

**Report of the Port
Richland Airport Utility Committee
May 11, 2026**

INTRODUCTION

At the February 11, 2026, Port of Benton (“Port”) Regular Commission Meeting, the Commissioners passed a motion approving the creation of an ad hoc committee consisting of the following individuals: Quentin Wright, Sheri Collins, Bryan Bell, Summers Miya, Mark Underwood, and John O’Leary as its chair (hereafter, the “Committee”). The Commission tasked the Committee with addressing questions regarding water and sewer utility connections for certain hangars at the Port’s Richland Airport. The Committee’s charter, as approved by the Commission, is as follows:

- To answer the following questions, and to make specific recommended actions this commission should take to reach a conclusion on this issue:
 - **Did the Port have an original contract/agreement (1999) with Herb Brayton, Jim Leedy, David Kleese, Bing Manawadu, with regard to these Port tenants paying for water/sewer infrastructure in exchange for the Port paying the City of Richland (“City”) water utility bill?**
 - **If so, does this contract/agreement remain in effect today?**
 - **Based on an initial investment of \$21,000, have the tenants reached a return on their investment?**
 - **What agreements does the Port have with the City with regard to utility infrastructure?**
 - **Who owns and who’s responsible for maintaining the infrastructure?**
 - **What utility permitting and work scope are the tenants responsible for?**
 - **The committee chair shall give status reports at each regular commission meeting.**

What follows is a discussion of the Committee’s methodology for responding to its charter and a report of the Committee’s findings for each area of inquiry it was assigned by the Port Commission.

COMMITTEE METHODOLOGY

The following describes the methodology utilized by the Committee members to address the specific areas of inquiry it was tasked by the Port Commission.

Regular meetings – Committee members met in person most weeks at the Port office to discuss investigation findings, further investigation strategy and to conduct interviews.

Building Permits – Committee members reviewed building permits from the City, including permit number 1999-00578 for the initial waterline and sewer installation to four lease areas of tenants/prospective tenants Brayton, Manawadu, Leedy and Kleese. The permit was issued through JUB Engineering with Acme Materials as the General Contractor. City permit number 1999-01471 was issued through the Port with Bunger Construction for the pilot's lounge/public restrooms located at the west end of Herb Brayton's Hangar.

Timelines – The Committee reviewed timelines prepared by Port staff from gathered data across many avenues to provide a clear picture of the events and the order in which they occurred.

Letters – The Committee reviewed letters written by Herb Brayton (May 17, 1999), Ryan Hone (June 30, 2025) and City in response to Quentin Wright's request for a meeting (March 2026) and City Notice of Violation to Herb Brayton, (August 25, 2025).

Checks Received by Port – Committee members researched all Port accounts receivable entries from 1999 through 2010 regarding the 1999 airport utility realignment for third-party payments and found one payment from Herb Brayton that was labeled for the water service infrastructure.

Checks Paid by Port – Committee members researched all payments made by the Port regarding the water realignment and found one check dated December 2011 to Herb Brayton for review Richland AIP Project for \$8,278.46.

Plans and Engineering – One main set of plans was in the Port archives related to the 1999 Airport AIP not included with the building permits from JUB Engineering. This is an as-built drawing for the AIP #3-53-0056-08 Water and Sewer extensions for the Richland Airport dated (June 28, 1999).

Leases – Committee members manually sorted through over eight banker’s boxes containing Port archival records for lease documents. Lease documents for the four lease areas located at the Richland Airport pertaining to the 1999 Airport utility realignment project were located and reviewed, revealing very little, if any, mention of the water line service.

City Code Review – Representatives from the City declined the Committee’s request for an interview. Instead, the City provided a response to the Committee’s charter, largely consisting of a list of current Richland Municipal Code provisions dated January 2026. Each code was evaluated based on its relevance to the property and questions at issue. A note of the meaning of each code and how it would or would not pertain to the issue was made. Each code was then evaluated as to its relevance to the items of the Committee’s Charter and what each meant for the Port and its tenants.

In Person Interviews - During its regular meeting, the Committee met with Herb Brayton via Zoom on March 30, 2026. Scott Keller attended the Committee’s meeting on April 6, 2026, for an interview. Committee members, by telephone, spoke with representatives of JUB Engineering, including engineer Alan Giesbrecht. A Committee member conducted an in-person interview with Jim Leedy. David Kleese and Bing Manawadu are deceased.

HISTORICAL TIMELINE REFERENCE

The following is a historical timeline of relevant dates and occurrences believed to be relevant to an understanding of the facts surrounding the 1999 utility realignment and other issues pertaining to the Committee's charter:

1978

- Circle Area (Skydiving): Water and sewer infrastructure installed

1995

- Bing Manawadu signed a ground lease with the Port

October 1998

- JUB Engineering – Richland Airport Improvements (1999 project planning)

1999

- Letter from Herb Brayton to airport director Scott Keller, with a copy to JUB Engineering, regarding water and sewer utility realignment at the Richland Airport.
- 2150 Airport Way – Permit No. 1999-00578;
Issued: May 20, 1999;
Owner: Port;
Contractor: ACME Materials;
Engineer: JUB Engineering
- 2082 Butler Loop – Permit No. 1999-01471;
Issued: Nov 19, 1999;
Owner: Port;
Contractor: Bunger Construction;
Use: Office (pilots' lounge w/ bathroom tied to Port meter)

2000

- 2049 Butler Loop – Permit No. BP00-00125;
Issued: Apr 28, 2000;
Owner: Al Skinnel;
Engineer: Pete Riggle;
Use: Airplane hangar

- Water/sewer extension AIP No. 3-53-0056-008 (1999); pro rata improvements shared (Leedy, Manawadu, Brayton) – main line only

2002

- 2014 Butler Loop – Permit No. BP02-01046;
Issued: Jul 9, 2002;
Owner/Contractor: Ralph Collins;
Engineer: Allen Hurtz;
Use: Airplane hangar
- 2020 Butler Loop – Permit No. BP02-01696;
Issued: Nov. 4, 2002;
Owner/Contractor: Ralph Collins;
Engineer: Dale Bean; Use: Hangar

2003

- 2010 Butler Loop – Permit No. BP03-01818;
Issued: Dec 2, 2003;
Owner: Ralph Collins;
Engineer: James Moore;
Use: Airplane hangar (storage only)

2004

- 2030 Butler Loop – Permit No. BP04-00937;
Issued: Jul 13, 2004;
Owner: Ralph Collins;
Engineer: James Moore;
Use: Hangar (storage only)

2005

- 2060 Airport Way – Permit No. 2005-00948;
Owner: Port;
Contractor: Seifken & Sons;
Use: Bathroom/pilots' lounge tied to Port meter

2006

- 2082 Butler Loop – City issued Stop Work Order tied to Permit No. 1999-01471

2008–2009

- 2002 Butler Loop (5-unit hangar) – Permit No. CC-08-01614;
Issued: Oct 28, 2008;
Owner: Port;
Contractor: Cannon Enterprises;
Engineer: James Moore; Fee: \$7,918.72

2010

- Herb Brayton requested and received (December 2011) reimbursement from Port Executive Director John Haakenson: \$8,278.46 related to 1999 AIP improvements
- Herb Brayton’s Lease reduced from 2 acres to 1 acre; reimbursement issued: \$4,139.23
- Herb Brayton’s Lease extension request: 10 years

TABLE OF EXHIBITS

Exhibit 1 – Herb Brayton Letter dated May 17, 1999

Exhibit 2 – Check copy from Herb Brayton to the Port dated September 15, 1999, in the amount of \$8,278.46 with reference to “utility alignment

Exhibit 3 – JUB Engineering construction plans for the water and sewer extensions, dated June 25, 1999

Exhibit 4 – City Permit Number 1999-00578

Exhibit 5 – Ground penetrating radar results for the Richland Airport, June 2025

Exhibit 6 – Herb Brayton Ground Lease, dated August 16, 1999

Exhibit 7 – City Building Permit number 99-01150 for construction of the 14,800 square foot hangar at 2082 Butler Loop

Exhibit 8 – City Building Permit number 99-01471 for the addition of a pilot’s lounge at 2082 Butler Loop, to include a bathroom and water connection to the Port’s existing water meter

Exhibit 9 – Robert Lee Moore ground lease with the Port commencing April 1, 1995

Exhibit 10 – Bing Manawadu ground lease dated October 31, 1996, for the property currently known as 2050 Butler Loop, with a lease commencement date of November 15, 1996

COMMITTEE FINDINGS

1. “Did the Port have an original contract/agreement (1999) with Herb Brayton, Jim Leedy, David Kleese, Bing Manawadu, with regard to these Port Tenants paying for water/sewer infrastructure in exchange for the Port paying the City water utility bill?”

It is the finding of the Committee that an original agreement existed whereby tenants would fund a water and sewer realignment and extension to service ground leased property, but that agreement was not done in exchange for payment by the Port of water utilities for those properties.

The subject area encompasses property north of Butler Loop at the Richland Airport that was leased, or anticipated to be leased, to hangar tenants in 1999. In the late 1990s, with the exception of hangars located at 2050 and 2048 Butler Loop, the area was mostly undeveloped.

For reference, a list of the present-day addresses and tenants who occupy the subject property is as follows:

2050 Butler Loop - Bing Manawadu

2049 Butler Loop - The Axe, LLC

2048 Butler Loop - James Leedy

2060 Butler Loop - Hangar 2060 LLC

2082 Butler Loop - Herb Brayton

2096 Butler Loop - C&H Aviation Ventures, LLC

2094 Butler Loop - C&H Aviation Ventures, LLC

2090 Butler Loop - C&H Aviation Ventures, LLC

a. Utility Realignment

In 1999, in anticipation of further hangar development, tenant Herb Brayton helped facilitate a realignment of the water and sewer service for the subject property. Around that time, Brayton was planning the construction of his 14,800-square-foot hangar at 2082 Butler Loop. The subsequent utility realignment agreement with the Port is summarized in Brayton's letter of May 17, 1999, which was sent to Scott Keller (the Port's airport manager at the time) and copied to JUB Engineering (Exhibit 1).

The letter purports to summarize a prior telephone conversation between Brayton, Keller and Alan Giesbrecht of JUB. Following the Committee's interviews, none of the parties specifically recalled that specific conversation, but they do not dispute the terms set forth in Brayton's letter. Although no additional written agreements regarding the realignment were found, as explained below, subsequent performance and evidence of payment for the realignment work are consistent with the terms stated in the Brayton letter, and substantiate the terms of the agreement.

The May 17, 1999, letter provides for the payment of \$21,000 for the utility realignment. The plan consisted of reconfiguring the existing water infrastructure to serve tenant parcels. Prior to that time, the Port's meter provided irrigation water for a grassy area to the west of the subject property that supported various uses, including air races and a landing zone for skydivers. Per the terms of the agreement, Brayton, Leedy, Kleese, and Manawadu were to cover that cost in shares proportionate to the ground they leased/intended to lease, with the understanding that the Port would thereafter "own the sewer and water lines." While Brayton's letter states Leedy, Kleese and Manawadu were "interested parties" the Committee found no other documentation of their participation in the agreement.

According to Brayton's letter, the \$21,000 payment was to be split into five shares of \$4,200 each. Leedy, Kleese and Manawadu were to each pay one share, and Brayton was to pay two shares. Consistent with this arrangement, the Port's documentation shows payment by Brayton to the Port by check on September 15, 1999, in the amount of \$8,278.46 with reference to "utility alignment." (Exhibit 2). The Committee's search of the Port's records did not reveal any other payments made by the other parties referenced in the Brayton letter. However, in an interview with Mr. Leedy, he recalled paying the Port his share of the realignment costs.

While it is understood that the Port retained JUB to provide the design and facilitate the construction of the utility realignment, due to the passage of time and the respective document retention policies of both JUB and the Port, the Committee found no written contracts with JUB, and interviews with JUB representatives revealed no further details. In the Committee's interview of Alan Geisbrecht (the party believed to be the individual referenced in Brayton's 1999 letter and whose name appears on JUB's engineering plans), he stated he had no specific recollection of the 1999 utility realignment project and had no additional information to provide.

Regardless, based on interviews with Keller and Brayton, and consistent with the limited records available to the Committee, it is clear that the timing of the utility realignment was coordinated with airport apron and runway work (the North ramp expansion), facilitated by the Federal Aviation Administration Airport Improvement Program grants 6-53-0056-008-1999 and 6-53-0056-009-1999. While it was necessary to construct the utility infrastructure in advance of the apron and runway work, the FAA grants did not provide the funding needed for the Port to do so, which is why Mr. Brayton and the other tenants/prospective tenants agreed to fund the work.

Although Port records could not be found evidencing a written contract or contractual payments to JUB for the utility realignment, records exist substantiating that the work was done

consistent with the agreement set forth in Brayton's letter. JUB's construction plans for the water and sewer extensions are dated June 25, 1999 (Exhibit 3). The plans called for a water line connection to the Port's existing meter. Further, the plans called for the construction of sanitary sewer and water services terminating at end-of-service markers. The plans did not call for connection to tenant building/improvements.

