall be considered to be trade fixtures and may be removed at the termination of the lease by Lessee, provided that the removal of the same may be done without damage to the premises. Lessee shall at its own expense repair all damage caused by the removal of trade fixtures and shall restore the premises to its same condition as immediately prior to such removal.

Section 12. REPAIR AND MAINTENANCE: Lessor shall maintain the roof, outer walls, structural members, exterior plumbing, hangar doors, fire sprinklers, original electric, exhaust fans and landscaping on the premises at its own expense. Lessee shall be responsible for the cost of any repairs made pursuant to this paragraph which are caused by the intentional or negligent acts of its employees, agents or licensees. Lessee agrees to reimburse Lessor for said repairs immediately upon demand.

Lessor shall have no liability to Lessee for incidental damages or property damage suffered by Lessee as a result of its failure to maintain or repair those portions of the premises described above, its

only obligation being to maintain or repair such portions of the premises. Lessee agrees to promptly notify Lessor of the need for exterior or structural repairs.

Except as provided above, Lessee agrees to maintain the premises and all improvements in a good state of repair and at the termination of this lease to return the premises and all improvements to Lessor in as good state and condition as the same are in at the time Lessee commences occupying same, reasonable wear and tear from the normal use thereof and fire or other casualty being excepted. Lessee agrees to keep the premises outside of the buildings at all times free from debris and objectionable material.

Section 13. INDEMNITY: Lessee shall indemnify and save harmless Lessor from and against any and all liability, claims, damage, penalties, or judgments arising from any loss, injury, death or damage to person or property sustained by any person in or about the premises resulting from the act or omission of Lessee, Lessee's officers, agents, employees, contractors, and sublessees, or of any occupant, visitor, or user of any part of Lessee's premises. Lessee further covenants and agrees to indemnify and hold Lessor harmless against the claims of all and every person whomsoever arising out of or in any way connected with Lessee's occupation or use of the premises, except for claims by Lessor's employees or agents for injuries sustained during the course of employment through no fault of Lessee.

Lessee shall pay all attorney's fees and other expenses incurred by Lessor in defending any and all suits which may be brought against Lessor or in which Lessor may be impleaded with others upon any of the aforementioned matters, except as may result from the acts set forth in the paragraph immediately below.

Except for its intentional misconduct or gross negligence of its agents or employees, Lessor shall not be responsible for or liable for, and Lessee, notwithstanding that joint or concurrent liability may be imposed upon Lessor by a statute or court decision, hereby waives all claims against Lessor for any damage or injury to any person or to any property on or about the premises subject to this lease, including liability for costs, attorney's fees and reasonable expenses arising out of said claims.

Lessor shall indemnify and save harmless Lessee from and against any and all liability, claims,

damage, penalties, or judgments arising from any loss, injury, death or damage to person or property sustained by any person in or about the premises resulting from the intentional misconduct of Lessor or gross negligence of its agents or employees.

Lessee covenants and agrees to reimburse Lessor for all costs or expenses of repair or replacement of any of Lessor's property damaged or destroyed as a result of Lessee's use or occupation of the premises or use of Port property or facilities. Lessee further covenants and agrees to carry liability insurance protecting itself and Lessor from all liability arising out of this Section 14; provided, however, that Lessee's liability under this Section 14 shall not be limited by the limits of such insurance. The provisions of this section shall survive the expiration or earlier termination of this lease.

Section 14. INSURANCE:

A. Lessee shall procure at its sole cost and expense and keep in effect from the commencement date of this lease and at all times until the end of the term either Comprehensive General Liability insurance or Commercial General Liability insurance applying to the use and occupancy of the premises and the business operated by Lessee (or any other occupant) on the premises and providing coverage against all Lessee's liabilities pursuant to Section 13 and 15 of this lease. Such coverage shall have a minimum combined single limit of liability of at least One Million Dollars (\$1,000,000.00) and such limit shall be increased from time to time to such amount as may be mutually acceptable to Lessor and Lessee in their reasonable judgment. All such policies shall be written to apply to all bodily injury, property damage, personal injury and other covered loss, however occasioned, occurring during the policy term; shall be endorsed to provide that such coverage shall be primary; and that any insurance maintained by Lessor shall be excess insurance only.

B. Lessee shall furnish Lessor with acceptable evidence that the insurance is in effect and in amounts sufficient to satisfy this section. All insurance policies required by this Section shall provide that they shall not be reduced, canceled or substantially amended or modified as to terms without thirty (30) days advance written notice to Lessor. All insurance policies required to be carried under this lease

shall be with recognized insurance carriers, having an A rating from A. M. Best Company or like or similar rating from an equally recognized rating company, acceptable to Lessor, and shall name Lessor as an additional insured. All such insurance shall provide for severability of interests; shall provide that an act or omission of one of the named insured shall not reduce or avoid coverage to the other named insureds; and shall afford coverage for all claims based on acts, omissions, injury and damage, which claims occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Such coverage shall be endorsed to waive the insurer's rights of subrogation against Lessor and Lessee if such waiver can be obtained at reasonable cost.

Lessee shall deliver to Lessor on or before the date on which the term commences, and thereafter at least ten (10) days before the expiration dates of expiring policies, certified copies of its insurance policies, or a certificate evidencing the same issued by the insurer thereunder, showing that all premiums have been paid for the full policy period; and in the event Lessee shall fail to procure such insurance, or to deliver such policies or certificates, Lessor may, at its option and in addition to Lessor's other remedies in the event of a default by Lessee hereunder, procure the same for the account of Lessee, and the cost thereof shall be paid to Lessor within ten (10) days following written demand therefor.

Section 15. HAZARDOUS SUBSTANCES - LESSEE'S OBLIGATIONS: Lessee shall not, without Lessor's prior written consent, keep on or about the leased premises, for use, disposal, treatment, generation, storage or sale, any substances designated as, or containing components designated as hazardous, dangerous, toxic or harmful (collectively referred to as "hazardous substances"), and/or which are subject to regulation by any federal, state or local law, regulation, statute or ordinance. With respect to any hazardous substances, Lessee shall:

- a. Comply promptly, timely, and completely with all governmental requirements for reporting, keeping and submitting manifests, and obtaining and keeping current identification numbers;
- b. Submit to Lessor true and correct copies of all reports, manifests and identification numbers at the

- same time as they are required to be and/or submitted to the appropriate governmental authorities;
- c. Within five (5) days of Lessor's request, submit written reports to Lessor regarding Lessee's use, storage, treatment, transportation, generation, disposal or sale of hazardous substances and provide evidence satisfactory to Lessor of Lessee's compliance with the applicable governmental regulation;
 - d. Allow Lessor or Lessor's agents or representatives to come on the leased premises during regular business hours, and after hours with three (3) hours advance notice to Lessee, to check Lessee's compliance with all applicable governmental regulations regarding hazardous substances;
 - e. Comply with minimum levels, standards or other performance standards or requirements which may be set forth or established for certain hazardous substances (if minimum standards or levels are applicable to hazardous substances present on the premises, these levels or standards shall be established by an on-site inspection by the appropriate governmental authorities and shall be set forth in an addendum to this lease); and
 - f. Comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of hazardous substances.

Any and all costs incurred by Lessor and associated with Lessor's special or non-routine inspection of Lessee's premises and Lessor's monitoring of Lessee's compliance with this section, and including Lessor's attorneys' fees and costs, shall be additional rent and shall be due and payable to Lessor immediately upon demand by Lessor. However, Lessor shall solely bear the expense of inspections made on a routine basis, without reasonable cause to believe that Lessee is in violation of this section.

Lessee shall be fully and completely liable to Lessor for any and all cleanup costs and any and all other charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Lessee's use, disposal, transportation, generation and/or sale of hazardous substances, in or about the leased premises.

Lessee shall indemnify, defend and save Lessor harmless from any and all of the costs, fees,

penalties and charges assessed against or imposed upon Lessor (as well as Lessor's attorneys' fees and costs) as a result of Lessee's use, disposal, transportation, generation and/or sale of hazardous substances.

Upon Lessee's default under this section, in addition to the rights and remedies set forth elsewhere in this lease, Lessor shall be entitled to the following rights and remedies:

- a. At Lessor's option, to terminate this lease immediately; and
- b. To recover any and all damage associated with the default, including, but not limited to cleanup costs and charges, civil and criminal penalties and fees, loss of business and sales by Lessor and other lessees of the leased premises, and any and all damages and claims asserted by third parties and Lessor's attorneys' fees and costs.

The provisions of this section shall survive the expiration or earlier termination of this lease.

Section 16. ASSIGNMENT/SUBLETTING: Lessee shall not assign this lease nor sublet the whole or any part of the premises without the written consent of Lessor. Any such assignment or sublease shall not relieve Lessee from the responsibility of paying the rentals accruing under this lease or from keeping and performing all other obligations herein imposed upon and assumed by it. It is understood and agreed that any consent by Lessor to any assignment or subletting by Lessee shall not be considered or construed to be a consent to any subsequent assignment or subletting nor as a waiver of the right of Lessor to refuse to consent to any subsequent assignment or subletting.

