City Council Study Session PWCD SFA
July 22, 2024 - 5:30 PM
City Hall Council Chambers
AGENDA
Watch the meeting LIVE!

Watch the meeting video
Meeting videos are not available until 72 hours after the meeting has concluded.

I. CALL TO ORDER

A. PUBLIC PARTICIPATION

Public Participation

The Auburn City Council Study Session Meeting scheduled for Monday, July 22, 2024 at 5:30 p.m. will be held in person and virtually.

Virtual Participation Link:
To view the meeting virtually please click the below link, or call into the meeting at the phone number listed below. The link to the Virtual Meeting is:

https://www.youtube.com/user/watchauburn/live/?nomobile=1

To listen to the meeting by phone or Zoom, please call the below number or click the link:

Telephone: 253 215 8782
Toll Free: 877 853 5257
Zoom: https://us06web.zoom.us/j/84112000729

B. Roll Call

II. AGENDA MODIFICATIONS

III. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

IV. AGENDA ITEMS FOR COUNCIL DISCUSSION

A. 2024 Leadership Retreat Follow Up - Board and Commissions (Tate) (30 Minutes)
Overview of Regional Participation Opportunities

B. 2024 Leadership Retreat Follow Up - Summary (Tate) (20 Minutes)
Summarizing the status and/or next steps related to the 2024 Leadership Retreat

V. PUBLIC WORKS AND COMMUNITY DEVELOPMENT DISCUSSION ITEMS

A. Resolution No. 5771 (Storey/Gaub) (15 Minutes)
A Resolution authorizing the Mayor to execute an Airport Land Lease with S50 Hangars, LLC

B. 2023 State of Our Streets (SOS) Report (Gaub) (20 Minutes)

C. Capital Projects Status Report and Feature Capital Project (Gaub) (20 Minutes)

VI. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (http://www.auburnwa.gov), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.

AGENDA BILL APPROVAL FORM

Agenda Subject:
2024 Leadership Retreat Follow Up - Board and Commissions (Tate) (30 Minutes)

Date:
July 17, 2024

Department:
Community Development

Attachments:
Boards and Commissions

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

For discussion only.

Background for Motion:

Background Summary:

City Council, Mayor and Department Directors convened on March 22, 2024 and April 18 and 19, 2024 as part of a 2024 Leadership Retreat. During these sessions there was an overview and discussion related to the various regional Boards, Committees and Commissions where Auburn elected officials have an opportunity to participate and influence outcomes that provide direct benefit to the City and its business owners and residents.

The purpose of this study session discussion is:

1. Provide an overview of the list of Boards, Committees and Commissions that were identified in the April 2024 Leadership Retreat.

2. Identify the list of Boards, Committees and Commissions that present an opportunity for (a) Auburn to receive outside funding, (b) Auburn to improve its competitiveness in project and program investments, (c) to influence policies and laws that will benefit Auburn, and (d) to protect Auburn from policies, laws and funding decisions that might cause harm.

3. Identify Board, Committee and Commissions that do not have Auburn representation. And to distinguish between those that can be filled immediately vs. those that require a future vacancy in order to participate.

Appointments to fill committee vacancies will not occur during Study Session. It is the responsibility of the Mayor to select Councilmembers to fill these types of committee positions. At the conclusion of this presentation Councilmembers will be encouraged to inform the Mayor of any positions they have interest in filling.

Reviewed by Council Committees:

Councilmember: Yolanda Trout-Manuel **Staff:** Jeff Tate

Meeting Date: July 22, 2024 Item Number:

Boards and Committees In Order of Impact to the City of Auburn

Priority Ranking is based on the following:

1. Stronger chance of receiving funding
2. Stronger chance for having projects occur in our community or that benefit our community
3. We can influence important decisions and outcomes that directly impact Auburn
4. We want to be aware in order to protect an Auburn interest.

Recommended by Administration as important for Councilmembers to participate because there is funding/projects involved as well as decisions that impact Auburn					
External Board or Commission Title	**Priority Ranking**	**Regular Meeting Schedule**	**Appointment Through**	**Councilmember(s)**	**Subject Areas**
Puget Sound Regional Council (PSRC) - Transportation Policy Board	1,2,3,4		Mayor/SCA		Regional Transportation (King, Snohomish, Kitsap, Pierce)
Watershed Resource Inventory Area (WRIA) 9 - Ecosystem Forum	1,2,3,4		Mayor		Duwamish/Green Salmon Recovery
King County Regional Transit Committee (RTC)	2,3,4		Mayor/SCA		Regional Transit (King)
South County Area Transportation Board (SCATBd)	1,2,3		Mayor	Brown	Transporation in South King
South Correctional Entity (SCORE)	2,3,4		Mayor	Brown	Correctional Facility (Auburn, Burien, Des Moines, Renton, SeaTac, Tukwila)
Valley Comm	2,3,4		Mayor		911 services (Auburn, Covington, Mapple Valley, Black Diamond, Enumclaw, Algona, Pacific, Federal Way, Des Moines, Kent, Normandy Park, Burien, Tukwila, SeaTac, Vashon, King County)
VRFA: Governance Board	2,3,4		Mayor	Brown, T Taylor	Fire Services (Auburn, Algona, Pacific)
PSRC Growth Management Policy Board	2,3,4		Mayor/SCA		Planning, Environment, Growth (King, Snohomish, Kitsap, Pierce)

Recommended by Administration to be considered by Councilmembers because there is potentially direct impacts to Auburn from decisions					
External Board or Commission Title	**Priority Ranking**	**Regular Meeting Schedule**	**Appointment Through**	**Councilmember(s)**	**Subject Areas**
Cities & Schools Board	3,4		Mayor	All Councilmembers	Connecting education to workforce (Auburn School District)
King County Affordable Housing Committee	3,4		Mayor/SCA	Brown	Housing (King County)

SCA - Board of Health	3,4		Mayor/SCA	Rakes	Public Health (King County)
PSRC - Central Puget Sound Economic Development District Board	3,4		Mayor/SCA	Brown	Economic Development (King, Pierce, Snohomish, Kitsap)
King County Children & Youth Advisory Board	3,4		Mayor/SCA	Trout	Best Start for Kids Levy (King)
Growth Management Planning Council	3,4		Mayor/SCA	Brown	Coordination of Planning Issues and Approaches (King County)
SCA - Emergency Management Committee	3,4		Mayor/SCA		
AWC - DEI Committee	3,4		Mayor/AWC		DEI Initiatives (Statewide)

May be of interest to Councilmembers				
External Board or Commission Title	**Priority Ranking**	**Regular Meeting Schedule**	**Appointment Through**	**Councilmember(s)**
National Association of Latino Elected & Appointed Officials (NALEO)	4		NLC	Trout
National League of Cities (NLC) - Hispanic Elected Local Officials (HELO)	4		Mayor/NLC	Trout
SCA - Domestic Violance Initiative Regional Task Force	4		Mayor/SCA	Trout
SCA - Regional Water Quality Committee	4		Mayor/SCA	Trout
SCA - Regional Law, Safety, and Justice Committee	4		Mayor/SCA	Trout
NLC - Human Development Committee	4		NLC	Trout

Mayor Committees		
External Board or Commission Title	**Priority Ranking**	**Opportunity for Council to be Alternate**
Greater Seattle Partners	1,2,3,4	
SR167 Master Plan Executive Advisory Group	1,2,3,4	
King County Flood Control District Advisory Committee	1,2,3,4	

Puget Sound Regional Council	1,2,3,4	Executive Board Alternate
Sound Transit	1,2,3,4	
South County Area Transportation Board	1,2,3	
I405/SR167 Executive Advisory Group	2,3,4	
Gateway Executive Advisory Group	2,3,4	
Regional Policy Committee	2,3,4	
SCORE	2,3,4	
South King Housing & Homeless Partners (SKHHP)	2,3,4	
Valley Communications Center	2,3,4	
Valley Regional Fire Authority (VRFA)	2,3,4	
Association of Washington Cities	3,4	
Cities & Schools	3,4	
National League of Cities	3,4	
King County Regional Homless Authority	3,4	
Sound Cities Association	3,4	Public Issues Committee Alternate
South Sound Affordable Housing Partners (SSHAP)	3,4	
US Conference of Mayors	3,4	

AGENDA BILL APPROVAL FORM

Agenda Subject:
2024 Leadership Retreat Follow Up - Summary (Tate) (20 Minutes)

Date:
July 15, 2024

Department:
Community Development

Attachments:
2024 Leadership Overview
Dream Big Summary

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

For discussion only.

Background for Motion:

Background Summary:

City Council, Mayor and Department Directors convened on March 22, 2024 and April 18 and 19, 2024 as part of a 2024 Leadership Retreat. The purpose these convenings was to help inform, explore and clarify subjects such as (1) budget and department overviews, (2) articulating citywide priorities, (3) council operations and regional roles, and (4) long term visioning and strategic planning. City staff has had the opportunity review all of the feedback provided during these sessions and develop a summary of actions and next steps for each of the Leadership Retreat agenda items.

Reviewed by Council Committees:

Councilmember: Yolanda Trout-Manuel **Staff:** Jeff Tate

Meeting Date: July 22, 2024 Item Number:

Leadership Retreat Follow Up Action Plan

Agenda Item	Action Items	Timeline
Department Presentations	None identified by Mayor or Directors.	N/A
Updated Priority Statements	Incorporate additional notes and concepts raised at retreat	Next iteration to be included in draft 2025-2026 budget document transmitted to Council in Q4 of 2024
Strategic Plan	Prepare Decision Package for 2025-2026 budget consideration Use the list of short-term strategic goals provided during the retreat and the list of execution details to help draft an RFP Release RFP seeking consultant assistance Complete Strategic Plan	Decision package prepared and will be included in draft budget presented to Council in Q4 2024 Prepare in late Q4 2024 after budget adoption and a clearer understanding of approved budget. Q1 2025 Q4 2026
Dreaming Big	Sort list of ideas (mappable vs. non-mappable; realistic vs unrealistic) Prepare draft map Share with Council at S.S. Finalize map	July 1, 2024 July 31, 2024 August/September 2024 October 31, 2024
Working Together	None identified by Mayor or Directors.	N/A
Council Operations – SFA Ops	Assemble list of ideas that were shared during break-out sessions. Within individual SFA's identify up to 3 priority items that improve communication, efficiency, or operations. Within individual SFA's incorporate identified improvements	July 29, 2024 September 30, 2024 January 1, 2025

	Individual SFA's to share out improvements and the reasons behind their choices	March 31, 2025
Council Operations – Regional	Schedule Council Study Session discussion to identify opportunities	July 22, 2024
Post Retreat Commitments	No Surprises Notes from Mind and Heart Measuring commitment Updating Rules of Procedures Rules of Procedure Ad-Hoc Committee created Identify staff support and schedule meetings Ad-hoc presentation to Council at Study Session	 May 31, 2024 June 24, July 3, July 8, July 15, July 23 July 29, 2024
Leadership Retreat Follow Up	Presentation of Summary Overview at General Study Session	July 22, 2024

2024 Leadership Retreat – Dream Big Exercise – Follow Up

Mappable (PW, CD, Parks, OOE, HS, PD)	Already on Radar?	Cost	Complexity
Green: City is Likely Lead **Orange: City is Likely Not Lead**	**Y/N**	**1 = >$5 million** **2 = $1-$5 million** **3 = <$1 million**	**1 = High** **2 = Medium** **3 = Low**
Police Expansion – at Justice Center and at 12th SE/AWS property	Y	1	1
M&O – PW and Parks at M&O	Y	1	1
Theater District – Circle around the theater site	Y	1	2
ACRC Full Build out – Circle around 28th and AWN	Y	2	2
Downtown Events – Circle around Downtown	Y	3	3
New City Hall – Circle around the downtown area	N	1	1
Main Street Closure to traffic -outdoor seating/food trucks – from AWS to Auburn Ave	N	1	1
River Based Recreation – along Green River from 8th Street to the north within City	N	1	2
Infrastructure Improvements – Main Street from AWS to Justice Center and from the BNSF tracks to the UP Tracks	N	1	2
DEI Learning Center – Circle around 3rd NE and Auburn Ave	N	2	2
White River Museum Expansion – at current site	N	2	2
Year-round Farmers Market In-door Facility – 2 locations – IRG property and Les Gove south end	N	2	2
B Street NE – create green park - vacate area between Main and 1st St NE	N	2	2
Green Space – Circle around downtown	N	2	2
Annex area of King county north of the Golf Course – circle this area up to 277th	N	2	3
Interactive Art Garden and Graffiti Wall – Circle around Lea Hill, Circle at AWS/SR18 Park area	N	3	3
Communal Gathering spots - Firepits and Chairs – need to identify a few neighborhood parks throughout the City to consider this	N	3	3
Summer Roller Disco – Circle in parking lot at outlet collection	N	3	3
Drive in Movie Theater – Circle around the old site	N	1	1
Downtown Hotel and Convention Center – Circle around the Downtown	N	1	1
BNSF Rail Tunnel and increased Sounder service – line from 277th south to within the BNSF yard south of SR18 – this will need to be miles due to grades	N	1	1
Auburn Way South Retail Gateway – area on AWS from SR18 south to Casino	N	1	1
Renovate Outlet collection – Circle around this site	N	1	2
Financial Wellness Center – Circle around GRC	N	2	2
Business Accelerator Space – along Main Street	N	2	2

Non-Mappable	Program Area(s)*	Department
Blue: Aligns w/ Existing Programs **Purple: Requires Exploration**	*It's important to note that for most of the items on this list the City's role is limited. Many items are controlled by other agencies or through private investment.	
CO2 reduction – more planting, less transportation	Climate Action Plan Transportation Plan Facilities	CD PW Parks, Admin
More affordable housing	Planning and Zoning	CD
Revitalization of downtown to continue	Economic Development Rights of Way Arts Programming Public Safety	CD PW Parks PD
Neighborhood Transit – hub and spoke to the downtown	Transportation Planning Planning and Zoning	PW CD
Housing developed for homeless	Human Services Planning and Zoning	HS CD
Making the city a 15 min city – more transit, more walkable, more bike facilities – more mobile	Transportation Planning Planning and Zoning	PW CD
Cottage/smaller home developments with shared green space & small business accelerator spaces	Planning and Zoning	CD
Housing ladder – mixture of housing types, opportunities for partnerships with GRC for dorms (Foster care aging out), temp housing for work force development partnership with Orion, Veteran's village	Planning and Zoning Economic Development Human Services	CD CD HS
Making blue ribbon bite become larger	Public Health	Admin
Partner more with our multi-cultural citizen groups	Neighborhood Outreach	OOE
Community care sites – childcare and eldercare – in neighborhoods or within local businesses	Planning and Zoning Human Services	CD HS
Cooling campaign – vertical gardens, street trees, green roofs	Climate Action Plan Planning and Zoning Building Codes Transportation	CD CD CD PW
More youth programs – sports, activities, (low cost barrier)	Recreation	Parks
Leverage community partnerships with community-based programs	TBD	TBD
Alternative response programs to supplement community safety and PD	TBD	TBD
Partner between City and Chamber to get people downtown	TBD	TBD
Circulator bus throughout the City	TBD	TBD
Residential over grocery store	TBD	TBD
Partnership with ASD and hold an event with teachers and staff – dinner or something similar	TBD	TBD
Support regional aquatic center	TBD	TBD
Sporting team	TBD	TBD
Dress up main street with bistros without needing ROW permits	TBD	TBD

AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5771 (Storey/Gaub) (15 Minutes)

Date:
July 17, 2024

Department:
Legal and Public Works

Attachments:
Resolution No. 5771
S50 Executed - SE Dev. Land Lease
Presentation

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

For discussion only.

Background for Motion:

Background Summary:

S50 Hangars, LLC ("S50") operates varying lines of businesses in the aeronautical industry, including: consulting, Fixed Base Operations ("FBO") diligence and valuations, and aeronautical facility development.

Under this land lease S50 will lease the entire SE development area consisting of roughly 4 acres from the City for a term of up to 50 years (max allowed by the Federal Aviation Administration ("FAA")). S50 intends to develop this site with aeronautical facilities, which at a minimum will include aircraft hangars, but may also include fuel facilities and other facilities typically found on general aviation airports.

Development of the site will likely be done in several phases and over several years, however, S50 is obligated to meet minimum development requirements of completing no less than 35,000 square feet of hangars within the first 5 years of the lease or risk termination of the lease.

S50 will pay the City $11,284 upon commencement of the lease. This payment will constitute as rent for the first 3 years of the lease. The reduced amount frees up capital for S50 to use for development purposes. Beginning the 4th year of the lease the annual rent for the site will generate a minimum of $113,000. In addition to the rent, the Airport also retains the ability to lease tie-downs on the site not currently under construction. Revenues generated from the tie-downs will be fully retained by the City.

The lease also contains a rider which the Tenant has the option of exercising:

S50 will have the right to secure up to an additional 50,000 square feet of land for future development. The additional land may be a single or multiple sites. This additional land is referred to as "Parcel B". S50 has 3 months from commencement of the lease to identify Parcel B. If no Parcel B is identified, then this lease rider automatically "falls off". If a Parcel B is timely identified then S50 will be responsible for paying rent in the amount of $1.00 per square foot, annually for

Parcel B for the next 4.5 years, but there will be no development requirements during this time. At the end of this period (4.5 years), S50 is required to provide notice to the City if it elects to continue leasing Parcel B. If it does, S50 will be required to develop Parcel B with no less than 5,000 square feet of aeronautical facilities, while also continuing to pay rent on Parcel B. If S50 elects not to continuing leasing Parcel B then the property is returned to the Airport.

Reviewed by Council Committees:

Councilmember: Tracy Taylor

Staff: Charlotte Storey and Ingrid Gaub

Meeting Date: July 22, 2024

Item Number:

RESOLUTION NO. 5771

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE AN AIRPORT LAND LEASE WITH S50 HANGARS, LLC

WHEREAS, The Auburn Municipal Airport ("Airport") has land identified in its 2015 Airport Master Plan (the "Master Plan") designated for future development of aeronautical facilities; and

WHEREAS, S50 Hangars LLC ("S50") has the means, expertise, experience, and desire to develop aeronautical facilities on the Airport; and

WHEREAS, S50 and the City have entered into negotiations to lease site(s) identified in Master Plan to S50; and

WHEREAS, the lease requires S50 to meet certain development thresholds to maintain compliant with the lease requirements; and

WHEREAS, development of the site would help satisfy both a local and regional demand for aeronautical facilities while also providing a positive economic impact to the City and added revenue to the Airport;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, HEREBY RESOLVES as follows:

Section 1. The Mayor is authorized to execute a land lease which shall be in substantial conformity with the land lease attached as Exhibit A.

Section 2. The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 3. This resolution will take effect and be in full force on passage and signatures.

Dated and Signed: _____

CITY OF AUBURN

_____
NANCY BACKUS, MAYOR

ATTEST:

_____
Shawn Campbell, MMC, City Clerk

APPROVED AS TO FORM:

_____
Charolette E. Storey, Acting City Attorney

AIRPORT LAND LEASE
SE DEVELOPMENT AREA
BETWEEN THE CITY OF AUBURN AND S50 HANGARS, LLC

THIS LEASE AGREEMENT (the "Lease"), is entered into and shall commence on _____, 20___ (the "Commencement Date") by and between the City of Auburn, a Washington municipal corporation ("Landlord" or "City") and S50 Hangars, LLC (a Washington State Limited Liability Company, "Tenant") or assigns, together referred to as the "Parties".

RECITALS:

1. The City owns and operates The Auburn Municipal Airport which has land sites identified in its 2015 Airport Master Plan that are available for aeronautical facility development; and

2. The Tenant is interested in developing the Airport Master Plan's SE development site; and

3. The City of Auburn is authorized by RCW 14.08.120(1)(d) to lease City Airport property to the Tenant for the common benefit; and

4. The Auburn City Council has approved the terms of this lease through its enactment of Resolution 5771.

NOW, THEREFORE, in consideration of the mutual promises set out in this Lease, Tenant and the City agree as follows:

ARTICLE 1:
PREMISES LEASED

1.1) Land/Premises. For and in consideration of the rent and faithful performance by the Tenant of the terms, conditions and the mutual covenants, Landlord leases to the Tenant, and the Tenant leases from the Landlord, the real property legally described in **Exhibit A-1** (the "Land"), which Land consists of One hundred seventy-four thousand, three hundred and sixteen (174,316) square feet as depicted in **Exhibit A-2**. Together, **Exhibit A-1** and **Exhibit A-2** are attached and incorporated into this lease by reference. The Land is situated in the County of King, State of Washington, and is located at the Auburn Municipal Airport (the "Airport"). The term "Premises" as used in this Lease, means the Land and any Improvements (as defined in Section 3.2 below) constructed and existing on the Land from time to time during the Lease term.

1.2) Landlord Hazardous Substances Representation. Landlord represents and warrants that, to the best of the City's knowledge, without duty of inquiry, there are no RCW 70A.305.020(13)(a) hazardous substances on, in or under the Land.

1.3) As Is Clause. EXCEPT FOR LANDLORD'S EXPRESS REPRESENTATIONS SET FORTH IN THIS LEASE (INCLUDING WITHOUT LIMITATION SECTION 1.2 ABOVE), TENANT ACKNOWLEDGES AND AGREES THAT IT IS RELYING SOLELY ON ITS

INSPECTION AND INVESTIGATION OF THE LAND, AND ACCEPTS THE LAND "AS-IS, WHERE IS" IN ITS PRESENT CONDITION WITH NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, EITHER ORAL OR WRITTEN, MADE BY CITY OR ANY EMPLOYEE, AGENT OR REPRESENTATIVE OF CITY WITH RESPECT TO THE PHYSICAL CONDITION OF THE LAND. TENANT SHALL HAVE DETERMINED TO ITS SATISFACTION UPON ITS EXECUTION HEREOF THAT THE LAND CAN BE USED FOR THE PURPOSES IT INTENDS AND WHICH ARE PERMITTED UNDER THIS LEASE. EXCEPT FOR LANDLORD'S EXPRESS REPRESENTATIONS SET FORTH IN THIS LEASE (INCLUDING WITHOUT LIMITATION SECTION 1.2 ABOVE), TENANT ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR CITY'S AGENTS HAS MADE, AND DOES NOT MAKE, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE HABITABILITY, LEASABILITY OR SUITABILITY FOR COMMERCIAL PURPOSES, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE LAND, OR THE PRESENCE OR ABSENCE OF ANY HAZARDOUS SUBSTANCES, WASTES OR MATERIALS AS DEFINED BY STATE, FEDERAL OR LOCAL LAW, ALL OF WHICH WARRANTIES LANDLORD HEREBY EXPRESSLY DISCLAIMS.

ARTICLE 2:
TERM

2.1) Preliminary Term. The "Preliminary Term" of this Lease shall be for 60 months (5 years), commencing on the Commencement Date, and expiring at midnight on the last day of the 59th month, unless sooner terminated pursuant to any provision of this Lease.

2.2) Remaining Term. The "Remaining Term" of this Lease shall begin the 61st month and expire at midnight on the last day of the 600th month (the "Expiration Date"), unless sooner terminated pursuant to any provision of this Lease.

The Primary and Remaining terms shall collectively be referred to as the "Term".

2.3) Termination prior to the completion of the Preliminary Term. Tenant will have the right to terminate this Lease at any point and for any reason prior to the completion of the Preliminary Term, subject to City's acceptance of one of the following: i) Tenant returns the Premises to the condition that substantially existed prior to the Commencement Date, ii) Tenant provides a Bill of Sale for all Improvements completed by Tenant, which Tenant must provide said Improvements free and clear of all liens including but not limited to: construction loans, mechanics liens and equity interests, or iii) City and Tenant agree in writing to another "workout" option.

ARTICLE 3:

PERMITTED USES, DEVELOPMENT & MINIMUM DEVELOPMENT

3.1) Permitted Uses. Tenant has warranted to the City that Tenant intends to develop the Premises by constructing improvements on, under or about the Premises. The City permits the Tenant the right to develop those Improvements defined in and consistent with the provisions outlined in Section 3.2. The City further permits Tenant the right to sublease land and/or aircraft hangars, operate or permit a subtenant the right to operate or conduct Fixed Base Operations ("FBO"), Maintenance and Repair Operations ("MRO"), aircraft sales and leasing, aircraft charters, EVTOL operations, and the sale and distribution of "Jet A", or other alternative aviation fuels so long as they do not compete with existing fuel operations conducted by the City. Notwithstanding the foregoing, Tenant shall have the right to install, operate and provide fuel sales of any kind, regardless of any City operations which may exist so long as Tenant's fuel sales are limited to Tenant's Subtenants. All fuel distribution and sales, regardless of fuel type or customer will be subject to a separate "Fuel Operating Agreement" between the parties. Use of the Premises and all Improvements within the Premises shall be for aeronautical purposes per FAA policy 81 FR 38906, Uses of the Premises shall also be subject to Auburn City Code (ACC) 12.56, the Airport Rules & Regulations, and the Minimum Standards & Development Standards as they may be amended from time to time (hereby incorporated by this reference). Use of the Premises for overnight sleeping, unless limited to short-term flight crew quarters, or fueling aircraft inside of any Hangar (defined in Section 3.2 below) is prohibited.

3.2) Development. Tenant's development shall be limited to the construction of aircraft hangars, hangar alterations, and utilities ("Hangars"), any alterations or additions to the Hangars, "On-Site Fuel Facilities" (defined in Section 2 of **Exhibit B**), pavement, pavement markings, and any other Landlord permitted improvements built on the Premises (collectively and individually the "Improvements"). Construction of the initial Improvements shall begin no later than the 1st day of the 37th month (the "Initial Improvements Construction Commencement Deadline") of the Lease or be subject to termination as described below in Section 3.2.1. The Improvements shall be subject to and in conformity with the plans and specifications described in **Exhibit B**. The Tenant's plans and specifications shall include, without limitation, details of any right of way or taxi-way entrances to be constructed by Tenant, as well as the building materials for and design of the Improvements. Landlord shall have the right to approve the final plans for the Improvements, which approval shall not be unreasonably withheld, conditioned or delayed (approvals will be issued upon demonstration that proposed development meets all applicable requirements of city adopted codes and standards). Upon Commencement of Construction (defined as the date upon which the Tenant has obtained all necessary permits and approvals for and has begun altering the Premises in connection with construction activities) of the Improvements, the Improvements shall be deemed to include and be part of the Premises for all purposes hereunder; provided that, subject to Article 8 all Improvements shall be owned by Tenant. Both parties agree that Tenant's development of the Improvements is not a public work defined by RCW 39.04.010(4) and/or WAC 296-127-010(7). Tenant agrees that any development of the Improvements would be at its own cost and expense, and that Tenant is not an agent or construction agent of the City for purposes of its development of the Improvements. Abandonment of construction, whether it be of the Initial Improvements (as defined Section 3.3 below) or any subsequent Improvements for a period of 9 consecutive months or more once construction of said Improvement has begun shall constitute a

breach of this Lease and the City shall have all the rights afforded to it under Section 22 below, including but not limited to terminating this Lease.