Consistent with those plans, a permit was obtained on May 20, 1999, for four water services and sewer lines under City Permit Number 1999-00578 (Exhibit 4). JUB's construction plans and the permit obtained are consistent with recent ground penetrating radar results for the Richland Airport showing the current locations of water and sewer lines adjacent to the subject property (Exhibit 5).

In conclusion, although the arrangement set forth in Brayton's May 17, 1999, letter for the airport water and sewer realignment was not memorialized in any further written documents, the Committee finds that the Port had an original contract/agreement in 1999 with those parties whereby those tenants/prospective tenants would fund the realignment for the benefit of the ground leased property and the Port would own the utility infrastructure thereafter. This arrangement is supported by the parties' subsequent performance in facilitating the construction and payment for the project.

However, the Committee finds no evidence that the consideration paid for the realignment work was done in exchange for the Port paying the City Water utility bill for tenants at the Richland Airport. No such arrangement was addressed in Mr. Brayton's letter, and as of May 1999, the subject property was not fully developed. Further, as explained below, the tenants came to occupy the subject properties under written ground leases which, as is typical of such ground leases, did not require the Port to pay for tenant utility services.

b. Brayton

The Port and Brayton entered into a Ground Lease dated August 16, 1999 (Exhibit 6) for 1.1 acres in the Richland Airport. The property now leased comprises 2060, 2082, 2096, 2094, and 2090 Butler Loop. The purpose of the lease was for the construction, use and maintenance of 20 aircraft storage hangars and for purposes incidental thereto. Per the lease, Brayton agreed to accept the property in its then present condition, without warranties or representations by the Port. The lease requires Brayton to pay rent and all taxes and assessments. The lease further provides that Brayton, as tenant, is required, at his sole cost and expense, to maintain the property and all improvements in good condition and repair. Otherwise, the lease did not mandate the Port to pay utilities, including the water utility bill for the property. That said, the Committee did find evidence that an agreement exists with Brayton for the Port to supply and pay for water utility service to a pilot's lounge connected to Brayton's hangar.

On September 13, 1999, Brayton was issued City Building Permit number 99-01150 for the construction of the 14,800-square-foot hangar at 2082 Butler Loop (Exhibit 7). Shortly thereafter, on November 19, 1999, Brayton was issued City Building Permit number 99-01471 for the addition of a pilot's lounge at that building, to include a bathroom and water connection to the Port's existing water meter (Exhibit 8). While the agreement giving rise to the construction of the public pilots' lounge is not referenced in any other documentation available to the Committee, Mr. Brayton and Mr. Keller both explained the necessity for the lounge.

Mr. Brayton intended to construct expansive buildings providing hangar space to multiple airport users. At that time, however, there were no restroom facilities at the Airport for pilots (only porta-potties). Mr. Brayton represented to the Port that he would construct the pilot lounge at his own expense if the Port paid for the water serving the bathroom. Keller recalls discussing Mr.

Brayton's offer with the Commission and it was favorably received since the Port did not have the budget itself to construct such a facility. Construction of the lounge took place, and to this day it provides facilities to the public, for which the Port continues to pay the water utility bill.

c. Leedy

For the present-day property located at 2048 Butler Loop, it is important to note that the hangar on that property was not purchased by Mr. Leedy until 2004. At the time of the utility infrastructure realignment in 1999, the property was leased by Robert Lee Moore. Moore entered into a Ground Lease with the Port commencing on April 1, 1995 (Exhibit 9), with an original 20-year term and ten successive 3-year renewal options. Per the terms of the Lease, the tenant was obligated to pay all taxes and assessments accruing against the property. The stated purpose of the Lease was for the tenant's construction of aircraft storage hangars and the rental of aircraft storage space, along with activities incidental thereto. Further, throughout the term of the Lease, the tenant was obligated, at its sole cost and expense, to pay for all improvements and to maintain the property and all such improvements.

Otherwise, the lease did not mandate that the Port pay utilities, including the property's water utility bill. Mr. Leedy confirmed that there are no additional written agreements for the Port to pay for water and sewer utility service to the property.

d. Kleese

Although Brayton's 1999 letter references Kleese, there is no evidence that he entered into a lease with the Port, and the Committee could find no further evidence of his participation in the realignment agreement. The earliest archival documentation available for the 2049 Butler Loop property is March 2000.

e. Manawadu

The Port as landlord, and Bing Manawadu as tenant, entered into a Ground Lease dated October 31, 1996, for the property currently known as 2050 Butler Loop, with a lease commencement date of November 15, 1996 (Exhibit 10). That lease was in effect at the time of the utility infrastructure realignment at the Richland Airport in 1999 and remains in effect to this day.

The stated purpose of the Lease is for the construction of aircraft storage hangars, the rental of aircraft storage space, and activities incidental thereto. Consistent with the other Port Ground Leases, the Lease requires the tenant to pay rent and all taxes and assessments. The lease further provides that the tenant is required, at its sole cost and expense, to maintain the property and all improvements in good condition and repair.

Although the Manawadu Ground Lease, at paragraph 7, specifically requires the Port to install a storm water drainage system and to bring electric service to the property, the Lease is otherwise silent with regard to the payment of utilities, including the water utility bill, for the property. Mr. Manawadu is deceased and the Committee found no evidence of any ancillary agreements for the Port to pay for water and sewer service for the property.

2. “If so, does this contract/agreement remain in effect today?”

As stated above, Mr. Brayton constructed a pilot’s lounge for the public’s benefit under the understanding that the Port would pay the water utility bill. Those utility payments continue to this day and will presumably continue for as long as the parties agree to them. However, the agreement for construction of the utility realignment outlined in Mr. Brayton’s letter to Mr. Keller dated May 17, 1999, appears to have been finite in nature.

That agreement was for certain tenants/prospective tenants to fund the realignment work for the benefit of their ground leased property, with the understanding the Port would own the utility infrastructure thereafter. This arrangement is supported by the parties' subsequent performance, in the form of construction and payment. Beyond the scope of this limited project, the Committee found no evidence that any additional contractual performance remains. Specifically, there is no indication that the utility realignment agreement obligated the Port to pay for tenant utilities or to provide any service as landlord that would be inconsistent with the terms of subsequent tenant ground leases.

3. “Based on the initial investment of \$21,000, have the tenants reached a return on their investment?”

First, it is worth reiterating that the Committee could only find written documentation of Mr. Brayton’s investment. That is not to say the other parties failed to pay their share, but is more likely a reflection of the limited records available due to the passage of time and the Port’s document retention policies. After all, it appears undisputed that the realignment construction proposed and engineered by JUB was ultimately paid for and completed. No evidence was presented to the Committee suggesting the realignment construction was deficient in any way, and it appears to have since met its intended purpose in that it facilitated utility connection for adjacent ground lease properties as discussed in Brayton’s letter. In sum, it is the Committee’s conclusion that, yes, the tenants have reached a return on their investment.

4. “What agreements does the Port have with the City with regard to utility infrastructure?”

The Committee provided the City with its charter and requested a meeting. The City declined to meet with Committee representatives, but instead provided an emailed response. According to the City, the only agreement that the Port has with the City regarding utility infrastructure consists of the Interlocal Agreement for Stormwater Services, City Contract No. 46-

07. In addition to the City's response, the Committee would also suggest that easements and rights of way of the City for water and sewer mainlines serving the Richland Airport also constitute agreements regarding utility infrastructure.

5. "Who owns and who's responsible for maintaining the infrastructure?"

As expressed in Brayton's May 17, 1999, letter, the parties' understanding was that the realigned water and sewer infrastructure, as designed by JUB, would be paid for by tenants but owned by the Port. Other than that agreement, ownership and maintenance of any further utility infrastructure is governed by public law.

6. Sewer Infrastructure

Beyond the City's water and sewer mainlines, the City is not responsible for private building sewers. Pursuant to Richland Municipal Code (RMC) 17.16.030, the City assumes no responsibility for the maintenance of any building sewer lines on private property. The owner of property served by a building sewer is responsible for the connection to the public sewer and for the entire length of the sewer to the building it serves.

This means that the City is not responsible for the sewer lines from the connection point into the City sewer main up to and inside of a private building. If that building or property owner is found to have put something into their sewer line that causes the City's main to be clogged or damaged, the building or property owner is responsible for the repairs and cost of the damage. If any repairs or replacement are required at any time for any reason, a permit and inspection are required. Accordingly, the owners of each hangar are responsible for the sewer lines and any discharge from those lines into the City sewer system.

Further, pursuant to RMC 17.70.050, all sewage system extensions (except services on private property) shall be installed in dedicated public streets, alleys, or right-of-way or in

easements and all sewer mains connected to an existing City sewer system must be installed in the City street, right of way or in an easement granted to the City. Once the new system is installed and is permitted, inspected and accepted by the City, only then does the sewer main become the responsibility of the City as they take ownership of the main line. In specific application to the subject property at the Richland Airport, this refers to the main line that was extended to the edge of the four hangar sites for the owners to tie into following the utility realignment.

The sewer line from where the owners tied into the stub, continuing into their respective building, is therefore the hangar owner's responsibility. The hangar owners are required to submit plans and obtain permits with a connection fee including having their sewer line inspected by the City before they can use City sewer services.

b. Water Infrastructure

Pursuant to RMC 18.28.010, all water mains and valves, service lines and curb stops up to the point of delivery are owned by and controlled by the City. This includes all meters for water lines supplying City water.

Pursuant to RMC 18.12.040 and .050, each property owner is required to maintain the water line serving only their own property. City maintenance responsibilities do not extend beyond the limits of public easements. Further, the City has discretion to require the rearranging of water services to private buildings into separate lines and meters. It is then the individual owner's responsibility to connect their building to the water services in accordance with City requirements and to have those service lines inspected and approved by the City. To the Committee's knowledge, of the properties in question, Mr. Brayton is the only tenant who has a permit to install water to his hangar building.

Further, under RMC 18.12.110, all water meters are the City's property. The Port cannot install its own meter on a water line providing City water and charge tenants itself. Beyond that, under RMC 18.12.120, each customer is responsible for protecting the water meter, service line, and shutoff device on the customer's property or within the customer's building from damage. The owner of each property must protect the water line and shut-off valve from frost.

6. “What utility permitting and work scope are the tenants responsible for?”

Similarly to the ownership and maintenance responsibilities for the utility infrastructure, permitting and work scope is largely dictated by reference to public law. Under RMC 17.16.020, the property owner is required to submit plans to the City for such work and obtain a permit for any connection to the City system. This requires the building or property owners to apply for and obtain a permit before connecting to City sewer services. In reference to the properties in question, the only tenant the Committee has a record of obtaining a building permit, that includes water and sewer service, is Herb Brayton.







RECOMMENDED ACTION

Following the investigation and findings of the Committee set forth above the Committee recommends the following action to the Commission:

- The Committee recommends that the Port no longer pays for utilities going to any tenant other than Herb Brayton's public restroom.
- With regard to the Brayton property, the Port and he should decide if an agreement should continue, and should be memorialized in writing.
- Since the other hangars already have existing ground leases that specify they are responsible for utilities, no further written agreements appear to be necessary.

- The Port requires tenants to follow the law when connecting to utilities. The tenants should be required to facilitate the appropriate hookup and payment of their own City utility bills. The Commission should work with its tenants and explore all options available with the City. The Committee would like to outline those options, but was denied the opportunity to discuss this matter with the City.

Dated and signed this 11th day of May, 2026.

Bryan Bell, Port	Sheri Collins, Port	Summers Miya, Port
		
John O’Leary, Gravis Law, Committee Chair	Mark Underwood, Richland Airport	Quentin Wright, Port
		

Herb Brayton
3104 Kathemein
Pasco, Washington 99301
Telephone 545-1302 Fax 545-0213

May 17, 1999

Scott Keller
Port of Benton
3100 George Washington Way
Richland, Washington 99352

Dear Mr. Keller,

This letter is to confirm and clarify our telephone discussions of last week between you, JUB Engineering and me.

The bottom line cost on the utility realignment is \$ 21,000.00. This is the figure that Allan at JUB Engineering quoted me. I also understand that the POB will own the sewer and water lines. The routing of the sewer line along the West side of the hangars was the only way Bing's hangar could be serviced. If the sewer had been routed down the entrance road, Bing would have been left out.

At this time I agree to participate in the cost of this realignment. Presently there are four interested parties:

Herb Brayton 2 shares; one for each of hangars
Jim Leedy 1 share, he talked to me yesterday, I didn't quote price
David Kleese 1 share, we talked last week and he wanted in
Bing M. 1 share, JUB was to meet with him and talk price

Total Shares 5 Each share \$21,000.00 divided by 5 = \$ 4,200.00

My commitment to this project would be 2 shares or \$ 8,400.00. This is the amount due to POB 30 days after completion of the job.

I also understand that any additional users of this infrastructure would pay prorated late comer's fee, which would come back to the original participants. This could be in the form of lease credits.