Section 17. QUIET ENJOYMENT:

- a. Lessee, upon paying the rent and all other sums and charges to be paid by it as herein provided, and observing and keeping all covenants, warranties, agreements, and provisions of this lease on its part to be kept, shall quietly have and enjoy the premises during the lease term, subject to the provisions herein, without hindrance by Lessor.
- b. Lessor warrants that it has fee simple title to the premises and the power and authority to execute this lease and to carry out and perform all covenants to be performed by it hereunder.

Section 18. ACCESS: Lessor or Lessor's agents and designees shall have the right to enter upon the premises at all reasonable times to examine the premises and to exhibit the premises to prospective purchasers and prospective lessees, and Lessor shall at all times be provided a key for independent access to the premises.

Section 19. CURE BY LESSOR: If Lessee shall default in the performance of any provision under this lease, Lessor, at its option, may perform the same for the account and at the expense of Lessee. Upon notification to Lessee of the cost thereof to Lessor, Lessee shall promptly reimburse Lessor the amount of that cost, plus interest at the rate of twelve (12%) percent per annum from the date of incurring of such cost to the date of repayment. In the event of such default by Lessee, Lessor may enter upon the premises for the purpose of causing such provisions to be fulfilled. Such entry shall not be deemed an eviction of Lessee. Lessor's action hereunder shall not be deemed a waiver of Lessee's default. Lessor, at its option, without relinquishing any remedy or right, may separately commence proceedings against Lessee for reimbursement of Lessor and for any other remedies for breach of this lease.

Section 20. BANKRUPTCY AND INSOLVENCY: If, after the commencement of the lease term:

- a. Lessee then having the title to the leasehold estate created hereunder shall while having such title be adjudicated a bankrupt or adjudged to be insolvent; or
- b. A receiver or trustee shall be appointed for Lessee's property and affairs; or
- c. Lessee shall make an assignment for the benefit of creditors or shall file a petition in bankruptcy or insolvency or for reorganization or shall make application for the appointment of a receiver; or
- d. Any execution or attachment shall be issued against Lessee or any of Lessee's property, whereby the premises or any buildings or improvements thereon shall be taken or occupied or attempted to be taken or occupied by someone other than Lessee, except as may herein be

permitted, and such adjudication, appointment, assignment, petition, execution, or attachment shall not be set aside, vacated, discharged, or bonded within ninety (90) days after the issuance of the same, then a default hereunder shall be deemed to have occurred so that the provisions of Section 21 hereof shall become effective and Lessor shall have the rights and remedies provided therein. Notwithstanding anything to the contrary hereinabove contained, upon the occurrence of a default pursuant to this Section 20, if the rent due and payable hereunder shall continue to be paid and the other covenants, provisions and agreements of this lease on Lessee's part to be kept and performed shall continue to be kept and performed, no event of default shall have been deemed to have occurred and the provisions of Section 20 hereof shall not become effective.

Section 21. DEFAULT:

- a. In the event any one or more of the following events shall have occurred and shall not have been remedied as hereinafter provided:
 1. The occurrence of any event set forth in Section 20 hereof, without the curing of same as therein provided; or
 2. The filing of a petition by or against Lessee for adjudication as a bankrupt, or for reorganization or agreement, or for any similar relief, under the Bankruptcy Code as now or hereafter amended; or
 3. Lessee's failure to pay any installment of rent when the same shall be due and payable and the continuance of such failure for a period of three (3) days after receipt by Lessee of notice in writing from Lessor, in the manner provided in Section 25; or
 4. Lessee's failure to perform any of the other covenants, provisions, and agreements herein contained on Lessee's part to be kept or performed and the continuance of such failure without the curing of same for a period of ten (10) days after receipt by Lessee of notice in writing from Lessor specifying in detail the nature of such failure, or Lessee shall not cure said failure as provided in Paragraph B of this Section 21, then Lessor

may, at its option, give to Lessee written notice of election to terminate the lease term upon a date specified in such notice, which date shall not be less than twenty (20) business days (Saturdays, Sundays and legal holidays excluded) after the date of receipt by Lessee of such notice from Lessor. Upon the date specified in said notice, the term and estate hereby vested in Lessee shall cease and any and all other right, title, and interest of Lessee hereunder shall likewise cease without further notice or lapse of time, as fully and with like effect as if the entire lease term had elapsed, but Lessee shall continue to be liable to Lessor as provided herein. Simultaneously with the sending of the notice to Lessee, as hereinabove provided, Lessor shall send a copy of such notice to any sublessee of the premises or portions thereof that Lessor may select, in writing from time to time, and any additional persons or parties having an interest in the premises that Lessor may select, in writing, from time to time. The curing of any default within the above time limits by any of the aforesaid parties or combination thereof, shall constitute a curing of any default hereunder with like effect as if Lessee had cured the same hereunder.

- b. In the event that Lessor gives notice of a default of such a nature that it cannot be cured within the period prescribed in Paragraph A4 of this Section 21, then such default shall not be deemed to continue, so long as Lessee, after receiving such notice, proceeds to cure the default as soon as reasonably possible and continues to take all steps necessary to complete the same within a period of time which, under all prevailing circumstances, shall be reasonable. No default under Paragraph A4 of this Section 21 shall be deemed to continue if and so long as Lessee shall be proceeding to cure the same in good faith.
- c. In the event that any default of Lessee shall be cured in any manner hereinabove provided, such default shall be deemed never to have occurred and Lessee's right hereunder shall continue unaffected by such default.
- d. Upon any termination of the lease term pursuant to Paragraph A of this Section 21, or at any time thereafter, Lessor may, in addition to and without prejudice to any other rights and remedies

Lessor shall have at law or in equity, re-enter the premises and recover possession thereof and dispossess any or all occupants of the premises in the manner prescribed by statute relating to summary proceedings, or similar statutes; but Lessee in such case shall remain liable to Lessor as provided herein.

e. In case of any such default, re-entry, termination and/or disposition by summary proceedings:

1. The rent shall become due thereupon and be paid up to the time of such re-entry, termination and/or disposition;

2. Lessor may re-let the premises or any part thereof, either in the name of Lessor or otherwise, for a term which may, at Lessor's option, be less than or exceed the period which would otherwise have constituted the balance of the term of this lease and may grant concessions or free rent, but such re-letting shall not be construed as an acceptance of a surrender of the leasehold interest; and

3. Lessee or the representatives of Lessee shall also pay Lessor as liquidated damages for the failure of Lessee to observe and perform Lessee's covenants herein contained any deficiency between the rent hereby collected on account of the lease of the premises for each month of the period which would otherwise have constituted the balance of the lease term. In computing liquidated damages, there shall be added to the said deficiency such reasonable expenses and counsel fees as Lessor may incur in connection with the default and re-letting. Any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Lessor to collect the deficiency for any subsequent month by a similar proceeding. Lessor, at its option, may make such alterations, repairs, replacements, and/or decorations in the premises as Lessor, in Lessor's sole judgment, considers advisable and necessary for the purpose of re-letting the premises; and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Lessee from liability hereunder. Lessor agrees to mitigate in good faith all damages and to re-let the premises in the event of any default specified herein.

Section 22. WAIVERS: Failure of Lessor to complain of any act or omission on the part of Lessee, no matter how long the same may continue, or the receipt of rent by Lessor with knowledge of any breach or default of this lease by Lessee, shall not be deemed to be a waiver by Lessor of any of its rights herein. No waiver by Lessor at any time, express or implied, of any breach of any provision of this lease shall be deemed a waiver of any subsequent breach of the same or any other provision. Failure of Lessor to insist upon strict performance or to exercise any option herein conferred in any one or more instances in the event of default shall not be construed to be a waiver or relinquishment of any such or any other right herein extended to the Lessor.

Section 23. GOVERNMENTAL REGULATIONS: During the lease term, Lessee shall, at its own cost and expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directives, rules and regulations of the federal, state, county, town, and city governments and of all other governmental authorities affecting the premises or appurtenances thereto or any part thereof whether the same are in force at the commencement of the lease term or may in the future be passed, enacted, or directed, and Lessee shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims, and demands, including reasonable counsel fees, that may in any manner arise out of or be imposed because of the failure of Lessee to comply with the covenants of this Section 23.

Section 24. NOTICE OF LITIGATION AND COUNSEL FEES:

- a. Within ten (10) days of Lessee having knowledge of any litigation or other proceeding that shall be commenced against Lessee or against the premises to secure or recover possession thereof or that may affect the interests of Lessor in the premises, Lessee shall give written notice thereof to Lessor.
- b. In the event any party shall bring suit to compel performance of or to recover for any breach

of any covenant, agreement or condition of this lease, the prevailing party in said action shall be entitled to recover from the other party costs and reasonable attorney's fees.