3.2.1) Termination for Non-Construction. If Tenant has not commenced construction of the Initial Improvements by the Initial Improvements Construction Commencement Deadline, then this Lease shall automatically terminate. Tenant may also provide written notice to Landlord prior to the Initial Improvement Construction Commencement Deadline that it no longer intends to develop the Premises, and in such case as a written notice has been provided the Parties may agree to an earlier termination date. Should this Lease terminate under the provisions of this section then the Tenant shall owe no other duties or obligations under this Lease other than those applicable provisions outlined in Section 8.2. Tenant is not entitled to reimbursement of any pre-paid rent, permit fees, pre-development costs or any other costs of fees incurred as a result of this Lease or any development of the Premises under this provision.

3.3) Minimum Development. While both the City and Tenant acknowledge and agree that development can occur at any time throughout the Lease, Tenant warrants it shall have Substantially Completed no less than 35,000 square feet of aircraft hangars (the "Initial Improvements") prior to the expiration of the Preliminary Term (the "Initial Improvements Completion Deadline"). "Substantially Complete" being defined as having received final acceptance of all permits and/or a certificate of occupancy or an administrative Temporary Certificate of Occupancy (each the "CO") under ACC 15.07.100).

3.3.2) Termination due to Minimum Development Requirements. So long as Tenant is diligently pursuing completion of the Initial Improvements, failure of Tenant to complete the Initial Improvements by the Initial Improvements Completion Deadline shall not constitute a Default by Tenant nor allow Landlord to terminate the Lease. If Landlord wishes to terminate this Lease due to Tenant's failure to Substantially Complete the Initial Improvements, Landlord shall provide written notice to Tenant of Landlord's intention to terminate the Lease due to Tenant's failure to Substantially Complete the Initial Improvements. If Tenant does not re-commence construction of the Initial Improvements within thirty (30) business days after receipt of such notice and thereafter diligently pursue the same to completion this Lease shall automatically terminate and Section 3.3.3 shall apply.

3.3.3) Return of Premises Following Termination. In the event of termination due to Tenant's inability to meet the minimum development requirement by the Initial Improvements Completion Deadline, Tenant shall be responsible for returning the Premises to the Landlord, within 12 months of the Initial Improvement Completion Deadline in one of the following manners: i) in the condition that reasonably existed prior to Lease Commencement, ii) provide Landlord with a Bill of Sale for all completed Improvements, but remove any non-Substantially Complete Improvements, returning the Premises to the condition that reasonably existed prior to Commencement, or iii) work out a separate written agreement with the Landlord for the return of the Premises. Tenant's return of the Premises shall be made without mortgage, mechanics or material liens or any other encumbrances on the Premises or any of the Improvements. Tenant shall also be responsible for Rent at the then existing amount, subject to rent adjustments described in Article 6 until such date as the Landlord has accepted return of the Premises.

ARTICLE 4:
CONDOMINIUMIZATION

At any point during the Lease, the Tenant shall be entitled condominiumize the whole, or portions Premises pursuant to the provisions of RCW Chapter 64.34 (the "Condominium Act"); provided, however, that prior to recording the condominium declaration (the "Declaration) and the survey Maps and Plans (the "Survey Maps and Plans") in the official records of King County, Tenant must first provide Landlord with a completed "Draft Copies" of the Declaration and Survey Maps and Plans for Landlords review. Upon receipt of the Draft Copies, Landlord shall have 60 calendar days to provide its "Written Response" of approval or rejection of the Draft Copies. If Landlord rejects the Draft Copies Landlord's Written Response must state the reason(s) for their rejection. Tenant may elect to address Landlord's rejections by submitting "Revised Draft Copies #[insert revision number]" to Landlord for their review. Landlord shall have 30 calendar days to provide its written response to Tenant's Revised Draft Copies. Any "non-response", defined as not providing a Written Response of rejection within the allotted review time shall be deemed as approval by the Landlord. Delivery of all materials and/or correspondence above shall be provided in accordance with Article 29 below.

ARTICLE 5:
RENT, IMPOSITIONS & LEASEHOLD EXCISE TAX

5.1) Initial Rent. Within 15 days of the Commencement Date Tenant shall pay to Landlord an "Initial Rent" of ELEVEN THOUSAND TWO HUNDRED EIGHTY FOUR ($11,284) DOLLARS. The Initial Rent shall be inclusive of all Rent and Impositions (as defined below) owed by Tenant from the Commencement Date through the 36th month. Should this Lease be terminated per Article 3.2.1, Tenant will not be entitled to a reimbursement or refund, either in whole or in part.

5.2) Monthly Base Rent. Commencing upon the beginning of the 37th month and extending until the first Fair Market Value adjustment date described in Section 6.4 the Tenant will pay to Landlord an annual lease rate for the Land (the "Annual Lease Rate") based upon the lesser of the following: i) $0.75 per square foot of land, per year, or ii) 35% less than the 2025 Fair Market Value for Improved Land. But in no event will the Annual Lease Rate following the start of the 37th month be less than $0.65 per square foot of land per year. The Annual Lease Rate shall be paid in equal monthly installments (the "Monthly Base Rent") payable on or before the first (1st) day of each calendar month thereafter. In the event that the beginning of the 37th month should occur on a date other than the first calendar day of the month, or this Agreement is terminated on a day other than the last calendar day of the month, Rent (as defined in Section 5.4) shall be paid based on a prorated amount based upon a thirty (30) day month.

5.3 Impositions. In addition to the Monthly Base Rent, from and after the Rent Commencement Date, Tenant shall also be responsible for payment of any security fees assessed on (and solely with respect to) the Improvements and statutory leasehold excise tax imposed by RCW Chapter 82.29A (the "Impositions"). Either the Landlord or Tenant may contest the validity or amount (including the assessed valuation upon the Premises and any exemptions applicable to

any portion thereof) of any Imposition for which either is responsible in whole or in part, and which such party in good faith believes is excessive, improper or invalid. In such event, the payment thereof may be deferred during the pendency of such contest, if diligently prosecuted, but in no event shall Tenant allow a lien for any unpaid taxes which it is contesting to attach to the Premises. Each party agrees to join at the other's request in any such contest to the extent such joinder is prerequisite to such prosecution under statute, regulation or administrative practice. In connection with a judicial or administrative challenge to any assessment, Tenant may take advantage of any stay in collection available under statute, regulation, or court or administrative order or rules. Nothing herein contained, however, shall be so construed as to allow such items to remain unpaid for such length of time as shall permit the Premises, or any part thereof, to be sold by any governmental, city or municipal authority for the nonpayment of the same. Within ten (10) calendar days after the amount of such contested item is finally determined to be due, the party liable for such Imposition shall pay the amounts so determined, together with the penalties, interest and expenses associated with such contest.

5.4) Net Lease. Collectively, the Monthly Base Rent and the Impositions are hereinafter referred to as the rent ("Rent"). Notwithstanding the maintenance responsibilities described in Article 16 or the utility responsibilities described in Article 19, it is the intent of the Landlord and Tenant that the Rent due hereunder shall be absolutely net to Landlord and that Tenant will pay all costs, and expenses specifically relating to the Premises whether specifically mentioned or not; provided that the City shall not unilaterally assess any additional taxes, assessments or other monetary obligations on the Premises that are not generally assessed against all similarly situated properties in the City.

ARTICLE 6:
RENT ADJUSTMENTS

6.1) Adjustments. With the first adjustment occurring on January 1, 2030, the Monthly Base Rent will be adjusted on January 1st of every year thereafter in accordance with this Article 6. Notwithstanding the foregoing, Monthly Base Rent will be adjusted every five (5) years equal the "fair market rental value" (FMV) of Auburn Airport land, pursuant to the procedure set forth in Section 6.4 below. No such adjustment, however, will reduce the amount of Monthly Base Rent below the amount of the respective Monthly Base Rent that is being adjusted.

6.2) Definitions: The adjusted Monthly Base Rent shall be determined in accordance with the formula set forth in Section 6.3 below. In applying the formula, the following definitions apply:

(1) "Bureau" means the U.S. Department of Labor, Bureau of Labor Statistics or any successor agency.

(2) "Price Index" means the Consumer Price Index (the "CPI-W") for the month of August for all Urban Consumers, All Items (Seattle-Tacoma-Bellevue) issued from time to time by the Bureau, or any other measure hereafter employed by the Bureau in lieu of the price index that measures the cost of living or if said Bureau should cease to issue such indices and any other agency of the United States should perform substantially the same function, then the indices issued by such other agency.

6.3) Price Index Adjustment. The adjusted Monthly Base Rent shall be determined by multiplying the Monthly Base Rent being adjusted by a multiplier equal to the percentage change in the Price Index since the last adjustment, example:

(Percentage change in Price Index) x (current Monthly Base Rent) = (Adjusted Monthly Base Rent)

6.4) Fair Market Value Adjustment. With the first adjustment being January 1, 2030 and every five (5) years thereafter, the Monthly Base Rent will be revised to be the fair market rental value (the "FMV") of the Land, excluding rental or other value of any Tenant constructed Improvements. Landlord will retain and pay the costs of an MAI appraiser to make an initial determination of the FMV and provide the same to Tenant. The annual adjustment formula set forth in Sections 6.2 & 6.3 will not be applied each such fifth (5th) year. Landlord may, at its discretion, utilize an appraisal completed within 12 months prior to the date of the periodic FMV adjustment. Additionally, this appraisal may be used by Landlord for setting rates for leases other than this Lease. In the event Tenant disagrees with the FMV set forth in Landlord's appraisal, Tenant may, at its own expense, retain a second appraisal completed by an MAI certified appraiser. Landlord and Tenant will then attempt to negotiate a FMV lease rate. If these negotiations are unsuccessful, the parties will mutually agree on the selection of an arbitrator or, if they cannot agree, either party may submit the matter of the FMV for the pertinent adjustment date to Dispute Resolution pursuant to Section 30.7 below. The costs of arbitration will be shared equally. The arbitrator's determination will be based upon the appraisals, but in no event will the new Monthly Base Rent be lower than the Monthly Base Rent in effect at the time of arbitration. The decision of the arbitrator regarding the increases will be final. In the event of ongoing negotiations or arbitration, the determined rental rate will be made retroactive to January 1 of the current FMV cycle.

ARTICLE 7:
LATE CHARGES

Tenant hereby acknowledges that late payments of rent or any other sums due hereunder will cause the Landlord to incur costs not otherwise contemplated by this Lease. Accordingly, if any installment of rent or any other sum due from Tenant is not received by the Landlord within ten (10) calendar days after such amount shall be due, then, without any requirement for notice to Tenant, Tenant shall pay the Landlord a late charge equal to 15% of the overdue amount. The Parties agree that such late charge represents a fair and reasonable estimate of the costs the Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by the Landlord in no event constitutes a waiver of Tenant's default with respect to such overdue amount, nor prevent the Landlord from exercising any of the other rights and remedies granted hereunder.

In the event that a late charge is payable in this Lease or otherwise, whether or not collected, for three (3) installments of rent in any 12-month period, then rent shall automatically become due and payable quarterly in advance, rather than monthly notwithstanding any other provision of this Lease to the contrary. In addition to the late charges provided for in this section, in the event any payments hereunder are not paid within thirty (30) days of when due, interest shall accrue on Rent, and any other sums due hereunder, at the rate of one and one-half percent 1.5% per month from the date due until paid.

ARTICLE 8:
OWNERSHIP OF IMPROVEMENTS & RETURN OF PREMISES AT END OF LEASE

8.1) Ownership of Improvements. Notwithstanding Section 3.3.3 above, during the Term of this Lease, all Improvements located on the Land, including without limitation, the Initial Improvements and all additions, alterations, and improvements thereto or replacements thereof, and all appurtenant fixtures, machinery, and equipment installed therein, shall be the property of the Tenant. All improvements and all additions, alterations, and improvements thereto or replacements thereof and all appurtenant fixtures, machinery, and equipment installed therein, with the exception of any fixtures, machinery and equipment owned by Tenant or any Subtenant and which can be readily removed without material damage to the Improvements, shall become the property of Landlord upon expiration or earlier termination of the lease term. Tenant warrants that prior to all Improvements transferred to Landlord shall be accompanied by a title insurance policy paid for by the Tenant warrantying clear title to the Improvements.

8.2) Removal of Personal Property. Upon expiration or earlier termination of this Lease or upon termination of Tenant's right to possession, Tenant shall remove or have caused to be removed at its expense all personal property placed upon the Premises not considered part of the Improvements. Any such property not so removed from the Premises shall, at the election of Landlord, be retained by Landlord or may be removed and stored by Landlord at Tenant's expense, provided that, Landlord shall recover any costs and expenses from the Tenant resulting therefrom. Tenant shall further be responsible for any cost and expense related to obtaining all necessary permits to do the work as well as any shoring, utility relocation or any other reasonably necessary or required work to ensure that the removal of the personal property does not negatively harm or impact other buildings or improvements located on or off the Premises.

ARTICLE 9:
INSURANCE

9.1) Insurance. Article 4 of the *Auburn Municipal Airport Minimum Operating Standards,* as may be amended from time to time, the most current copy of which can be found at auburnmunicipalairport.com/documents-and-forms, is hereby incorporated into this agreement by this reference. Upon Commencement of Construction, Tenant, and any Subtenant, assignee, licensee, contractor, subcontractor, or agent of Tenant shall at all times have in effect the following types of insurance as applicable and at the minimum amounts described below or found in the document referenced above. In the event that the insurance amounts referenced in subparagraphs

I - VII below differ from the then current amounts noted in Article 4 of the Auburn Municipal Airport Minimum Operating Standards, the higher amounts shall apply:

(I) Commercial General Liability insurance policy CG 00 01 in the amount of $2,000,000 per occurrence and $2,000,000 annual aggregate. Products-completed operations liability insurance in the amount of at least $2,000,000 per occurrence. Such insurance shall contain contractual liability insurance covering applicable leases, licenses, permits, or agreements.

(II) Commercial/business automobile liability insurance for all owned, non-owned and hired vehicles assigned to or used in performance of commercial aeronautical activities in the amount of at least $2,000,000 per occurrence. If any hazardous material, as defined by any local, state or federal authority, is the subject, or transported, in the performance of this contract, an endorsement is required providing $2,000,000 per occurrence limits of liability for bodily injury and property damage.

(III) Special Causes of Loss Property Form covering all improvements and fixtures on the commercial airport operator's premises in an amount no less than the full replacement cost thereof, to the extent of the commercial airport operator's insurable interest in the premises.

(IV) Worker's compensation insurance as required by law and employer's liability insurance in the amount of $100,000 per accident, $100,000 disease per person, $500,000 disease policy limit.

(V) Aircraft liability insurance in the amount of at least $1,000,000 per occurrence single limit Bodily Injury and Property Damage Liability including Passengers.

(VI) Hangar keeper's liability insurance in the amount of at least $1,000,000 per occurrence, or more as values or Landlord require.

(VII) If applicable, Tenant shall maintain Environmental Impairment Liability coverage for any underground or aboveground fuel storage facility, tank, underground or aboveground piping, ancillary equipment, containment system or structure used, controlled, constructed or maintained by Tenant in the amount of $1,000,000 each incident, $2,000,000 aggregate. The policy shall cover on-site and off-site third party bodily injury and property damage including expenses for defense, corrective action for storage tank releases and tank clean-up for storage tank releases.

9.2) In addition to the types and amounts of insurance required in Article 9.1 above, Tenant shall at all times maintain such other insurance as the Landlord may, upon not less than sixty (60) days prior notice to Tenant, reasonably determine to be necessary for Tenant's airport activities and that is commercially available and customarily required to be carried by City of Auburn airport tenants engaged in similar activities.

9.3) All insurance shall be in a form and from an insurance company with Best's financial rating of at least an "A". All policies, except worker's compensation policy, shall name the City and its elected or appointed officials, officers, representatives, directors, commissioners, agents and employees as "Additional Insured", and the Tenant shall furnish certificates of insurances evidencing the required coverage cited herein prior to engaging in any commercial aeronautical activities. Such certificates shall provide for thirty (30) day notice of cancellation or material change in any policy limit or conditions.

9.4) The Tenant's insurance coverage shall be primary insurance with respect to Landlord's insurable risk. Any insurance, self-insurance, or insurance pool coverage maintained by Landlord shall be in excess of the Tenant's insurance and shall not contribute with it.

9.5) Indemnification / Hold Harmless.

(a) By Tenant. Tenant shall defend, indemnify, and hold harmless Landlord, its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of Tenant's use of Premises, or from the conduct of Tenant's business, or from any activity, work or thing done, permitted, or suffered by Tenant in or about the Premises, except to the extent such injury or damage results from the negligence or willful misconduct of Landlord.

(b) By Landlord. Landlord shall defend, indemnify and hold harmless Tenant, its owners, officers, employees and contractors from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of Landlord's negligence or willful misconduct, or from any activity, work or thing done, permitted, or suffered by Landlord, its agents, officers employees or contractors in or about the Premises, except to the extent such injury or damage results from the negligence or willful misconduct of Tenant.

(c) Solely for the purpose of effectuating the mutual indemnification obligations under this Lease, and not for the benefit of any third parties (including but not limited to employees of Landlord or Tenant), Landlord and Tenant specifically and expressly waive any immunity under applicable federal, state or local Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts. Furthermore, the indemnification obligations under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts. The parties acknowledge that the foregoing provisions of this Section have been specifically and mutually negotiated between the parties.

ARTICLE 10:
DAMAGE, DESTRUCTION AND REPAIR

10.1) In the event of damage to, or destruction of the Improvements, if: (a) the cost of repairing or reconstructing the Improvements to the condition and form immediately prior to such damage or destruction does not exceed fifty percent (50%) of the then-new replacement cost thereof, (b) the continued use of the Improvements prior to such event is consistent with surrounding Airport properties, and (c) proceeds from insurance carried by Tenant (or which would have been carried by Tenant as required pursuant to Article 9 above), together with required deductibles thereunder, will be sufficient to cover the cost of such reconstruction, then Tenant shall effect such repair and reconstruction of the Improvements so damaged or destroyed to substantially their condition prior to said damage or destruction; provided that Tenant may construct alternative improvements subject to Landlord's consent which shall not be unreasonably withheld, conditioned or delayed. All such work shall be carried out in accordance with plans and specifications prepared by a licensed architect or architects approve by Landlord (acting reasonably) if such an architect is reasonably required given the scope and nature of the work. Landlord shall, promptly upon request for affirmation or confirmation from Tenant, affirm or confirm that the continued use of the Improvements prior to such event is consistent with surrounding Airport properties. If the parties do not agree with respect thereto, then Tenant may defer all construction or restoration activities pending final determination of such matter pursuant to the dispute resolution procedures herein.

10.2) In the event of damage to, or destruction of the Improvements, if: (a) the cost of repairing or reconstructing the Improvements to the condition and form immediately prior to such damage or destruction exceeds fifty percent (50%) of the then-new replacement cost thereof, (b) the continued use of the Improvements prior to such event is not consistent with surrounding Airport properties, or (c) proceeds from insurance carried by Tenant (or which would have been carried by Tenant as required pursuant to Article 9 above), together with required deductibles thereunder, are not sufficient to cover the cost of such reconstruction, then Tenant may elect by written notice to Landlord given within sixty (60) calendar days after the date of the damage to terminate this Lease; provided that this Lease shall not terminate unless and until Tenant has, at its cost and expense, restored the Premises to grade level and removed all debris therefrom, including all improvements above and below ground, as and to the extent required by Landlord by written notice provided no later than sixty (60) calendar days after Tenant's written election to terminate. In no event will the Monthly Base Rent or any other form of rent be abated during such period of reconstruction and/or restoration.

ARTICLE 11:
ASSIGNMENT AND SUBLETTING

11.1) Assignments. Any assignment by Tenant of its Leasehold Estate in this Lease ("Assignment") to an unaffiliated third party ("Assignee") shall be subject to Landlord's prior written approval as provided herein. For purpose of this Lease, the term "Assignment" shall include a transfer of more than 50% interest in the Tenant entity to a non-affiliated third party. Landlord's review and approval of an Assignment may not be unreasonably withheld, conditioned or delayed if Tenant submits the documentation required in Section 11.1.1 demonstrating that the Assignment fully satisfies the conditions set forth in Section 11.1.2 and subject to fees described in Section 11.5.

11.1.1) Assignment Approval Process. In order to request Landlord's consent to an Assignment, Tenant shall submit to Landlord the following items at least thirty (30) days prior to the proposed effective date of such Assignment:

(a) The names of the direct owners, shareholders, members or partners that have day-to-day management responsibility of the proposed Assignee and any other information in Tenant's possession or control regarding the qualifications of the proposed Assignee or its direct owners, shareholders, members or partners;

(b) An explanation of the proposed ownership of and managers to be retained by the proposed Assignee;

(c) A copy of the proposed assignment and assumption agreement which shall provide that the Assignee will be bound by all of the provisions, terms, covenants, and conditions of this Lease.

11.1.2) Conditions for Landlord's Reasonable Approval of Assignment. Landlord shall not withhold, condition, or delay its approval of any proposed Assignment once all of the following conditions are satisfied:

(a) Any Default by Tenant under this Lease will be cured at or prior to the effective date of the Assignment except to the extent the Event of Default is related to a specific covenant, representation or warranty of the transferring entity such that a breach thereof cannot be cured by an Assignee;

(b) The use and occupancy of the Premises by the Assignee will be consistent with Article 4;

(c) All of the documentation required under Section 11.1.1 has been delivered to Landlord;

(d) Assignee's financial statements necessary to demonstrate the financial capacity to perform Tenant's obligations under this Lease; and

(e) Assignee shall assume all of Tenant's obligations under this Lease from and after the date of the Assignment.

If the foregoing conditions are not satisfied Landlord may reasonably withhold, condition or delay its consent to an Assignment. If Landlord does not respond to a request for consent within thirty

(30) days after receiving a notice from Tenant requesting Landlord's consent to an Assignment, Landlord shall be deemed to have given its consent. Any denial of consent must be in writing and must contain an explanation of those conditions that failed to be met and/or other reasonable grounds on which Landlord has denied consent. Upon consummation of an Assignment to which Landlord has consented (or deemed to have consented), the transferring Tenant shall be released from obligations arising under this Lease from and after the date of such Assignment and, upon written request by the transferring Tenant, Landlord will execute and deliver commercially reasonable documentation in recordable form confirming its consent to the Assignment and release of the transferring Tenant as provided above. In the event of a dispute as to Landlord's consent to any Assignment request or release of the assigning Tenant under this Section 11.1.2, such matter will be submitted to Dispute Resolution pursuant to Section 30.7 below.

11.1.3) No Waiver & Assignment Fee. Consent of the Landlord to any Assignment shall not operate as a waiver of the necessity for consent to any subsequent Assignment. In connection with each request for Landlord's consent to an Assignment, regardless of whether such Assignment is approved, Tenant shall pay to the Landlord, at the time of Assignment request, the Assignment of Lease fee noted in the most current City of Auburn Master Fee Schedule.

11.2) Subletting. Tenant shall have the right to sublease all or any portions of the Premises (such subleased portion, the "Subleased Space") to Subtenant(s) provided that:

(a) use by the Subtenant of the Subleased Space must be solely for aeronautical purposes per FAA policy 81 FR 38906, and for use, storage, maintenance and repair of active aircraft and aircraft related equipment by the owners thereof;

(b) aircraft cannot be fueled inside the Subleased Space;

(c) no overnight sleeping be allowed in the Subleased Space unless it is limited to short-term flight crew quarters for temporary use;

(d) all sublease agreements shall be subordinate to and shall have a financially redacted copy of this Lease attached as reference;

(e) each Subtenant shall be subject to obtaining insurance pursuant to Article 9 above if as and to the extent applicable to such Subtenant or the Subleased Space;

(f) Subtenants and their guests, customers, employees, agents and other related parties shall not conduct business or operations in violation of any ordinance, law, statute, order, or rule of any governmental agency having jurisdiction over the Airport and shall abide by the most current copies of Airport Minimum Operating Standards and the Airport Rules and Regulations, copies of which can be found at auburnmunicipalairport.com/documents-and-forms; and,

(g) a copy of the mutually executed sublease shall be delivered to Landlord as soon as reasonably possible.

11.2.1) Sublease Approval. Prior to subletting Subleased Space to a Subtenant, Tenant shall first obtain Landlord's approval of the Subtenant and the Sublease terms ("Sublease Approval"), which Landlord shall not unreasonably withhold. To obtain Landlord's approval, Tenant shall supply to Landlord;

(i) the name of the proposed Subtenant, including any Articles of Incorporation as there may exist, the names of the owner(s), executive, and/or governing individuals;

(ii) the proposed use of the Subleased Space;

(iii) a copy of the proposed sublease terms; and

If Landlord does not provide Tenant a notice disapproving of the Subtenant and Sublease terms ("Sublease Disapproval Notice") within five (5) business days from when requesting Sublease Approval then the Sublease Approval be deemed given.

11.3) Assignment and Subletting Distinguished from Leasehold Mortgages. The granting of a Leasehold Mortgage pursuant to Section 23.2 below shall not be deemed to constitute an Assignment of this Lease or of the Leasehold Estate, nor shall any Leasehold Mortgagee, as such, be deemed to be an Assignee of this Lease or of the Leasehold Estate so as to require such Leasehold Mortgagee, as such, to assume the performance of any obligations of Tenant under this Lease. The sale, assignment or transfer of this Lease and of the Leasehold Estate in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignment or transfer of this Lease and of the Leasehold Estate hereby created in lieu of the foreclosure of any Leasehold Mortgage, shall not be deemed to be an Assignment. Leasehold Mortgages shall be subject to the terms of Section 23.2 below.

11.4) Assignment After Foreclosure. Any subsequent sale or assignment by any Person (other than the Leasehold Mortgagee) acquiring the Leasehold Estate pursuant to foreclosure of a Leasehold Mortgage or an assignment in lieu of foreclosure shall be deemed to be an Assignment subject to the terms of this Section 11. Upon such Assignment, the Leasehold Mortgagee or any Person acquiring the Leasehold Estate pursuant to foreclosure of a Leasehold Mortgage or an assignment in lieu of foreclosure shall thereafter be relieved of all obligations under this Lease, provided its Assignee agrees in writing to be bound by all of the provisions of this Lease.

ARTICLE 12:
OFF STREET PARKING

Tenant, or any of Tenant's guests, subtenants, customers, employees, agents or other parties under Tenant's control shall not use any public streets, rights of way, taxi-lanes, driveways or other properties not included in this Lease for the parking of vehicles. Vehicles must be parked in the designated vehicle parking stalls, if any, or placed within the hangar when its aircraft is removed.

ARTICLE 13:

ADVERTISING AND SIGNS

13.1) Except as set forth in Section 13.2 below, no signs or other advertising matter, symbols, canopies or awnings shall be installed, attached to or painted on the Premises without the prior written approval of the Landlord, which shall not be unreasonably withheld.