Sincerely,


Herb Brayton

C: JUB Engineering-fax
file

RICHLAND AERONAUTICAL FACILITY
 HERB BRAYTON

DATE 7/5/99 \$ 8278⁴⁶ DOLLARS

PAY TO THE ORDER OF Robert Brayton

Eight thousand two hundred seventy eight and 46/100

FOR Child Support Marsha Brayton

Permit Number: 1999-00578

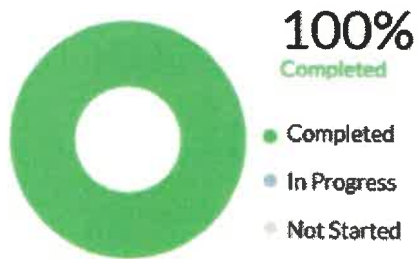
• Permit cannot be printed at this time. You do not have access to it.

Permit Details | Tab Elements | Main Menu

Type:	Legacy Permits - AS 400 Legacy Permits	Status:	Complete	Project Name:	
Applied Date:	05/11/1999	Issue Date:	05/20/1999		
District:	City of Richland	Assigned To:		Expire Date:	
Finalized Date:	05/25/1999				
Description:	Aip #353005608, Port Of Benton4 Water Services, 4 Sewer Line				

- Summary
- Locations
- Fees
- Attachments
- Contacts
- Sub-Records

Progress



Workflow

Available Actions

No Actions

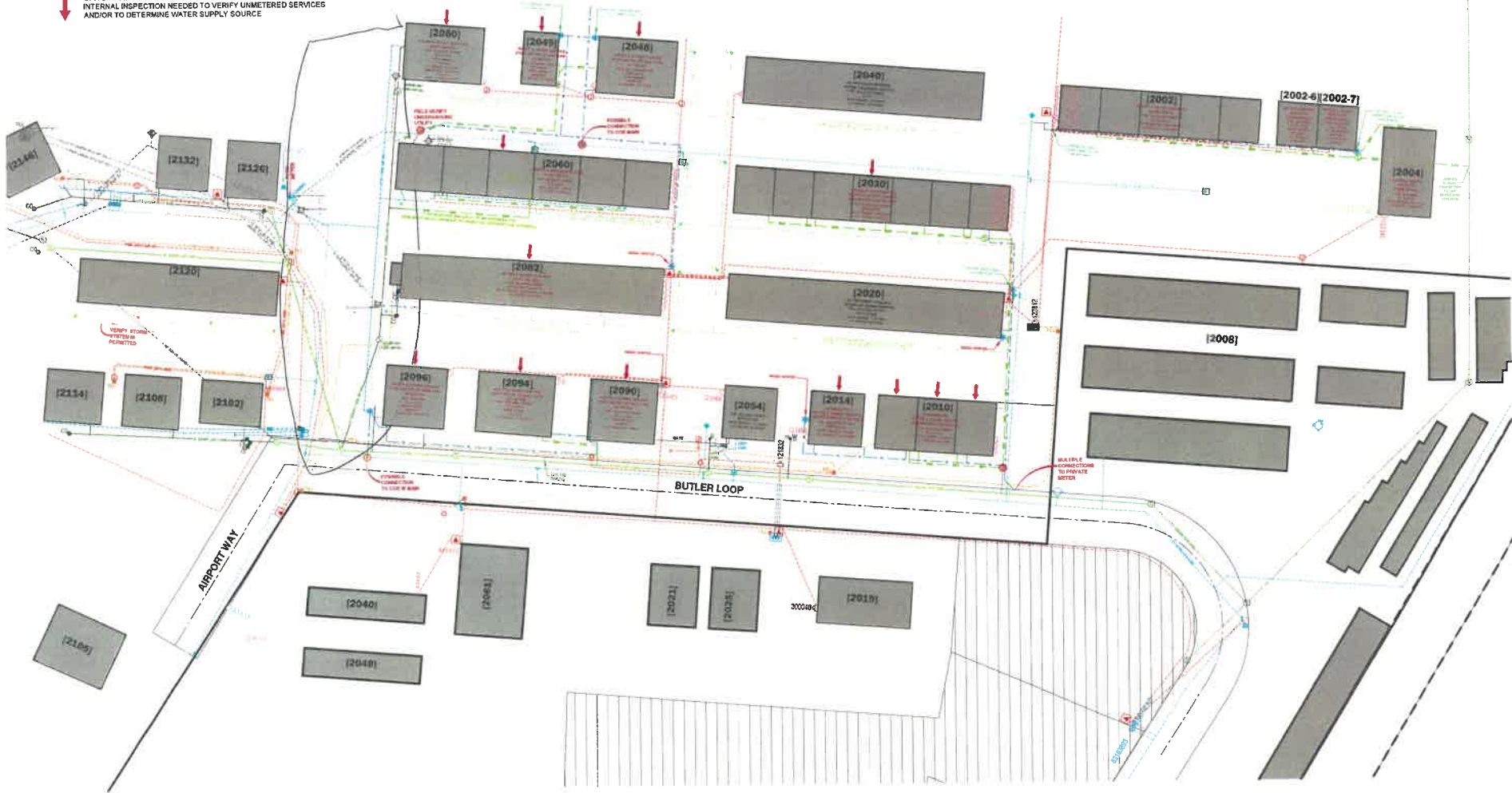
Fees

\$0.00

PRELIMINARY FOR DISCUSSION UTILITY AND PERMIT EXHIBIT AS OF: 06/17/2025

- ABANDONED SEWER LINE
- NON-CITY SEWER LINE
- CITY OF RICHLAND SEWER MAIN LINE
- ABANDONED WATER LINE
- NON-CITY WATER LINE
- CITY OF RICHLAND MAIN WATER LINE
- APPARENT UNDERGROUND SEWER LINE PER GPR
- APPARENT UNDERGROUND WATER LINE PER GPR

↓ GPR SUGGESTS WATER AND SEWER SERVICES
INTERNAL INSPECTION NEEDED TO VERIFY UNMETERED SERVICES
AND/OR TO DETERMINE WATER SUPPLY SOURCE



GROUND LEASE
RICHLAND AIRPORT

PARTIES:

LESSOR: PORT OF BENTON, a municipal corporation of the State of Washington, hereafter "Port".

TENANT: HERBERT BRAYTON and JENNIFER BRAYTON, husband and wife, hereafter "Tenant".

AGREEMENTS:

1. **LEASE.** Port hereby leases to Tenant upon the terms, covenants and conditions contained herein, the real property in the Port of Benton Richland Airport (hereafter the "Property"). The Property is more particularly described on Attachment 1 to this Lease.

The Property consists of ^{1.1}/~~2~~ acres of real property situated in the Port of Benton's Richland Airport.

The Tenant has inspected the Property and agrees to take the Property in its present condition. The Tenant is relying upon their own inspections of the Property to determine whether to enter into this Lease, and the Tenant is not relying upon any representation made by the Port, its employees or agents, except as specifically set forth in this Lease.

2. **TERM.** This lease shall run for a period of twenty years commencing on the 1st day of September, 1999 and terminating on the 31st day of August, 2019.

ORIGINAL

GROUND LEASE
RICHLAND AIRPORT

PARTIES:

LESSOR: PORT OF BENTON, a municipal corporation of the State of Washington, hereafter "Port".

TENANT: HERBERT BRAYTON and JENNIFER BRAYTON, husband and wife, hereafter "Tenant".

AGREEMENTS:

1. LEASE. Port hereby leases to Tenant upon the terms, covenants and conditions contained herein, the real property in the Port of Benton Richland Airport (hereafter the "Property"). The Property is more particularly described on Attachment 1 to this Lease.

The Property consists of 2 acres of real property situated in the Port of Benton's Richland Airport.

The Tenant has inspected the Property and agrees to take the Property in its present condition. The Tenant is relying upon their own inspections of the Property to determine whether to enter into this Lease, and the Tenant is not relying upon any representation made by the Port, its employees or agents, except as specifically set forth in this Lease.

2. TERM. This lease shall run for a period of twenty years commencing on the 1st day of September, 1999 and terminating on the 31st day of August, 2019.

Insurance
doesn't

2.1 The Tenant shall have the option to extend this Lease for three additional terms of ten years each after the expiration of the initial term.

2.2 The options to extend this Lease shall be deemed to have been exercised unless the Tenant shall give the Port written notice of its intent not to exercise an option at least one hundred eighty (180) days prior to termination of the initial term.

2.3 The Tenant may only exercise the right to extend the term of this Lease if the Tenant is not in material default in the performance of the terms of this Lease at the time the Tenant exercises the option or at the time an option is deemed to be exercised under Section 2.2.

2.4 In the event the Tenant elects not to exercise the Lease extensions as provided in this Section, then this Lease shall terminate and the Tenant shall have no further rights under the terms of the Lease.

3. RENT. Tenant shall pay rent, in advance on the first day of each year during the term of this lease, in the amount of One Thousand Three Hundred Seventy Five Dollars (\$1,375.00), plus the applicable leasehold tax.

3.1 Rent payments shall be made payable to the Port of Benton and shall be paid at the Port offices at 3100 George Washington Way, Richland, Washington, or at such other address as the Port shall direct in writing.

3.2 In addition to the rent provided for herein, the Tenant shall pay the Leasehold Tax as required by the Revised Code of Washington Chapter 82.29A, as the statute may be hereafter amended. The Leasehold Tax shall be paid with each monthly installment of rent. The current leasehold tax rate is 12.84%.

3.3 At the end of the initial three years of the Lease, and at the end of each subsequent three-year period of the Lease, the rent for the next succeeding three year period shall be adjusted so the annual rent paid by the Tenant during the three year period shall equal ten per cent of the then fee simple fair market value of the property at the commencement of the three year period. The property shall be valued without the improvements constructed by the Tenant but with any improvements constructed by the Port to service the property, and subject to the use

restrictions and covenants imposed upon the property. The Port shall give the Tenant written notice of its determination of the rent adjustment.

3.4 Any rent payment not paid within thirty days of the date upon the payment is due, shall accrue interest on the unpaid rent at the rate of one and one-half percent of the late payment for each month or portion of month by which the payment is delayed.

4. CONDITION OF PROPERTY. The Tenant shall take the Property in its present condition, without warranties or representations by the Port except as set forth in this Lease.

5. SECURITY. The Tenant shall provide the Lessor with a Security Deposit in an amount equal to the rent and Leasehold Tax to be paid during the initial year of this Lease. A deposit of funds with the Port or an assignment of a savings account in the amount specified above which can not be released without the approval of the Port will be acceptable as a rent security deposit.

6. TAXES AND ASSESSMENTS. Tenant shall pay all taxes assessed against the buildings and improvements owned by the Tenant and the other property of Tenant located upon the Property, promptly as the same become due. Tenant shall pay all assessments hereafter levied against the Property, or a portion thereof, during the term of this Lease, including assessments coming due to any special purpose governmental district; provided, however, if the assessment is payable in installments, whether or not interest shall accrue on the unpaid installments, the Tenant may pay the assessments in installments as they become due, provided that the Tenant's obligation to pay the assessments levied during the term of the Lease, even though paid in installments, shall survive the termination or expiration of this Lease.

6.1 Tenant may contest the legal validity or amount of any taxes, assessments or charges which Tenant is responsible for under this Lease, and may institute such proceedings as Tenant considers necessary. If Tenant contests any such tax, assessment or charge, Tenant may withhold or defer payment or pay under protest but shall protect Port and the Property from any lien. Port appoints Tenant as Port's attorney-in-fact for the purpose of making all payments to any taxing authorities and for the purpose of contesting any taxes, assessments or charges.

7. USE. The Tenant shall use the property for the construction, use and maintenance of twenty aircraft storage hangars and for purposes incidental thereto and for no other purposes except those approved in writing by the Port.

7.1 The Tenant acknowledges the receipt of a copy of the Rules and Regulations for the Richland and Prosser Airports and the Protective Covenants applicable to the Richland Airport. The Tenant hereby covenants that it will not use the Property in any manner which is in violation of the Rules and Regulations or the Protective Covenants, as the same may be amended from time to time.

8. MAINTENANCE OF PROPERTY. Throughout the term of this Lease, Tenant, at its sole cost and expense, shall maintain the Property and all improvements then existing thereon in good condition and repair, subject to reasonable wear and tear, and in accordance with all applicable covenants, laws, rules, ordinances, and regulations of governmental agencies.

9. CONDITIONS OF CONSTRUCTION. Before any construction, reconstruction or alteration of the improvements on the Property, except for interior improvements or non-structural modifications is commenced and before any building materials have been delivered to the Property in connection with such construction, reconstruction or alteration by Tenant or under Tenant's authority, Tenant shall comply with all the following conditions or procure Port's written waiver of the following condition or conditions:

9.1 Tenant shall deliver to Port, for its approval, one set of preliminary construction plans and specifications prepared by an architect or engineer licensed to practice as such in the State of Washington including, but not limited to, preliminary grading utility connections, locations of ingress and egress to and from public thoroughfares, curbs, gutters, parkways, street lighting, designs and locations for outdoor signs, storage areas, and landscaping, all sufficient to enable Port to make an informed judgment about the design and quality of construction. All improvements shall be constructed within the exterior property lines of the Property provided that required work beyond the Property on utilities, access, and conditional use requirements will not violate this provision. Tenant shall permit Port to use the plans without payment for purposes relevant to and consistent with this Lease.