- c. Notwithstanding anything to the contrary hereinabove contained, in the event that Lessor is made a party to litigation against the Lessee, relating to the premises, or against the premises commenced by a third party, wherein Lessor is not at fault, Lessee shall pay, upon demand, all of Lessor's counsel fees and costs.

Section 25. NOTICES: Every notice, consent or other communication authorized or required by this lease shall be deemed to be sufficient if in writing, and sent postage prepaid by registered or certified mail, return receipt requested, directed to the other party at the address listed below, or at such other address as the other party may designate by notice given from time to time in accordance with this section. In the event a party notifies the other in writing of a change of address in accordance with this section, said address shall substitute for the address listed below for all subsequent notices. Notices shall not be deemed effective unless personally served or delivered by mail in the manner provided by this section:

Lessor: Port of Camas-Washougal
24 South. "A" Street
Washougal, WA 98671

Lessee: Flyit LLC
Rick Andersen
1517 NE 314th Ave
Washougal, WA 98671

Notice for all purposes shall be deemed given upon the date of mailing as provided in this Section 25.

Section 26. RESERVED

Section 27. RIGHTS CUMULATIVE: The rights, powers, and remedies of Lessor, as provided herein, shall be deemed to be cumulative, and no one of them shall be exclusive of any other, or of any other right, power, or remedy allowed by law.

Section 28. TIME OF THE ESSENCE: Time and punctual and exact performance and observation by Lessor and Lessee of the provisions herein are of the essence of this lease.

Section 29. SEVERABILITY: In the event that any provision of this lease shall be declared invalid by any court of competent jurisdiction, such provisions shall be severed from this lease, and such declaration shall not affect the remainder of this lease. This lease shall remain in full force and effect for the balance of its lease term.

Section 30. INTERPRETATION: Whenever the singular number is used herein, the same shall include the plural, and vice versa, as the context shall require. The section headings used herein are for reference and convenience only. Upon any sale or assignment of the interest of either Lessor or Lessee herein, their respective successors in interest shall, during the term of this ownership of their respective estates herein, be deemed to be Lessor or Lessee, as the case maybe.

Section 31. SUCCESSORS: All of the terms, conditions, covenants and agreements of this lease shall extend to and be binding upon Lessor, Lessee, and their respective heirs, personal representatives, successors and assigns, and upon any person coming into ownership or possession of any interest in the premises by operation of law, or otherwise, and shall be construed as covenants running with the land.

Section 32. ENTIRE AGREEMENT: This lease constitutes and shall be construed as the entire agreement of the parties. No oral statement shall have any force or effect. This agreement shall not be modified or canceled except by writing subscribed by Lessor and Lessee.

SIGNATURES APPEAR ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Lease as of the 10th day of January, 2024.

PORT OF CAMAS-WASHOUGAL

Flyit LLC

By: _____

By: [Signature]

Title: _____

Title: Owner - Rick

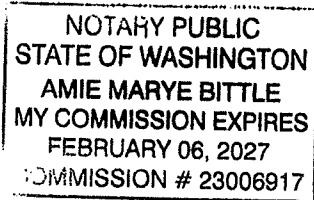
"Lessor"

"Lessee"

STATE OF WASHINGTON)
) ss.
COUNTY OF CLARK)

On this 10th day of January, 2024, before me personally appeared DAVID RIPP, to be known to be the CEO of the Port of Camas-Washougal that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Port of Camas-Washougal, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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

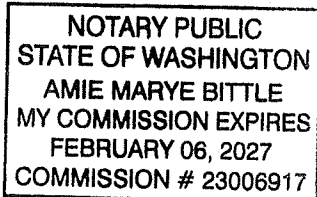


Amie Marye Bittle
Notary Public in and for the State of
Washington, residing at Clerk County
My commission expires: February 06, 2027

STATE OF WASHINGTON)
) ss.
COUNTY OF CLARK)

On this 10th day of January, 2024, before me personally appeared RICK ANDERSEN to be known to be the sole proprietor, of Flyit LLC that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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



Amie Marye Bittle
Notary Public in and for the State of
Washington, residing at Clerk County
My commission expires: February 06, 2027

LEASE

THIS LEASE is made and entered into this day by and between the PORT OF CAMAS-WASHOUGAL, a municipal corporation organized and existing under the laws of the state of Washington, hereinafter called "Lessor", and FLYIT LLC, a Washington limited liability company, hereinafter called "Lessee".

W I T N E S S E T H:

Section 1. PREMISES LEASED and FUEL SURCHARGE: For and in consideration of the payment by Lessee of the rentals hereinafter specified, and performance by Lessee of the covenants and obligations hereinafter provided to be kept and performed by Lessee, Lessor does hereby lease, demise and let unto Lessee approximately 1,000 square feet of hangar and 100 square feet office space in Lessor's Airport E-1, located at 632 NE 267th, Camas WA 98607, Clark County, as shown in Exhibit "A" attached hereto and incorporated by this reference (hereinafter called the premises). Lessee shall, in addition, have a right-of-way in common with others over and across private roads and streets giving access to the leased premises, which right-of-way shall terminate at such time as such private roads and streets are dedicated to the public.

Lessor shall deliver the premises broom clean with all plumbing, electrical, mechanical systems, and doors in proper working order.

Section 2. TERM: The term of this lease shall commence on February 1, 2024 and shall terminate on January 31, 2029 unless sooner terminated pursuant to this Lease or applicable law.

Lessee shall give Lessor written notice ninety (90) days prior to the expiration of the then current term regarding Lessee's intent to extend the Lease or vacate the premises upon expiration of the then current term. The absence of timely notice from Lessee will be deemed to be notice that Lessee intends to vacate the Premises upon expiration of the then current term.

If Lessee holds over after the expiration or termination of the term with Lessor's consent such

tenancy shall be deemed to be a holdover tenancy on a month-to-month basis. All other terms, covenants, and conditions of the Lease shall remain in effect, except that rent shall be increased by the same percentage as at the beginning of the last lease year. If Lessee holds over after the expiration or termination of the term without Lessor's consent, then such tenancy shall be deemed a holdover tenancy on a month-to-month basis, on the terms, covenants, and conditions of this Lease in effect at the expiration or termination of the term, except that rent shall be increased to 200% of the rent last payable under this Lease. This section does not grant any right to Lessee to holdover, and Lessee is liable to Lessor for any and all damages and expenses of Lessor as a result of any holdover.

Section 3. POSSESSION: Lessee shall have the right to possession of the premises pursuant to this Lease commencing on the commencement date of the lease term.

Section 4. RENT: Lessee shall pay to Lessor, without any notice or demand, and without setoff or deduction, in addition to taxes, assessments and other charges required to be paid hereunder by Lessee, rent for the premises as follows:

| | |
|---|--------------------|
| Rent for February 1, 2024 – January 31, 2025: | \$408.00 per month |
| Rent for February 1, 2025 – January 31, 2026: | \$482.04 per month |
| Rent for February 1, 2026 – January 31, 2027: | \$496.50 per month |
| Rent for February 1, 2027 – January 31, 2028: | \$511.39 per month |
| Rent for February 1, 2028 – January 31, 2029: | \$526.73 per month |

In addition to the rental amounts specified above, Lessee shall pay to Lessor with each monthly rental payment the Washington State Leasehold Tax on the leased premises, which tax is currently 12.84% of the monthly rental payment. Rental payments are payable in advance on the 1st day of each month during the term of this lease. Rent for partial months shall be prorated.

Lessee agrees to pay a late charge, in an amount equal to 5% of the monthly rental payment then due with any rental or leasehold tax payment which is not received in full by Lessor by the tenth day of the month.

Section 5. LEASE BOND: Lessor hereby waives its right to require a lease bond pursuant to RCW 53.08.085.

Section 6. TAXES AND UTILITIES: Lessee shall pay all taxes and other public charges of every kind and nature and all assessments, charges for or related to heat, light, electricity, and any and all other utilities and services which shall, during the term of this lease, be charged or imposed upon the premises or the land or any buildings, improvements, or other structures situated thereon.

Lessee shall pay the leasehold tax as provided in RCW 82.29A or successor, and all other taxes, assessments, and other expenses arising from ownership or operation of the premises or property, Lessee's possession of the premises or operation of Lessee's business on the premises, or are required because of Lessee's operations to make the property conform to government regulations, or which are imposed upon Lessee or Lessor due to the existence of this lease.

Lessee shall pay and discharge promptly, as the same becomes due and before delinquency, the taxes, assessments and other charges as described herein. Lessee shall pay, upon demand, the taxes, assessments and other charges on behalf of Lessor, or if this is not permitted by law, Lessee shall reimburse Lessor for the amount of any such tax, assessment and other charge paid by Lessor, provided that Lessee shall have the right to contest any such tax or assessment at its own expense.