13.2) City grants to Tenant and each of the Tenant's Subtenants operating as an FBO or MRO in the Premises or Subleased Space the ability to place a sign, advertising the FBO or MRO so long as the following requirements are met:

(i) signage meets all City of Auburn sign code requirements;

(ii) the FBO obtains written approval from the Airport Manager, relating to the size, color, type, style and placement of the sign, which the Airport Manager has complete and sole discretion of approval for; and

(iii) the signage does not pierce the imaginary surfaces established in 14 C.F.R. Part 77.19. All signage, signage installation, signage maintenance and any related permitting shall be the sole and absolute cost of the Tenant or Subtenant.

ARTICLE 14:
LAWS, REGULATIONS AND STANDARDS

The Tenant agrees, at its sole cost and expense, to conform to, comply with and abide by all lawful rules, codes, ordinances, requirements, orders, directions, laws, regulations and standards of the United States, the State of Washington, and City of Auburn or agency of any of said entities, including rules and regulations of Landlord, including without limitation those relating to environmental matters, now in existence or hereafter promulgated, applicable to the Tenant's use and operation of said Premises, including the construction of any Improvements thereon, and not to permit said Premises to be used in violation of any of said rules, codes, laws or regulations. Tenant 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 Tenant to comply with the covenants of this section.

ARTICLE 15:
ENVIRONMENTAL PROVISIONS

15.1) Tenant covenants to defend, indemnify, and hold Landlord harmless from any imposition or attempted imposition by any person upon Landlord of any obligation or cost of whatever form, including, without limitation, damages, claims, governmental investigations, proceedings or requirements, attorney fees in investigation, at trial or administrative proceeding, or on appeal, witness or consultant costs, or any other liability (collectively "Liabilities"), to the extent that such Liabilities arise from a violation, or from the failure to satisfy a requirement, of any environmental or land use law or regulation and proximately resulting from the acts or omissions of Tenant, its

subtenants, agents, employees, contractors and invitees during the use of the Premises during the term of this Lease, and without regard to when the Liabilities is asserted. The above provisions shall not apply to the extent of any hazardous substances or other environmental conditions existing on the Land at the Commencement Date of this Lease, or migrating onto or being released on the Land by any person other than Tenant, its subtenants, agents, employees, contractors or invitees.

15.2) Tenant shall not cause or allow, and shall not cause, allow or permit any of its subtenants, agents, employees, contractors or invitees to cause or allow the Premises to be contaminated with any hazardous or toxic substances in violation of any applicable Airport rules or policies, laws, or governmental regulations or restrictions.

15.3) Tenant shall notify Landlord within twenty-four (24) hours of any release of a reportable quantity of any hazardous substance defined by 42 U.S.C. §9601(14) and/or RCW 70A.305.020(13), or of the receipt by Tenant of any notices, orders or communications of any kind from any governmental entity which relate to the existence of or potential for environmental pollution of any kind existing on or resulting from the use of the Premises or any activity conducted thereon. If Tenant fails to comply with any of the requirements of this section, Landlord may undertake, without cost or expense to City, any actions necessary to protect Landlord's interest including steps to comply with such laws.

15.4) Tenant shall adhere to and be on compliance with the Auburn Municipal Airport's Industrial Stormwater Permit: WAR-000399 as it may be amended or updated from time to time, and hereby attached by reference. Landlord will supply a copy of the most recent permit within 5 business days of receiving written request by the Tenant.

ARTICLE 16:
MAINTENANCE

Upon Commencement of Construction, Tenant covenants to maintain the utilities, pavement, pavement markings, hangars, fuel facilities and all other Improvements located on or about the Premises, including site approved vegetation, in a clean, neat, sightly, safe and sanitary condition (other than damage resulting from casualty which shall be covered by Article 10 above). Tenant shall, at its sole cost and expense, provide all necessary repairs and maintenance in a timely manner. Tenant agrees not to allow conditions of waste and refuse to exist on the Premises. Tenant shall conform to and comply with all valid ordinances, regulations or laws affecting the Premises, the Improvements or the use thereof. Without limiting Landlord's rights and remedies pursuant to Article 22 below, if Tenant refuses or neglects to commence or complete any maintenance or repairs within 30 calendar days of written notice to cure by the Landlord, Landlord may elect, but will not be obligated to commence or complete the maintenance or repairs. If Landlord commences or completes such maintenance and repairs Tenant shall promptly reimburse Landlord all direct and indirect costs thereof, including labor, materials and equipment, plus an additional ten percent (10%) assessment of the total maintenance and/or repair cost for administrative and management purposes. Landlord will have no obligation whatsoever to keep, maintain, alter, remodel, improve, repair, decorate or paint the Improvements or any other improvements hereafter situated upon the

Premises. With the exception of any, perimeter security fence, security gate, security cameras, water lines from the main to the Tenant's water meter, sewer lines located outside of the building footprint, and/or storm facilities, which facilities may be replaced, constructed and/or relocated by Tenant at Tenant's cost as part of the Improvements but maintained by and at the expense of the Landlord following completion of the same, it is the intention of the Parties that Tenant and not Landlord has the full responsibility and obligation for the repair and maintenance of the Improvements and other improvements hereafter situated upon, within, above or below the Premises and Tenant waives, to the full extent allowed by law, any right or remedy against Landlord based upon the condition of the Improvements or any improvements hereafter situated upon the Premises or any failure by Landlord or Tenant to repair or maintain the Improvements or any such improvements. To the extent that any portion of the Airport's perimeter security fencing and any perimeter security gates are replaced, constructed and/or relocated as part of the Tenants construction of its Improvements, the gate and fence shall be built in conformity with the existing gate and fencing system

ARTICLE 17:
ALTERATIONS AND ADDITIONS

17.1) Alterations and additions generally. Following Completion of the Initial Improvements, Tenant shall not make; a) any additional Improvements, b) any material structural alterations to existing Improvements ("Alterations"), or, c) additions to existing Improvements ("Additions") on or about the Premises that require a permit or other governmental approval without first obtaining;

(i) the Airport Manager's written approval of the proposed Improvements, Alterations and/or Additions which approval shall not be unreasonably withheld, conditioned or delayed; and

(ii) all required permits associated with the proposed Improvements, Alterations and/or Additions, the cost of which shall be the sole responsibility of the Tenant.

Any Improvements, Alterations and/or Additions required to be made to the Premises by any applicable building, health, safety, fire, nondiscrimination, or similar law or regulation ("law") shall be made at Tenant's sole expense and shall be subject to the prior written consent of Landlord, which shall not be unreasonably withheld. Landlord's approval of the plans, specifications and working drawings for Tenant's Improvements, Alterations and/or Additions shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. To the extent Landlord incurs any costs in its examination and approval of the architectural and mechanical plans and specifications, which costs have not been previously reimbursed by Tenant to Landlord through the City of Auburn's permitting process, Tenant shall reimburse Landlord for any such additional sums expended for examination and approval of such plans and specifications.

17.2) Removal of Alterations or Additions. Landlord may require that the Tenant remove any Alterations or Additions at the expiration or earlier termination of this Lease. Once so notified by Landlord, Tenant shall have up to six (6) months to complete the removal. Any Alterations or Additions remaining on the Premises after this six (6) month period (other than trade fixtures and

movable equipment) shall become the property of Landlord and remain upon and be surrendered with the Premises.

ARTICLE 18:
COVENANT OF QUIET ENJOYMENT

Landlord agrees that if Tenant timely pays the rent and performs the terms and provisions hereunder, Tenant shall hold and enjoy the Premises during the Term, free of lawful claims by any party acting by or through Landlord, subject to all other terms and provisions of this Lease.

ARTICLE 19:
UTILITIES

19.1) Tenant is responsible for establishing and maintaining direct accounts for all public or private providers of utilities used in or charged against the Premises as appropriate and to hold the Landlord harmless from any such charges. Such utilities shall include but not be limited to: power, water, sewer, storm, telecommunication, and internet. Landlord and the Airport shall cooperate in the granting of easements and rights-of-way in, through, above, and/or under property owned and controlled by Landlord at the Airport and reasonably necessary for the provision of utilities to the Premises without additional compensation payable by Tenant, provided that if any utility lines, including but not limited to non-city utilities and service lines, need to be relocated, the responsibility to relocate them shall be borne solely by the Tenant. The granting of any and all easements shall be subject to the approval of the Auburn City Council unless Council has otherwise previously authorized the granting of easements related to the Improvements by Resolution.

19.2) Except to the extent caused by the gross negligence or intentional misconduct of Landlord or its agents, employees or contractors, failure by Landlord in any extent to furnish or cause to be furnished the utilities or services described in this Lease, or any cessation or interruption thereof, resulting from any cause, including without limitation, mechanical breakdown, overhaul or repair of equipment, strikes, riots, acts of God, shortages of labor or material, compliance by Landlord with any voluntary or similar governmental or business guidelines, governmental laws, regulations or restrictions, or any other similar causes, shall not render the Landlord liable in any respect for damages to either person or property, for any economic loss or other consequential damages incurred by Tenant as a result thereof, be construed as an eviction of Tenant, result in an abatement of rent, or relieve Tenant from its obligation to perform or observe any covenant or agreement contained in this Lease.

ARTICLE 20:
LIENS AND INSOLVENCY

Except as otherwise expressly provided in this Lease, Tenant, by bond or otherwise shall keep the Premises free from any liens arising from Tenant's use, construction or other activities on the Premises. Tenant's insolvency is subject to Article 22 below.

ARTICLE 21:
COSTS AND ATTORNEYS' FEES

If by reason of default on the part of either party to this Agreement it becomes necessary to employ an attorney to recover any payments due hereunder or to enforce any provision of this Lease, the prevailing party, whether such party be the successful claimant or the party who successfully defended against the claim of the other party, shall be entitled to recover a reasonable attorney's fee and to be reimbursed for such costs and expenses as may have been incurred by such prevailing party.

ARTICLE 22:
DEFAULT & REMEDIES

22.1) Events of Default. Tenant will be in default ("Default") under this Lease if;

(a) any Rent or other amount payable by Tenant to Landlord under this Lease remains unpaid for more than ten (10) days after the date it is due;

(b) Tenant files a voluntary petition in bankruptcy or makes a general assignment to the benefit of, or a general arrangement with, creditors;

(c) there is an involuntary bankruptcy filed against Tenant that has not been dismissed within sixty (60) of filing;

(d) Tenant is adjudicated insolvent, or admits, in writing, its inability to pay its obligations in the ordinary course as they come due;

(e) a receiver, trustee, or liquidating officer is appointed for Tenant's business; or

(f) Tenant violates or breaches any of the other covenants, agreements, stipulations or conditions described in the Agreement.

22.2) Cure of Default. Upon an Event of Default in 22.1, Landlord shall send Tenant written notice of the violation. Upon receipt of such notice, Tenant shall have thirty (30) days to cure the violation. Any violation that continues beyond this 30 day period shall be grounds for Landlord's termination of this lease. Tenant shall have no ability to cure a 3rd (or subsequent) distinct Event of Default occurring within a 12 month period.

22.3) Termination after Default. Landlord shall not elect to terminate the Lease as a result of any Default described above without first providing Tenant with written notice of Landlord's intent to terminate the Lease ("Termination Notice"); provided that any such termination shall be subject to Landlord compliance with the provisions of Section 23.2 setting forth the cure and other rights of Leasehold Mortgagees. Subject to the preceding sentence and the provisions of Section 23.2,

Landlord shall have the rights and remedies provided in this Section 22, in addition to any other right or remedy available by law or equity (all notice and cure periods set forth above are in lieu of and not in addition to any notice required pursuant to applicable unlawful detainer/eviction statutes).

22.4) Upon Termination of this Lease, Landlord may reenter the Premises in the manner then provided by law, and remove or put out Tenant or any other persons or subtenants found therein. No such reentry shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant.

22.5) Upon termination of the Lease as a result of Tenant's Default, the Landlord may elect to re-let the Premises or any part thereof upon such terms and conditions, including rent, term and remodeling or renovation, as Landlord in its sole discretion may deem necessary. Landlord shall also have the right to cause any of Tenant's Subtenants to direct all future sublease rent payments directly to Landlord until such time as Tenants default has been cured. To the fullest extent permitted by law, the proceeds of any reletting or payments made directly to Landlord by any of Tenant's Subtenants shall be applied: first, to pay Landlord all costs and expenses of such reletting (including without limitation, costs and expenses incurred in retaking or repossessing the Premises, removing persons or property therefrom, securing new Tenants, and, if Landlord maintains and operates the Premises, the costs thereof); second, to pay any indebtedness of Tenant to Landlord other than rent; third, to the rent due and unpaid hereunder; and fourth, the remainder, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue.

22.6) If Landlord terminates this Lease as provided in this Article, Landlord shall have the right to reenter the Premises and remove all persons, and to take possession of and remove all equipment and trade fixtures of Tenant in the Premises, in the manner then provided by law. Tenant waives all claims associated with Landlord's exercising this right, and shall hold Landlord harmless therefrom. No such reentry shall be considered a forcible entry. If Landlord elects to terminate the Lease, Landlord may also recover from Tenant:

(I) Any earned but unpaid rent under this Lease owing to Landlord at the time of termination;

(II) The amount of rent Landlord would receive under this Lease for a period of 24 months following the date of Termination inclusive of any Impositions described in Article 5.2 and rent adjustments in Article 6 above (the parties specifically negotiate and agree that this provision is intended as a liquidated damages clause, and not as a penalty).

(III) Any other amount necessary to compensate the Landlord for any damages caused by the Tenant's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom (to include any legal fees and costs associated with a real property records search pursuant to Article 23.2(f) of this Lease); provided that damages

associated with loss of rent payable hereunder shall be limited to amounts measured in 22.6(II) above; and

(IV) At Landlord's election, such other amounts in addition to or in lieu of the foregoing that may be permitted from time to time by applicable law; provided that damages associated with loss of rent payable hereunder shall be limited to amounts measured in 22.6(II) above.

22.5) Subleases of Tenant. If Landlord elects to terminate this Lease on account of any Default by Tenant, as set forth in this Article 22 (and subject to Section 23.2), Landlord will have the right to terminate any and all Subleases, consensual agreements, or arrangements for possession entered into by Tenant and affecting the Premises. Or, Landlord may in its sole discretion, elect to succeed to Tenant's interest in such subleases, agreements, or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such Subleases, agreements, or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

22.6) Indemnification. Nothing in this Section 22 shall be deemed to affect Landlord's right to indemnification for liability or liabilities arising prior to termination of this Lease for personal injury or property damage under the indemnification provisions or other provisions of this Lease.

22.7) Time is of the essence for this agreement.

ARTICLE 23:
PRIORITY

23.1) Fee Mortgages. Landlord represents that there are no mortgages or other monetary liens on title to the Premises as of the date of this Lease. Landlord may enter into a mortgage encumbering its fee interest in the land ("Fee Mortgage") and this Lease shall be assignable by Landlord for security purposes without the consent of Tenant, to the holder of a Fee Mortgage (together with its successors and assigns, "Fee Lender") but only if (a) such Fee Mortgage is expressly subordinate to this Lease, or (b) the Fee Lender enters into a subordination, nondisturbance and attornment agreement in recordable form with Tenant on terms and conditions acceptable to Tenant under which (i) Tenant agrees to attorn to the Fee Lender, (ii) the Fee Lender agrees to recognize and be bound by this Lease and agrees that Tenant's use and possession of the Premises and all of its rights under this Lease shall not be disturbed by Fee Lender or any Person who takes a deed in lieu of judicial or nonjudicial foreclosure of any such Fee Mortgage or by the purchaser at any judicial or nonjudicial foreclosure sale conducted under any such Fee Mortgage ("Fee Lender's Successor") unless and until this Lease or Tenant's rights to possession of the Premises shall have been lawfully terminated in accordance with the provisions of this Lease, and (iii) the Fee Lender agrees to provide Tenant with a copy of any notice of default given to Landlord under the Fee Mortgage and a right (but not an obligation) to cure such default and to credit such costs to Rent

due under this Lease. Notwithstanding the foregoing, any Fee Lender's Successor who becomes the lessor under this Lease shall succeed to all rights of Landlord during a Default by Tenant under this Lease in accordance with the terms of this Lease; provided, however, that each Recognition Agreement executed by Landlord under Section 23.2 below above shall be binding upon the Fee Lender and Fee Lender's Successor. Tenant agrees that in conjunction with any Fee Mortgage, Tenant shall execute, within twenty (20) Business Days after written request by Landlord, such commercially reasonable acknowledgements and other documents regarding this Lease as the Fee Lender may reasonably request, provided they comply with the requirements of this Lease and do not enlarge the rights of the Fee Lender or Fee Lender's Successor or diminish any rights of Tenant under this Lease, and Landlord reimburses Tenant, upon Tenant's execution of such documents, for reasonable out-of-pocket costs incurred by Tenant to review or negotiate such documents.

23.2) Leasehold Financing.

(a) Assignments to Leasehold Mortgagee. Tenant may, without Landlord's written consent, assign, transfer and/or hypothecate Tenant's Leasehold Estate to lenders providing construction, interim or long-term financing to Tenant (each such lender, a "Leasehold Mortgagee") as security for any such indebtedness, including a hypothecation by a leasehold mortgage ("Leasehold Mortgage") secured by Tenant's Leasehold Estate in the Land and any Improvements located thereon ("**Leasehold Financing**"). Leasehold Financing may also include an assignment of Tenant's rights under the Subleases, rights to proceeds from insurance or condemnation as well as other collateral. Landlord consents to such Leasehold Financing, provided that Landlord's fee interest in the land portion of the Premises (or the reversionary interest of Landlord in the Improvements) shall not be subjected to such Leasehold Financing or subordinated to it. Notwithstanding any other restrictions upon assignments in this Lease to the contrary, any Leasehold Financing, any judicial or non-judicial foreclosure of a Leasehold Mortgage or exercise of other rights and remedies in connection with any Leasehold Financing, any assignment of this Lease in lieu of such judicial or non-judicial foreclosure, and any assignment of this Lease by a Leasehold Mortgagee or its affiliate following any such foreclosure or assignment in lieu thereof shall be permitted without the consent of Landlord.

(b) Notice to Landlord of Leasehold Mortgagee's Identity and Address. Prior to encumbering its Leasehold Estate with a Leasehold Mortgage, Tenant shall provide Landlord with the name and address of the Leasehold Mortgagee and a description of the Leasehold Estate and Improvements to be encumbered by the Leasehold Mortgage. Tenant will supply to Landlord copies of the recorded form of Leasehold Mortgage and any and all amendments or modifications thereto within twenty (20) Business Days following the recording of the Leasehold Mortgage.

(c) Assignment of Subleases and Income. Landlord acknowledges that the Leasehold Mortgagee will have the first right to receive any rents, insurance proceeds and condemnation awards payable to Tenant under the Subleases during the term of such Leasehold Financing.

(d) No Merger. So long as any Leasehold Mortgage is in existence, unless the Leasehold Mortgagee shall otherwise expressly consent in writing, or unless this Lease has expired, has been terminated in accordance with its terms as a result of a Default by Tenant, or has

otherwise terminated earlier in accordance with its terms, the fee title to the Premises and the Leasehold Estate of Tenant therein created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and/or said Leasehold Estate by Landlord or by Tenant, or by a third party, by purchase or otherwise.

(e) Modifications to Lease; Acknowledgement by Landlord. If any prospective Leasehold Mortgagee shall require any modification to this Lease as a condition to such Leasehold Mortgage, Landlord shall not unreasonably withhold, condition or delay its approval of such modification and Landlord shall execute such acknowledgements or other agreements reasonably requested by the Leasehold Mortgagee regarding the rights accorded the Leasehold Mortgagee so long as such modification does not adversely affect any economic terms of this Lease or adversely affect the rights, powers, privileges, obligations or liabilities of Landlord, and provided that Tenant reimburses Landlord, upon Landlord's execution of such documents, for reasonable out-of-pocket costs incurred by Landlord to review or negotiate such documents.

(f) Priority of Leasehold Mortgages. If more than one Leasehold Mortgagee seeks to exercise a right to cure an Event of Default, obtain a new lease pursuant to Section 23.2(h)(vii), or otherwise exercise any rights provided to Leasehold Mortgagees under this Lease, then Landlord shall be entitled to recognize and deal at any one time exclusively with the Leasehold Mortgagee whose lien against Tenant's interest in this Lease that the Landlord, in its good-faith determination, believes to be most senior. If a dispute arises as to the relative priority of the liens of any Leasehold Mortgages, in the absence of any agreement among the pertinent Leasehold Mortgagees establishing a different priority, Landlord shall be entitled to rely conclusively upon a search of the real property records of King County by a nationally recognized title company selected by Landlord, and Landlord shall have no liability with respect to any action taken in good faith in reliance thereon.

(g) Leasehold Mortgagee Protections. Landlord acknowledges and agrees that in the event any period should exist between the termination of this Lease and the granting of a new lease to a Leasehold Mortgagee as provided in Section 23.2 (h)(vii) below, and if and to the extent Landlord receives any income that is directly attributable to the use of the portion of the Premises previously encumbered by the Leasehold Mortgage, it shall permit the Leasehold Mortgagee to credit such income against the Rent that otherwise would have been due under this Lease or such new lease during such period.

(h) Rights of Leasehold Mortgagee; Notice.

(i) Modifications. Tenant agrees that whenever the Tenant's Leasehold Estate hereunder is encumbered by a Leasehold Mortgage in favor of a Leasehold Mortgagee, Landlord will not modify or amend this Lease in any material manner, or agree with Tenant to or accept any cancellation, rescission or surrender of this Lease without the prior written consent of the Leasehold Mortgagee, but the Landlord shall have its rights and remedies under this Lease in the event of a Default subject to the provisions set forth below (in addition to compliance with the obligations in Section 22 above).

(ii) Notice of Default; Opportunity to Cure. If a Leasehold Mortgage is in effect, Landlord shall, but is under no obligation, send a copy of any notice of a breach or notice that is a prerequisite to declaring an Event of Default given to Tenant to each Leasehold Mortgagee identifying the claimed breach or the event that would be an Event of Default. Leasehold Mortgagee shall have the right, but not the obligation, to perform any obligation of Tenant under this Lease within the cure period granted to Tenant and Landlord shall accept performance or payment by a Leasehold Mortgagee with the same force and effect as though performed or paid by Tenant.

(iii) Opportunity to Prevent Termination. If Landlord delivers a Termination Notice to Tenant pursuant to Section 22 above and Tenant fails to cure such Default , then any termination of this Lease by Landlord shall not be effective as to Tenant unless and until Landlord provides written notice to Leasehold Mortgagee of Landlord's election to terminate this Lease ("Termination Notice to Leasehold Mortgagee"). If Landlord provides a Termination Notice to Leasehold Mortgagee, any Leasehold Mortgagee shall have the right to require Landlord to forbear from terminating this Lease and Landlord shall so forbear if and for so long as:

(A) within thirty (30) days after receiving the a copy of Termination Notice sent to Tenant, the Leasehold Mortgagee notifies Landlord that it is exercising its rights under this Section and with such notice tenders payment of all Rent and other monetary amounts that are then due and payable under this Lease;

(B) from and after the date of the Leasehold Mortgagee receives a copy of the Tenant notice and payment described in clause (A) above, the Leasehold Mortgagee or any party designated by Leasehold Mortgagee, the purchaser at foreclosure, or the recipient of a deed in lieu of foreclosure continues to pay when due all Rent and other monetary amounts due and payable under this Lease; and

(C) the Leasehold Mortgagee or any party designated by Leasehold Mortgagee, the purchaser at foreclosure, or the recipient of a deed in lieu of foreclosure shall use due diligence to cure any non-monetary Default.

For purposes of this Section 23(h), whether a breach is capable of being cured by a Leasehold Mortgagee or any party designated by a Leasehold Mortgagee, the purchaser at foreclosure, or the recipient of a deed in lieu of foreclosure shall be objectively and reasonably determined based on all facts but shall not include any breach arising out of any misrepresentation by Tenant, any lien or encumbrance that is junior to the Leasehold Mortgage, or any bankruptcy or insolvency proceedings for reorganization or for the appointment of a receiver or trustee of all or substantially all of Tenant's assets, or an assignment by Tenant for the benefit of its creditors, or any execution or attachment issued against Tenant or Tenant's property, provided that said Leasehold Mortgagee continues to timely perform or cause to be performed all the covenants and conditions of this Lease requiring the payment or expenditure of money by Tenant. Neither Leasehold Mortgagee nor any party designated by Leasehold Mortgagee, the purchaser at foreclosure, or the recipient of a deed in lieu of foreclosure shall be obligated to provide a guaranty.

(iv) Performance. Landlord shall accept full and complete performance by or at instigation of the Leasehold Mortgagee as if the same had been done by Tenant, provided such Leasehold Mortgagee complies with the provisions of this Section 23.2(h). Upon full compliance with the provisions of this Section 23.2(h) and acquisition of Tenant's Leasehold Estate by such Leasehold Mortgagee, its designee or other purchaser at foreclosure sale or otherwise, this Lease shall continue in full force and effect as if Tenant had not breached under this Lease.

(v) Leasehold Mortgage Not an Assignment. For purposes of this Lease, neither the creation nor establishment of any Leasehold Mortgage nor the exercise of any remedies under the Leasehold Mortgage (including a sale at foreclosure or under a deed in lieu of foreclosure) shall be deemed to constitute an Assignment, sale, transfer, or conveyance of Tenant's Leasehold Estate, the Improvements, any other improvements, or any portion thereof, nor shall any Leasehold Mortgagee be deemed to be an assignee or transferee of this Lease or of the Tenant's Leasehold Estate so as to require any Leasehold Mortgagee to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder; provided, however, the purchaser at any sale of Tenant's interests under this Lease and of the Tenant's Leasehold Estate hereby created in any proceedings for the trustee's sale or foreclosure of any Leasehold Mortgage, or the assignee or transferee of this Lease and of the Leasehold Estate hereby created under any instrument or assignment or transfer in lieu of such trustee's sale or foreclosure, shall thereafter be deemed to be the Tenant and shall be deemed to have agreed to perform all of the terms, covenants, and conditions on the part of the Tenant to be performed hereunder accruing from and after the date of such purchase and assignment. Notwithstanding the foregoing, in no event shall any Leasehold Mortgagee be (A) liable for the initial construction of the Improvements; (B) liable for any condition of the Premises or the Improvements which existed prior to the date of its acquisition of the Tenant's interest in the Leasehold Estate and the Improvements, or for any damage caused by such preexisting condition, or for the correction thereof or the compliance with any law related thereto; (C) liable for any act or omission of any prior Tenant (including Tenant), including any failure to pay Rent hereunder, unless notice thereof was given to such Leasehold Mortgagee in accordance with this Section 23.2; or (iv) bound by any agreement or modification of this Lease made without the prior written consent of the Leasehold Mortgagee as provided elsewhere herein.