9.2 The Port shall examine the plans and specifications for the purpose of determining reasonable compliance with the terms and conditions of this Lease, the Protective Covenants governing the Richland Industrial Center and compatibility with the overall design and use of the Richland Industrial Center. Approval will not be unreasonably withheld. Approval or disapproval shall be communicated to the Tenant, and disapproval shall be accompanied by specification in reasonable detail of the grounds for disapproval; provided that Port's failure to disapprove the initial construction plans within fourteen (14) days or subsequent construction plans within thirty (30) days after delivery to Port shall be considered to be approval.

9.3 Tenant shall prepare final working plans and specifications substantially conforming to preliminary plans previously approved by the Port, submit them to the appropriate governmental agencies for approval, and deliver to Port one complete set as approved by the governmental agencies.

9.4 Tenant shall notify Port of its intention to commence the initial construction at least fourteen days before commencement of any such work or delivery of any materials. The notice shall specify the approximate location and nature of the intended improvements. During the course of construction, Port shall have the right to post and maintain on the Property any notices of non-responsibility provided for under the applicable law, and to inspect the Property at all reasonable times.

9.5 Except as specifically provided in this Lease, Port makes no covenant or warranties respecting the condition of the soil or subsoil or any other condition of the Property.

9.6 Once work is begun, Tenant shall, with reasonable diligence, complete all construction of improvements. Construction required at the inception of the Lease shall be completed and ready for use within eighteen (18) months after commencement of construction, provided that the time for completion shall be extended for so long as the Tenant is prevented from completing the construction due to delays beyond the Tenant's control; but failure, regardless of cause, to commence construction within eighteen (18) months from the commencement date of the Lease shall, at Port's election exercised by thirty days written notice, terminate this Lease. All work shall be performed in a workmanlike manner, substantially comply with the plans and specifications

required by this Lease, and comply with all applicable governmental permits, laws, ordinances, and regulations.

9.7 Tenant shall pay the cost and expense of all Tenant's improvements constructed on the Property. Tenant shall not permit any mechanic's, or construction liens to attach to the Property. Tenant shall not permit any mechanics', materialmen's, contractors' or subcontractors' lien arising from any work of improvement performed by or for the Tenant to be enforced against the Property, however it may arise. Tenant may withhold payment of any claim in connection with a good faith dispute over the obligation to pay, so long as Port's Property interests are not jeopardized. Tenant shall defend and indemnify Port against all liability and loss of any type arising out of the construction of improvements on the Property by Tenant. Unless caused by the Port, its agents, contractors, and invitees, Tenant shall reimburse Port for all sums paid according to this paragraph, together with the Port's reasonable attorneys' fees and costs plus interest on those sums at the legal rate.

9.8 On completion of the construction of any improvements, additions or alterations, covered by this Section 9, Tenant shall give Port notice of all structural or material changes in plans or specifications made during the course of the work and shall at that time supply Port with drawings accurately reflecting all such changes. Changes which are non-structural or which do not substantially alter the plans and specifications as previously approved by the Port do not constitute a material change.

10. OWNERSHIP OF IMPROVEMENTS. All improvements constructed on the Property by Tenant as permitted by this Lease shall be owned by Tenant until termination of this Lease. Subject to the Port's security interest in the event of a breach, within 120 days after the termination of this Lease, the Tenant may remove any buildings, improvements or trade fixtures installed on the Property and owned by the Tenant. Provided, however, in the event, the Tenant has failed to maintain the Property as required by this Lease, or the Property is contaminated by toxic or hazardous materials as the result of the actions of the Tenant or its successors, such that in any event the value of the improvements is less than the cost of removal, remediation or renovation to bring the Property into compliance, then the Port may require the Tenant to remove any improvements or trade fixtures installed by the Tenant. The Tenant shall repair, at Tenant's expense, any damage to the Property resulting from such removal.

11. ASSIGNMENT AND SUBLETTING. Tenant shall neither assign, sublet nor transfer its interest in this Lease, in whole or in part, to any person or entity, without Port's prior written consent.

12. PUBLIC LIABILITY INSURANCE. Throughout the term, at Tenant's sole cost and expense, Tenant shall keep or cause to be kept in force, for the mutual benefit of Port and Tenant, comprehensive broad form general public liability insurance (including a contractual liability endorsement) against claims and liability for personal injury, death or property damage arising from the use, occupancy, misuse, or condition of the Property and improvements, with limits of coverage in an amount and with deductibles in such amounts as may be reasonably acceptable to the Port. During the initial three years of the Lease term the insurance policy limit shall be \$1,000,000.00.

12.1 PROOF OF COMPLIANCE. The Tenant shall name the Port as an additional insured on the public liability insurance policy, required to be maintained by the terms of this Lease. Port may require Tenant to deliver to Port, in the manner required for notices, a copy or certificate of all insurance policies required by this Lease. Tenant shall include a provision in each of its insurance policies requiring the insurance carrier to give Port at least thirty (30) days prior written notice before such policy terminates. Tenant shall not substantially modify any of the insurance policies required by this Lease without giving at least thirty (30) days prior written notice to Port.

12.2 WAIVER OF SUBROGATION RIGHT. Each of the parties hereto hereby releases the other, and the agents, employees and successors of such other party, from all claims, demands and liabilities arising from unintentional acts or omissions of the other party which result in loss for which the party sustaining such loss is indemnified under a policy or policies of insurance. Each party shall obtain any special endorsements if required by their respective insurers to evidence compliance with this waiver. This provision shall be effective to the extent, and only to the extent, that it will not invalidate any insurance coverage.

13. DEFAULT.

13.1 EVENTS OF DEFAULT. Each of the following events shall be a default by Tenant and a breach of this Lease.

13.1.1 The breach of any of the terms or conditions of the Contract of Sale which the Tenant has entered into for the purchase of the improvements situated upon the premises.

13.1.2 The failure or refusal to pay when due any installment of rent or other sum required by this Lease to be paid by Tenant, or the failure to perform as required or conditioned by any other covenant or condition of this Lease.

13.1.3 The appointment of a receiver to take possession of the Property or improvements, or of Tenant's interest in the leasehold estate or of Tenant's operations on the Property for any reason, unless such appointment is dismissed, vacated or otherwise permanently stayed or terminated within sixty days after the appointment.

13.1.4 An assignment by Tenant for the benefit of creditors or the filing of a voluntary or involuntary petition by or against Tenant under any law for the purpose of adjudicating Tenant a bankrupt; or for extending time for payment, adjustment or satisfaction of Tenant's liability; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervision are dismissed, vacated, or otherwise permanently stayed or terminated within sixty days after the assignment, filing, or other initial event.

13.2 NOTICE. As a precondition to pursuing any remedy for an alleged default by Tenant, Port shall give written notice of default to Tenant, in the manner herein specified for the giving of notices. Each notice of default shall specify the alleged event of default and the intended remedy.

13.3 TENANT'S RIGHT TO CURE. If the alleged default is nonpayment of rent, taxes, or other sums to be paid by Tenant as provided in this Lease, Tenant shall have thirty (30) days after receipt of written notice to cure the default. For the cure of any other default, Tenant shall have thirty days after receipt of written notice to cure the default, provided, however, that if it takes more than thirty (30) days to cure a default, the Tenant shall not be in default if it promptly undertakes a cure and diligently pursues it.

13.4 TIME OF THE ESSENCE. Time is of the essence of this Lease, and for each and every covenant or condition which must be performed hereunder.

14. PORT'S REMEDIES. If any default by Tenant continues uncured after receipt of written notice of default and the period to cure as required by this Lease, for the period applicable to the default, subject to the provisions of Section 12, the Port has the following remedies in addition to all other rights and remedies provided by law or equity to which Port may resort cumulatively or in the alternative:

14.1 Without terminating this Lease, Port shall be entitled to recover from Tenant any amounts due hereunder, or any damages arising out of the violation or failure of Tenant to perform any covenant, condition or provision of this Lease.

14.2 Port may elect to terminate this Lease and any and all interest and claim of Tenant by virtue of such lease, whether such interest or claim is existing or prospective, and to terminate all interest of Tenant in the Property and any improvements or fixtures thereon (except trade fixtures). In the event this Lease is terminated, all obligations and indebtedness of Tenant to Port arising out of this Lease prior to the date of termination shall survive such termination. In the event of termination by Port, Port shall be entitled to recover immediately as damages the total of the following amounts:

14.2.1 The reasonable costs of re-entry and reletting, including, but not limited to, any expenses of cleaning, repairing, altering, remodeling, refurbishing, removing, Tenant's property or any other expenses incurred in recovering possession of the Property or reletting the Property, including, but not limited to, reasonable attorney's fees, court costs, broker's commissions and advertising expense.

14.2.2 The loss of rental on the Property accruing until the date when a new tenant has been or with the exercise of reasonable diligence could have been, obtained.

14.3 Port may re-enter the Property and take possession thereof and remove any persons and property by legal action or by self-help and without liability for damages, and Tenant shall indemnify and hold the Port harmless from any claim or demand arising out of such re-entry and removal of persons and property.

Such re-entry by the Port shall not terminate the Lease or release the Tenant from any obligations under the Lease. In the event Port re-enters the Property for the purpose of reletting, Port may relet all or some portion of the Property, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of a period of rent-free occupancy or other rental concession, and Port may not be required to relet to any tenant which Port may reasonably consider objectionable.

14.4 In the event Port relets the Property as agent for Tenant, Port shall be entitled to recover immediately as damages the total of the following amounts.

14.4.1 An amount equal to the total rental coming due for the remainder of the term of this Lease, computed based upon the periodic rent provided for herein and without discount or reduction for the purpose of adjusting such amount to present value of anticipated future payments, less any payments thereafter applied against such total rent by virtue of the new lease.

14.4.2 The reasonable costs of re-entry and reletting, including but not limited to, any expense of cleaning, repairing, altering, remodeling, refurbishing, removing Tenant's property, or any other expenses incurred in recovering possession of the Property or reletting the Property, including, but not limited to, attorneys' fees, court costs, broker's commissions and advertising expense.

14.5 All payments received by Port from reletting shall be applied upon indebtedness and damages owing to Port from Tenant, if any, and the balance shall be remitted to Tenant.

15. WAIVER. No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition. No waiver, benefit, privilege or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel, or otherwise. The subsequent acceptance of rent pursuant to this Lease shall not constitute a waiver of any preceding default by Tenant other than default on the payment of that particular rental payment, regardless of Port's knowledge of the preceding breach at the time of accepting rent. Acceptance of rent or other payment after termination shall not constitute a reinstatement, extension or

renewal of this Lease, or revocation of any notice or other act by Port.

16. ATTORNEYS' FEES. If either party brings any action or proceeding to enforce, protect or establish any right or remedy under this Lease, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party. Arbitration is an action or proceeding for the purpose of this provision. The "prevailing party" means the party determined by the court or the arbitrator to most nearly have prevailed.

17. ACCESS BY PORT. Port, or Port's representatives and agents, shall have access to the Property at reasonable times and upon reasonable notice, for the purpose of inspecting the Property; provided that Port shall exercise all reasonable efforts not to unreasonably disturb the use and occupancy of the Property by Tenant.

18. HOLDING OVER. In the event Tenant shall hold over after the expiration or termination of this Lease, such holding over shall be deemed to create a tenancy from month-to-month on the same terms and conditions of the lease except that the rental rate shall be adjusted as provided in Section 3 and the rent shall be prorated over a 365 day year and paid by Tenant each month in advance. The tenancy may be terminated by either party giving the other party thirty days written notice of the intent to terminate.

19. SECURITY FOR TENANT'S OBLIGATIONS. In addition to the security provided for in Section 5, in order to secure the prompt, full and complete performance of all of Tenant's obligations under this Lease, including but not limited to, Tenant's obligations to protect and indemnify Port from any liability subject to the lien, if any, of the holder of the first mortgage against the property, Tenant hereby grants to Port a security interest in and assigns to Port all of Tenant's right, title and interest in and to all rents and profits from the Property and improvements thereon as collateral to secure all of Tenant's obligations under this Lease. In the event Tenant defaults in any of its obligations hereunder, Port shall have the right at any time after the period for cure provided in paragraph 15.3, without notice or demand, to collect all rents and profits directly and apply all sums so collected to satisfy Tenant's obligations hereunder, including payment to Port of any sums due from Tenant. The assignment of rents to the Port shall be subordinate to any assignment of rents to a leasehold

mortgagee for security purposes. Such remedy shall be in addition to all other remedies under this Lease.