Section 7. LIENS: Lessee shall keep the premises free and clear of all liens, including mechanic's, materialmen's, or other liens for work or labor done, and liens for services, materials, appliances and power performed, contributed, furnished or used or to be used in or about the premises, or in connection with any operations of Lessee, or any alteration, improvement, repair, or addition which Lessee may make, permit, or cause to be made or any work or construction by, for, or permitted by Lessee on or about the premises. Lessor shall not be responsible for liens caused by Lessee's activities on the premises.

Nothing in this lease shall be deemed or construed in any way as constituting the consent or request of Lessor, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialman, for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to, or repair of the premises or any part thereof, nor as giving Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the premises or any part thereof.

In the event that any lien, charge, or order for the payment of money described as the responsibility of Lessee in this section is filed against Lessor or any portion of the premises, Lessee shall, at its own cost and expense, cause the same to be discharged of record or bonded within sixty (60) days after notice from Lessor to Lessee, in the manner provided in Section 26, of the filing thereof; and Lessee shall indemnify and save harmless Lessor against and from all costs, liabilities, suits, penalties, claims, and demands, including reasonable counsel fees, resulting therefrom.

Section 8. CONTESTING LIENS AND TAXES: Lessee may contest any lien set forth in Section 8 or any tax, assessment, or other charge which Lessee shall pay under Section 7, provided that Lessee notifies Lessor, in the manner provided in Section 26, of their intention to do so within sixty (60) days of the filing of such lien or within thirty (30) days of receipt of notice of such tax, assessment, or other charge; and provided further that Lessee posts a bond or other security with Lessor, prior to the contest, in an amount equal to the amount of the contested lien or tax, assessment, or other charge.

Within sixty (60) days of the determination of its validity, Lessee shall satisfy and discharge any remaining lien, or pay and discharge any remaining assessment, or other charge, and all penalties, interest, and costs in connection therewith. Satisfaction and discharge shall not be delayed until execution is had on any judgment rendered, nor shall satisfaction, payment and discharge be delayed until sale is made of the whole or any part of the premises on account thereof. Any such delay shall be a default of Lessee under this lease.

In the event of any such contest, Lessee shall protect and indemnify Lessor against all loss, expense, and damage resulting therefrom.

Section 9. USE OF PREMISES: Lessee covenants and agrees as follows:

- a. To use the premises for the storage of aircraft and services in connection with Lessee's business as a flight school instructor. Lessee's use and all equipment utilized by Lessee within the premises shall fully comply with all local, State, and/or federal requirements and, in addition, Lessee shall have procured in advance all necessary permits or authorizations for such use from any local, state or federal agency, including, but not limited to, approval for the intended use from the Washougal Fire and Building Department prior to occupancy. Lessee shall not use the premises for other purposes without Lessor's prior written consent.
- b. Not to use or occupy the premises, or permit the premises to be used or occupied, for other than legal purposes, or in a manner which shall violate any certificate of occupancy in force relating to any building or improvement hereafter erected thereon;
- c. To conform to and abide by all lawful rules, laws and regulations in connection with the use of said premises and the operation of Lessee's business thereon, and not to permit said premises to be used in violation of any lawful rule, law, regulation or other authority; and
- d. Not to commit or permit any waste of the leased premises nor commit or permit the maintenance or commission of any nuisance on the premises.

Section 10. NO REPRESENTATION: Lessee has leased the premises after an opportunity for examination thereof and of the subsurface conditions beneath the same, and without any representation on the part of Lessor, except that Lessor states that it has no knowledge of any spill of hazardous materials or the presence of any hazardous materials on the leased premises as of the date of the commencement of the lease term. As used in this lease, the term "hazardous substances" or "hazardous materials" means any hazardous or toxic substances, materials or waste, including but not limited to those substances, materials,

and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or such substances, materials and wastes as are or become regulated under any applicable local, state or federal law. Lessee assumes the sole responsibility for the condition, operation, maintenance and management of the leased premises.

Section 11. IMPROVEMENTS: No additions or buildings shall be added to the premises by Lessee, and Lessee shall not make structural modifications, improvements or alterations which materially change any portion of the premises, without the written consent of the Lessor being first obtained. At the expiration or other termination of this lease, all improvements by Lessee shall be removed by Lessee unless otherwise agreed to by Lessor, in which case they shall automatically become the property of Lessor; provided, however, that all machinery, fixtures, portable buildings and equipment installed by Lessee and which are adapted only for the special use of Lessee, shall be considered to be trade fixtures and may be removed at the termination of the lease by Lessee, provided that the removal of the same may be done without damage to the premises. Lessee shall at its own expense repair all damage caused by the removal of trade fixtures and shall restore the premises to its same condition as immediately prior to such removal.

Section 12. REPAIR AND MAINTENANCE: Lessor shall maintain the roof, outer walls, structural members, exterior plumbing, hangar doors, fire sprinklers, original electric, exhaust fans and landscaping on the premises at its own expense. Lessee shall be responsible for the cost of any repairs made pursuant to this paragraph which are caused by the intentional or negligent acts of its employees, agents or licensees. Lessee agrees to reimburse Lessor for said repairs immediately upon demand.

Lessor shall have no liability to Lessee for incidental damages or property damage suffered by Lessee as a result of its failure to maintain or repair those portions of the premises described above, its only obligation being to maintain or repair such portions of the premises. Lessee agrees to promptly

notify Lessor of the need for exterior or structural repairs.

Except as provided above, Lessee agrees to maintain the premises and all improvements in a good state of repair and at the termination of this lease to return the premises and all improvements to Lessor in as good state and condition as the same are in at the time Lessee commences occupying same, reasonable wear and tear from the normal use thereof and fire or other casualty being excepted. Lessee agrees to keep the premises outside of the buildings at all times free from debris and objectionable material.

Section 13. INDEMNITY: Lessee shall indemnify and save harmless Lessor from and against any and all liability, claims, damage, penalties, or judgments arising from any loss, injury, death or damage to person or property sustained by any person in or about the premises resulting from the act or omission of Lessee, Lessee's officers, agents, employees, contractors, and sublessees, or of any occupant, visitor, or user of any part of Lessee's premises. Lessee further covenants and agrees to indemnify and hold Lessor harmless against the claims of all and every person whomsoever arising out of or in any way connected with Lessee's occupation or use of the premises, except for claims by Lessor's employees or agents for injuries sustained during the course of employment through no fault of Lessee.

Lessee shall pay all attorney's fees and other expenses incurred by Lessor in defending any and all suits which may be brought against Lessor or in which Lessor may be impleaded with others upon any of the aforementioned matters, except as may result from the acts set forth in the paragraph immediately below.

Except for its intentional misconduct or gross negligence of its agents or employees, Lessor shall not be responsible for or liable for, and Lessee, notwithstanding that joint or concurrent liability may be imposed upon Lessor by a statute or court decision, hereby waives all claims against Lessor for any damage or injury to any person or to any property on or about the premises subject to this lease, including liability for costs, attorney's fees and reasonable expenses arising out of said claims.

Lessor shall indemnify and save harmless Lessee from and against any and all liability, claims, damage, penalties, or judgments arising from any loss, injury, death or damage to person or property

sustained by any person in or about the premises resulting from the intentional misconduct of Lessor or gross negligence of its agents or employees.

Lessee covenants and agrees to reimburse Lessor for all costs or expenses of repair or replacement of any of Lessor's property damaged or destroyed as a result of Lessee's use or occupation of the premises or use of Port property or facilities. Lessee further covenants and agrees to carry liability insurance protecting itself and Lessor from all liability arising out of this Section 14; provided, however, that, Lessee's liability under this Section 14 shall not be limited by the limits of such insurance. The provisions of this section shall survive the expiration or earlier termination of this lease.

Section 14. INSURANCE:

- A. Lessee shall procure at its sole cost and expense and keep in effect from the commencement date of this lease and at all times until the end of the term either Comprehensive General Liability insurance or Commercial General Liability insurance applying to the use and occupancy of the premises and the business operated by Lessee (or any other occupant) on the premises and providing coverage against all Lessee's liabilities pursuant to Section 13 and 15 of this lease. Such coverage shall have a minimum combined single limit of liability of at least One Million Dollars (\$1,000,000.00) and such limit shall be increased from time to time to such amount as may be mutually acceptable to Lessor and Lessee in their reasonable judgment. All such policies shall be written to apply to all bodily injury, property damage, personal injury and other covered loss, however occasioned, occurring during the policy term; shall be endorsed to provide that such coverage shall be primary; and that any insurance maintained by Lessor shall be excess insurance only.
- B. Lessee shall furnish Lessor with acceptable evidence that the insurance is in effect and in amounts sufficient to satisfy this section. All insurance policies required by this Section shall provide that they shall not be reduced, canceled or substantially amended or modified as to terms without thirty (30) days advance written notice to Lessor. All insurance policies required to be carried under this lease shall be with recognized insurance carriers, having an A rating from A. M. Best Company or like or

similar rating from an equally recognized rating company, acceptable to Lessor, and shall name Lessor as an additional insured. All such insurance shall provide for severability of interests; shall provide that an act or omission of one of the named insured shall not reduce or avoid coverage to the other named insureds; and shall afford coverage for all claims based on acts, omissions, injury and damage, which claims occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Such coverage shall be endorsed to waive the insurer's rights of subrogation against Lessor and Lessee if such waiver can be obtained at reasonable cost.