(vi) No Conflict. In the event of a breach or default under a Leasehold Mortgage, the Leasehold Mortgagee may exercise any right, power or remedy under the Leasehold Mortgage which is not in conflict with the provisions of this Lease.

(vii) Assumption of Lease Term by Mortgagee or purchaser. If this Lease is terminated for any reason, including rejection of this Lease in a bankruptcy proceeding, Landlord agrees that the Leasehold Mortgagee, or a purchaser at foreclosure, or the recipient of a deed in lieu of foreclosure may assume the then remainder of the Term of this Lease, at the Rent and upon the other terms, covenants, conditions and agreements contained in this Lease, provided such party delivers a written request to Landlord for such lease assumption within sixty (60) days after the Leasehold Mortgagee receives written notice of the termination and, within such period, Leasehold Mortgagee or its nominee or designee cures all monetary breaches and defaults under this Lease.

ARTICLE 24:
RETENTION OF AIRSPACE AND OTHER RIGHTS BY LANDLORD

24.1) Landlord retains the public and private right of flight for the passage of aircraft in the airspace above the Premises surface, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or as hereinafter used, for navigation of or flight in said airspace and for use of said airspace for taking off from, landing on or operating at Auburn Municipal Airport.

24.2) Landlord reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance; provided that the same does not materially and adversely impact the ability of Tenant to use the Premises for the permitted uses pursuant to this Lease.

24.3) Landlord shall maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport.

24.4) This Lease shall be subordinate to the provisions and requirements of any existing or future agreement or order between the Airport and the United States, relative to the development, operation, and maintenance of the Airport.

24.5) Tenant agrees to comply with the notification and review requirements covered in 14 C.F.R. Part 77 in the event any construction is planned for the Premises, or in the event of any planned modification or alteration of any present or future Improvements or structure situated on the Premises.

24.6) Tenant agrees that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Premises to exceed the restrictions of ACC 18.38, as now enacted or hereafter amended In the event the aforesaid covenants are breached, Landlord shall give written notice to the Tenant specifying the breach. If Tenant does not take action to correct the breach within ten (10) days of receipt of said notice, the Landlord reserves the right to enter upon the Premises hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Tenant. Tenant shall also pay to Landlord an additional ten percent (10%) above any costs to cure for administration, management and processing fees.

24.7) Tenant, by accepting this Lease, agrees that it will not make use of the Premises in any manner which unreasonably interferes with aircraft or Airport operations, or otherwise constitute a hazard. If this section is breached, Airport reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Tenant. Tenant shall also pay to Landlord an additional ten percent (10%) above any costs to cure for administration, management and processing fees.

24.8) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. Subtitle VII.

24.9) This Lease and all the provisions hereof shall be subject to whatever right of the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation, and taking over of the Auburn Airport by the United States during the time of the war or national emergency.

24.10) Landlord reserves the right to: (i) take any reasonable or legally required action necessary to protect the aerial approaches of the Auburn Airport against obstructions; and (ii) prevent Tenant from erecting or permitting to be erected any building or other structure on the Premises (other than the Improvement contemplated by this Lease and Exhibit B) which, in the opinion of Airport or the Federal Aviation Administration, would limit the usefulness of the Auburn Airport or constitute a hazard to aircraft.

24.11) Tenant, as well as Tenant's Assignees and Subtenants, and the agents, employees and customers thereof, shall have the rights of access to and use of all areas and public facilities of the Auburn Airport which are intended for the common use of all tenants, guests and occupants of the Auburn Airport, including but not limited to the take-off and landing areas, taxi areas, reasonable access thereto from the Premises, and air control facilities.

ARTICLE 25:
FEDERAL AVIATION ADMINISTRATION REQUIREMENTS

25.1) Tenant agrees:

(I) to prevent any activity at the Premises which would produce electromagnetic radiations of a nature which would cause interference with any existing or future navigational aid or communication aid serving Auburn Municipal Airport, or which would create any interfering or confusing light or in any way restrict visibility at the Airport; and

(II) to prevent any use of the Premises, which would interfere with landing or taking off of aircraft at Auburn Municipal Airport, or otherwise, constitute an aviation hazard.

25.2) Landlord reserves the right during the term of this Lease or any renewal and/or extension thereof to install air navigational aids including lighting, in, on, over, under, and across the Premises in the exercise of any of the rights hereof. Landlord agrees to give Tenant no less than ninety (90) days' written notice of its intention to install such air navigational aids.

Notwithstanding the foregoing, and while remaining subordinate to its federal obligations of a public-use airport, Landlord shall make commercially reasonable efforts to ensure air navigational aids do not interfere with the Tenant's use of the Improvements or Quiet Enjoyment of the Premises.

ARTICLE 26:
SECURITY

Landlord shall have no obligation to provide security to the Premises. If reasonably required by Landlord, Tenant shall provide adequate lighting to provide for all-night illumination of the Taxilane apron of all buildings on the Premises, including aprons, aircraft tiedown areas, vehicular parking lots, and pedestrian walkways surrounding the Premises. Subject to Section 9.5 of this lease, Tenant may, but need not, employ security persons. If at any time during the term of this Lease, additional security requirements are imposed on the Airport by the FAA or any other agency having jurisdiction over Airport, and such additional security requirements apply to the Premises (as well as all other properties of Landlord within this Airport), Tenant agrees to comply with said security requirements to the extent the same are required for the Premises, at Tenant's sole expense, upon being notified of such requirements in writing by the Landlord. If the Landlord is fined by FAA for a security violation caused by negligence of Tenant, or any of Tenant's Subtenants, Tenant shall immediately reimburse Landlord upon demand plus pay an additional ten percent (10%) for administration, management and processing fees.

ARTICLE 27:
INSPECTION, ACCESS AND NOTICE

Notwithstanding the provisions of Landlord's Continued Use described in Exhibit C, Landlord and any of its employees, agents, officials or representatives shall at any time upon fourteen (14) days advance, written notice to Tenant, have the right to go upon and inspect the Premises and Improvements, erected or constructed, or in the course of being erected or constructed, repaired, added to, rebuilt or restored thereon. Landlord shall further have the ongoing right, provided fourteen (14) days written notice to inspect the Premises and any Suites for aeronautical and uses compliances described in Articles 3.1 and 11.2 above along with any other inspections that may be required by law or code. However, in the event the Landlord determines, in its sole and absolute discretion, that an emergency situation exists on or adjacent to the Premises, no advance notice to Tenant is required and Landlord may immediately enter upon and inspect the Premises. Landlord shall also have the right to serve or to post and to keep posted on the Premises, or on any part thereof, any notice permitted by law or by this Lease, any other notice or notices that may at any time be required or permitted by law or by this Lease. Airport shall not be liable in any manner for any inconvenience, disturbance, loss of business, or other damages arising out of Landlord's entry on the Premises as provided in this Article except for such damage that is caused directly by, or through the gross negligence of, Landlord, their employees, agents, officials or representatives.

ARTICLE 28:
NON-DISCRIMINATION

28.1) Tenant for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Premises described in this Lease for a purpose for which a Department of

Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 C.F.R. Part 21 (as now enacted or hereafter amended).

28.2) Tenant for itself, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that: 1) no person on the grounds of race, religion color, sex, or national origin or any other protected class, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to, discrimination in the use of said facilities, 2) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, religion, color, sex, or national origin or any other protected class shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, and 3) that the Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 C.F.R. Part 21 (as now enacted or hereafter amended).

28.3) In the event of breach of any of the above non-discrimination covenants, Landlord shall have the right to terminate without notice or ability to cure provided in Paragraph 22.2 this Lease and to re-enter and repossess said Premises and the facilities thereon, and hold the same as if said Lease has never been made or issued. This provision does not become effective until the procedures of 49 C.F.R. Part 21 are followed and completed, including expiration of appeal rights.

28.4) Tenant shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided that Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

28.5) Noncompliance, as determined by a court of competent jurisdiction, with Article 28.4 above shall constitute a material breach thereof and, in the event of such noncompliance, Landlord shall have the right to terminate this Lease and the estate hereby created without liability therefor or, at the election of the Landlord or the United States, either or both said Governments shall have the right to judicially enforce the provisions of said Article 29.4.

28.6) Tenant agrees that it shall insert the above five subsections in any lease, license, or sublease agreement by which said Tenant grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Premises herein leased.

28.7) The Tenant assures that it will undertake an Affirmative Action program to the extent required by 14 C.F.R. Part 152, Sub-part E, ("Sub-part E") to ensure that no person shall on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in Sub-part E. The Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Sub-part E. The Tenant assures that it will require that its covered

suborganizations, provide assurances to the Tenant that they similarly will undertake Affirmative Action programs, and that they will require assurances from their suborganizations, as required by Sub-part E, to the same effort.

ARTICLE 29:
NOTICES

All notices hereunder may be hand-delivered, delivered by recognized national overnight courier service, or sent via U.S. First Class mail, postage prepaid, to the following addresses:

Landlord	Tenant
City of Auburn – Airport Manager 2143 E St NE Suite 1 Auburn, WA 98002	S50 Hangars, LLC – Attn: Douglas Wilson 2143 E Street NE Auburn, WA 98002
With copies to:	**With copies to:**
City of Auburn – City Attorney 25 W Main Auburn, WA 98001	

Notices given by hand-delivery or by overnight delivery as aforesaid shall be deemed given when delivery is made or refused. Notices given by U.S. First Class mail shall be deemed given two (2) business days after depositing in the mail.

ARTICLE 30:
MISCELLANOUS

30.1) No Brokers. Tenant represents and warrants to Landlord that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant.

30.2) Non Waiver. Waiver by Landlord of any term, covenant or condition herein contained or any breach thereof shall not be deemed to be a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition herein contained.

30.3) Estoppel Certificates. Landlord and Tenant shall, from time to time, within ten (10) business days of written request from the other, execute, acknowledge and deliver to the requesting party or its designee a written statement certifying that: (i) this Lease is in full force and effect and has not been assigned or amended in any way (or specifying the date and terms of agreement so affecting this Lease); (ii) this Lease represents the entire agreement between the parties as to this

leasing; that all obligations under this Lease to be performed by the other party have been satisfied; (iii) on this date there are no existing claims, defenses or offsets which the estopping party has against the enforcement of this Lease by the other; (iv) no Rent has been paid more than one month in advance; and that no security has been deposited with Landlord (or, if so, the amount thereof); and (v) such other factual matters as reasonably requested. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's or Tenant's interest or holder of any mortgage upon Landlord's or Tenant's interest in the Premises or this Lease.

30.4) *Intentionally Left Blank*

30.5) Severability. If any term, covenant, or condition of this Lease (or part thereof) or the application thereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease (and/or the remainder of any such term, covenant or condition), or the applicability of such term, covenant or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition (or part thereof) of this Lease shall be valid and be enforced to fullest extent permitted by law.

30.6) Authority. Each party hereto warrants that it has the authority to enter into this Lease and to perform its obligations hereunder and that all necessary corporate action to authorize this transaction has been taken, and the signatories, by executing this Lease, warrant that they have the authority to bind the respective parties.

30.7) Dispute Resolution. The provisions of this Section 30.7 (the "Dispute Resolution Procedures") will apply to disputes between Landlord and Tenant on issues or matters with respect to which this Lease (or any Exhibit hereof) expressly provides will be resolved by "Dispute Resolution" or "Dispute Resolution Procedures."

(a) The Party desiring to invoke the Dispute Resolution Procedures pursuant to this section shall give written notice to the other party ("**Arbitration Notice**") specifying the disputed issues to be submitted to arbitration ("**Arbitration**"). The Arbitration shall be before one (1) disinterested "qualified arbitrator" (as defined below) if both Landlord and Tenant can agree on a single arbitrator within ten (10) Business Days after delivery of the Arbitration Notice. In the event Landlord and Tenant do not agree on an arbitrator within such ten (10) Business Day period, selection of the arbitrator shall be made, at the election of the parties, either by the American Arbitration Administration (AAA) at its Seattle, Washington office, or by Judicial Arbitration and Mediation Services ("JAMS") located in Seattle, Washington. A "qualified arbitrator" shall mean a "disinterested" licensed attorney having at least ten (10) years' experience in the greater Seattle area, specializing in commercial real estate and lease disputes and qualified to act as an expert witness over objection to give opinion testimony on the applicable issue in a court of competent jurisdiction. A "disinterested" candidate shall be a person who shall not have direct or indirect financial or other interest in the decisions to be made at the Arbitration, who shall not be an officer, director, employee, or agent of Landlord or Tenant or any of their affiliates and who shall not have been directly or indirectly

compensated by Landlord (or its affiliate) or Tenant (or its affiliate) in the past five (5) years. The person selected as arbitrator pursuant to the above provisions to act as arbitrator in connection with an applicable dispute is referred to herein as the "Arbitrator".

(b) The Arbitrator shall determine the controversy in accordance with the laws of the State of Washington as applied to the facts as determined by the Arbitrator upon receipt of evidence and arguments presented by the parties. Unless the parties otherwise agree, the Arbitration shall be conducted in accordance with the commercial arbitration rules of the American Arbitration Association (AAA-CAR) and the Arbitration shall take place and be conducted in the City of Seattle, Washington at a location designated by the Arbitrator. Absent fraud, collusion or willful misconduct by the Arbitrator, the award of the Arbitrator shall be binding, final and conclusive on the parties, and judgment on such award rendered may be entered in any court having jurisdiction thereof.

(c) Fees of the Arbitrators and the expenses incident to the Arbitration ("**Arbitration Costs**") shall initially be borne equally between Landlord and Tenant. Upon a decision being reached by the Arbitrator after conclusion of the Arbitration, the Arbitrator may award fees and expenses as provided for in the AAA-CAR.

ARTICLE 31:
SIGNATURES

By signing in the space below, the TENANT ACKNOWLEDGES HAVING READ AND UNDERSTOOD AND AGREES TO THE CONTENTS OF THIS AGREEMENT.

[*Signatures on following page*]

Dated and Signed this 15th day of July, 2024.

S50 Hangars, LLC:

Douglas Wilson – Managing Member

STATE OF WASHINGTON)
) ss.
County of King)

The undersigned Notary Public hereby certifies: That on this 15th day of July, 2024, personally appeared before me Douglas Wilson (name) and N/A (name), Managing Member (title), N/A (title) to me known to be the individual(s) described in and who executed the within instrument, and acknowledged that he/she signed and sealed the same as his/her free and voluntary act and deed, for the purposes and uses therein mentioned, and on oath stated that he/she was duly authorized to execute said document on behalf of S50 Hangars, LLC.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

ANGELA ELIZABETH KLEIN
Notary Public
State of Washington
Commission # 21027004
My Comm. Expires Sep 17, 2025

Notary Public in and for the State of Washington,
Residing at Puyallup, WA
My commission expires Sept. 17, 2025

ANGELA ELIZABETH KLEIN
Notary Public
State of Washington
Commission # 21027004
My Comm. Expires Sep 17, 2025

Dated and Signed this _____day of _____, 20_____.

CITY OF AUBURN:

_____
NANCY BACKUS, Mayor

Approved as to form:

_____
Acting City Attorney: Charlotte E. Storey

STATE OF WASHINGTON)
) ss.
County of _____)

The undersigned Notary Public hereby certifies: That on this ____ day of _____, 20____, personally appeared before me _____ (name), _____(title), to me known to be the individual(s) described in and who executed the within instrument, and acknowledged that he/she signed and sealed the same as his/her free and voluntary act and deed, for the purposes and uses therein mentioned, and on oath stated that he/she was duly authorized to execute said document on behalf of _____.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

_____
Notary Public in and for the State of Washington,
Residing at _____
My commission expires _____

EXHIBIT A-1
LEGAL DESCRIPTION OF THE PREMISES

A LEASE AREA WITHIN A PORTION OF THE CITY OF AUBURN AIRPORT SOUTHEAST TERMINAL PARCEL AS CONVEYED AND DESCRIBED IN STATUTORY WARRANTY DEED RECORDED UNDER RECORDING NUMBER 6696708, RECORDS OF KING COUNTY, WASHINGTON, BEING A PART OF THE JOSEPH BRANNAN DONATION LAND CLAIM NO. 38 IN THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 21 NORTH, RANGE 5 EAST, W.M., CITY OF AUBURN, KING COUNTY, WASHINGTON, SAID LEASE AREA BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID PARCEL BEING AN ENCASED BRASS MONUMENT IN THE CENTERLINE OF "E" STREET NORTHEAST; THENCE ALONG THE EAST LINE OF SAID PARCEL ALSO BEING THE WEST RIGHT OF WAY MARGIN OF "E" STREET NORTHEAST, SOUTH 00°39'48" WEST A DISTANCE OF 259.83 FEET;

THENCE LEAVING SAID EAST LINE OF SAID PARCEL NORTH 89°20'12" WEST A DISTANCE OF 25.00 FEET TO **THE POINT OF BEGINNING** OF SAID LEASE AREA;

THENCE PARALLEL WITH SAID EAST LINE SOUTH 00°39'48" WEST A DISTANCE OF 283.57 FEET TO A TANGENT CURVE CONCAVE NORTHWEST HAVING A RADIUS OF 29.00 FEET, THE CENTER OF WHICH BEARS NORTH 89°20'12" WEST;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 53°51'36" AN ARC DISTANCE OF 27.26 FEET;

THENCE SOUTH 54°31'23" WEST A DISTANCE OF 23.32 FEET;

THENCE SOUTH 61°59'49" WEST A DISTANCE OF 27.88 FEET TO A TANGET CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 69.00 FEET, THE CENTER OF WHICH BEARS NORTH 28°00'11" WEST;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28°30'24" AN ARC DISTANCE OF 34.33 FEET;

THENCE NORTH 89°29'47" WEST A DISTANCE OF 306.36 FEET;

THENCE SOUTH 00°13'15" EAST A DISTANCE OF 14.56 FEET;

THENCE NORTH 89°45'00" WEST A DISTANCE OF 38.51 FEET;

THENCE NORTH 72°19'47" WEST A DISTANCE OF 11.28 FEET;

THENCE NORTH 47°56'33" WEST A DISTANCE OF 17.85 FEET;

THENCE NORTH 89°11'22" WEST A DISTANCE OF 53.42 FEET;

THENCE NORTH 00°49'00" EAST A DISTANCE OF 344.47 FEET;

THENCE SOUTH 89°04'37" EAST A DISTANCE OF 250.00 FEET;

THENCE SOUTH 86°00'11" EAST A DISTANCE OF 7.24 FEET;

THENCE SOUTH 88°40'52" EAST A DISTANCE OF 29.45 FEET;

THENCE SOUTH 89°27'05" EAST A DISTANCE OF 222.73 FEET TO **THE POINT OF BEGINNING** OF SAID LEASE AREA

CONTAINING AN AREA OF 174,316 SQUARE FEET (4.00 ACRES), MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE CALCULATED BEARING OF SOUTH 00°39'48" WEST BEING THE MONUMENTED CENTERLINE OF "E" STREET NORTHEAST AS DETERMINED FROM COA MONUMENT 509-006 AT THE NORTHEAST CORNER OF SAID AIRPORT SOUTHEAST TERMINAL PARCEL TO COA MONUMENT 509-004, A POINT OF CURVATURE MONUMENT.

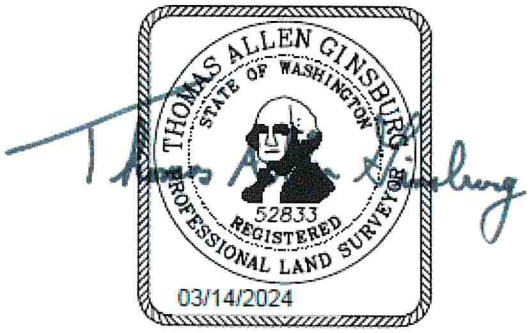


EXHIBIT A-2
DEPICTION OF THE PREMISES

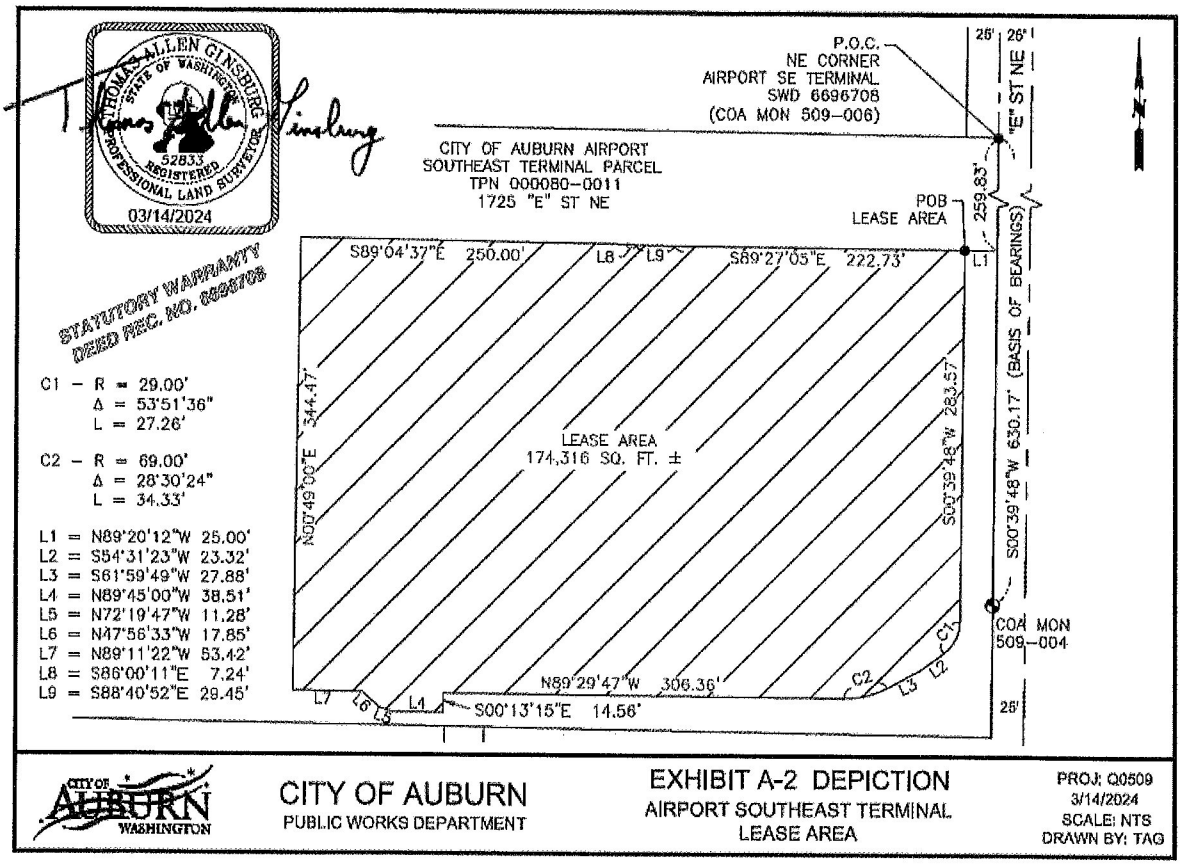


EXHIBIT B
CONSTRUCTION OF IMPROVEMENTS

1. General. Tenant may construct on the Land the Initial Improvements and subsequent Improvements described or allowed for in the Lease and this Exhibit B. The term "Improvements" shall also mean and include any replacement structures or improvements which may be constructed on or off of the Premises during the term, from time to time. The Improvements shall be constructed at Tenant's sole cost and expense. As used in this Lease the term "Commencement of Construction" shall mean the date upon which Tenant has obtained all necessary permits and approvals for and has begun altering the Premises in connection with construction activities for the Improvements. As used in this Lease the term "Substantially Complete" means the date upon which all permits and/or a C/O (as defined in the Lease) has been issued for the Improvements under ACC 15.07.100 permitting occupancy and use thereof by Tenant and/or its Subtenants.

2. Fuel Facilities. So long as: 1) Tenant's development does not compete with existing fuel operations then-being conducted by the City, or Tenant's fuel facility development is for the sale and distribution of Tenant's Subtenants, and 2) the parties have entered into a Fuel Operating Agreement, then Tenant is granted the right to develop and construct "On-Site Fuel Facilities", being further defined from the Improvements as fuel tanks, piping, gauges, pumps, utility lines, monitoring equipment, computer card-lock systems, and all other equipment and materials, including the fuel used in said system, that are related to the storing and dispensing of Jet A, or other "alternative" (defined as not currently being offered by the City at the Airport) aviation fuels.

3. No Smoking. Tenant shall install and maintain "No Smoking" signs within the Hangar on the Premises.

4. Improvement Type. The term "Improvements" and "Initial Improvements as used in this Exhibit B shall have the same meaning as that defined in Sections 3.2 and 3.3 of the Lease respectively. Tenant warrants that it shall Substantially Complete the Initial Improvements by the Initial Improvement Completion Deadline defined in this Lease or be subject to violations, including termination of this Lease. The Tenant will further stripe the airside permitter (west side) and taxilane side (north side) of Premises of the to be constructed building and construct any other improvements on or off site as may be required by the applicable regulatory permitting process.

5. Airport Manager Approval. The Improvements shall be subject to Airport Manager's prior approval, which shall not be unreasonably withheld, conditioned, or delayed. Tenant shall use its own architect, engineers and other design professionals, all of whom shall comply with any applicable licensing or governmental requirements of the state and/or local jurisdiction in which the Premises are situated and shall be at the Tenant's sole cost and expense. Tenant shall provide to Airport Manager all plans for any desired Improvements in a form suitable for permit application (collectively, the "Working Drawings"). The Working Drawings shall include architectural, structural, plumbing, mechanical, electrical, fire protection, site work and utilities drawings as required. Working Drawings, and all changes thereto, shall be subject to the Airport Manager's reasonable written approval. If the Airport Manager denies its approval, it shall specify the reasons for doing so in reasonable detail, which shall specifically include such modifications necessary to be made in order to obtain such approval.

6. Permits. Tenant shall be solely responsible for obtaining and complying with all permits, approvals or licenses required for the construction and/or erection of Improvements on or off the Premises.

7. Contractor. In the event Tenant intends on using a general contractor for the construction of the Improvements, Tenant shall contract with an experienced, qualified general contractor ("Contractor") that is reasonably acceptable to Landlord. Tenant or its general contractor shall complete all Improvements in a good and workmanlike manner.