20. HAZARDOUS MATERIALS. Tenant shall not take or store upon the Property any hazardous or toxic materials, as defined by the law of the State of Washington or by federal law, except in strict compliance with all applicable rules, regulations, ordinances and statutes. Tenant shall comply with the Port's Hazardous Materials Communications Policy, but shall not be subject to the notice requirements thereof in connection with the installation, use, operation, or removal of usual office equipment including, without limitation, computers and photocopiers.

20.1 Tenant shall not permit any contamination of the Property. The Tenant shall immediately remove any contaminants or pollutants and shall promptly restore the Property, subject to any condition existing prior to the commencement of this Lease, which shall be the responsibility of the Port.

20.2 Tenant shall defend Port and hold it harmless from any cost, expense, claim or litigation arising from hazardous or toxic materials on the Property or resulting from the contamination of the Property, caused by the acts or omissions of the Tenant, its subtenants, employees, agents, invitees, or licensees, during the term of this Lease.

20.3 In the event of the termination of this Lease for any reason, the obligation of the Tenant to restore the Property and the obligation to indemnify the Port set forth above, shall survive the termination.

21. GENERAL CONDITIONS.

21.1 NOTICES. Any notices required or permitted to be given under the terms of this Lease, or by law, shall be in writing and may be given by personal delivery, or by registered or certified mail, return receipt requested, or by overnight courier, directed to the parties at the following addresses, or such other address as any party may designate in writing prior to the time of the giving of such notice, or in any other manner authorized by law:

Port: Port of Benton
3100 George Washington Way
Richland, Washington 99352

Tenant: Herb Brayton
3104 Kathemein
Pasco, WA 99301

Any notice given shall be effective when actually received, or if given by certified or registered mail, upon the recipient's receipt of a notice from the U. S. Postal Service that the mailed notice is available for pick up.

21.2 NONMERGER. If both Port's and Tenant's estates in the Property or the improvements or both become vested in the same owner, this Lease shall nevertheless not be destroyed by application of the doctrine of merger except by the express election of the owner and the consent of the mortgagee or mortgagees under all mortgages existing upon the Property.

21.3 CAPTIONS AND TABLE OF CONTENTS. The Table of Contents of this Lease and the captions of the various paragraphs are for convenience and ease of reference only, and do not define, limit, augment or describe the scope, content or intent of this Lease or of any part or parts of this Lease.

21.4 EXHIBITS AND ADDENDA. All exhibits and addenda to which reference is made in this Lease are incorporated in the Lease by the respective references to them. References to "this Lease" includes matters incorporated by reference.

21.5 SUCCESSORS. Subject to the provisions of this Lease on assignment and subletting, each and all of the covenants and conditions of this Lease shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators, assigns, and personal representatives of the respective parties. The Port agrees that if the Property is sold, assigned, or conveyed, except for any conveyance to the United States, the Port will place a provision in any conveyance making the conveyance subject to the terms and conditions of this Lease. The Port represents, that if this Lease is recorded, any subsequent conveyance of the Property by the Port will be subject to the terms of this Lease, with the exception of any conveyance to the United States.

DESCRIPTION

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 10 NORTH, RANGE 28 EAST, W.M., CITY OF RICHLAND, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT MONUMENT PB 10W AS SHOWN ON THE PLAT OF RICHLAND, THENCE NORTH 39° 59' 18" EAST 975.88 FEET TO MONUMENT PB 11W AS SHOWN ON SAID PLAT AND MONUMENTED WITH A WORLEY REBAR, SAID POINT BEING AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS NORTH 50° 00' 30" WEST 5694.65 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE 896.69 FEET TO MONUMENT PB 12W AS SHOWN ON SAID PLAT; THENCE NORTH 23° 14' 17" WEST 1115.46 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 4° 33' 53" EAST 50.00 FEET; THENCE NORTH 85° 26' 07" WEST 320.00 FEET; THENCE SOUTH 4° 33' 53" WEST 50.00 FEET; THENCE SOUTH 85° 26' 07" EAST 320.00 FEET TO THE SAID TRUE POINT OF BEGINNING;

CONTAINING 16,000 SQUARE FEET (0.37 ACRES);

TOGETHER WITH AND SUBJECT TO EASEMENTS, RIGHTS-OF-WAY, COVENANTS, RESERVATIONS AND RESTRICTIONS OF RECORD AND IN VIEW.

1,1 acre lease is for the two lots marked in yellow above



SKETCH FOR:
PORT OF BENTON



STRATTON SURVEYING & MAPPING

7535 W. DESCHUTES BLVD. SUITE 110
KENNEWICK, WA 98336
(509) 735-7364
FAX: (509) 735-6560
www.strattonsurvey.com

1668SK55.DWG

DATE: 02/10/05

DRAWN BY: RLS

SCALE 1"=200'

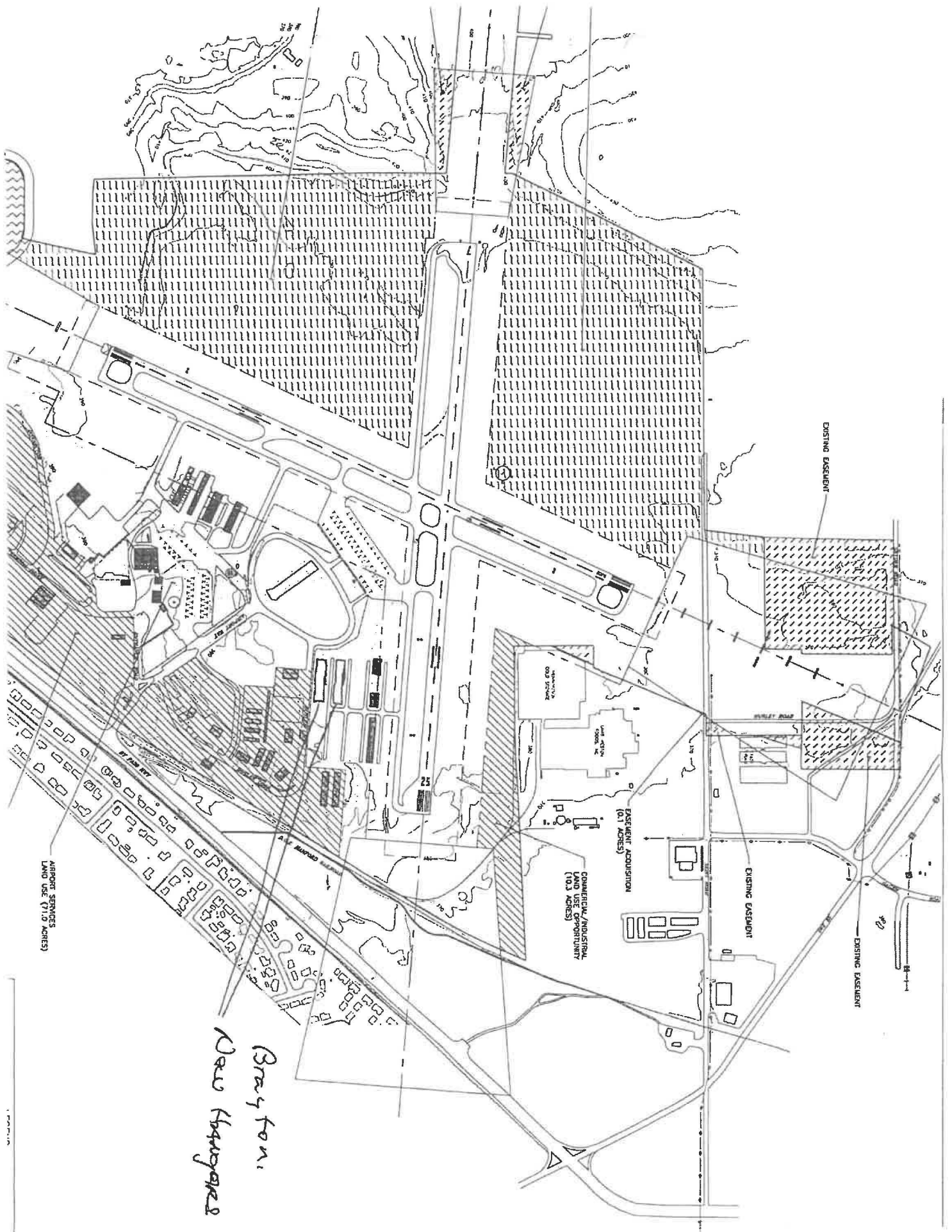
SHT. 1 OF 1

JOB # 1668

912534 1100 1100 1100 1100

CU0-001-0000

P. 2



AIRPORT SERVICES
LAND USE (71.9 ACRES)

COMMERCIAL/INDUSTRIAL
DEVELOPMENT POTENTIAL
(70.3 ACRES)

EASEMENT ACQUISITION
(0.1 ACRES)

EXISTING EASEMENT

EXISTING EASEMENT

EXISTING EASEMENT

*Brayton,
Dan Hargreaves*

CITY OF RICHLAND
 COMMUNITY DEVELOPMENT DEPARTMENT
 Development & Permit Services Division
 925 George Washington Way • Richland, WA 99352-0190
 Inspection Request: 509/942-7565 (O) 509/942-7794 (F) 509/942-7764

Permit Type: BUILDING PERMIT Permit Number: BP99-01150

Job Name: RICHLAND, 13 HANGARS Issued: 9/13/99
 Job Address: 2082 BUTLER LP Expiration: 3/13/00
 Parcel No.: Applied For: 8/04/99
 Lot No.: 000 Block No.: Plan Check No.: AD99-0274
 Subdivision: CITY OF RICHLAND Phone Number: (509) 545-1302
 Owner: RICHLAND AERONAU Validated By: KKR
 Contractor: BUNGER CONSTRUCTION COMPA
 Architect/Engr: Valuation: \$325,600.00
 Permit Code: 13 DOC Code: 328
 Descr/Work: 13 AIRPLANE HANGARS/OFFICE

Construction Type: II-N
 AFES: NO
 Occ Load/Total: 30 1:500 AT 14800SF # Fireplaces:
 Exist Occ Group(s)/Use: S5, AIRPLANE HANGAR # Woodstoves:
 Occ Group-This Pmt/Use: S5 AIRPLN HANGR Raised Deck Area:
 Description of Use: S5, 13 UNITS & OFFICE
 Area-Bldg Addn/Total: 14,800 Garage sq ft:
 Single Largest Floor: 2nd Floor sq ft:
 Additional sq ft: Basement sq ft:
 Stories: 1 Number of Bedrooms:
 Height: 13 Number of Bathrooms:
 No. Dwelling Units: Carport Area sq ft:
 No. Of Guest Rooms: Covered Patio Area:
 Parking-Total Required:
 Parking-Total Provided:
 Special Insp. Reqst/Type: SPECIAL INSP BOLTING REQ'D
 Percent Front Side Side Rear
 Lot Coverage %/Setbacks:
 Zoning: IM
 Legal Description: PORT OF BENTON, AIRPORT PROPRT
 Comments: ALL SPECIAL INSPECTIONS MUST
 BE PROVIDED BY OWNER/APPLICANT
 AND SUBMITTED TO CITY PRIOR TO
 FINAL INSPECTION
 Heating/Air Conditioning UNHEATED BUILDING, PERMANENT
 HEAT NOW ALLOWED IN ANY PORTIO
 N OF THE BUILDING

Valuation Of Work To Be Done: \$325,600.00

Building Permit Fee For: \$2,259.35

Additional Fees: State Fee 4.50
 N/S Electrical 250.00
 Non-Res. Energy Fee 100.00
 Total \$2,613.85

BUILDING INSPECTION

Notice to Permittee: Approved plans and specifications shall not be changed, modified, or otherwise altered without written authorization by the Building Inspection Section; and all work shall be done in accordance with applicable laws and ordinances regulating building construction.

Inspections: Inspections must be requested by calling 942-7565, and all work approved by the Building Inspection Section.

By signing below, I agree to comply with all applicable laws and ordinances regulating building construction. I understand that the issuance of a permit based upon plans, specifications, and other data does not give authority to violate or cancel any provisions of any state or local laws, and does not prevent the City of Richland from requiring the correction of errors or from prohibiting building operations being carried on when in violation of said laws. I further certify that all contract work authorized by this permit will be done by a Washington State Licensed Contractor. This permit, issued by the Building Official, shall expire by limitation and become null and void if the building or work authorized by such permit is not commenced within 180 days from the date of this permit; or work authorized by such permit is suspended or abandoned at any time after the work has commenced for more than 10 days.

Check one:

I am the owner of the real property for which the permit is issued.

I am not the owner of the property. I am the authorized agent of the owner of the property described above, and I have his/her authorization to obtain the permit.