Lessee shall deliver to Lessor on or before the date on which the term commences, and thereafter at least ten (10) days before the expiration dates of expiring policies, certified copies of its insurance policies, or a certificate evidencing the same issued by the insurer thereunder, showing that all premiums have been paid for the full policy period; and in the event Lessee shall fail to procure such insurance, or to deliver such policies or certificates, Lessor may, at its option and in addition to Lessor's other remedies in the event of a default by Lessee hereunder, procure the same for the account of Lessee, and the cost thereof shall be paid to Lessor within ten (10) days following written demand therefor.

Section 15. HAZARDOUS SUBSTANCES - LESSEE'S OBLIGATIONS: Lessee shall not, without Lessor's prior written consent, keep on or about the leased premises, for use, disposal, treatment, generation, storage or sale, any substances designated as, or containing components designated as hazardous, dangerous, toxic or harmful (collectively referred to as "hazardous substances"), and/or which are subject to regulation by any federal, state or local law, regulation, statute or ordinance. With respect to any hazardous substances, Lessee shall:

- a. Comply promptly, timely, and completely with all governmental requirements for reporting, keeping and submitting manifests, and obtaining and keeping current identification numbers;
- b. Submit to Lessor true and correct copies of all reports, manifests and identification numbers at the same time as they are required to be and/or submitted to the appropriate governmental authorities;

- c. Within five (5) days of Lessor's request, submit written reports to Lessor regarding Lessee's use, storage, treatment, transportation, generation, disposal or sale of hazardous substances and provide evidence satisfactory to Lessor of Lessee's compliance with the applicable governmental regulation;
- d. Allow Lessor or Lessor's agents or representatives to come on the leased premises during regular business hours, and after hours with three (3) hours advance notice to Lessee, to check Lessee's compliance with all applicable governmental regulations regarding hazardous substances;
- e. Comply with minimum levels, standards or other performance standards or requirements which may be set forth or established for certain hazardous substances (if minimum standards or levels are applicable to hazardous substances present on the premises, these levels or standards shall be established by an on-site inspection by the appropriate governmental authorities and shall be set forth in an addendum to this lease); and
- f. Comply with all governmental rules, regulations and requirements regarding the proper and lawful use, sale, transportation, generation, treatment and disposal of hazardous substances.

Any and all costs incurred by Lessor and associated with Lessor's special or non-routine inspection of Lessee's premises and Lessor's monitoring of Lessee's compliance with this section, and including Lessor's attorneys' fees and costs, shall be additional rent and shall be due and payable to Lessor immediately upon demand by Lessor. However, Lessor shall solely bear the expense of inspections made on a routine basis, without reasonable cause to believe that Lessee is in violation of this section.

Lessee shall be fully and completely liable to Lessor for any and all cleanup costs and any and all other charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Lessee's use, disposal, transportation, generation and/or sale of hazardous substances, in or about the leased premises.

Lessee shall indemnify, defend and save Lessor harmless from any and all of the costs, fees, penalties and charges assessed against or imposed upon Lessor (as well as Lessor's attorneys' fees and

costs) as a result of Lessee's use, disposal, transportation, generation and/or sale of hazardous substances.

Upon Lessee's default under this section, in addition to the rights and remedies set forth elsewhere in this lease, Lessor shall be entitled to the following rights and remedies:

- a. At Lessor's option, to terminate this lease immediately; and
- b. To recover any and all damage associated with the default, including, but not limited to cleanup costs and charges, civil and criminal penalties and fees, loss of business and sales by Lessor and other lessees of the leased premises, and any and all damages and claims asserted by third parties and Lessor's attorneys' fees and costs.

The provisions of this section shall survive the expiration or earlier termination of this lease.

Section 16. ASSIGNMENT/SUBLETTING: Lessee shall not assign this lease nor sublet the whole or any part of the premises without the written consent of Lessor. Any such assignment or sublease shall not relieve Lessee from the responsibility of paying the rentals accruing under this lease or from keeping and performing all other obligations herein imposed upon and assumed by it. It is understood and agreed that any consent by Lessor to any assignment or subletting by Lessee shall not be considered or construed to be a consent to any subsequent assignment or subletting nor as a waiver of the right of Lessor to refuse to consent to any subsequent assignment or subletting.

Section 17. QUIET ENJOYMENT:

- a. Lessee, upon paying the rent and all other sums and charges to be paid by it as herein provided, and observing and keeping all covenants, warranties, agreements, and provisions of this lease on its part to be kept, shall quietly have and enjoy the premises during the lease term, subject to the provisions herein, without hindrance by Lessor.
- b. Lessor warrants that it has fee simple title to the premises and the power and authority to execute this lease and to carry out and perform all covenants to be performed by it hereunder.

Section 18. ACCESS: Lessor or Lessor's agents and designees shall have the right to enter upon the premises at all reasonable times to examine the premises and to exhibit the premises to prospective purchasers and prospective lessees, and Lessor shall at all times be provided a key for independent access to the premises.

Section 19. CURE BY LESSOR: If Lessee shall default in the performance of any provision under this lease, Lessor, at its option, may perform the same for the account and at the expense of Lessee. Upon notification to Lessee of the cost thereof to Lessor, Lessee shall promptly reimburse Lessor the amount of that cost, plus interest at the rate of twelve (12%) percent per annum from the date of incurring of such cost to the date of repayment. In the event of such default by Lessee, Lessor may enter upon the premises for the purpose of causing such provisions to be fulfilled. Such entry shall not be deemed an eviction of Lessee. Lessor's action hereunder shall not be deemed a waiver of Lessee's default. Lessor, at its option, without relinquishing any remedy or right, may separately commence proceedings against Lessee for reimbursement of Lessor and for any other remedies for breach of this lease.

Section 20. BANKRUPTCY AND INSOLVENCY: If, after the commencement of the lease term:

- a. Lessee then having the title to the leasehold estate created hereunder shall while having such title be adjudicated a bankrupt or adjudged to be insolvent; or
- b. A receiver or trustee shall be appointed for Lessee's property and affairs; or
- c. Lessee shall make an assignment for the benefit of creditors or shall file a petition in bankruptcy or insolvency or for reorganization or shall make application for the appointment of a receiver; or
- d. Any execution or attachment shall be issued against Lessee or any of Lessee's property, whereby the premises or any buildings or improvements thereon shall be taken or occupied or attempted to be taken or occupied by someone other than Lessee, except as may herein be permitted, and such adjudication, appointment, assignment, petition, execution, or attachment

shall not be set aside, vacated, discharged, or bonded within ninety (90) days after the issuance of the same, then a default hereunder shall be deemed to have occurred so that the provisions of Section 21 hereof shall become effective and Lessor shall have the rights and remedies provided therein. Notwithstanding anything to the contrary hereinabove contained, upon the occurrence of a default pursuant to this Section 20, if the rent due and payable hereunder shall continue to be paid and the other covenants, provisions and agreements of this lease on Lessee's part to be kept and performed shall continue to be kept and performed, no event of default shall have been deemed to have occurred and the provisions of Section 20 hereof shall not become effective.

Section 21. DEFAULT:

- a. In the event any one or more of the following events shall have occurred and shall not have been remedied as hereinafter provided:
 1. The occurrence of any event set forth in Section 20 hereof, without the curing of same as therein provided; or
 2. The filing of a petition by or against Lessee for adjudication as a bankrupt, or for reorganization or agreement, or for any similar relief, under the Bankruptcy Code as now or hereafter amended; or
 3. Lessee's failure to pay any installment of rent when the same shall be due and payable and the continuance of such failure for a period of three (3) days after receipt by Lessee of notice in writing from Lessor, in the manner provided in Section 25; or
 4. Lessee's failure to perform any of the other covenants, provisions, and agreements herein contained on Lessee's part to be kept or performed and the continuance of such failure without the curing of same for a period often (10) days after receipt by Lessee of notice in writing from Lessor specifying in detail the nature of such failure, or Lessee shall not cure said failure as provided in Paragraph B of this Section 21, then Lessor may, at its option, give to Lessee written notice of election to terminate the lease term upon

a date specified in such notice, which date shall not be less than twenty (20) business days (Saturdays, Sundays and legal holidays excluded) after the date of receipt by Lessee of such notice from Lessor. Upon the date specified in said notice, the term and estate hereby vested in Lessee shall cease and any and all other right, title, and interest of Lessee hereunder shall likewise cease without further notice or lapse of time, as fully and with like effect as if the entire lease term had elapsed, but Lessee shall continue to be liable to Lessor as provided herein. Simultaneously with the sending of the notice to Lessee, as hereinabove provided, Lessor shall send a copy of such notice to any sublessee of the premises or portions thereof that Lessor may select, in writing from time to time, and any additional persons or parties having an interest in the premises that Lessor may select, in writing, from time to time. The curing of any default within the above time limits by any of the aforesaid parties or combination thereof, shall constitute a curing of any default hereunder with like effect as if Lessee had cured the same hereunder.