8. Insurance. Tenant or its general contractor shall obtain and maintain in force, at all times during which construction is in progress on the Premises, the following insurance coverages with an insurance company or companies authorized to do business in the State where the Premises are located:

(a) Workmen's Compensation - Statutory Limits for the State in which the work is to be performed, together with "ALL STATES," "VOLUNTARY COMPENSATION" AND "FOREIGN COMPENSATION" coverage endorsements;

(b) Employer's Liability Insurance with a limit of not less than $1,000,000.00;

(c) Commercial General Liability - at least $2,000,000 per occurrence, including Personal Injury, Contractual and Products/Completed Operations Liability naming City and Tenant as additional insured using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsement providing at least as broad coverage. Coverage must be primary and non-contributing and include the following:

(i) Premises - Operations
(ii) Elevators and Hoists
(iii) Independent Contractor
(iv) Contractual Liability assumed under the construction contract
(v) Completed Operations - Products
(vi) Explosion, Underground and Collapse (XUC) Coverage

(d) Automobile Liability - Including Owned, Hired and Non-owned licensed vehicles used in connection with performance of the construction work of at least: $2,000,000 combined single limit for bodily injury and property damage, $4,000,000 general aggregate (including umbrella limits). Coverage must include the following:

(i) Owned vehicles
(ii) Leased vehicles
(iii) Hired vehicles
(iv) Non-owned vehicles

(e) Procure or cause contractor to procure and maintain builders' risk insurance and installation floater insurance to protect against the risk of physical damage until completion and acceptance of the construction work;

(f) Furnish the City with certificates of insurance evidencing such coverage prior to the commencement of the construction work. All insurance shall be carried in companies reasonably acceptable to the City.

(g) The following statement shall appear in each certificate of insurance provided City by Tenant hereunder:

"It is agreed that in the event of any material change in, cancellation or non-renewal of this policy, the Company shall endeavor to give two (2) days prior notice to the City of Auburn, Washington."

(h) During construction of Tenant's Improvements both parties shall give prompt notice to the other of all losses, damages, or injuries to any person or to property of Tenant, City or third parties. City or Tenant shall promptly report to the other all such claims of which that party has notice, whether related to matters insured or uninsured.

(i) The carrying of any of the insurance required hereunder shall not be interpreted as relieving the insuring party of any responsibility to the other party, and the other party does not waive any rights that it may have against the other party and/or its representatives for any expense and damage to persons and property (tangible and intangible) from any cause whatsoever with respect to the insuring party's work;

(j) City and Tenant shall assist and cooperate with any insurance company in the adjustment or litigation of all claims arising under the terms of this Section.

9. No Liens. Unless otherwise allowed for in the Lease, Tenant shall keep the Premises free from any liens arising out of work performed, materials furnished to, or obligations incurred by Tenant. Tenant further covenants and agrees that any mechanic's or materialmen's liens filed against the Premises or against the Improvements for work claimed to have been done for or materials claimed to have been furnished to Tenant, shall be discharged by Tenant, by bond or otherwise, within thirty (30) days after filing and prior to termination of this Lease, at the sole cost and expense of Tenant. Should Tenant fail to discharge any lien of the nature described in this paragraph, City may, at City's election, pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title and the cost thereof shall be immediately due from Tenant as rent under this Lease.

10. Hold Harmless. Tenant shall indemnify, defend, and hold harmless City and the Premises from and against all claims and liabilities arising by virtue of or relating to construction or removal of the Improvements and any other improvements or repairs made at any time to the Premises, including repairs, restoration and rebuilding, and all other activities of Tenant on or with respect to the Premises. If Tenant is required to defend any action or proceeding pursuant to this section to which action or proceeding City is made a party and City reasonably believes that the interests of Tenant and City conflict or are divergent, then City shall also be entitled to appear, defend, or

otherwise take part in the matter involved, at its election, by counsel of its own choosing, and to the extent City is indemnified under this section, Tenant shall bear the cost of City's separate defense, including reasonable attorneys' fees.

11. Progress Reports. From and after the Commencement of Construction and through the Completion Date, Tenant shall provide to Landlord monthly progress reports consisting of, at a minimum: (a) the then current construction schedule prepared by the Contractor (including the expected Completion Date); and (b) notice of any laborer's or materialmen's liens filed against the Premises.

12. As-Built Drawings; Survey. Except as otherwise may be required for construction acceptance, within thirty (30) days following the Completion Date for any Improvements, Tenant shall deliver to City two (2) copies of complete as-built drawings of the Improvements (or marked-up construction drawings which may consist of the Plans, annotated with field notes identifying all changes made thereto in the course of construction) showing the location of the Improvements, all easements and utilities, (including underground utilities).

13. Condition of Improvements. Tenant assumes full responsibility for the design, construction and condition of the Improvements, and any improvements constructed on the Premises during the Lease Term, and Tenant hereby fully releases City from any and all liability relating thereto.

EXHIBIT C
LANDLORD'S CONINTUED USE

1.) Landlord's Continued Use. Upon Commencement of the Lease and throughout the Preliminary Term, Landlord retains the right of continued use of the Premises, as may be modified according to Section 2 below, for the purposes of leasing aircraft tie-downs for the storage and parking of aircraft. Landlord's exercise of these rights will be without notice to the Tenant and without giving rise to any claim for offset of rent. Landlord warrants that its use of the Premises shall not unreasonably interfere with Tenants use or development of the Premises as granted by this Lease. Landlord shall make good-faith efforts to prohibit any further environmental contamination of the Premises, beyond what may or may not exist on the Premises upon Commencement of the Lease.

2.) Tenant's Directives. Tenant shall have the right at any time to direct, modify the location of Landlord's continued use. However, Tenant agrees to modify Landlord's continued use as necessary for Tenant's development or maintenance of the Premises. Directives, including the modification or elimination of Landlord's continued use shall be done separate from delivery of notices described in Article 29 of the Lease. Delivery of directives as it relates to Landlord's continued use shall be made via email to the following:

- Airport Manager – Tim Mensonides / Tmensonides@auburnwa.gov
- Real Estate Manager – Josh Arndt / Jarndt@auburnwa.gov

In addition to the aforementioned email delivery, Tenant shall also deliver a hard copy of the directive to the Airport office. Other than emergency reasons, directives will provide no less than 45 days of advance notice.

3.) Revenues. The Landlord is entitled to keep 100% of the revenues generated from Landlord's continued use of the Premises, so long as the revenues were generated from the uses described in Section 1 of this Exhibit C.

4.) Non-Compete. Tenant covenants that it will not utilize or operate or allow their Subtenants to utilize or operate the Premises for aircraft tie-downs during Landlord's Continued Use. The following aircraft are not subject to this covenant:

a. Personal aircraft belonging to any members of the Limited Liability Company which comprise the Teant,
b. Non-commercial storage of either personal aircraft belonging to any Subtenant utilizing the Premises, or aircraft used for Subtenant's business operations,

Tenant shall direct any persons or entity wishing to utilize the Premises for the parking or storage of aircraft, not exempted by this section to the Airport Office and not enter into any such agreement with the potential user.

5.) Indemnification.

(a) By Landlord. Landlord shall defend, indemnify, and hold harmless Tenant, its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of Landlord's continued use of Premises, or from the conduct of Landlord's business, or from any activity, work or thing done, or suffered by Landlord in or about the Premises, except to the extent such injury or damage is described in Section (5)(b) below.

(b) By Tenant. Tenant shall defend, indemnify and hold harmless Landlord, its owners, officers, employees and contractors from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of the negligence or willful misconduct of Tenant, its agents, officers, employees, subtenants, or contractors, or from any activity, work or thing done, permitted, or suffered by Tenant, its agents, officers, employees, subtenants, or contractors in or about the Premises, except to the extent such injury or damage is described in Section (5)(a) above.

(c) Solely for the purpose of effectuating the mutual indemnification obligations under this Lease, and not for the benefit of any third parties (including but not limited to employees of Landlord or Tenant), Landlord and Tenant specifically and expressly waive any immunity under applicable federal, state or local Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts. Furthermore, the indemnification obligations under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts. The parties acknowledge that the foregoing provisions of this Section have been specifically and mutually negotiated between the parties.

City of Auburn as Landlord	S50 Hangars, LLC as Tenant
Nancy Backus, Mayor	Douglas Wilson, Managing Member

PARCEL "B' RIDER

This "Parcel "B" Rider" is attached to and made a part of the Lease by and between the City and Tenant. The agreements set forth in this Parcel "B" Rider shall have the same force and effect as if set forth in the Lease. To the extent that the terms of this Parcel "B" Rider are inconsistent with the terms of the Lease, the terms of this Parcel "B" Rider will control.

1. Parcel B. Tenant is granted the right to lease up to 50,000 square feet of additional land herein referred to as "Parcel "B"". Parcel "B" may be made up of a single or multiple locations on the Airport, each a Parcel "B" "Site". In the event that Parcel "B" is made up of multiple Sites, each will be legally described in an exhibit titled "**PBR – Exhibit 1"**, and depicted in exhibit titled "**PBR – Exhibit 2"**, here in by this reference shall be incorporated into this Parcel "B" Rider. In the event Parcel "B" consists of multiple sites on the Airport each will be defined as Parcel "B", Site 1, Site 2, etc. Parcel "B" whether a single or multiple Sites will remain its own separate Premises, subject to the Rent and other obligations described below.

2. Parcel B Process, Rights & Obligations. Provided Tenant timely exercises the options granted to it the following processes, rights and obligations regarding Parcel "B" shall apply:

   2.1 Identification. Tenant has 90 calendar days from the Commencement Date to provide the City (with a copy to the Airport Manager) with a "Notice of Parcel "B" Site Selection". The Notice of Parcel "B" Site Selection shall include the location(s) and approximate dimensions of the site(s) Tenant desires to include in Parcel "B". The City shall have 10 business days to approve, deny or amend the locations and/or dimensions described in Tenant's Notice of Parcel "B" Site Selection. The parties each agree to diligently work to agree on the location(s) and dimension(s) of Parcel B, however, the City shall have the right of final decision. If Tenant does not provide timely notice or provides notice that it does not wish to exercise any option rights to Parcel "B", than all of Tenant's rights with regards to Parcel B and this Rider shall expire.

   2.2 Survey. Following timely notice and acceptance of Parcel B location(s) and dimensions, the City shall prepare or cause to be prepared the Parcel "B" legal description(s) and depiction(s). The City warrants that it will use commercially reasonable efforts to complete the descriptions and depictions in a reasonable amount of time.

   2.3 Preliminary Term. Beginning the 1st calendar day of the month following completion of the Parcel "B" Survey, Parcel "B" shall officially become part of Tenant's leasehold interest, conveying to Tenant all rights, enjoyment and obligations described in this Rider and further the Lease. Unless Tenant provides timely notice exercising its rights to Parcel "B" for the Remaining Term as set forth below, Tenants' rights, and obligations of Parcel "B" shall expire upon the last day of the Lease "Preliminary Term".

2.4 Remaining Term. Provided Tenant is in good-standing of their Parcel "B" obligations at the end of the Preliminary Term, Tenant shall have the right to extend Parcel "B" or any portion thereof. If only exercising a portion, said portion must be a full and complete site described in **PBR – Exhibit 1** (as opposed to a portion of Site 1). To successfully exercise this right Tenant must provide the City with a "Notice of Tenants Right to Extend Parcel "B" for the Remaining Term". If Tenant intends to only extend a portion of Parcel "B" for the Remaining Term, Tenant's notice shall clearly identify which Site(s) are being extended. In order to successfully exercise this option, Tenant must deliver said notice no less than 60 days from the expiration of the Preliminary Term. If Tenant provides such timely notice then Tenant's leasehold rights and obligations for Parcel "B" shall be the same as those specified in the Lease subject only to the Rent, Maintenance and Development provisions described in this Parcel "B" Rider.

3. Rent.

3.1 Preliminary Term. Tenant shall pay an Annual Lease Rate of $1.00 per square foot, plus Impositions described in Article 5.3 of the Lease. As defined in the Lease, the Annual Lease Rate plus the Impositions are collectively referred to as the "Rent". Tenant shall pay Rent in equal monthly installments. There will be no Annual Lease Rate adjustments during the Preliminary Term.

3.2 Remaining Term. Parcel "B"s Annual Lease Rate for the Remaining Term shall be subject to those Adjustments described in Article 6 of the Lease. In no event will the Annual Lease Rate for Parcel "B" be less than the Annual Lease Rate assessed immediately prior to the Adjustment.

4. Maintenance. During the Preliminary Term Tenant agrees not to allow conditions of waste and refuse to exist on Parcel "B", but owes no further maintenance responsibilities unless Tenant decides to construct Improvements. If Tenant constructs Improvements on Parcel "B" during the Preliminary Term, and/or exercises its rights to extend for the Remaining Term, then Tenant shall have the same maintenance obligations described in Article 16 "Maintenance" of the Lease, except that for Parcel "B", Tenant shall not be responsible for ongoing pavement and pavement marking maintenance.

5. Development. Tenant shall have the right, but not the obligation to develop or construct Improvements on Parcel "B" during the Preliminary Term. If Tenant successfully exercises its rights to the Remaining Term, then Tenant covenants that it will develop Parcel "B" with no less than 5,000 square feet of Improvements (per Site, if multiple Sites are included in Parcel "B") within the first 3 years of the Remaining Term. Development of Parcel "B" will be subject to the same requirements set forth in the Lease and **Exhibit B**.

6. Insurance. Unless Tenant begins development or construction on Parcel "B", during the Preliminary Term, Tenant shall only be required to carry Liability Insurance in the amount required in the Airport Minimum Standards. For the Remaining Term, or should

the Tenant develop or begin construction on Improvements on Parcel "B" Tenant will be subject to all insurance requirement obligations described in the Lease.

7. Landlord's Continued Use. In the event that the Parcel "B" leasehold (or any portion thereof) includes tie-downs, Landlord will have the same continued use rights and obligations described in **Exhibit C** of the Lease.

* Capitalized terms not defined in this Parcel "B" Rider shall have the same meaning as those defined in the Lease.

* Unless otherwise described in this Parcel "B" Rider, Tenant shall be subject to all obligations described for in the Lease.

City of Auburn as Landlord	S50 Hangars, LLC as Tenant
Nancy Backus, Mayor	Douglas Wilson, Managing Member

Airport Overview
&
SE Development Site Lease

Presented by: Tim Mensonides & Josh Arndt
July 22, 2024, Council Study Session

Airport Overview

- Airport's Economic Impact
- Airport Fund Overview
- FAA Lease Requirements

Airport Overview

SE Development Site Lease

- Tenant (S50 Hangars, LLC) operates varying lines of businesses in the aeronautical industry including:
  - Consulting
  - Diligence and Valuations
  - Fixed Based Operations
  - Facility Development

SE Development Site Lease

- Land Lease of approximately 4 acres
- 50 year Term
  - 5 year Preliminary Term
  - 45 year Remaining Term
- Minimum Development Requirement
  - 35,000 square feet of hangar development by the end of the Preliminary Term
  - If minimum development is not achieved, the lease may be terminated, and the land control returned to the Airport

SE Development Site Lease

Rent

- Initial Rent
  - $11,284 payable within 15 days of lease commencement
  - Constitutes pre-paid rent of the first 3 years of the lease
- Minimum Rent Beginning the 4th Year
  - $113,000 annual
- Rent Adjustments
  - Annual CPI adjustments
  - Fair Market Value ("FMV") adjustments calendar years ending in "0" or "5"

AGENDA BILL APPROVAL FORM

Agenda Subject:
2023 State of Our Streets (SOS) Report (Gaub) (20 Minutes)

Date:
July 16, 2024

Department:
Public Works

Attachments:
Presentation

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

For discussion only.

Background for Motion:

Background Summary:

This is a 2023 year end summary of the City's Arterial/Collector and Local Street Pavement Preservation Programs. This year's summary is presented using the dashboard format that will also be incorporated into the City's webpage. This dashboard provides the public with a quick look at the overall condition of the City's roadways and preservation program activities. It also gives City policy makers an executive level overview to facilitate policy and funding decisions. Additional information is also available on the City's website that provides a more in depth explanation of the City's pavement preservation programs including program history, projects, funding, and technical considerations.

Reviewed by Council Committees:

Councilmember: Tracy Taylor
Staff: Ingrid Gaub
Meeting Date: July 22, 2024
Item Number:

PUBLIC WORKS
ENGINEERING SERVICES

2023 STATE OF OUR STREETS (SOS)

JAMES WEBB, SENIOR TRAFFIC ENGINEER
BRYCE BEASON, ASSISTANT TRAFFIC ENGINEER

JULY 22, 2024
CITY COUNCIL STUDY SESSION

Public Works Department
Engineering Services • Airport Services • Maintenance & Operations Services

AUBURN VALUES

SERVICE
ENVIRONMENT
ECONOMY
CHARACTER
SUSTAINABILITY
WELLNESS
CELEBRATION

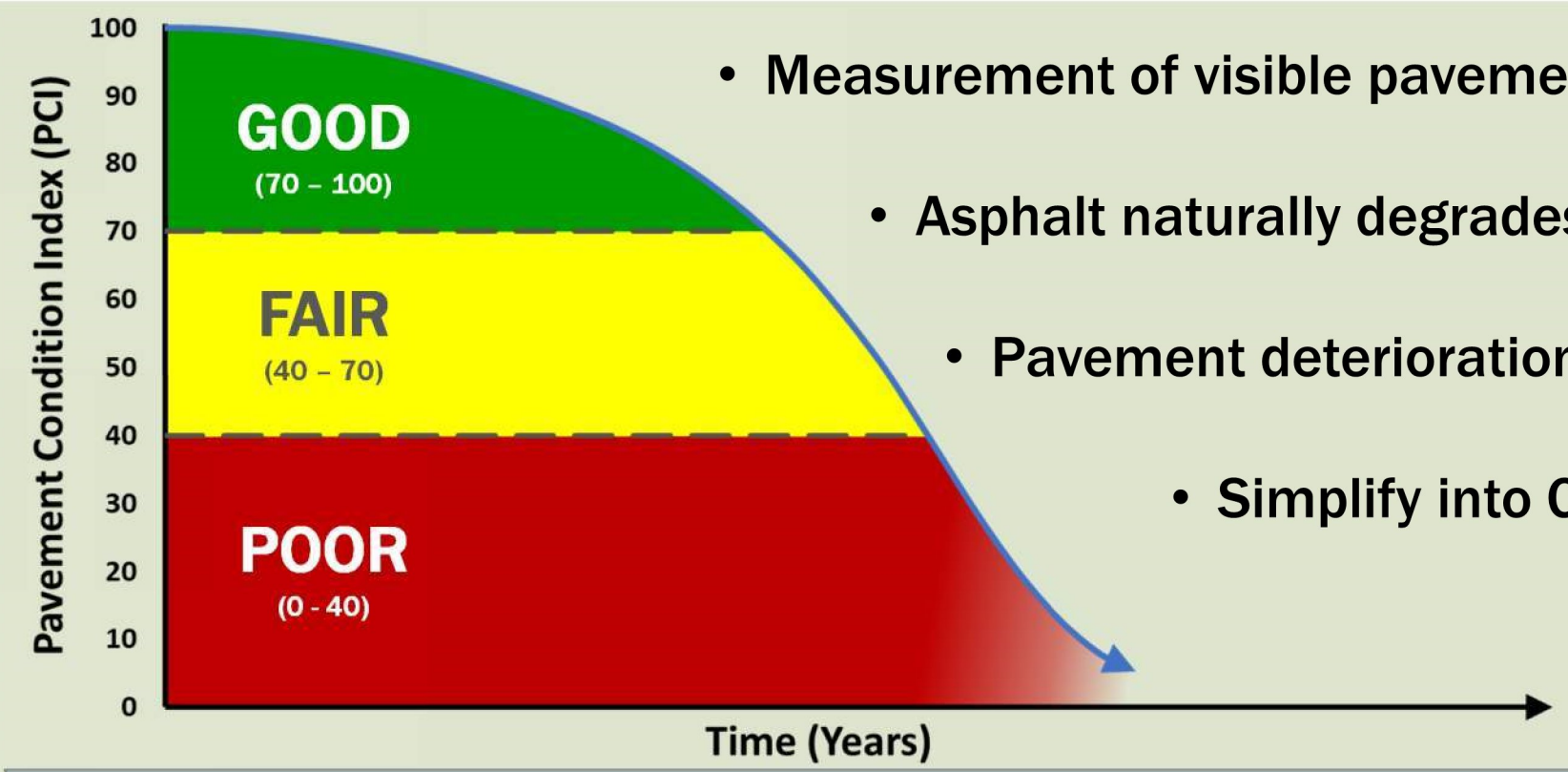
PRESENTATION OUTLINE

- Street Preservation Overview
- Summary of 2023 Street Conditions (Dashboard)
- Preservation Programs
- Preservation Projects Current & Future
- Next Steps

WHAT IS SOS (STATE OF OUR STREETS)?

- **State** of our streets
  - Refers to the condition of the roadway pavement
  - Does not consider condition of sidewalks, drainage issues, etc.
  - Does not consider congestion (capacity) or safety issues
- State of our **Streets**
  - Includes all 241 centerline miles of City maintained streets
  - Includes roadways with Asphalt and Concrete pavement
  - Excludes private streets, alleys, and streets maintained by others (WSDOT, King County, etc.)

WHAT IS A PAVEMENT CONDITION INDEX?



- Measurement of visible pavement damage
- Asphalt naturally degrades over time
- Pavement deterioration accelerates
- Simplify into Categories

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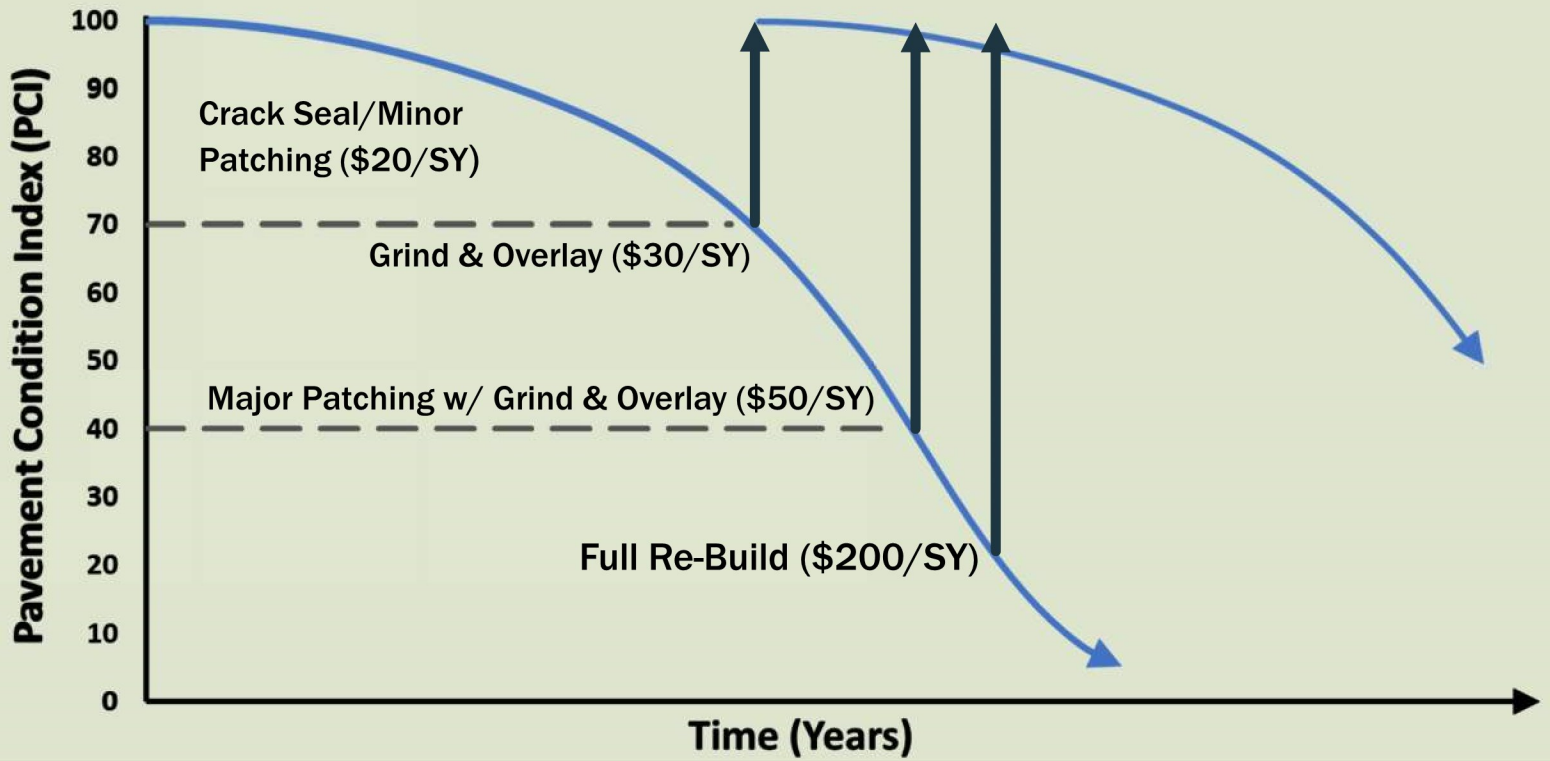
WHAT DOES PCI LOOK LIKE?