Signature: Jennifer Boston

Date: 9/13/99

DEPARTMENT OF COMMUNITY & DEVELOPMENT SERVICES
 Planning & Development Services Division

925 George Washington Way • Richland, WA 99352-0190

Inspection Request: 509/942-7565 (O) 509/942-7598 and 509/942-7794 (F) 509/942-7764

Permit Type: BUILDING PERMIT

Permit Number: BP99-01471

Job Name: RICHLAND AERONANTICAL	Issued: 11/19/99
Job Address: 2082 BUTLER LP	Expiration: 5/19/00
Parcel No.:	Applied For: 10/29/99
Lot No.: 000 Block No.:	Plan Check No.: AD99-0383
Subdivision: PORT OF BENTON	Phone Number: (000)
Owner: PORT OF BENTON	Validated By: SMS
Contractor: BUNGER CONSTRUCTION COMPA	
Architect/Engr:	Valuation: \$10,000.00
Permit Code: 13 DOC Code:	
Descr/Work: NEW CONSTRUCTION	

Construction Type: VN	
AFES: NO	
Occ Load/Total: 5	# Fireplaces:
Exist Occ Group(s)/Use: B	# Woodstoves:
Occ Group-This Pmt/Use: B	Raised Deck Area:
Description of Use: OFFICE	
Area-Bldg Addn/Total:	Garage sq ft:
Single Largest Floor:	2nd Floor sq ft:
Additional sq ft:	Basement sq ft:
Stories:	Number of Bedrooms:
Height:	Number of Bathrooms:
No. Dwelling Units:	Carport Area sq ft:
No. Of Guest Rooms:	Covered Patio Area:
Parking-Total Required:	
Parking-Total Provided:	
Special Insp. Reqst/Type: STANDARD INSPECTION	
	<u>Percent</u> <u>Front</u> <u>Side</u> <u>Side</u> <u>Rear</u>
Lot Coverage %/Setbacks:	
Zoning:	
Legal Description:	
Comments:	
Heating/Air Conditioning	

Valuation Of Work To Be Done:	<u>\$10,000.00</u>
Building Permit Fee For:	\$181.25
Additional Fees:	
State Fee	4.50
Total	\$185.75

DECEMBER 95 6554

FILED BY

MAR 27 2 09 PM '95

GROUND LEASE

RICHLAND AIRPORT

CLERK OF COUNTY AUDITOR

VOL. 625 PAGE 3357

OFFICIAL RECORDS

PARTIES:

LESSOR: PORT OF BENTON, a municipal corporation of the State of Washington.

TENANT:

ROBERT LEE MOORE
RT 1 BOX 5238
RICHLAND, WA 99352

AGREEMENTS:

1. LEASE. Lessor hereby leases the Property to Tenant upon the terms, covenants and conditions contained herein. The Property is more particularly described on Exhibit "A" to this Lease and by this reference is made a part hereof. The Property consists of .31 acres of real property situated in the Port of Benton's "Richland Airport", as described in its Comprehensive Plan of Harbor Improvements.

2. TERM. This lease shall run for a period of 20 years commencing on APRIL 1, 1995 and terminating MARCH 31, 2015.

2.1 Tenant shall have the option to extend this Lease for 10 successive terms of 3 years for each additional term; provided, however, that this Lease shall terminate no later than MARCH 31, 2045.

2.2 The option to extend this Lease shall be deemed to have been exercised unless Tenant shall give Lessor written notice of its intent not to exercise the option at least ninety (90) days prior to termination of the initial term or any extension.

2.3 Tenant may only exercise the right to extend the term of this Lease if the Tenant is not in default in the performance of the terms of this Lease at the time the Tenant attempts to exercise the option or at the time the option is deemed to be exercised under Section 2.2.

Page 1 - Ground Lease

Port of Benton
300 Geo. West Way
Richland, WA 99352

Ground lease

OFFICIAL RECORDS

3. **RENT.** Tenant shall pay rent yearly in advance on the anniversary of the lease in the following amounts:

3.1 The parties have agreed that for the initial three (3) years of this lease the annual rental shall be \$ 387.97 per year, plus leasehold tax of \$49.81. (See 3.3 below). Total yearly rent and leasehold tax is \$437.78. This rental is based upon \$1,250 per acre per year.

3.2 Rent payments shall be made payable to the Port of Benton and shall be paid at the Port offices at 3100 George Washington Way, Richland, Washington, or at such other address as the Port shall direct in writing.

3.3 In addition to the rent provided for herein, Tenant shall pay the Leasehold Tax as required by the Revised Code of Washington Chapter 82.29A, as the statute may be hereafter amended. The Leasehold Tax shall be paid with each yearly payment.

3.4 At the end of the initial three years of the Lease term, and at every third anniversary of the Lease thereafter, the rent shall be reviewed and adjusted to meet fair market value of the Property.

3.5 Any rent payment not paid within ten days of the date upon which payment is due shall accrue interest on the unpaid rent at the rate of one and one half percent of the late payment for each month or portion of month by which the payment is delayed.

4. **SECURITY.** In accordance with RCW 53.08.085, Tenant shall provide the Lessor with one year's rent and leasehold tax in the form of an Assignment of Savings or deposit.

4.1 When the rental amount is adjusted as provided in Section 3.4, Tenant shall provide a Rental Security Bond based upon new rental amount in accordance with RCW 53.08.085.

5. **TAXES AND ASSESSMENTS.** Tenant shall pay all taxes assessed against the property of Tenant located upon the Property, promptly as the same become due. Tenant shall pay all assessments hereafter levied against the Property, or a portion thereof, during the term of this lease, including assessments coming due to any special purpose governmental district.

5.1 Tenant may contest legal validity or amount of any taxes, assessments or charges which Tenant is responsible for under this lease, and may institute such proceedings as Tenant considers necessary. If Tenant contests any such tax, assessment or charge, Tenant may withhold

OFFICIAL RECORDS

or defer payment or pay under protest but shall protect Lessor and the Property from any lien by adequate security bonds or other appropriate security. Lessor appoints Tenant as Lessor's attorney-in-fact for the purpose of making all payments to any taxing authorities and for the purpose of contesting any taxes, assessments or charges.

6. USE. Tenant shall use the Property for the construction of aircraft storage hangars and the rental of aircraft storage space, and activities incidental thereto, but for no other purpose without the prior written approval of Lessor.

6.1 Tenant shall have the right, in common with other users of the Airport, to use the common areas of the Airport, including runways, taxiways, aprons and roadways. Tenant may drive personal vehicles to the Property over access roads approved in advance by Lessor.

6.2 Tenant shall comply with all governmental rules, regulations, ordinances and laws, including the rules and regulations of the Federal Aviation Administration. Tenant shall comply with the Rules and Regulations for Port of Benton Airports at Prosser and Richland as may be amended.

6.3 Lessor reserves the right to take action to protect the use and operation of the Richland Airport and to protect the aerial approaches to the Airport. Lessor may take any action which it deems appropriate to protect the operation of the Airport.

7. MAINTENANCE OF PROPERTY. Throughout the term of this lease, Tenant, at its sole cost and expense, shall maintain the Property and all improvements then existing thereon in good condition and repair, subject to reasonable wear and tear, and in accordance with all applicable covenants, laws, rules, ordinances, and regulations of governmental agencies.

8. CONDITIONS OF CONSTRUCTION. Before any construction, reconstruction or alteration is commenced on the Property, and before any building materials have been delivered to the Property in connection with such construction, reconstruction or alteration by Tenant or under Tenant's authority, Tenant shall comply with all the following conditions or procure Lessor's written waiver of the condition or conditions specified in the waiver:

8.1 Tenant shall deliver to Lessor, for its approval, sets of preliminary construction plans and specifications sufficient to enable Lessor to make an informed judgment about the design and quality of construction. Tenant shall permit Lessor to use the plans without payment for purposes relevant to and consistent with this lease.

8.2 Lessor shall examine the plans and specifications for the purpose of determining compliance with the terms and conditions of this Lease, the Protective Covenants governing the premises and compatibility with the overall design and use of the Airport. Approval or disapproval shall be communicated to Tenant.

8.3 Lessor makes no covenant or warranties respecting the condition of the soil or subsoil or any other condition of the Property.

8.4 Once work is begun, Tenant shall, with reasonable diligence, complete all construction of improvements and additions. All work shall be performed in a workmanlike manner, substantially comply with the plans and specifications required by this lease, and comply with all applicable governmental permits, laws, ordinances, and regulations.

8.5 Tenant shall pay the cost and expense of all works of improvement. Tenant shall not permit any mechanics', materialmen's, contractors' or subcontractors' lien arising from any work of improvement to be enforced against the Property, however it may arise. Tenant shall defend and indemnify Lessor against all liability and loss of any type arising out of work performed on the Property by Tenant. Tenant shall reimburse Lessor for all sums paid according to this paragraph, together with the Lessor's attorneys' fees and costs plus interest on those sums at the legal rate.

8.6 On completion of any work, Tenant shall give Lessor notice of all changes in plans or specifications made during the course of the work and shall at that time supply Lessor with drawings accurately reflecting all such changes.

9. OWNERSHIP OF IMPROVEMENTS. All improvements constructed on the Property by Tenant as permitted by this lease shall be owned by Tenant until termination of this lease. Upon termination, Tenant will be entitled to sixty days to remove all improvements and restore Property as near to its original condition as possible. If Tenant fails to remove the improvements, all improvements on the Property at the termination of the 60 days shall, without compensation to Tenant, become Lessor's property free and clear of all claims to or against them by Tenant and free and clear of defects, liens, and encumbrances suffered or incurred by Tenant under the provisions of this lease.

10. ASSIGNMENT AND SUBLETTING. Tenant shall neither assign nor transfer its interest in this lease, in whole or in part, to any person or entity, without Lessor's prior written consent. Nor shall the Property, nor any part thereof, be sublet by Tenant to any person or entity without Lessor's prior written consent. However, nothing in this paragraph shall prevent Tenant from leasing space in the

OFFICIAL RECORDS

improvements to be constructed on the Property, subject to the terms and conditions of this lease, without the necessity of obtaining Lessor's consent so long as the term of such space leases do not extend beyond the date on which this lease terminates by its terms. All subtenants shall comply with the terms and conditions of this Lease and in particular the provisions of Section 6. In the event that this lease terminates prior to the expiration of its stated term, Lessor shall recognize all such space leases then in effect.

11. **PUBLIC LIABILITY INSURANCE.** Throughout the term, at Tenant's sole cost and expense, Tenant shall keep or cause to be kept in force, for the mutual benefit of Lessor and Tenant, comprehensive broad form general public liability insurance (including a contractual liability endorsement) against claims and liability for personal injury, death or property damage arising from the use, occupancy, misuse, or condition of the Property and improvements, with limits of coverage of not less than \$500,000.

12. **DEFAULT.**

12.1 **EVENTS OF DEFAULT.** Each of the following events shall be a default by Tenant and a breach of this lease.

12.1.1 Abandonment or surrender of the Property or of the leasehold estate, or failure or refusal to pay when due any installment of rent or other sum required by this lease to be paid by Tenant, or to perform as required or conditioned by any other covenant or condition of this lease.

12.1.2 The appointment of a receiver to take possession of the Property or improvements, or of Tenant's interest in the leasehold estate or of Tenant's operations on the Property for any reason.

12.1.3 An assignment by Tenant for the benefit of creditors or the filing of a voluntary or involuntary petition by or against Tenant under any law.

12.2 **NOTICE.** As a precondition to pursuing any remedy for an alleged default by Tenant, Lessor shall give written notice of default to Tenant. Each notice of default shall specify the alleged event of default and the intended remedy. The notices may be personally delivered or sent by first class mail, postage prepaid. A notice which is mailed shall be deemed to be delivered the day following the date upon which the notice is deposited for mailing.

12.3 TENANT'S RIGHT TO CURE. If the alleged default is nonpayment of rent, taxes, or other sums to be paid by Tenant as provided in the paragraph on rent, or elsewhere in this lease, Tenant shall have ten (10) days after notice is given to cure the default. For the cure of any other default, Tenant shall cure the default within thirty (30) days, provided, however, that if it takes more than thirty (30) days to cure a default, the Tenant shall not be in default if it promptly undertakes a cure and diligently pursues it.

12.4 TIME OF THE ESSENCE. Time is of the essence of this lease, and for each and every covenant or condition which must be performed hereunder.

13. REMEDIES. If any default by Tenant continues uncured following notice of default as required by this lease, for the period applicable to the default under the applicable provision of this lease, Lessor has the following remedies in addition to all other rights and remedies provided by law or equity to which Lessor may resort cumulatively or in the alternative:

13.1 Without terminating this lease, Lessor shall be entitled to recover from Tenant any amounts due hereunder, or any damages arising out of the violation or failure of Tenant to perform any covenant, condition or provision of this lease.

13.2 Lessor may elect to terminate this lease and any and all interest and claim of Tenant by virtue of such lease. In the event this lease is terminated, all obligations and indebtedness of Tenant to Lessor arising out of such lease prior to the date of termination shall survive such termination. In the event of termination by Lessor, Lessor shall be entitled to recover immediately as damages the total of the following amounts:

13.2.1 The reasonable costs of re-entry and reletting.

13.2.2 The loss of rental accruing until the date when a new tenant has been or with the exercise of reasonable diligence could have been, obtained.

13.3 In the event Lessor relets the Property as agent for Tenant, Lessor shall be entitled to recover immediately as damages the total of the following amounts.