- b. In the event that Lessor gives notice of a default of such a nature that it cannot be cured within the period prescribed in Paragraph A4 of this Section 21, then such default shall not be deemed to continue, so long as Lessee, after receiving such notice, proceeds to cure the default as soon as reasonably possible and continues to take all steps necessary to complete the same within a period of time which, under all prevailing circumstances, shall be reasonable. No default under Paragraph A4 of this Section 21 shall be deemed to continue if and so long as Lessee shall be proceeding to cure the same in good faith.
- c. In the event that any default of Lessee shall be cured in any manner hereinabove provided, such default shall be deemed never to have occurred and Lessee's right hereunder shall continue unaffected by such default.
- d. Upon any termination of the lease term pursuant to Paragraph A of this Section 21, or at any time thereafter, Lessor may, in addition to and without prejudice to any other rights and remedies Lessor shall have at law or in equity, re-enter the premises and recover possession thereof and

dispossess any or all occupants of the premises in the manner prescribed by statute relating to summary proceedings, or similar statutes; but Lessee in such case shall remain liable to Lessor as provided herein.

e. In case of any such default, re-entry, termination and/or disposition by summary proceedings:

1. The rent shall become due thereupon and be paid up to the time of such re-entry, termination and/or disposition;

2. Lessor may re-let the premises or any part thereof, either in the name of Lessor or otherwise, for a term which may, at Lessor's option, be less than or exceed the period which would otherwise have constituted the balance of the term of this lease and may grant concessions or free rent, but such re-letting shall not be construed as an acceptance of a surrender of the leasehold interest; and

3. Lessee or the representatives of Lessee shall also pay Lessor as liquidated damages for the failure of Lessee to observe and perform Lessee's covenants herein contained any deficiency between the rent hereby collected on account of the lease of the premises for each month of the period which would otherwise have constituted the balance of the lease term. In computing liquidated damages, there shall be added to the said deficiency such reasonable expenses and counsel fees as Lessor may incur in connection with the default and re-letting. Any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Lessor to collect the deficiency for any subsequent month by a similar proceeding. Lessor, at its option, may make such alterations, repairs, replacements, and/or decorations in the premises as Lessor, in Lessor's sole judgment, considers advisable and necessary for the purpose of re-letting the premises; and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Lessee from liability hereunder. Lessor agrees to mitigate in good faith all damages and to re-let the premises in the event of any default specified herein.

Section 22. WAIVERS: Failure of Lessor to complain of any act or omission on the part of Lessee, no matter how long the same may continue, or the receipt of rent by Lessor with knowledge of any breach or default of this lease by Lessee, shall not be deemed to be a waiver by Lessor of any of its rights herein. No waiver by Lessor at any time, express or implied, of any breach of any provision of this lease shall be deemed a waiver of any subsequent breach of the same or any other provision. Failure of Lessor to insist upon strict performance or to exercise any option herein conferred in any one or more instances in the event of default shall not be construed to be a waiver or relinquishment of any such or any other right herein extended to the Lessor.

Section 23. GOVERNMENTAL REGULATIONS: During the lease term, Lessee shall, at its own cost and expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directives, rules and regulations of the federal, state, county, town, and city governments and of all other governmental authorities affecting the premises or appurtenances thereto or any part thereof whether the same are in force at the commencement of the lease term or may in the future be passed, enacted, or directed, and Lessee shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims, and demands, including reasonable counsel fees, that may in any manner arise out of or be imposed because of the failure of Lessee to comply with the covenants of this Section 23.

Section 24. NOTICE OF LITIGATION AND COUNSEL FEES:

- a. Within ten (10) days of Lessee having knowledge of any litigation or other proceeding that shall be commenced against Lessee or against the premises to secure or recover possession thereof or that may affect the interests of Lessor in the premises, Lessee shall give written notice thereof to Lessor.
- b. In the event any party shall bring suit to compel performance of or to recover for any breach of any covenant, agreement or condition of this lease, the prevailing party in said action shall

be entitled to recover from the other party costs and reasonable attorney's fees.

- c. Notwithstanding anything to the contrary hereinabove contained, in the event that Lessor is made a party to litigation against the Lessee, relating to the premises, or against the premises commenced by a third party, wherein Lessor is not at fault, Lessee shall pay, upon demand, all of Lessor's counsel fees and costs.

Section 25. NOTICES: Every notice, consent or other communication authorized or required by this lease shall be deemed to be sufficient if in writing, and sent postage prepaid by registered or certified mail, return receipt requested, directed to the other party at the address listed below, or at such other address as the other party may designate by notice given from time to time in accordance with this section. In the event a party notifies the other in writing of a change of address in accordance with this section, said address shall substitute for the address listed below for all subsequent notices. Notices shall not be deemed effective unless personally served or delivered by mail in the manner provided by this section:

Lessor: Port of Camas-Washougal
24 South. "A" Street
Washougal, WA 98671

Lessee: Flyit LLC
Rick Andersen
1517 NE 314th Ave
Washougal, WA 98671

Notice for all purposes shall be deemed given upon the date of mailing as provided in this Section 25.

Section 26. RESERVED

Section 27. RIGHTS CUMULATIVE: The rights, powers, and remedies of Lessor, as provided

herein, shall be deemed to be cumulative, and no one of them shall be exclusive of any other, or of any other right, power, or remedy allowed by law.

Section 28. TIME OF THE ESSENCE: Time and punctual and exact performance and observation by Lessor and Lessee of the provisions herein are of the essence of this lease.

Section 29. SEVERABILITY: In the event that any provision of this lease shall be declared invalid by any court of competent jurisdiction, such provisions shall be severed from this lease, and such declaration shall not affect the remainder of this lease. This lease shall remain in full force and effect for the balance of its lease term.

Section 30. INTERPRETATION: Whenever the singular number is used herein, the same shall include the plural, and vice versa, as the context shall require. The section headings used herein are for reference and convenience only. Upon any sale or assignment of the interest of either Lessor or Lessee herein, their respective successors in interest shall, during the term of this ownership of their respective estates herein, be deemed to be Lessor or Lessee, as the case maybe.

Section 31. SUCCESSORS: All of the terms, conditions, covenants and agreements of this lease shall extend to and be binding upon Lessor, Lessee, and their respective heirs, personal representatives, successors and assigns, and upon any person coming into ownership or possession of any interest in the premises by operation of law, or otherwise, and shall be construed as covenants running with the land.

Section 32. ENTIRE AGREEMENT: This lease constitutes and shall be construed as the entire agreement of the parties. No oral statement shall have any force or effect. This agreement shall not be modified or canceled except by writing subscribed by Lessor and Lessee.

SIGNATURES APPEAR ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Lease as of the 10th day of January, 2024.

PORT OF CAMAS-WASHOUGAL

Flyit LLC

By: _____

By: [Signature]

Title: _____

Title: OWNER - FLYIT

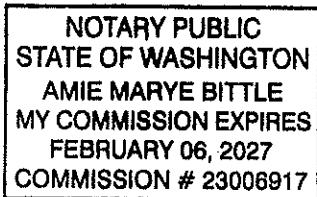
"Lessor"

"Lessee"

STATE OF WASHINGTON)
) ss.
COUNTY OF CLARK)

On this 10th day of January, 2024, before me personally appeared DAVID RIPP, to be known to be the CEO of the Port of Camas-Washougal that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Port of Camas-Washougal, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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

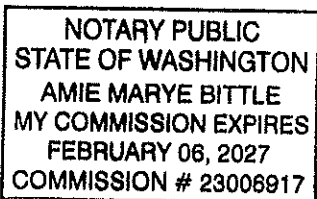


Amie Marye Bittle
Notary Public in and for the State of
Washington, residing at Clark County
My commission expires: February 06, 2027

STATE OF WASHINGTON)
) ss.
COUNTY OF CLARK)

On this 10th day of January, 2024, before me personally appeared RICK ANDERSEN to be known to be the sole proprietor, of Flyit LLC that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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



Amie Marye Bittle
Notary Public in and for the State of
Washington, residing at Clark County
My commission expires: February 06, 2027

GROVE FIELD AIRPORT HANGARS (Exhibit A)