SERVICE • ENVIRONMENT • ECONOMY • CHARACTER • SUSTAINABILITY • WELLNESS • CELEBRATION

THE RIGHT TREATMENT AT THE RIGHT TIME



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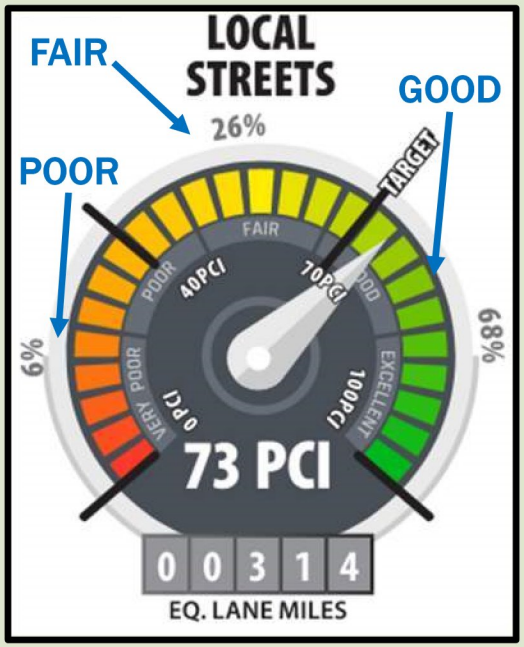
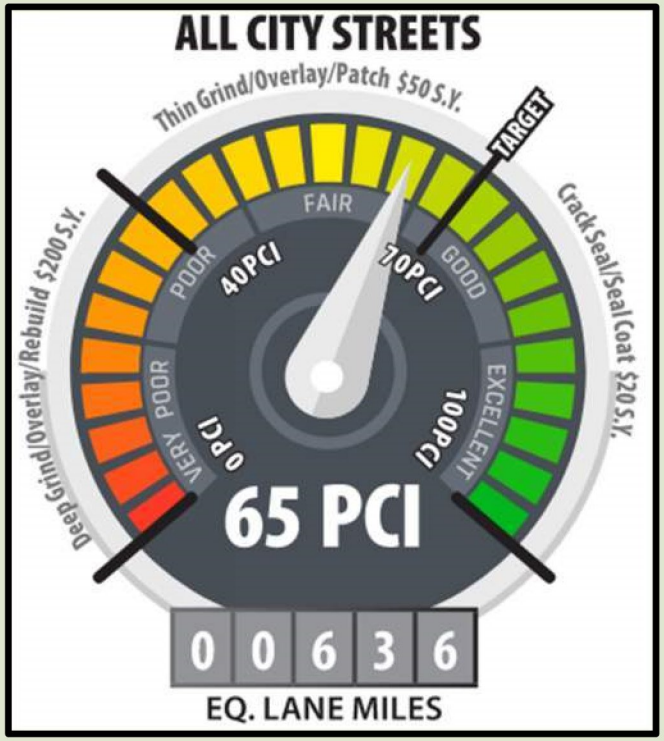
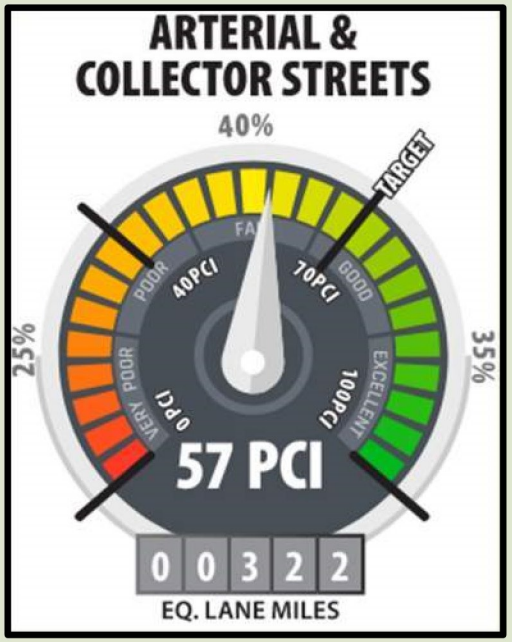
SUMMARY OF 2023 STREET CONDITIONS (DASHBOARD)







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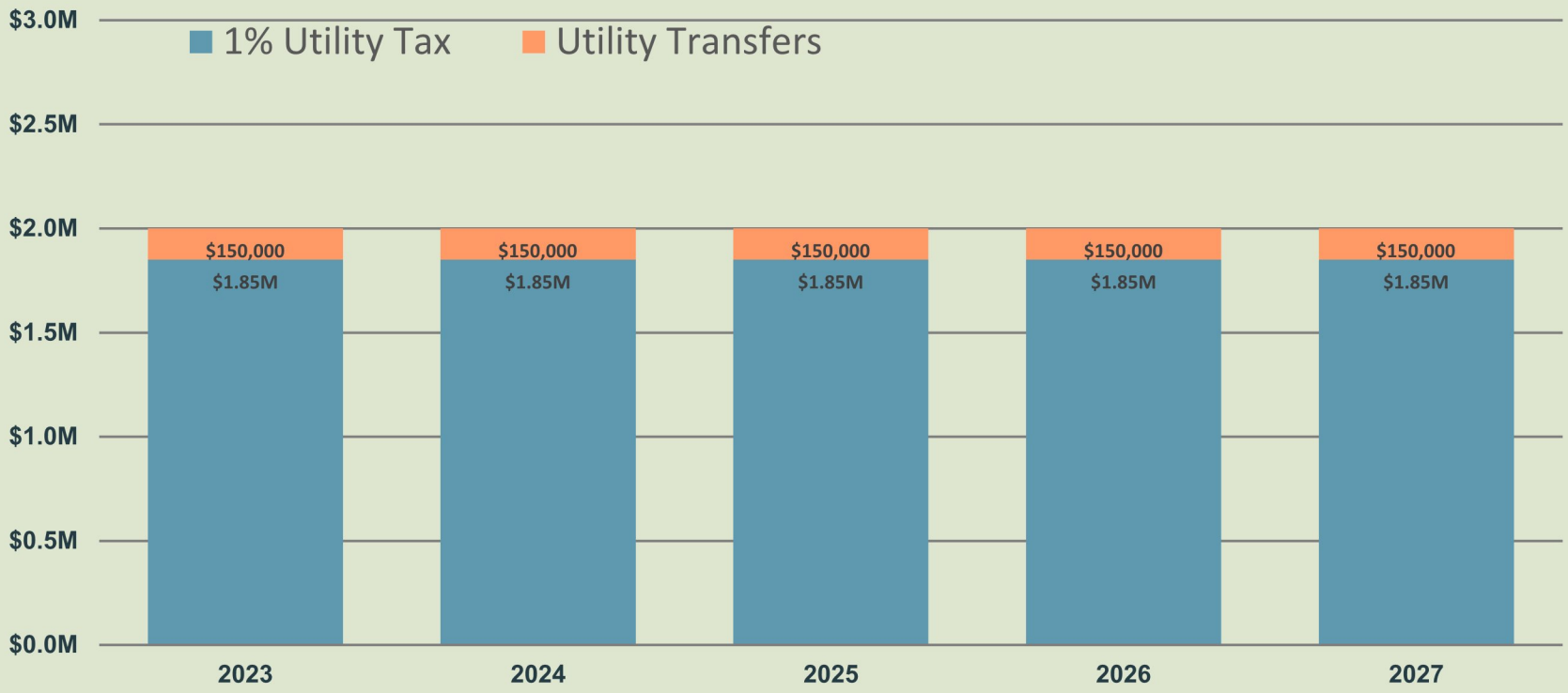
LOCAL STREET PROGRAM



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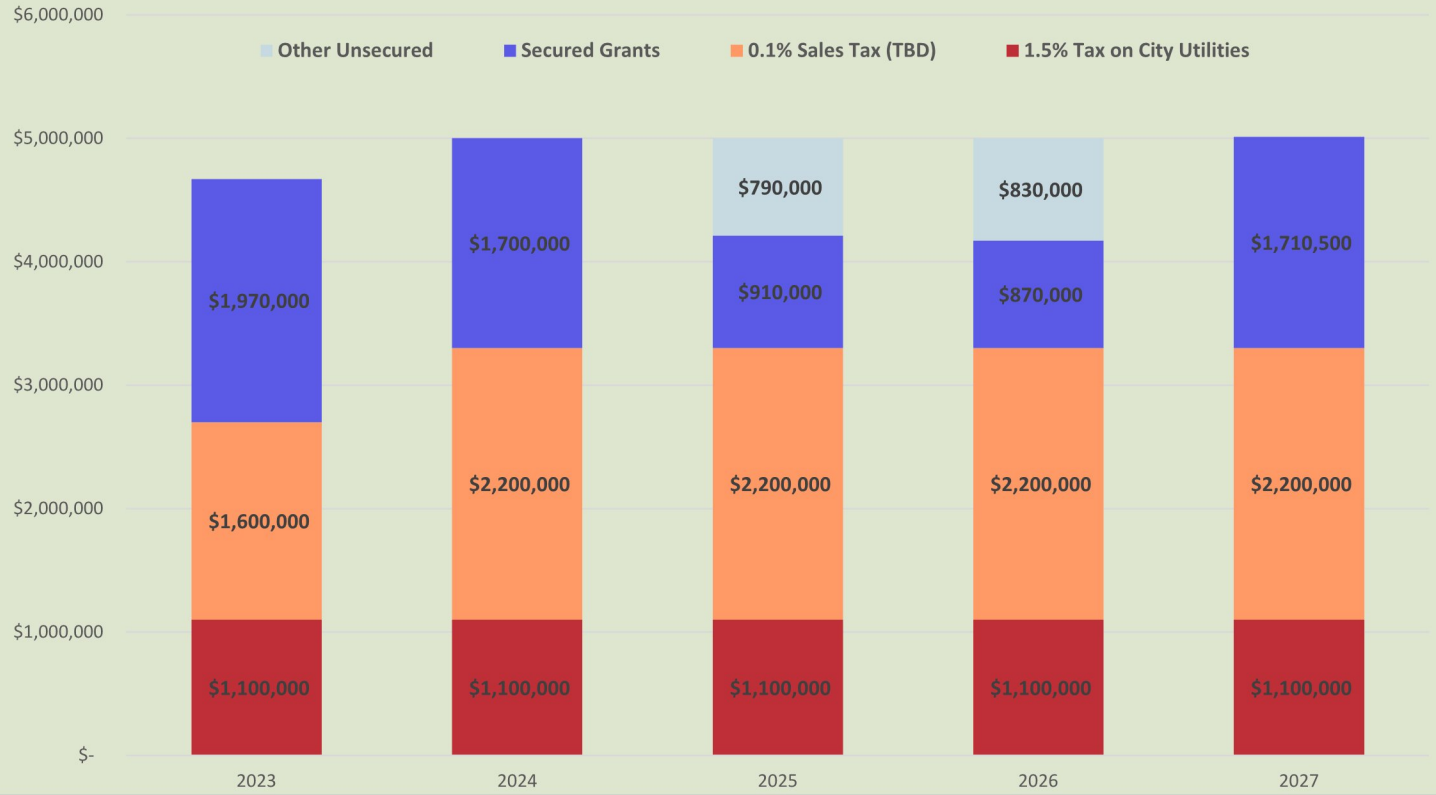
ARTERIAL/COLLECTOR PROGRAM



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LOCAL STREET PROJECTS COMPLETED IN 2023

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LOCAL STREETS CURRENTLY IN CONSTRUCTION (2024)

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FUTURE LOCAL STREET PRESERVATION PROJECTS

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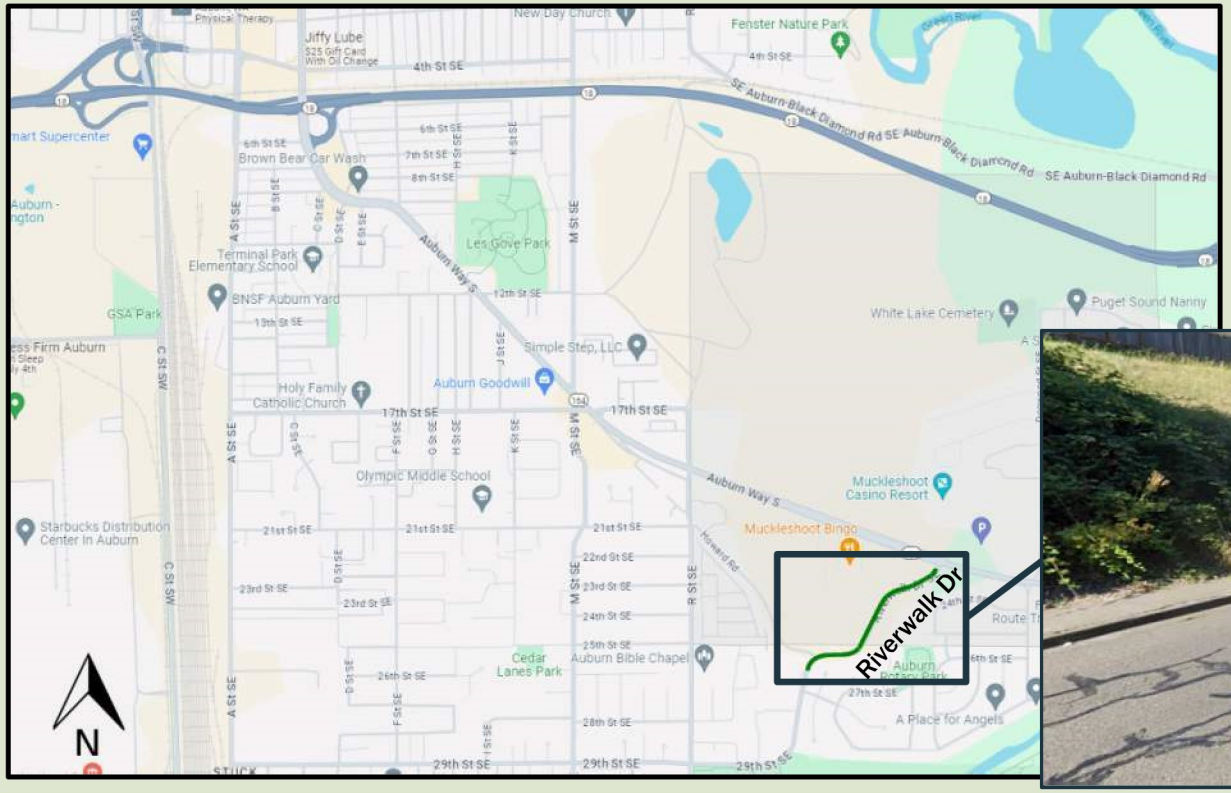
ARTERIAL/COLLECTOR PROJECTS COMPLETED IN 2023 - RIVERWALK DRIVE



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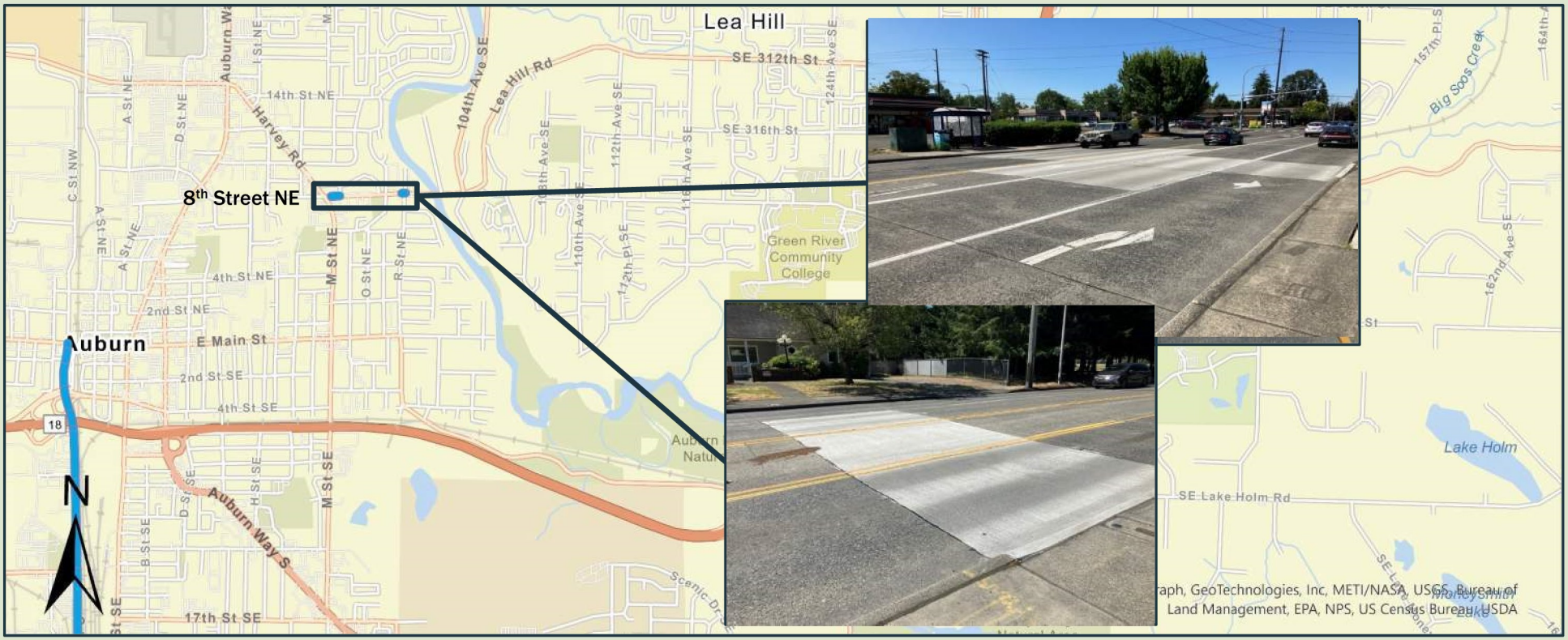
ARTERIAL/COLLECTOR PROJECTS COMPLETED IN 2023 - 8TH STREET NE



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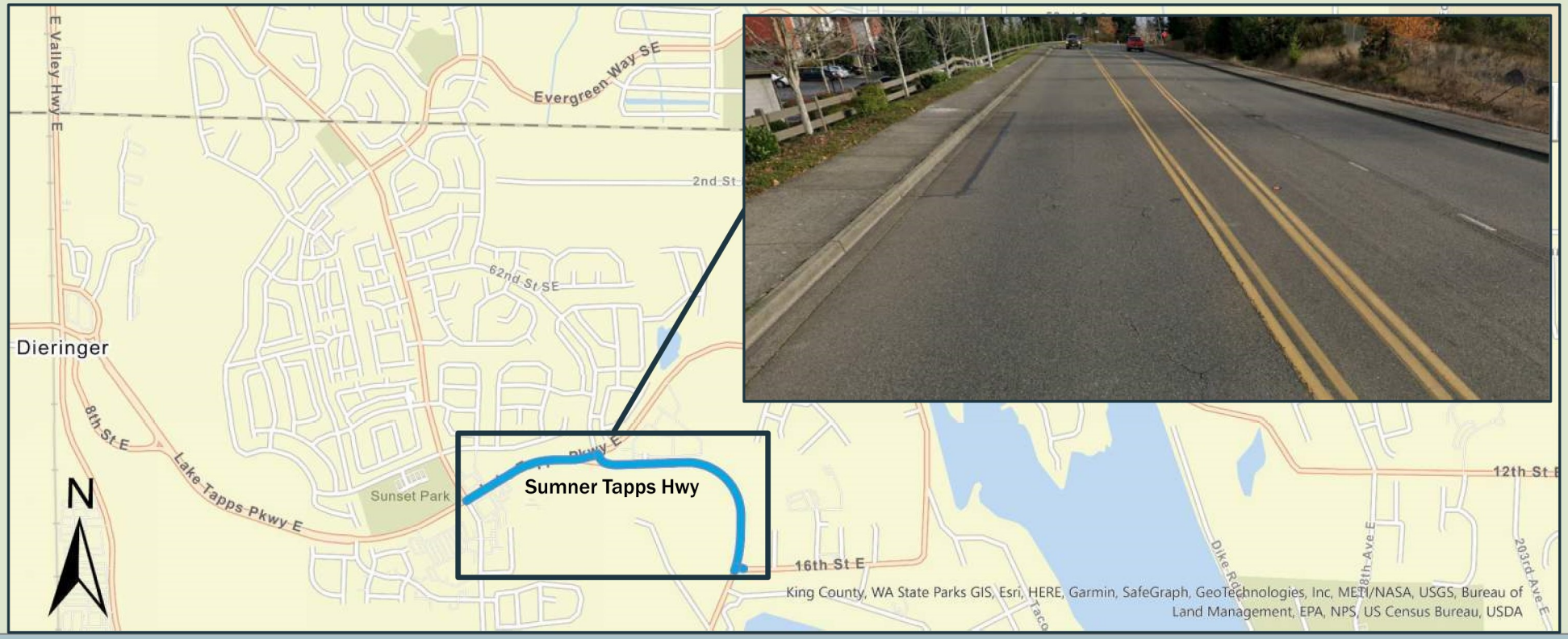
ARTERIAL/COLLECTOR PROJECTS IN CONSTRUCTION - LAKE TAPPS PKWY/SUMNER-TAPPS HWY



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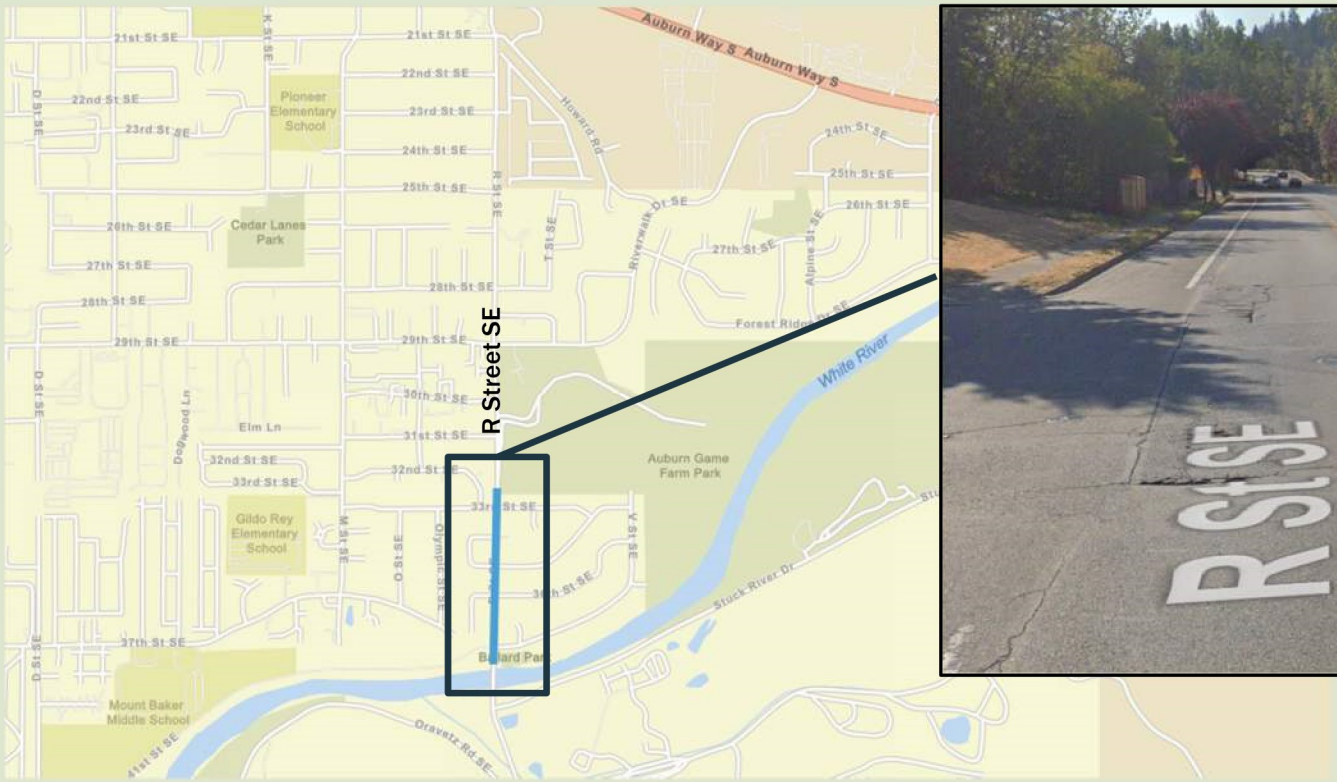
ARTERIAL/COLLECTOR PROJECTS IN CONSTRUCTION - R STREET SE



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ARTERIAL/COLLECTOR PROJECTS – 24/25 CONSTRUCTION - C STREET SW

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ARTERIAL/COLLECTOR PROJECTS – 24 CONSTRUCTION - ARTERIAL PATCHING

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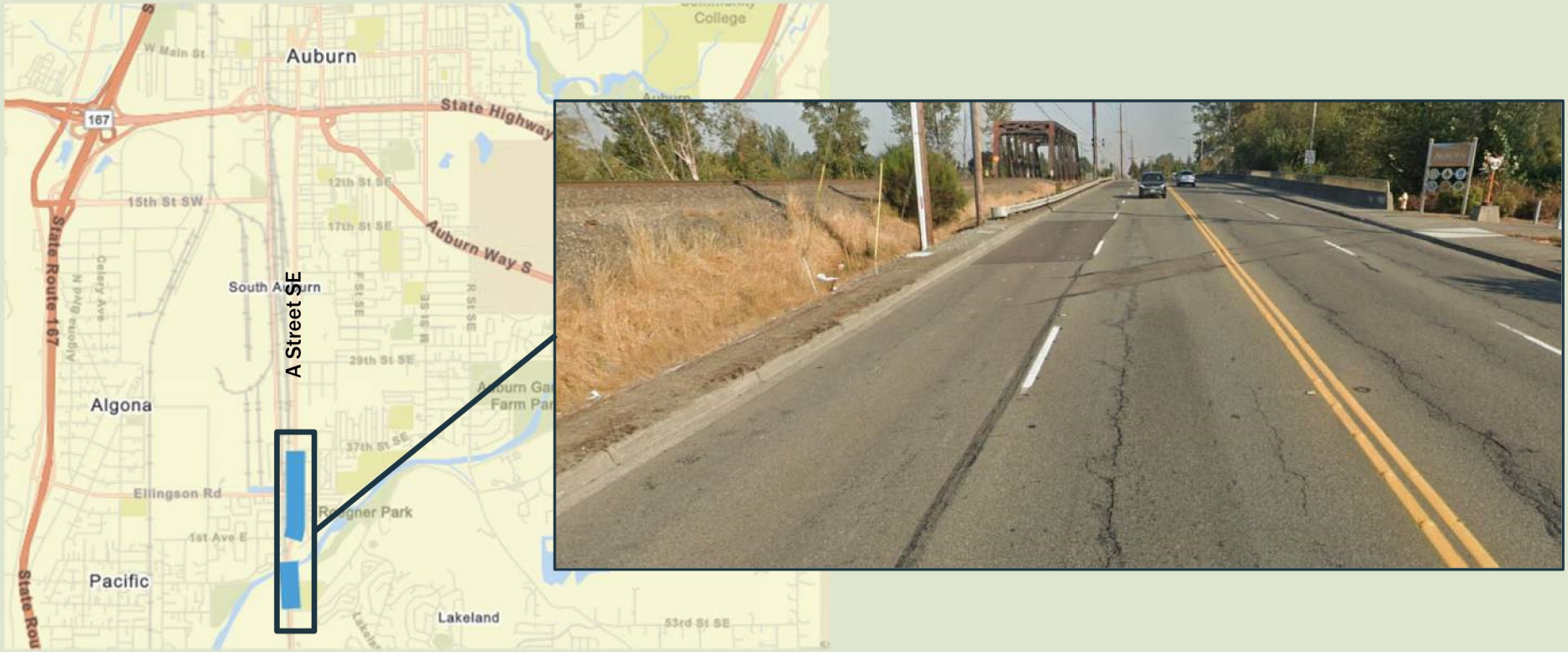
ARTERIAL/COLLECTOR PROJECTS – 25 CONSTRUCTION - A STREET SE