13.3.1 An amount equal to the total rental coming due for the term of this lease, computed based upon the periodic rent provided for herein and without discount or reduction for the purpose of adjusting such amount to present value of anticipated future

payments, less any payments theretofore applied against such total rent.

13.3.2 The reasonable costs of re-entry and reletting.

14. **WAIVER.** No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition.

15. **ATTORNEYS' FEES.** If either party brings any action or proceeding to enforce, protect or establish any right or remedy, the prevailing party shall be entitled to recover reasonable attorneys' fees. Arbitration is an action or proceeding for the purpose of this provision.

16. **ACCESS BY LESSOR.** Lessor, or Lessor's representatives and agents, shall have access to the Property at reasonable times for the purpose of inspecting the Property; provided that Lessor shall exercise all reasonable efforts not to unreasonably disturb the use and occupancy of the Property by Tenant.

17. **HOLDING OVER.** In the event Tenant shall hold over after the expiration or termination of this lease, such holding over shall be deemed to create a tenancy at will which may be terminated at any time by Lessor or Tenant.

18. **SECURITY FOR TENANT'S OBLIGATIONS.** In addition to the security provided for in Section 4, in order to secure the prompt, full and complete performance of all of Tenant's obligations under this lease, including but not limited to, Tenant's obligations to protect and indemnify Lessor from any liability subject to the lien, if any, of the holder of the first mortgage against the property, Tenant hereby grants to Lessor a security interest in and assigns to Lessor all of Tenant's right, title and interest in and to all rents and profits from the Property and improvements thereon as collateral secure all of Tenant's obligations under this lease. Such remedy shall be in addition to all other remedies under this lease.

19. **HAZARDOUS MATERIALS.** Tenant shall not take or store any hazardous, toxic or polluting materials upon the Property, except in strict compliance with all applicable rules, regulations, ordinances and statutes. Tenant shall comply with the Lessor's Hazardous Materials Communications Policy.

19.1 Tenant shall not permit any contamination or pollution of the premises. The Tenant shall immediately remove any contaminants or pollutants and shall promptly restore the Property.

19.2 Tenant shall defend Lessor and hold it harmless from any cost, expense, claim or litigation arising from hazardous or toxic materials on the Property or resulting from the contamination or pollution of the Property,

arising from the acts or omissions of Tenant, its subtenants, employees, agents, invitees or licenses.

20. GENERAL CONDITIONS.

20.1 NOTICES. Any notices required or permitted to be given under the terms of this lease, or by law, shall be in writing and may be given by personal delivery, first class mail, or by any other method equally likely to provide actual notice to the parties, directed to the parties at the following addresses, or such other address as any party may designate in writing prior to the time of the giving of such notice, or in any other manner authorized by law:

Lessor: Port of Benton
3100 George Washington Way
Richland, Washington 99352

Tenant: Robert Lee Moore
Route 1, Box 5238
Richland, WA 99352

Any notice given shall be effective when actually received, or if given by first class mail, then forty-eight (48) hours after the deposit of such notice in the United States mail with postage prepaid.

20.2 SUCCESSORS. Subject to the provisions of this lease on assignment and subletting, each and all of the covenants and conditions of this lease shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators, assigns, and personal representatives of the respective parties.

20.3 SURRENDER. At the expiration or earlier termination of the term of this lease, Tenant shall surrender to Lessor the possession of the Property. Surrender or removal of improvements shall be as directed in the provisions of this lease on ownership of improvements at termination.

20.4 PARTIAL INVALIDITY. If any provision of this lease is held to be invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect.

LESSOR:

TENANT:

OFFICIAL RECORDS

PORT OF BENTON

By: [Signature]

By: [Signature]

Title: Airport Director

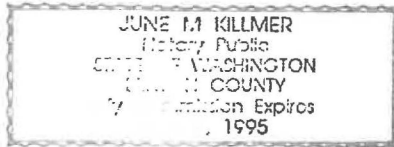
Title: Owner

STATE OF WASHINGTON)
) ss.
County of Benton)

OFFICIAL RECORDS

On this 23rd day of March, 1995, before me personally appeared Scott D. Kellee to me known to be the ~~Asst. Dir.~~ of Port of Benton, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed thereto is the corporate seal of said corporation.

GIVEN UNDER my hand and official seal this 23rd day of March, 1995.

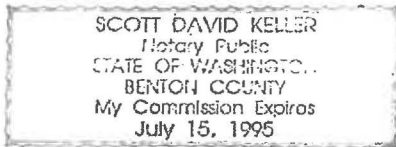


June M. Killmer
NOTARY PUBLIC in and for the State of Washington, residing at Richland
My commission expires: 7/1/95

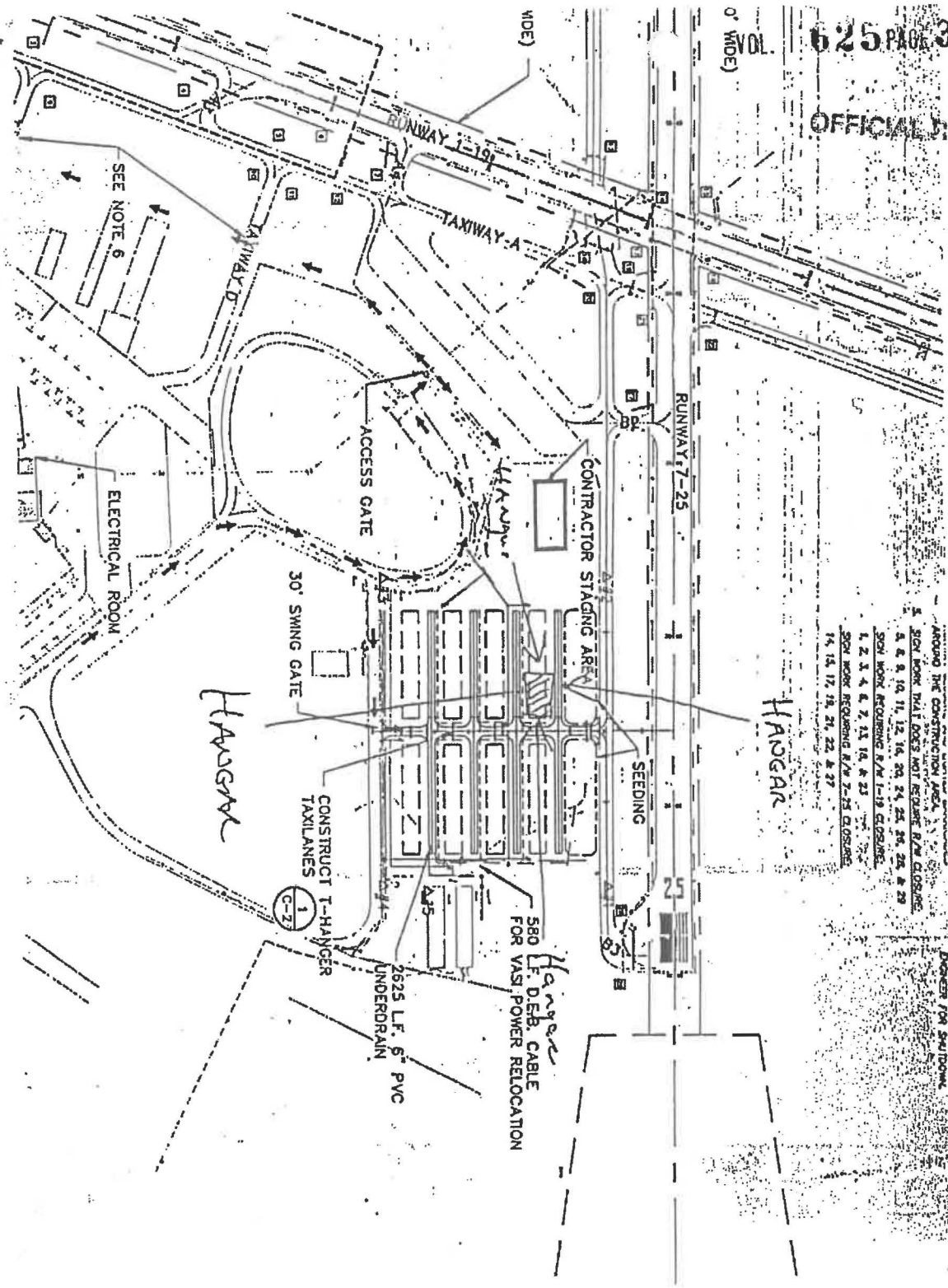
STATE OF WASHINGTON)
) ss.
County of Benton)

On this 20th day of March, 1995, before me personally appeared Robert Lee Moore to me known to be the NA of NA, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed thereto is the corporate seal of said corporation.

GIVEN UNDER my hand and official seal this 20th day of March, 1995.



Scott David Keller
NOTARY PUBLIC in and for the State of Washington, residing at Richland
My commission expires: 7-15-95



- AROUND THE CONSTRUCTION AREA:
- 1. SIGN WORK THAT DOES NOT REQUIRE R/W CLOSURE
 - 2. SIGN WORK REQUIRING R/W CLOSURE
 - 3. SIGN WORK REQUIRING R/W 1-19 CLOSURE
 - 4. SIGN WORK REQUIRING R/W 2-25 CLOSURE
 - 5. SIGN WORK REQUIRING R/W 2-25 CLOSURE
 - 6. SIGN WORK REQUIRING R/W 2-25 CLOSURE
 - 7. SIGN WORK REQUIRING R/W 2-25 CLOSURE
 - 8. SIGN WORK REQUIRING R/W 2-25 CLOSURE
 - 9. SIGN WORK REQUIRING R/W 2-25 CLOSURE
 - 10. SIGN WORK REQUIRING R/W 2-25 CLOSURE
 - 11. SIGN WORK REQUIRING R/W 2-25 CLOSURE
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 - 24. SIGN WORK REQUIRING R/W 2-25 CLOSURE
 - 25. SIGN WORK REQUIRING R/W 2-25 CLOSURE

<p>DATE: 2/19/93 DRAWN: SM & BL CHECKED: [Signature] APPROVED: [Signature]</p>	<p>PORT OF BENTON RICHLAND AIRPORT 1993 SIGNING AND TAXILANE PROJECT SITE PLAN AND PHASING</p>	<p>ENGINEERING LANDSCAPE ARCHITECTURE 3000 N. 10TH AVENUE PORTLAND, OREGON 97228 TEL: (503) 253-1111</p>
<p>BENTON COUNTY A.I.P. NO. 3-53-0056-06 WASHINGTON</p>		

96 29613

Port of Benton
Nov 27 10 41 AM '96

GROUND LEASE

RICHLAND AIRPORT

VOL 656 PAGE 1718

PARTIES:

LESSOR: PORT OF BENTON, a municipal corporation of the State of Washington.

TENANT: Bing Manawadu

AGREEMENTS:

1. LEASE. Lessor hereby leases the Property to Tenant upon the terms, covenants and conditions contained herein. The Property is more particularly described on Exhibit "A" to this Lease and by this reference is made a part hereof. The Property consists of .24 acres of real property situated in the Port of Benton's "Richland Airport", as described in its Comprehensive Plan of Harbor Improvements.

2. TERM. This lease shall run for a period of 20 years commencing on November 15, 1996, and terminating on November 14, 2016.

2.1 Tenant shall have the option to extend this Lease for 10 successive terms of 3 years for each additional term; provided, however, that this Lease shall terminate no later than November 14, 2046.

2.2 The option to extend this Lease shall be deemed to have been exercised unless Tenant shall give Lessor written notice of its intent not to exercise the option at least ninety (90) days prior to termination of the initial term or any extension.

2.3 Tenant may only exercise the right to extend the term of this Lease if the Tenant is not in default in the performance of the terms of this Lease at the time the Tenant attempts to exercise the option or at the time the option is deemed to be exercised under Section 2.2.

*mail
Cowan Walker
Box 927
Richland, Wa. 99352*

3. RENT. Tenant shall pay rent yearly in advance on the anniversary of the lease in the following amounts:

3.1 The parties have agreed that for the initial three (3) years of this lease the base annual rental shall be \$300.00 per year. This rental is based upon \$1,250.00 per acre per year. It is agreed by the parties that the rental rate of \$1,250.00 per acre per year is intended to equal 10% of the fee simple fair market value of the premises.

3.2 At the end of the initial three years of the lease term, and at the end of each three years thereafter, the rent for the property shall be reviewed and adjusted so that the annual rent, excluding the leasehold tax is equal to ten percent of the then fair market value of the fee simple interest in the property. The current fair market value of the premises is \$12,500 per acre and the rent shall be \$1,250 per acre per year. The fee simple value of the property shall not include the value of any improvements constructed on the premises by the Tenant.

3.3 Rent payments shall be made payable to the Port of Benton and shall be paid at the Port offices at 3100 George Washington Way, Richland, Washington, or at such other address as the Port shall direct in writing.

3.4 In addition to the rent provided for herein, the Tenant shall pay the Leasehold Excise Tax as required by the Revised Code of Washington Chapter 82.29A as that statute may be amended in the future. The current rate is 12.84% of the rent.