07

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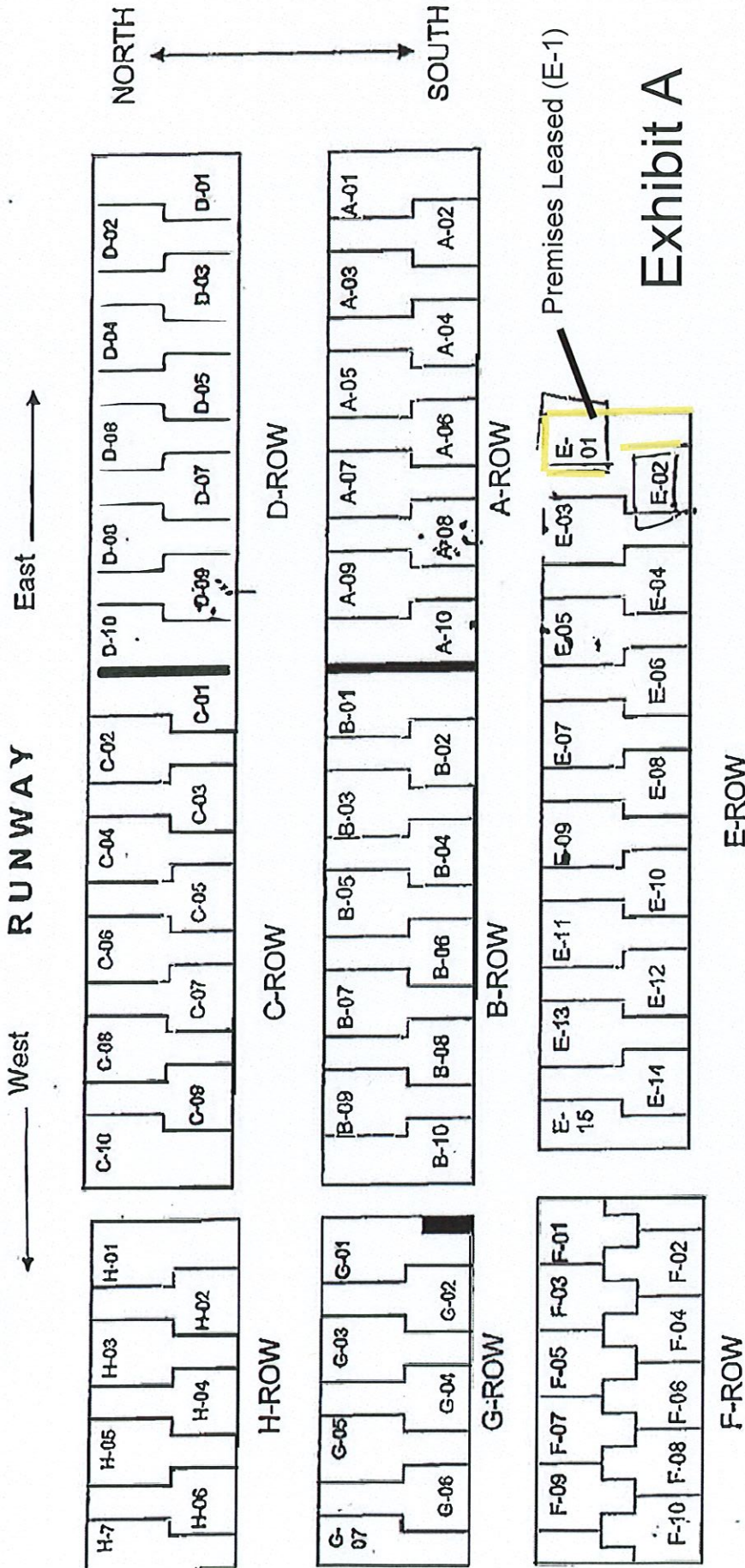


Exhibit A

NOTE: There is a walk-through gate mid-way in the cyclone fencing separating the parking lot from the Airport.

**FIRST AMENDMENT
TO
AMENDED AND RESTATED LEASE
BETWEEN
The PORT of CAMAS-WASHOUGAL
And
IMMELMAN HANGARS AT GROVE FIELD, LLC**

THIS FIRST AMENDMENT (“**First Amendment**”) to the LEASE is made and entered into this day by and between the PORT OF CAMAS-WASHOUGAL, a Washington public port district organized and existing under the laws of the State of Washington, hereinafter called “**Lessor**,” and IMMELMAN HANGARS AT GROVE FIELD, LLC, 3439 NW Sierra Drive, Camas, WA 98607, a Limited Liability Company registered and authorized to engage in business and engaging in business in the State of Washington with principle Offices at 3439 NW Sierra Drive, Camas, WA 98607, hereinafter called “**Lessee**,” (collectively “**Parties**” and individually “**Party**”).

W I T N E S S E T H

WHEREAS, Lessor and Lessee are Parties to that certain AMENDED AND RESTATED LEASE dated March 17, 2015 (hereinafter the “**Lease**”) where in the Port, as owner of the airport at Grove Field, Clark County, Washington (hereafter “**Airport**” or “**Grove Field**” as the context may require), leases to Lessee for noncommercial use, two hangar sites, and the option for a third hanger site (“**Phase III**”), all as more particularly described in the Lease; and

WHEREAS, Lessee has exercised the option for Phase III and is in the permitting and planning process, with expectation that construction will occur in 2024 or early 2025; and

WHEREAS the Parties agree to extend the timelines for completing construction of Phase III term through August 24, 2025; and

NOW, THEREFORE, for and in consideration of the above recitals, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the Lessor and Lessee hereby agree as follows:

T E R M S

Section 1. Amendment to Phase III Option Date. Section 1.03 of the Lease is amended as follows:

Section 1.03 - Option to Lease Phase III: The Port hereby grants Lessee an option to lease additional space to be known as Phase III for the purpose of constructing additional hangars (in a number not to exceed storm water capacity approved in Clark County Permit No. FSR2014-00009) (hereafter "Option"). Lessee's Option is for land to the west of Phase I and Phase II in the approximate location as depicted on Exhibit "C" as "PHASE III" in an area not to exceed 24,660 square feet. Lessee's Option may be exercised at any time, without condition, within two and one half (2.5) years (calculated as two years plus one hundred eighty-two days) of the Effective Date of this Lease by Lessee giving written notice to the Port pursuant to Section 9.10 below. In the event, Lessee fails to exercise its options within two and one half (2.5) years (calculated as two years plus one hundred eighty-two days) of the Effective Date, Lessee's Option shall expire and Lessee shall have no further rights, whether related to this option or otherwise with respect to Phase III.

In the event Lessee exercises its Option, Annual Basic Rent defined in Section 3.01, below, shall be adjusted based on the amount of square footage of Phase III being added to, and becoming a part of, the Leased Premises pursuant to the price-per-square-foot terms of Section 3.01. Phase III shall be governed by all the terms of this Lease, without the need for an amendment or new lease document, except that the Phase III area shall be leased for a term as follows:

Phase III Lease Term: With respect to Phase III, the term of this Lease shall commence upon the date Lessee exercises the Option ("Option Effective Date") and shall continue until a date thirty (30) years from the Option Effective Date. Provided the Lessee is not in default in the performance of any terms or conditions of this Lease, Lessee shall have the option to extend this Lease with respect to Phase III, for two renewal terms of ten (10) years each for a total of fifty (50) years, commencing with the termination of the primary term, upon the following conditions:

- A. The following option may be exercised at anytime within one hundred and eighty (180) days, but not less than sixty (60) days preceding the termination of each term by giving written notice to the Port. If not exercised within such period and in such manner, the option to renew shall be void.
- B. Within sixty (60) days after receipt of Lessee's notice of exercise of the renewal term option, the Port shall cause the improvements to be inspected by the Port's Building

Inspector. The inspection shall be for the purpose of determining whether the improvements are in satisfactory condition and repair and have, at that time, an additional life expectancy of not less than ten (10) years beyond the expiring term.

- C. Within ten (10) days of the inspection, the Port shall notify Lessee of the determination. The additional renewal term, if granted shall become effective on the termination of the primary term subject to Lessee's satisfactory compliance with provisions of Paragraph "B" above.

Following the conclusion of the Lease Term established in Section 2.01 for Phase I and Phase II, Annual Basic Rent for Phase III shall be reduced and based solely on the square footage of Phase III.

In the event Lessee exercises its Option, Lessee shall have ~~three (3)~~ five (5) years from the date of exercising its Option to (i) obtain all building permits and governmental approvals necessary to begin construction of the Phase III; and (ii) Lessee shall have commenced actual substantive construction activity on Phase III, including, but not limited to, contracting with a responsible construction company to construct the sites, excavation of the site, and placement of the foundation, hereinafter referred to as "Phase III Construction Requirements." Failure of Lessee to comply with the Phase III Construction Requirements shall result in removal of Phase III from the Leased Premises. In the event Phase III is removed from the Leased Premises hereunder, the Annual Basic Rent owing hereunder shall be reduced to reflect the agreed price per square foot of those Phases subject to the Lease. In such event, Lessee shall at Lessee's own expense remove all property, chattels, and fixtures from the Phase III area of the Leased Premises and return and restore the Phase III area of the Leased Premises to the same conditions which existed at the Effective Date.

Notwithstanding the terms of this Section 1.03, Lessee's Option shall expire in the event Lessee fails to construct Phase II pursuant to the terms of Section 3.02 below.