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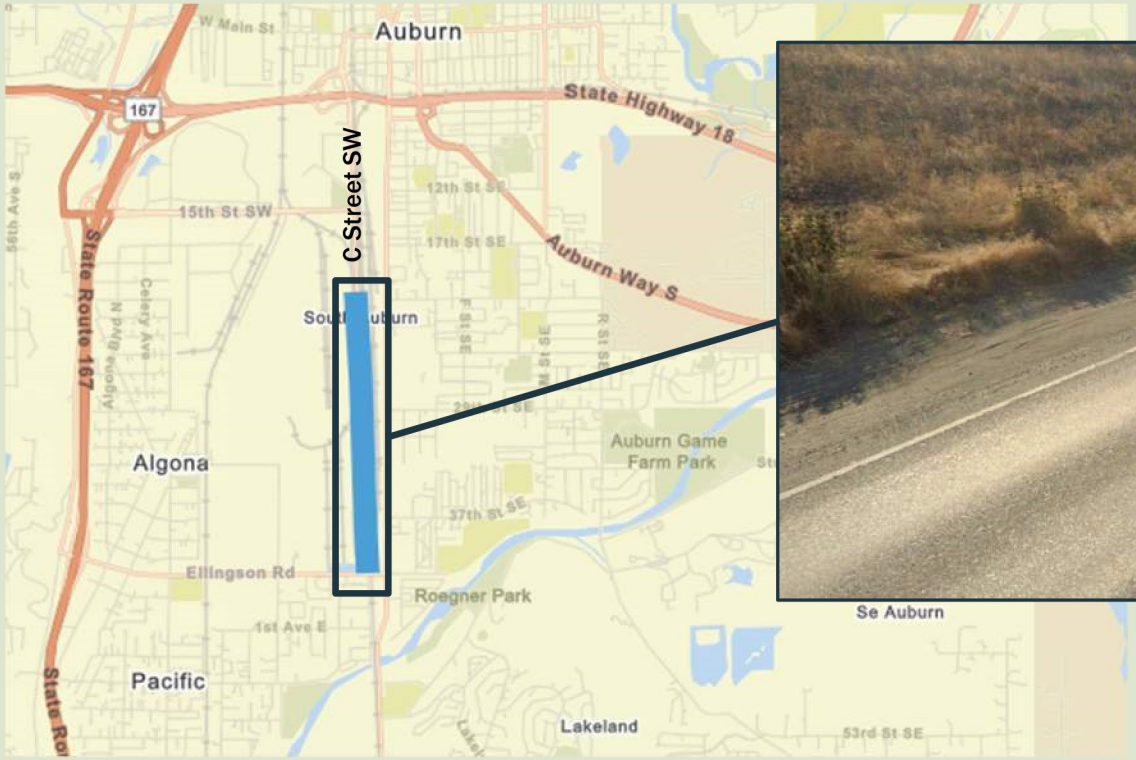
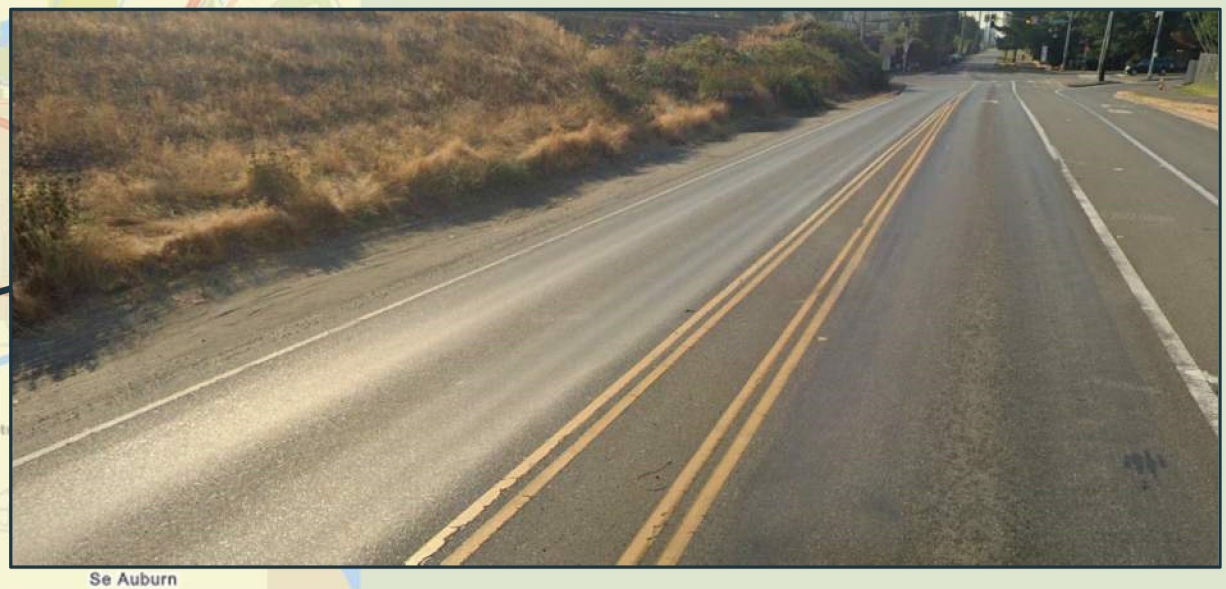
ARTERIAL/COLLECTOR PROJECTS – 26 CONSTRUCTION - C STREET SW PHASE 2





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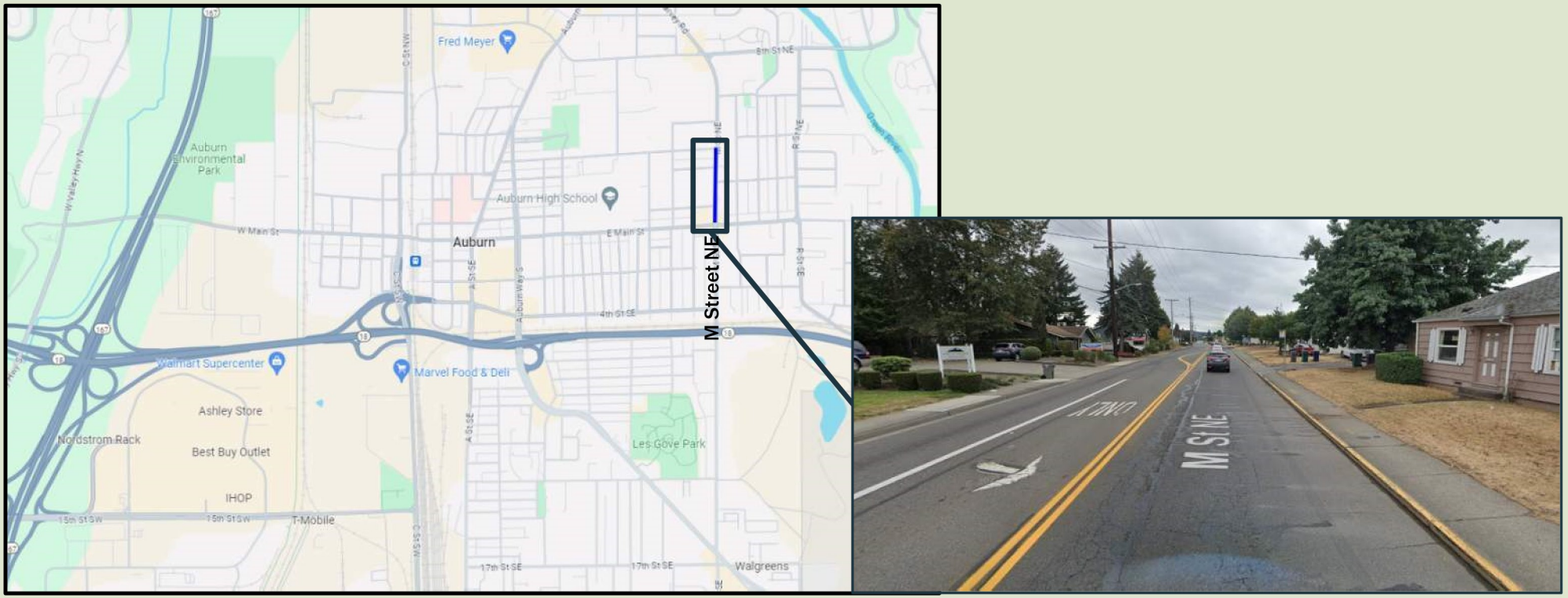
ARTERIAL/COLLECTOR PROJECTS – 25/26 CONSTRUCTION - M STREET NE



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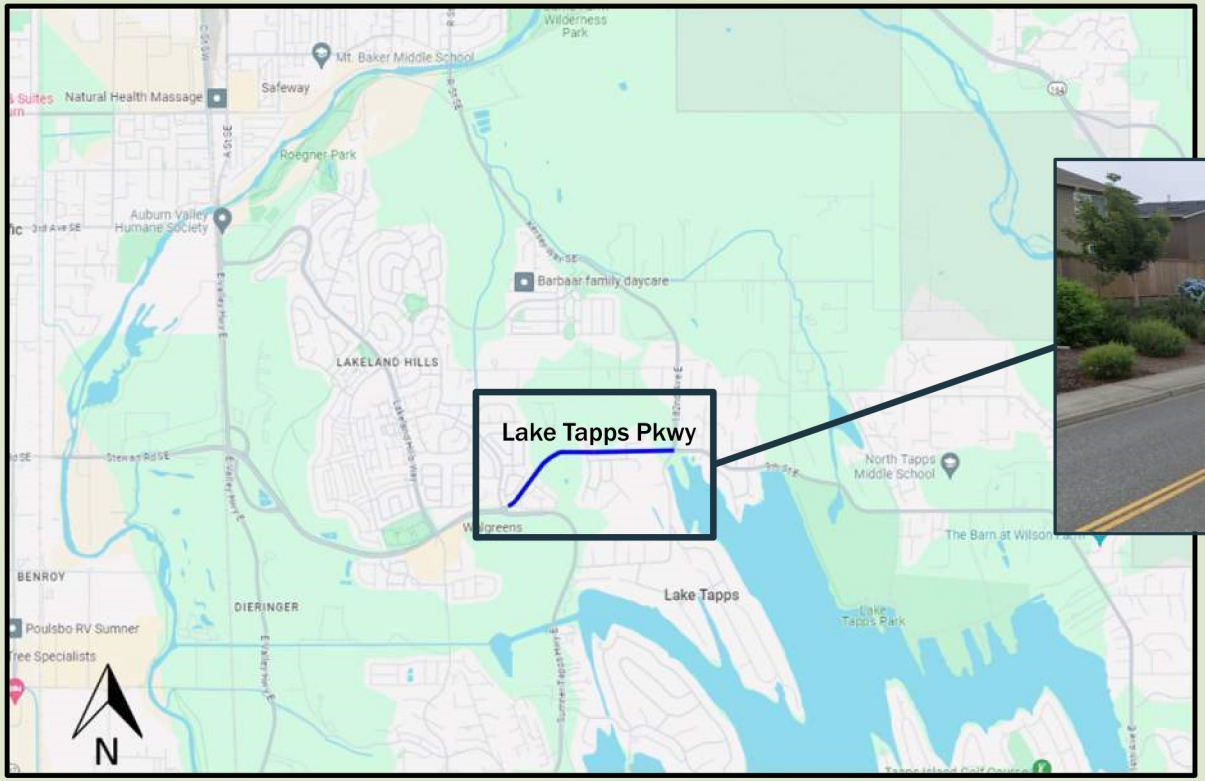
ARTERIAL/COLLECTOR PROJECTS – 27 CONSTRUCTION - LAKE TAPPS PKWY



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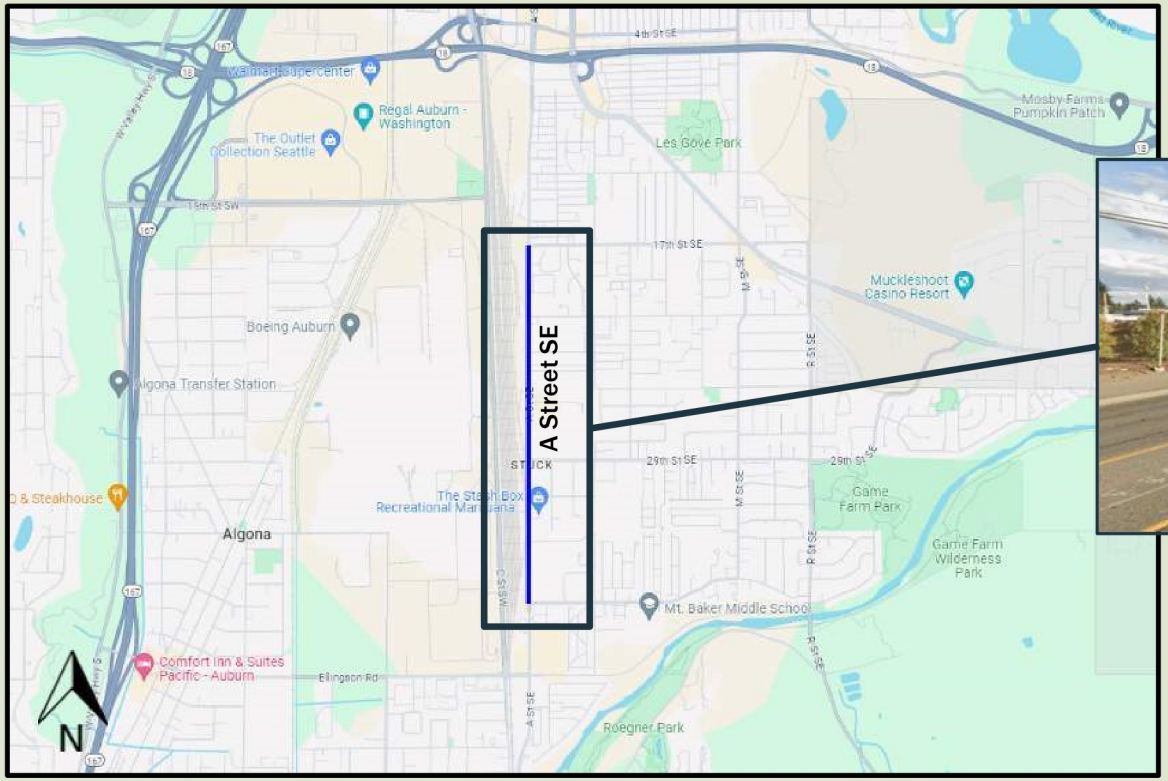
ARTERIAL/COLLECTOR PROJECTS – 27 CONSTRUCTION - A STREET SE



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WHAT'S NEXT?

- **Continue to work on identifying future preservation projects (https://www.auburnwa.gov/cms/One.aspx?portalId=11470638&pageId=15861698)**
- **Continue to pursue grant opportunities**
- **Track actual revenue vs. projected**
- **Updated on the City's website (www.auburnwa.gov/city_hall/public_works/transportation/street_preservation)**
- **Fall Magazine Article**

QUESTIONS?

AGENDA BILL APPROVAL FORM

Agenda Subject:
Capital Projects Status Report and Feature Capital Project (Gaub) (20 Minutes)

Date:
July 16, 2024

Department:
Public Works

Attachments:
Presentation
Capital Projects Status Report

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

For discussion only.

Background for Motion:

Background Summary:

The purpose of this discussion is to inform the Council and Public of the overall status of the City's Capital Project program managed by the Public Works Engineering Services Division and to present the 2024 third quarter feature capital project, the Regional Growth Center Access project (Project No. CP2110). This project will improve non-motorized access and traffic operations and circulation at the 3rd Street NE/4th Street NE intersections with Auburn Ave and Auburn Way N.

The Capital Project Group of Engineering Services is currently managing 47 projects, totaling approximately $133 million in total project costs. Of these projects, 32 are in design and 15 are under construction.

Reviewed by Council Committees:

Councilmember: Tracy Taylor
Staff: Ingrid Gaub
Meeting Date: July 22, 2024
Item Number:

ENGINEERING SERVICES

CAPITAL PROJECT STATUS REPORT & FEATURE PROJECT

JEFFREY BENDER
SETH WICKSTROM

CITY COUNCIL STUDY SESSION
JULY 22, 2024

Public Works Department
Engineering Services • Airport Services • Maintenance & Operations Services

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CAPITAL PROJECTS – CURRENT STATUS

47 Active Capital Projects (Approximate total project value $133 million)

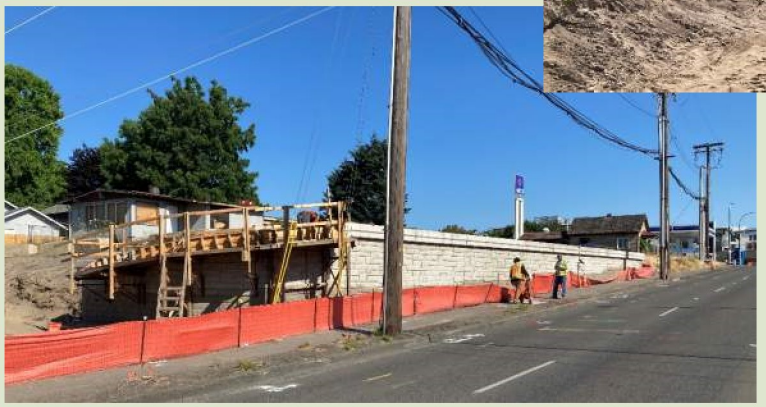
- 32 in Design Phase (Approximate total project value $101 million)
- 15 in Construction Phase (Approximate total project value $32 million)

CP2315 R STREET SE PRESERVATION

Page 2 in CPS Report.

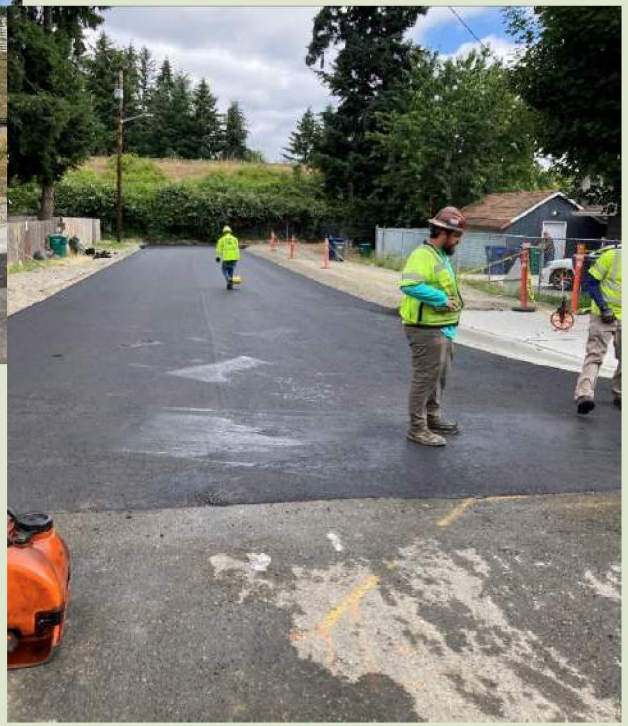
CP2117 A STREET LOOP

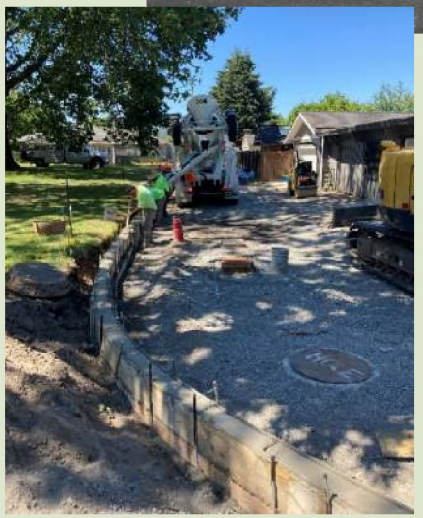
Page 4 in CPS Report.



CP2101 2023 LOCAL STREETS PRESERVATION

Page 5 in CPS Report.





CP1603 COAL CREEK SPRINGS TRANSMISSION MAIN

Page 5 in CPS Report.

CAPITAL PROJECTS REPORT

Questions?

FEATURE CAPITAL PROJECT:

REGIONAL GROWTH CENTER ACCESS

(CP2110)

Public Works Department

Engineering Services • Airport Services • Maintenance & Operations Services

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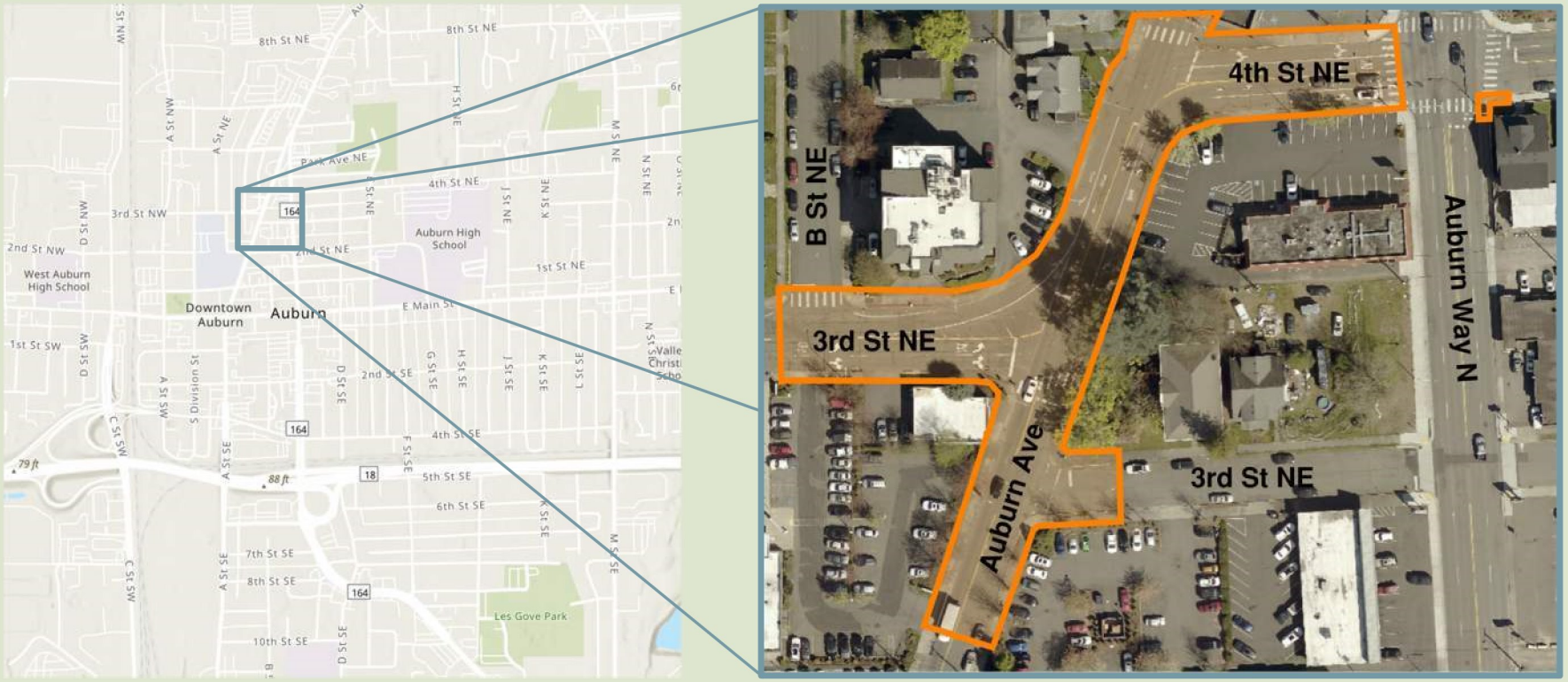
8

VICINITY MAP



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PROJECT PURPOSE

- Improve pedestrian and vehicular access to downtown/transit center.
- Replacing street and utility infrastructure that is at/near end of service life.
- Replace lighting, signal, and sidewalks to meet downtown design standards.

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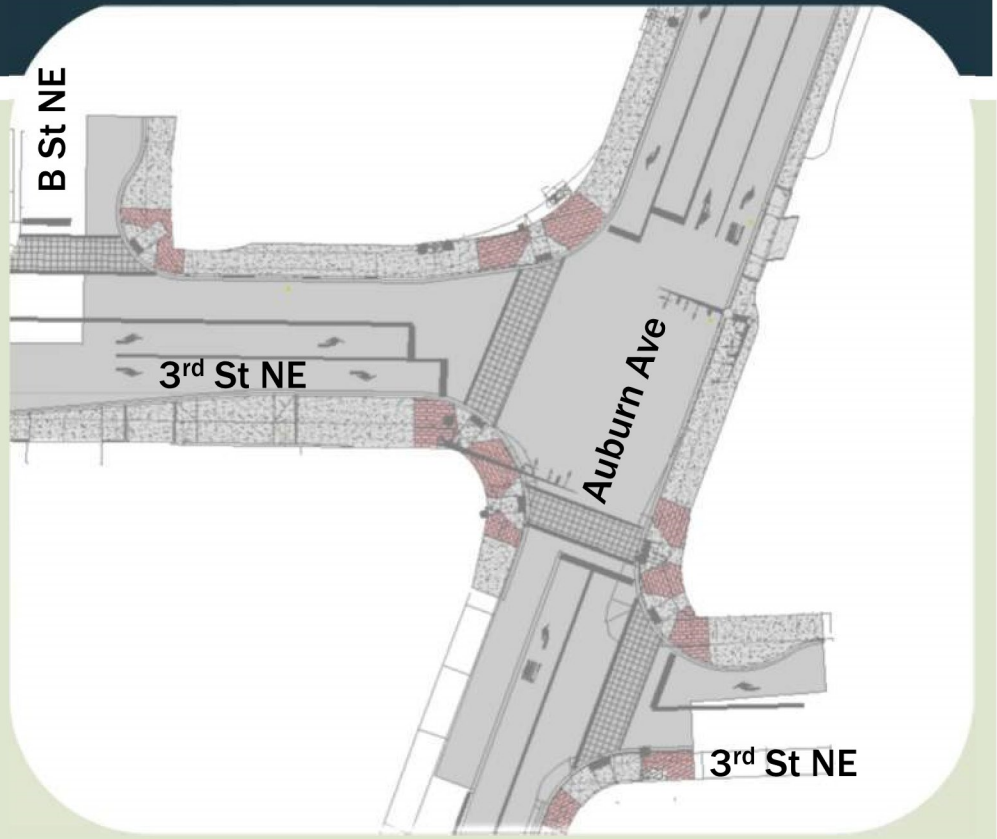
EXISTING CONDITION

- Three closely spaced traffic signals
- No north/south pedestrian crossing at 3rd St NE/Auburn Ave
- Inefficient traffic signal operations at Auburn Way/4th St NE
- Sidewalks and curbs do not meet current standards
- Deteriorated pavement and utilities
- No left turns allowed from northbound Auburn Ave to westbound 3rd Street NW