Section 2. Remaining Lease Terms Effective. Except as amended herein, all other terms and conditions of the Lease are and shall remain in full force and effect, unaffected hereby. This First Amendment shall override and supersede all sections of the Lease in conflict herewith and shall be binding upon and inure to the benefit of the Parties hereto, their successors and assigns. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed in the Ground Lease.

Section 3. Counterparts Effective. This First Amendment may be executed in two (2) or more counterparts, each of which will be deemed an original and all of which together shall constitute one (1) and the same instrument. Further, this First Amendment may be executed through electronic means, scanned signature pages or electronic signature technology (e.g., via

DocuSign or similar electronic technology), which shall be deemed originals for all intents and purposes. The Parties further consent and agree that (a) to the extent that a Party signs this First Amendment using electronic signature technology, by clicking “SIGN” (or similar election), such party is signing this First Amendment electronically, and (b) the electronic signature(s) appearing on this First Amendment shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Lease in duplicate on the ____ day of _____, 2024.

[SIGNATURES APPEAR ON NEXT PAGE]

PORT OF CAMAS WASHOUGAL COMMISSION

Resolution 3-24

A Resolution of the Port of Camas Washougal, amending Resolution 6-21, offering Port Employees the opportunity to apply for a Long-Term Care Insurance Plan, establishing definitions, eligibility and Port contribution towards costs, to allow Port employees an alternative to Washington State Long Term Services and Support Act.

WHEREAS, in 2019, SHB 1087, the Long-Term Services and Support Act (“LTSS” or “Act”) was signed into law and is codified as RCW chapter 50B.04. Under that Act, starting in January 2022, W-2 employees in Washington will be required to pay a percentage-based tax on their annual wage to fund the LTSS Program’s trust fund. LTSS Program benefits begin in 2025 for qualified beneficiaries who need long-term care.

WHEREAS, The LTSS Program is a state-operated long-term care insurance program funded by worker contributions into a trust fund. The LTSS Program requires employers to collect this premium assessment of wages via after-tax payroll contributions and remit those premiums to the Washington State Employment Security Department (ESD) as part of their quarterly reporting. All wages including paid time off, bonuses and severance pay are subject to the tax and there is no cap on wages.

WHEREAS, under the LTSS Program, lifetime benefits are capped at \$36,500 (adjusted annually for inflation) to fund long-term care and services. Benefits are limited to Washington residents who have paid premiums under the LTSS Program for either (1) a total of 10 years without interruption of five or more consecutive years; or (2) three years within the last six years from the date the application for benefits is made. In addition, to qualify, an employee must have worked at least 500 hours during each of the 10 years or each of three years, as applicable. Benefits are provided only for long term care/services received in the state of Washington.

WHEREAS, under the LTSS Program, employers are not required to contribute to the Program, just remit the employee-paid taxes. The Port of Camas Washougal has determined it is in the best interest of the Port and its employees to exercise the option, and for the Port to pay its employee’s share of the tax, which is .58% of the employee’s wage for the LTSS Program, beginning January 1, 2024. This election shall be subject to periodic review but shall remain in effect until expressly revoked.

WHEREAS, the LTSS Program has a limited opportunity for employees to opt out of the LTSS program if (1) the employee is 18 years old or older on the date he or she applies for the exemption, and (2) the employee attests that he or she has other long-term care insurance as defined in RCW 48.83.020. The deadline to purchase such insurance is November 1, 2021 to qualify for exemption. If the employee elects to opt-out of the LTSS Program and purchases a qualifying long-term care insurance plan, the Port contribution will begin when premiums commence in 2021. NOTE: The LTSS state law Program states that once an Employee opts out, the Employee cannot opt back into the state LTSS Program - the opt-out is permanent.

WHEREAS, the Port values its employees and desires to offer an alternative to the state LTSS Program that may be more specifically tailored to each employee, may provide more robust long-term care benefits, and may be more portable than that offered by the state.

NOW, THEREFORE, BE IT RESOLVED by the Port of Camas Washougal Commission as follows:

- 1. Port Plan, Contribution and Employee Eligibility:** The Port will provide the opportunity for Employee enrollment in a long-term care insurance plan as defined in RCW 48.83.020 (“Plan”) administered by a third-party vendor and will contribute up to \$35.00 per month (“Port Contribution”) to an Employee that is enrolled in the Port’s offered Plan. An employee is defined as a person who is actively employed by the Port with full time status. The deadline for Employees to apply for, be enrolled in and purchase coverage in the Port’s Plan is November 1, 2021. Employees are responsible to pay any amounts for Plan premiums in excess of the Port Contribution via payroll deduction. Employees are responsible for applying for exemption with ESD. Employees are responsible for providing and maintaining a copy of their approval letter from ESD to the Port to prove exemption from the state tax. If an exempt Employee fails to provide the approval letter to the Port, the Port is required under state law to collect and remit premiums beginning January 1, 2022. An Employee will not be entitled to a refund of any premiums collected before the Employee's exemption took effect or before the Employee provided the approval letter to the Port.
- 2. Effective Date:** The effective date for current Employees to be eligible for the Port Contribution is upon passage of this Resolution; the effective date for future Employees to be eligible for the Port Contribution is the first working day following (1) the Employee’s date of hire and (2) the Employee’s enrollment in the Port Plan, provided however, both conditions of eligibility must be met prior to November 1, 2021.
- 3. Termination Date:** The termination date for the Port’s Contribution is the earliest of the following occurrences:
 - (a) The date the Port terminates the Plan and offers no other group Plan.
 - (b) The last day of the month in which the Employee ceases to meet the eligibility requirements for the plan.
 - (c) Last day of the month in which Employee fails to return to work following an approved leave of absence.
- 4. Authorization to Adjust Plan Components:** The Port CEO is authorized to amend this benefit as necessary to comply with any changes in statutory requirements conditioned upon notification to the Commission.

Adopted by Port of Camas Washougal Commission, Washington at a regular meeting held this 17th day of January 2024..

Larry Keister, Commissioner

John Spencer, Commissioner

Cassi Marshall, Commissioner

RESOLUTION 4-24

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF CAMAS WASHOUGAL IN
SUPPORT OF:

CAMAS SCHOOL DISTRICT 117 PROPOSITION NO. ___
EDUCATIONAL PROGRAMS AND OPERATIONAL REPLACEMENT LEVY
AND

CAMAS SCHOOL DISTRICT 117 PROPOSITION NO. ___
CAPITAL PROJECT REPLACEMENT LEVY FOR EDUCATIONAL TECHNOLOGY, HEALTH AND SAFETY
IMPROVEMENTS LEVY

WHEREAS, the Camas School District is within the Port of Camas-Washougal ("Port") port district, and

WHEREAS, the Camas School District is asking voters to support a replacement Educational Programs and Operational Levy And Capital Project Replacement Levy for Educational Technology, Health and Safety Improvements Levy; and

WHEREAS, the Port Commission finds that adequate school infrastructure is of vital concern to the residents of the Port; and

WHEREAS, Camas students have benefited from voter-renewed school levies since 1982; and

WHEREAS, as of 2018 over 99% of students in Washington State benefit from a community that approved a local school district levy; and

WHEREAS, Camas has a proud history of success in sports, the arts, and education for students that would be negatively impacted by a levy failure; and

WHEREAS, the levies support important school programs and staff, and health and safety improvements to keep students safe and warm; and

WHEREAS, the levies support important technology equipment used to help students learn future employment skills for an increasingly technology dependent; and

WHEREAS, studies show that well-supported extracurricular activities lead to a decrease in vandalism, truancy and youth misdemeanors, and an increase in graduation rates and student engagement; and

WHEREAS, the prior to the Port Commission's consideration of and vote on this Resolution, affecting a ballot proposition, the Port (a) issued proper notice of this meeting which included the titles and ballot numbers of these propositions, and (b) afforded members of the public and

the individual Commissioners with an approximately equal opportunity for the expression of an opposing view all pursuant to RCW 42.17A.555; and

WHEREAS, the Port Commission finds that healthy schools contribute to the livability of the city and are vital concern to the residents of the Port of Camas-Washougal; and

WHEREAS, the Port Commission finds that well-funded school programs contribute to an educated workforce needed by employers in the Port of Camas-Washougal; and

WHEREAS, the Port Commission finds that future businesses seeking to relocate to the area will consider the quality of schools and support from the community when considering where to locate their businesses;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT OF CAMAS-WASHOUGAL AS FOLLOWS:

The Port Commission hereby endorses, supports, and recommends adoption of: Camas School District 117 Proposition No. ___ Educational Programs and Operational Replacement Levy and Camas School District 117 Proposition No. ___ Capital Project Replacement Levy for Educational Technology, Health and Safety Improvements Levy.

Adopted by the Port Commission of the Port of Camas-Washougal at a regular meeting thereof held **this**__ day of February ___, 2024.

PORT OF CAMAS-WASHOUGAL