SCOPE/PURPOSE/BENEFITS

Existing Conditions



Planned Improvements

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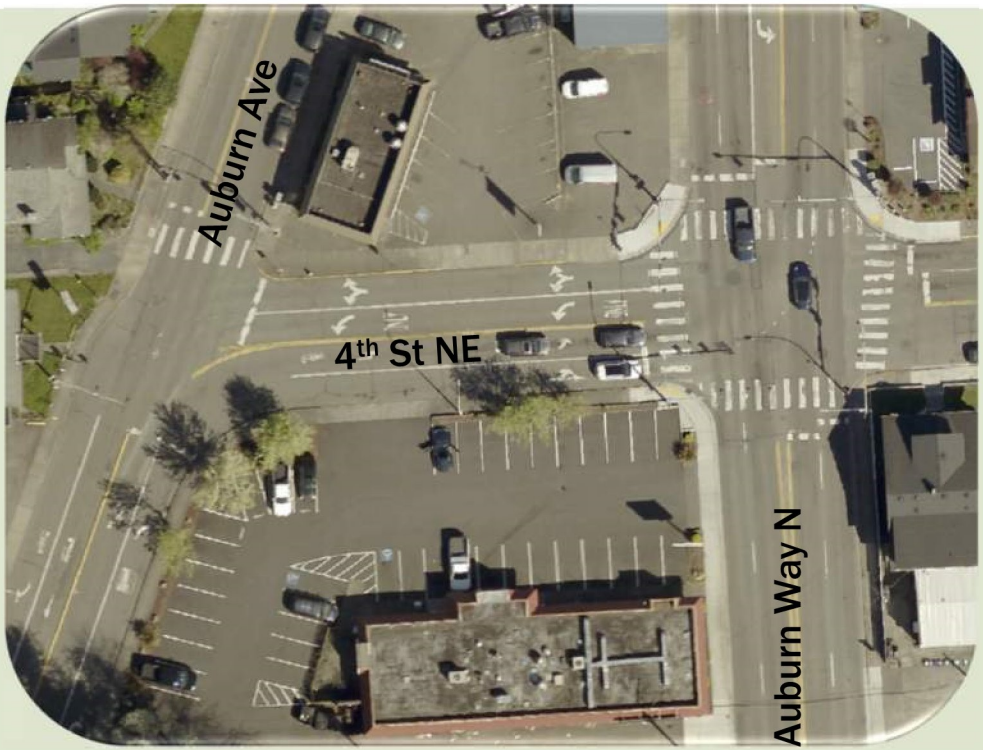
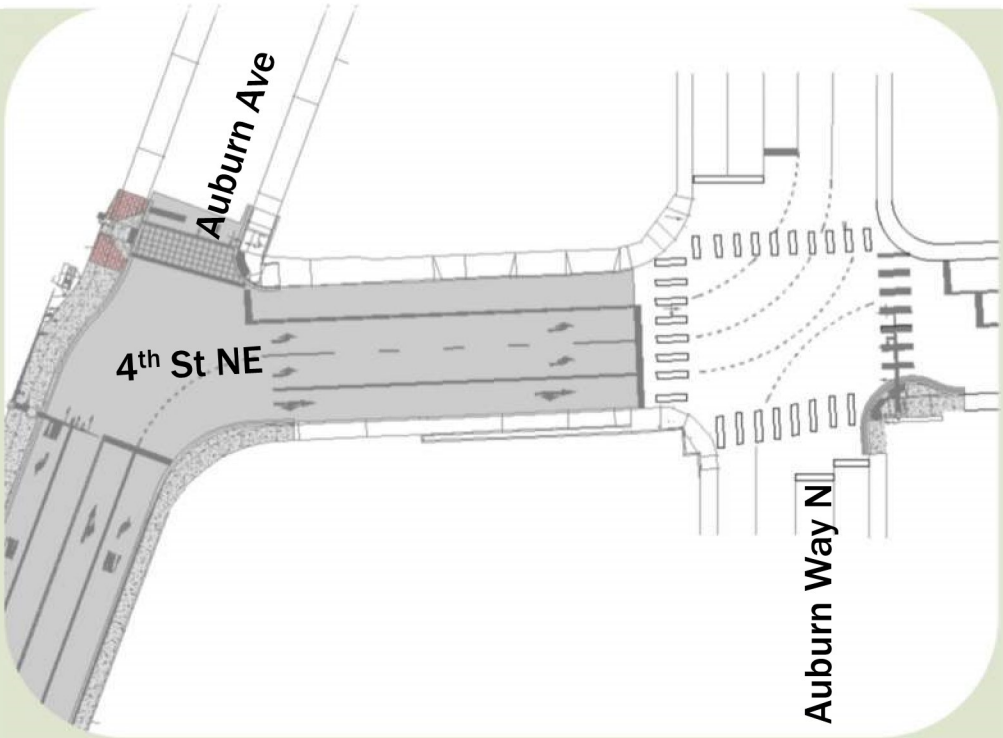
SCOPE/PURPOSE/BENEFITS



Existing Conditions



Planned Improvements

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PROJECT ESTIMATE & SCHEDULE

TIB Grant	$2,112,000
Sound Transit Grant	$1,625,000
Arterial Street (102 Fund)	$490,000
Street Preservation (105 Fund)	$286,000
Water (460 Fund)	$166,000
Sewer (461 Fund)	$139,000
Storm Drainage (462 Fund)	$377,000
Total	$5,195,000

Design & Right-of-Way
January 2021 to June 2024

Advertise & Award
July 2024

Construction
August 2024 thru Summer 2025

SERVICE • ENVIRONMENT • ECONOMY • CHARACTER • SUSTAINABILITY • WELLNESS • CELEBRATION

FEATURED CAPITAL PROJECT

Questions?

Capital Project Status Report

Public Works Department - Engineering General Services Division

Construction Projects

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2405	**Fulmer Treatment Facility VFD Replacements** This project will remove and replace the existing 480V, 200HP variable frequency drives (VFDs) for Pumps 1 and 2 at the Fulmer Corrosion Control Treatment Facility.	$174,000	QTR 2 (APR-JUN) 24	QTR 3 (JUL-SEP) 24	Shelbi Meyer	Construction is underway.	N/A	Cascade Machinery & Electric
CP2329	**Coal Creek Springs Flowmeters Rehabilitation** The existing flow meters at the three collector vaults at the Coal Creek Springs water source have long been non-operational and the vaults are consistently inundated with water. The project will identify the cause and rectify three malfunctioning flow meters to re-instrument the Collectors with new flow meters as well as address issues with water inundation in the flow meter vaults.	$387,000	QTR 3 (JUL-SEP) 24	QTR 3 (JUL-SEP) 24	Shelbi Meyer	The construction work has been suspended for the procurement of long lead-time materials. It is anticipated that the work will resume in August 2024.	Consor	Dirtworks Northwest
CP2327	**2024 Arterial Preservation** The 2024 Arterial Preservation project will perform asphalt pavement patching (removal and replacement of damaged pavement) on Arterial and Collector streets as part of the City's Arterial and Collector Street Preservation Program.	$1,601,000	QTR 3 (JUL-SEP) 24	QTR 3 (JUL-SEP) 24	Shelbi Meyer	Construction is underway.	N/A	Miles Resources

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2323	**2024 Storm Repair and Replacement** The major items of work include upsizing a storm pipe and adding a catch basin, adding an access ramp to a pond, replacing or retrofitting storm filter vault lids, adding fountain-style aerators to a pond, and enhancing pond security with chain link fence.	$568,000	QTR 3 (JUL-SEP) 24	QTR 4 (OCT-DEC) 24	Aleksey Koshman	Construction work is anticipated to begin in August 2024.	N/A	TBD
CP2315	**R Street SE Preservation - 33rd St SE to 37th St SE** The project will provide roadway improvements along R St SE from 33rd St SE to 37th St SE. Improvements include griding and overlaying the roadway pavement, new street lighting, a non-motorized multi-use path, and associated underground utilities improvements.	$2,901,000	QTR 2 (APR-JUN) 24	QTR 4 (OCT-DEC) 24	Kim Truong	Construction is underway.	HDR	Active Construction Inc.
CP2301	**104th Ave SE PRV Replacement** This project will remove and replace the existing pressure reducing valve (PRV) and station as the life span of the station been exceeded.	$419,000	QTR 3 (JUL-SEP) 24	QTR 3 (JUL-SEP) 24	Shelbi Meyer	The construction work has been suspended for the procurement of long lead-time materials. It is anticipated that the work will resume in August 2024.	N/A	Hoffman Construction , Inc.

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2231	**Lake Tapps Pkwy/SumnerTapps Hwy E Preservation** The project will grind and overlay the Lake Tapps Parkway/Sumner-Tapps Highway E corridor from the intersection of Lake Tapps Parkway with Lakeland Hills Way to the intersection of Sumner-Tapps Highway E with 16th Street E (the Auburn City limit).	$1,126,000 Includes Federal Grant Funds	QTR 1 (JAN-MAR) 24	QTR 3 (JUL-SEP) 24	Nahom Kahsay	Construction is nearly complete with minor corrections and work remaining.	N/A	Miles Resources, LLC
CP2219	**Reservoirs 4 and 8 Seismic Retrofits** This project will install 4 seismic control valves at 4 of City of Auburn's reservoir sites. Furthermore, the air vents for 3 of the reservoirs will be retrofitted or replaced.	$1,601,000 Includes State Grant Funds	QTR 1 (JAN-MAR) 24	QTR 3 (JUL-SEP) 24	Aleksey Koshman	The construction work has been suspended for the procurement of long lead-time materials. It is anticipated that the work will resume on July 22, 2024. The contractor may be onsite periodically to perform minor work activities.	Parametrix	Northwest Cascade, Inc.
CP2213	**Runway and Taxiway Improvements and RSA Grading** Rehabilitate the runway and taxiway pavement, upgrade taxiway lighting to LED, update lights on the side of the runway that provide guidance to pilots during decent, extend the safety area at the south end of the runway by regrading a small portion of the King County Park & Ride, and survey of existing facilities for the Airport Geographic Information System (AGIS) phase.	$4,775,000 Includes Federal & State Grant Funds	QTR 1 (JAN-MAR) 24	QTR 3 (JUL-SEP) 24	Seth Wickstrom	The construction work has been suspended for the procurement of long lead-time materials. It is anticipated that the work will resume in August 2024. The contractor may be onsite periodically to perform minor work activities.	Century West	Tucci & Sons, Inc.

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2207	**10th St NW/A Street NW Intersection Improvements** The project will construct a new traffic signal at the intersection in place of the existing stop control on the 10th Street NW approach.	$847,000	QTR 3 (JUL-SEP) 24	QTR 3 (JUL-SEP) 25	Nahom Kahsay	Bids were opened on June 26, 2024. Apparent low bidder was Transportation Systems, Inc. City staff is performing reference checks and other verifications to determine if the apparent low bidder meets the responsible bidding criteria.	N/A	Transportation Systems, Inc. (Pending)
CP2125	**D Street SE and 23rd Street SE Storm Improvements Project** The purpose of this project is to eliminate localized flooding and make better use of available capacity in the 21st St SE Regional Infiltration Storm Pond by extending and connecting existing storm drainage infrastructure in the area south of 21st St SE at D Street SE and at K Street SE.	$7,079,000	QTR 4 (OCT-DEC) 23	QTR 3 (JUL-SEP) 24	Lauren Kirk	Construction is nearly complete with minor corrections and work remaining.	Consor	Active Construction, Inc.
CP2117	**A Street Loop** The project will construct a new one-way (eastbound) roadway connection between A Street SW/S Division Street and A Street SE. The new intersection with A Street SE will allow an unsignalized right-turn movement onto southbound A Street SE, providing an alternative to the intersection of 3rd Street SE and A Street SE, which does not meet adopted LOS standards.	$2,398,000 Includes Federal Grant Funds	QTR 3 (JUL-SEP) 23	QTR 3 (JUL-SEP) 24	Matt Larson	Construction is underway.	Otak	Reed Trucking & Excavating Inc.

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2101	**2023 Local Streets Preservation** The project will design and construct the following: full-depth pavement replacement, grind/overlay, and utility improvements.	$1,597,000 Includes Federal Grant Funds	QTR 2 (APR-JUN) 24	QTR 1 (JAN-MAR) 25	Aleksey Koshman	Construction is underway.	KPFF	Scotty's General Construction, Inc.
CP2021	**Well 4 Facility Improvements** The project includes a comprehensive investigation and evaluation of the well operation. The consultant design team has already determined that the soft starter settings needed to be adjusted for the generator to function as designed and a new VFD or generator are not needed. The team has also determined which aging mechanical and electrical components need to be replaced. The remaining scope of this project includes the replacement of these aging mechanical and electrical components.	$1,047,000	QTR 3 (JUL-SEP) 24	QTR 4 (OCT-DEC) 24	Nahom Kahsay	The construction work has been suspended for the procurement of long lead-time materials. It is anticipated that the work will resume on August 19, 2024. The contractor may be onsite periodically to perform minor work activities.	Carollo	General Mechanical, Inc.
CP1603	**Coal Creek Springs Transmission Main Repair** The project will construct a second, parallel transmission pipeline over the White River suspended from a new pedestrian bridge.	$5,709,000	QTR 3 (JUL-SEP) 23	QTR 4 (OCT-DEC) 24	Seth Wickstrom	Construction work resumed on July 2, 2024. The contractor is currently working on the pedestrian bridge installation.	Jacobs	Pivetta Brothers Construction, Inc

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor

Construction Projects Summary	Number of Projects	Total Budget
	15	$32,229,000

Design Projects

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
MS2403	**2024 CDBG Sidewalk Improvements** Construction of sidewalk along the 5th St NE corridor.	$220,000 Includes Federal Grant Funds	QTR 3 (JUL-SEP) 24	QTR 4 (OCT-DEC) 24	Lauren Kirk	Design is underway and is 90% complete.	N/A	TBD
CP2413	**Reservoir 2 Seismic Control Valve** Replace 2 valves, add seismic control, add new SCADA panel at site.	$1,000,000 Includes Federal Grant Funds	QTR 2 (APR-JUN) 25	QTR 2 (APR-JUN) 26	Aleksey Koshman	Consultant selection process is underway.	TBD	TBD
CP2412	**2025 Local Street Preservation** The project will reconstruct the pavement, replace ADA ramps at M St SE and 33rd St SE as needed, replace ADA ramps at O St SE and 33rd St SE, construct a receiving ramp on North side of 33rd St SE at O St SE intersection, replace traffic calming devices, and replace the sidewalk/curb & gutter where damaged. Utility needs for the project include water main replacement on 33rd St SE and O St SE, and storm main upgrades.	$2,604,000	QTR 2 (APR-JUN) 25	QTR 4 (OCT-DEC) 25	Shelbi Meyer	The design consultant contract has been executed. Design is underway.	KPG Psomas	TBD

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2411	**Lea Hill ITS Expansion Project** The purpose of this project is to provide fiberoptic cable connectivity between the existing ITS cabinet on the roundabout at 124th Ave SE/SE 304th Street and the existing traffic signal controller cabinet at the 132nd Ave SE/SE 304th Street.	$600,000	QTR 1 (JAN-MAR) 25	QTR 2 (APR-JUN) 25	Samim Qayoomi	Project design was initiated in July 2024 and is underway.	N/A	TBD
CP2410	**112th Place SE Water Main Replacement** Replace existing 6" cast iron watermain with 8" ductile iron watermain. Includes storm drainage improvements.	$2,476,000	QTR 2 (APR-JUN) 25	QTR 3 (JUL-SEP) 25	Lauren Kirk	Design is underway and is 30% complete.	Consor	TBD
CP2409	**Jornada Park Access Improvements** The project will construct an access driveway for utility maintenance activities. The project will also complete limited storm and sewer improvements.	$200,000	QTR 3 (JUL-SEP) 24	QTR 4 (OCT-DEC) 24	Samim Qayoomi	Design is underway and is 30% complete.	N/A	TBD
CP2406	**Auburn Avenue Theater Demolition** This project will demolish the existing Auburn Avenue Theater.	$251,000	QTR 3 (JUL-SEP) 24	QTR 4 (OCT-DEC) 24	Samim Qayoomi	Design is complete and this project was advertised for bids on July 10, 2024. Bid opening is scheduled on July 24, 2024.	N/A	TBD

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2404	**12th St SE and Auburn Way S Water Repair and Replacement** This project repairs a leak in 10-inch valve in 12th St SE by replacing distribution mains with 12-inch ductile iron including appurtenances. Project also includes storm drainage improvements upsizing existing 8” concrete storm pipes with 12” PVC.	$645,000	QTR 4 (OCT-DEC) 24	QTR 1 (JAN-MAR) 25	Nahom Kahsay	Design is underway and is 30% complete.	N/A	TBD
CP2403	**Well 4 Electrical Improvements** This project will provide electrical improvements to the existing Well 4 facility	$1,050,000	QTR 3 (JUL-SEP) 25	QTR 4 (OCT-DEC) 25	Nahom Kahsay	Carollo has been selected as the design consultant for this project. Consultant contract negotiations are underway. It is anticipated that design work will begin in July 2024.	Carollo	TBD
CP2402	**2024 Sewer Repair and Replacement** This project repairs and/or replaces sewer infrastructure as various location throughout Auburn.	$600,000	QTR 4 (OCT-DEC) 24	QTR 1 (JAN-MAR) 25	Nahom Kahsay	Design is underway and is 30% complete.	N/A	TBD
CP2336	**2024 Storm Pipeline Extension Program** This project extends existing stormwater conveyance systems at various locations throughout Auburn to elevate localized surface water accumulations.	$826,000	QTR 4 (OCT-DEC) 24	QTR 2 (APR-JUN) 25	Lauren Kirk	Design is underway.	N/A	TBD

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2335	**AWOS, Beacon & Emergency Generator** The project will construct a new Automated Weather Observing System (AWOS), replace the Airport beacon, and install a new standby generator. The AWOS is a group of instruments that continuously measures and reports weather data that will be used by pilots. The beacon is a bright light that helps pilots locate the Airport at night and will be replaced due to its age and deteriorating condition. A standby generator will provide backup electrical service during power outages.	$1,209,000 Includes Federal & State Grant Funds	QTR 3 (JUL-SEP) 25	QTR 4 (OCT-DEC) 25	Seth Wickstrom	Century West Engineering has been selected as the design consultant for this project. Consultant contract negotiations are underway. It is anticipated that design work will begin in July 2024.	Century West	TBD
CP2332	**Lea Hill SRTS** The project will complete sidewalk gaps on Lea Hill in the vicinity of Hazelwood Elementary School, Lea Hill Elementary School and Rainier Middle School.	$997,000 Includes Federal Grant Funds	QTR 4 (OCT-DEC) 24	QTR 4 (OCT-DEC) 25	Seth Wickstrom	The design consultant contract has been executed. Design is underway.	BCRA	TBD
CP2331	**1st Street NE and R St NE Sewer Replacement** Replace approximately 500 LF of sewer main located along the back yard property lines of residential properties between 1st Street NE and 2nd Street NE, east of R Street NE.	$450,000	QTR 2 (APR-JUN) 25	QTR 3 (JUL-SEP) 25	Seth Wickstrom	Design survey is underway.	N/A	TBD

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2328	**A Street SE Preservation (37th St SE to Lakeland Hills Way)** The project will grind and overlay A Street SE from 37th Street SE to the intersection with Lakeland Hills Way. The project also includes ADA upgrades to curb ramps, pedestrian push buttons, replacement of vehicle detection at signalized intersections and channelization.	$2,034,000 Includes Federal Grant Funds	QTR 1 (JAN-MAR) 25	QTR 3 (JUL-SEP) 25	Aleksey Koshman	Design is underway and is 60% complete.	N/A	TBD
CP2321	**Downtown Infrastructure Improvements** This project will construct infrastructure improvements in Downtown Auburn that will support existing development and future re-development activities and to replace infrastructure that is at or near the end of its useful service life. This project will also initiate the design of a new performing arts theater with the option of completing the design and constructing the new theater if funding becomes available.	$4,779,000 Includes State & County Grant Funds	QTR 1 (JAN-MAR) 25	QTR 4 (OCT-DEC) 25	Matt Larson	Design is underway and is 30% complete.	Otak	TBD
CP2319	**Lea Hill Road/104th Avenue SE Roundabout** The project will construct a roundabout at the Lea Hill Road intersection with 104th Avenue SE. The roundabout will replace the existing span-wire signal. The project is needed to improve traffic operations and safety at the intersection. Additionally the existing water mains will be replaced.	$4,377,000 Includes Federal Grant Funds	QTR 1 (JAN-MAR) 27	QTR 2 (APR-JUN) 28	Jeffrey Bender	Design is underway.	Consor	TBD

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2317	**2024 Neighborhood Improvements** This project will construct neighborhood improvements intended to improve safety, accessibility, and non-motorized connectivity. The project includes installation of new street lighting, construction of new sidewalks, replacement of existing sidewalks, and implementation of traffic calming measures.	$2,126,000	QTR 3 (JUL-SEP) 24	QTR 1 (JAN-MAR) 25	Aleksey Koshman	Design is underway and is 99% complete.	N/A	TBD
CP2313	**Auburn Way South Roundabout Center Design** This project will design of the landscape, lighting, irrigation, and structural installation of the Enhancements (artwork) to be installed in the center island of the roundabout. The City will install the Enhancements and construct improvements needed to accommodate the Enhancements as part of the project construction.	$150,000	QTR 3 (JUL-SEP) 24	QTR 4 (OCT-DEC) 24	Jeffrey Bender	Preliminary design concept is being developed. Interlocal Agreement for cost sharing with Muckleshoot Indian Tribe is being drafted.	Parametrix	TBD
CP2311	**E Valley Hwy Widening** The project will widen E Valley Hwy between Lakeland Hills Way and Terrace View Drive to a four-/five-lane roadway. The project will include a trail along the east side, lighting and storm improvements.	$11,361,000 Includes Federal Grant Funds	QTR 1 (JAN-MAR) 28	QTR 4 (OCT-DEC) 29	Lauren Kirk	Jacobs Engineering has been selected as the design consultant for this project. Consultant contract negotiations are underway. It is anticipated that design work will begin in July 2024.	Jacobs	TBD

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2309	**2023 City Safety Pedestrian Crossing Enhancements** The project will install RRFBs at four locations around the City, at the SE 304th Street/116th Avenue intersectionl, on R Street SE to the north of 37th Street SE, at the S 296th Street/57th Place S intersection, and at M Street SE/33rd Street SE.	$900,000 Includes Federal Grant Funds	QTR 3 (JUL-SEP) 24	QTR 4 (OCT-DEC) 24	Jeffrey Bender	Design is underway and is 90% complete.	N/A	TBD
CP2308	**R Street SE/21st Street SE Roundabout** The project will construct a single lane roundabout at the intersection of R Street SE and 21st Street SE.	$2,284,000 Includes Federal Grant Funds	QTR 2 (APR-JUN) 25	QTR 4 (OCT-DEC) 25	Kim Truong	Preliminary design concept is being developed.	HDR, Inc.	TBD
CP2305	**2024 Neighborhood Traffic Calming** This project will implement traffic calming measures intended to improve safety for all road users by reducing vehicle speed and discouraging cut-through vehicle traffic.	$374,000	QTR 4 (OCT-DEC) 24	QTR 3 (JUL-SEP) 25	Shelbi Meyer	Design is underway and is 30% complete.	N/A	TBD

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2211	**49th Street NE (Auburn Way N to D Street NE)** The project will complete the buildout of 49th Street NE between Auburn Way N and D Street NE to complete the roadway cross section. The project will widen the roadway, where required, to provide a complete three lane section matching the existing cross section to the east of D Street NE.	$1,027,000	QTR 1 (JAN-MAR) 25	QTR 3 (JUL-SEP) 25	Steven Sturza	Design is underway and is 60% complete. Property acquisition process is underway.	BCRA	TBD
CP2210	**M Street NE Widening (Main to 4th Street NE)** The project will widen M Street NE to a 4/5 lane section between Main Street and 4th Street NE. The project will also replace the signal at Main/M Street.	$6,705,000	QTR 3 (JUL-SEP) 25	QTR 1 (JAN-MAR) 26	Nahom Kahsay	The design consultant contract has been executed. Design is underway.	KPG Psomas	TBD
CP2123	**C Street SW Preservation** This Project will grind and overlay C Street SW between W Main Street and the GSA signal (approximately 2,000 feet to the south of 15th Street SW). As part of the project, non-ADA compliant curb ramps and pedestrian push buttons will be upgraded, and c-curbing and vehicle detection loops will be replaced as needed. There are also, water, storm and sewer improvements along a portion of C St SW.	$4,988,000 Includes Federal Grant Funds	QTR 3 (JUL-SEP) 24	QTR 2 (APR-JUN) 25	Kim Truong	Design approval process with WSDOT is underway. It is anticipated that this project will be advertised for bids in August 2024.	N/A	TBD

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2116	**R Street SE Widening - 22nd St SE to 33rd St SE** The project will provide roadway and utility improvements along R Street SE from 33rd St SE to 22nd St SE. Improvements include adding a second southbound lane to address level of service deficiencies, street lighting and a non-motorized multi-use path.	$12,432,000	QTR 1 (JAN-MAR) 26	QTR 4 (OCT-DEC) 26	Kim Truong	Design is underway and is 60% complete. Property acquisition process is underway.	HDR	TBD
CP2110	**Regional Growth Center Access Improvements** The project would improve the 3rd Street NE/4th Street NE intersections with Auburn Ave and Auburn Way N. The project will improve non-motorized access and traffic operations and circulation. The project adds the northbound left-turn lane and a northbound/southbound crosswalk at 3rd St/Auburn Ave, and removes the split phase operations at 4th St/Auburn Way N.	$5,195,000 Includes State Grant Funds	QTR 3 (JUL-SEP) 24	QTR 3 (JUL-SEP) 25	Seth Wickstrom	Design is complete and this project was advertised for bids on July 3, 2024. Bid opening is scheduled on July 23, 2024.	TranspoGroup	TBD

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP2107	**PW M&O Facility Improvements Phase 1** This project will enclose the existing 8 bay fleet covered parking area by installing full height mechanically operated doors. This project will also expand the existing PW M&O main building for a new Central Stores. The existing building will be reconfigured to increase the fleet maintenance area. To accommodate the addition, an existing 8" watermain will need to be relocated and upsized (12") to improve fire flow to the building.	$2,931,000	QTR 4 (OCT-DEC) 24	QTR 4 (OCT-DEC) 25	Lauren Kirk	Design is underway.	Page & Beard Architects	TBD
CP2022	**Garden Avenue Realignment** The project will create a new east/west connection between Garden Ave (102nd Ave SE) and 104th Ave SE and remove the existing Garden Ave connection to 8th St NE and replace it with a permanent cul-de-sac. The project will also demolish an existing building and acquire the ROW needed for the roadway. Utility improvements include storm drainage needed to support the roadway surface; approx. 1500 ft of new/replaced watermain; and approx. 220 ft of sewer line.	$2,602,000	QTR 3 (JUL-SEP) 24	QTR 2 (APR-JUN) 25	Kim Truong	Design is complete and the design team is finalizing the construction plans and other contract documents.	N/A	TBD
CP2009	**Rainier Ridge Pump Station** This project will replace the Rainier Ridge Sewer Pump Station and its associated force main (approximately 725 ft).	$9,981,000	QTR 2 (APR-JUN) 25	QTR 3 (JUL-SEP) 26	Nahom Kahsay	Design is underway and is 60% complete.	Kennedy Jenks	TBD

Project Number	Project Name & Description	Estimated Project Costs	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
CP1622	**Auburn Way South Improvements - Hemlock St SE to Poplar St SE** Roadway widening to create a five-lane cross section with two general purpose travel lanes in each direction, and a two-way center left-turn lane. Additionally, curb and gutter, 10 foot sidewalks, illumination, transit stop improvements, storm water improvements, water main extension, and access management (where feasible) with accommodation for U-turns are proposed.	$13,915,000 Includes Federal & State Grant Funds	QTR 1 (JAN-MAR) 25	QTR 2 (APR-JUN) 26	Jeffrey Bender	Design is underway and is 90% complete. Property acquisition process is underway.	Parametrix	TBD

Design Projects Summary	**Number of Projects**	**Total Budget**
	32	$101,289,000