3.5 Any rent payment not paid within ten days of the date upon which payment is due shall accrue interest on the unpaid rent at the rate of one and one half percent of the late payment for each month or portion of month by which the payment is delayed.

4. SECURITY. In accordance with RCW 53.08.085, Tenant shall provide the Lessor with a Rent Security Bond in an amount equal to one-sixth of the rent plus Leasehold Tax to be paid during the initial term of this Lease; provided, however, that the amount of the Rent Security Bond shall be not less than one year's rent and shall not exceed the total of rent and Leasehold Tax due for three years. An Assignment of Savings account in the amount of one years rent plus leasehold tax is acceptable as security.

4.1 When the rental amount is adjusted as provided in Section 3.2, Tenant shall provide a Rental Security Bond or the adjusted amount in a savings account assigned to the Port of Benton based upon new rental amount in accordance with RCW 53.08.085.

5. TAXES AND ASSESSMENTS. Tenant shall pay all taxes assessed against the property of Tenant located upon the Property, promptly as the same become due. Tenant shall pay all assessments hereafter levied against the Property, or a portion thereof, during the term of this lease, including assessments coming due to any special purpose governmental district.

5.1 Tenant may contest legal validity or amount of any taxes, assessments or charges which Tenant is responsible for under this lease, and may institute such proceedings as Tenant considers necessary. If Tenant contests any such tax, assessment or charge, Tenant may withhold or defer payment or pay under protest but shall protect Lessor and the Property from any lien by adequate security bonds or other appropriate security. Lessor appoints Tenant as Lessor's attorney-in-fact for the purpose of making all payments to any taxing authorities and for the purpose of contesting any taxes, assessments or charges.

6. USE. Tenant shall use the Property for the construction of aircraft storage hangars and the rental of aircraft storage space, and activities incidental thereto, but for no other purpose without the prior written approval of Lessor.

6.1 Tenant shall have the right, in common with other users of the Airport, to use the common areas of the Airport, including runways, taxiways, aprons and roadways. Tenant may drive personal vehicles to the Property over access roads approved in advance by Lessor.

6.2 Tenant shall comply with all governmental rules, regulations, ordinances and laws, including the rules and regulations of the Federal Aviation Administration. Tenant shall comply with the Rules and Regulations for Port of Benton Airports at Prosser and Richland as those rules may be hereafter amended.

6.3 Lessor reserves the right to take action to protect the use and operation of the Richland Airport and to protect the aerial approaches to the Airport. Lessor may take any action which it deems appropriate to protect the operation of the Airport.

7. MAINTENANCE OF PROPERTY. Throughout the term of this lease, Tenant, at its sole cost and expense, shall maintain the Property and all improvements then existing thereon in good condition and repair, subject to reasonable wear and tear, and in accordance with all applicable covenants, laws, rules, ordinances, and regulations of governmental agencies, except as hereafter specified.

8. CONDITIONS OF CONSTRUCTION. The Lessor shall be responsible for installation of a storm drainage serving the property. The Lessor shall also be responsible for bringing electrical service to the property boundary. Tenants will be responsible for paving such apron and taxi areas on the property as Tenant deems necessary. Tenant shall be responsible for the construction of all further improvements on the property.

8.1 Before any construction, reconstruction or alteration is commenced on the Property, and before any building materials have been delivered to the Property in connection with such construction, reconstruction or alteration by Tenant or under Tenant's authority, Tenant shall comply with all the following conditions or procure Lessor's written waiver of the condition or conditions specified in the waiver:

8.2 Tenant shall deliver to Lessor, for its approval, preliminary construction plans and specifications prepared by an architect or engineer licensed to practice as such in the State of Washington, sufficient to enable Lessor to make an informed judgment about the design and quality of construction and about any affect on the reversion. Tenant shall permit Lessor to use the plans without payment for purposes relevant to and consistent with this lease.

8.3 Lessor shall examine the plans and specifications for the purpose of determining compliance with the terms and conditions of this Lease, the Protective Covenants governing the premises and compatibility with the overall design and use of the Airport. Approval or disapproval shall be communicated to Tenant.

8.4 Lessor makes no covenant or warranties respecting the condition of the soil or subsoil or any other condition of the Property.

8.5 Once work is begun, Tenant shall, with reasonable diligence, complete all construction of improvements and additions. All work shall be performed in a workmanlike manner, substantially comply with the plans and specifications required by this lease, and comply with all applicable governmental permits, laws, ordinances, and regulations.

8.6 Tenant shall pay the cost and expense of all improvements. Tenant shall not permit any mechanics', materialmen's, contractors' or subcontractors' lien arising from any improvement to be enforced against the Property, however it may arise. Tenant shall defend and indemnify Lessor against all liability and loss of any type arising out of work performed on the Property by Tenant. Tenant shall reimburse Lessor for all sums paid according to this paragraph, together with the Lessor's attorneys' fees and costs plus interest on those sums at the legal rate.

8.7 On completion of any work, Tenant shall give Lessor notice of all changes in plans or specifications made during the course of the work and shall at that time supply Lessor with drawings accurately reflecting all such changes.

9. OWNERSHIP OF IMPROVEMENTS. Title to improvements on the Property at the commencement of this lease shall remain with the Lessor. All improvements constructed on the Property by the Tenant as permitted by this lease shall be owned by the Tenant until the termination of this lease. Upon Termination, Tenant will be entitled to ninety days to remove all improvements and restore Property as near to its original condition as possible. If Tenant fails to remove the improvements, all improvements on the Property at the termination of this lease shall, without compensation to Tenant, become Lessor's property free and clear of all claims to or encumbrances suffered or incurred by Tenant under the provisions of this lease. All trade fixtures installed on the Property by the Tenant may be removed by the Tenant upon the termination of this lease, subject to the Lessor's lien for any unpaid obligations.

10. ASSIGNMENT AND SUBLETTING. Tenant shall neither assign nor transfer its interest in this lease, in whole or in part, to any person or entity, without Lessor's prior written consent. Nor shall the Property, nor any part thereof, be sublet by Tenant to any person or entity without Lessor's prior written consent. However, nothing in this paragraph shall prevent Tenant from leasing space in the improvements to be constructed on the Property, subject to the terms and conditions of this lease, without the necessity of obtaining Lessor's consent so long as the term of such space leases do not extend beyond the date on which this lease terminates by its terms. All subtenants shall comply with the terms and conditions of this Lease and in particular the provisions of Section 6. In the event that this lease terminates prior to the expiration of its stated term, Lessor shall recognize all such space leases then in effect.

11. PUBLIC LIABILITY INSURANCE. Throughout the term, at Tenant's sole cost and expense, Tenant shall keep or cause to be kept in force, for the mutual benefit of Lessor and Tenant, comprehensive broad form general public liability insurance (including a contractual liability endorsement) against claims and liability for personal injury, death or property damage arising from the use, occupancy, misuse, or condition of the Property and improvements, with limits of coverage and deductibles in such amounts as may be acceptable to the Lessor. The Tenant shall provide a copy of the insurance policy to the Port. The Port of Benton will be named "additional insured" on the policy.

12. DEFAULT.

12.1 EVENTS OF DEFAULT. Each of the following events shall be a default by Tenant and a breach of this lease.

12.1.1 Abandonment or surrender of the Property or of the leasehold estate, or failure or refusal to pay when due any installment of rent or other sum required by this lease to be paid by Tenant, or the failure to perform as required any term, condition or covenant of this lease.

12.1.2 The appointment of a receiver to take possession of the Property or improvements, or of Tenant's interest in the leasehold estate or of Tenant's operations on the Property for any reason.

12.1.3 An assignment by Tenant for the benefit of creditors or the filing of a voluntary or involuntary petition by or against Tenant under any law.

12.2 NOTICE. As a precondition to pursuing any remedy for an alleged default by Tenant, Lessor shall give written notice of default to Tenant. Each notice of default shall specify the alleged event of default and the intended remedy. The notices may be personally delivered or sent by first class mail, postage prepaid. A notice which is mailed shall be deemed to be delivered the day following the date upon which the notice is deposited for mailing.

12.3 TENANT'S RIGHT TO CURE. If the alleged default is nonpayment of rent, taxes, or other sums to be paid by Tenant as provided in the paragraph on rent, or elsewhere in this lease, Tenant shall have ten (10) days after notice is given to cure the default. For the cure of any other

default, Tenant shall cure the default within thirty (30) days, provided, however, that if it takes more than thirty (30) days to cure a default, the Tenant shall not be in default if it promptly undertakes a cure and diligently pursues it.

12.4 TIME OF THE ESSENCE. Time is of the essence of this lease, and for each and every covenant or condition which must be performed hereunder.

13. REMEDIES. If any default by Tenant continues uncured following notice of default as required by this lease, for the period applicable to the default under the applicable provision of this lease, Lessor has the following remedies in addition to all other rights and remedies provided by law or equity to which Lessor may resort cumulatively or in the alternative:

13.1 Without terminating this lease, Lessor shall be entitled to recover from Tenant any amounts due hereunder, or any damages arising out of the violation or failure of Tenant to perform any covenant, condition or provision of this lease.

13.2 Lessor may elect to terminate this lease and any and all interest and claim of Tenant by virtue of such lease. In the event this lease is terminated, all obligations and indebtedness of Tenant to Lessor arising out of such lease prior to the date of termination shall survive such termination. In the event of termination by Lessor, Lessor shall be entitled to recover immediately as damages the total of the following amounts:

13.2.1 The reasonable costs of re-entry and reletting.

13.2.2 The loss of rental accruing until the date when a new tenant has been or with the exercise of reasonable diligence could have been, obtained.

13.2.3 In the event Lessor relets the Property as agent for Tenant, Lessor shall be entitled to recover immediately as damages the total of the following amounts.

13.2.4 An amount equal to the total rental coming due for the term of this lease, computed based upon the periodic rent provided for herein and without discount or reduction for the purpose of adjusting such amount to present value of anticipated future payments, less any payments theretofore applied against such total rent.

13.2.5 The reasonable costs of re-entry and reletting.

14. **WAIVER.** No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition.

15. **ATTORNEYS' FEES.** If either party brings any action or proceeding to enforce, protect or establish any right or remedy, the prevailing party shall be entitled to recover reasonable attorneys' fees. Arbitration is an action or proceeding for the purpose of this provision.

16. **ACCESS BY LESSOR.** Lessor, or Lessor's representatives and agents, shall have access to the Property at reasonable times for the purpose of inspecting the Property; provided that Lessor shall exercise all reasonable efforts not to unreasonably disturb the use and occupancy of the Property by Tenant.

17. **HOLDING OVER.** In the event Tenant shall hold over after the expiration or termination of this lease, such holding over shall be deemed to create a tenancy at will which may be terminated at any time by Lessor or Tenant.

18. **ASSIGNMENT OF RENTS.** The Tenant hereby assigns to the Lessor all of the Tenant's interest in the rents which the Tenant may be entitled to receive from the rental or subleasing of the Property. This assignment is given to secure the performance of all of the Tenant's obligations under this lease. As long as the Tenant complies with the terms and conditions of this lease and is not in default, the Tenant shall be permitted to retain the rent collected from any subtenants or Sublessee. In the event of a default or breach of the lease which the Tenant fails to cure after a notice from the Lessor and the expiration of the time for cure as provided in this lease, the Lessor shall be entitled to begin collecting rents directly from the subtenants or sublessee until such time as the default is cured and this lease is reinstated. The rents so collected shall be applied to the Tenant's obligations under this lease as provided in Section 13.

19. **HAZARDOUS MATERIALS.** Tenant shall not take or store any hazardous, toxic or polluting materials upon the Property, except in strict compliance with all applicable rules, regulations, ordinances and statutes. Tenant shall comply with the Lessor's Hazardous Materials Communications Policy.

19.1 Tenant shall not permit any contamination or pollution of the premises. The Tenant shall immediately remove any contaminants or pollutants and shall promptly restore the Property.

19.2 Tenant shall defend Lessor and hold it harmless from any cost, expense, claim or litigation arising from hazardous or toxic materials on the Property or resulting from the contamination or pollution of the Property,

arising from the acts or omissions of Tenant, its subtenants, employees, agents, invitees or licenses.

20. GENERAL CONDITIONS.

20.1 NOTICES. Any notices required or permitted to be given under the terms of this lease, or by law, shall be in writing and may be given by personal delivery, first class mail, or by any other method equally likely to provide actual notice to the parties, directed to the parties at the following addresses, or such other address as any party may designate in writing prior to the time of the giving of such notice, or in any other manner authorized by law:

Lessor: Port of Benton
3100 George Washington Way
Richland, Washington 99352

Tenant: Bing Manawadu
2632 Thoroughbred Way
Richland, WA 99352

Any notice given shall be effective when actually received, or if given by first class mail, then forty-eight (48) hours after the deposit of such notice in the United States mail with postage prepaid.

20.2 SUCCESSORS. Subject to the provisions of this lease on assignment and subletting, each and all of the covenants and conditions of this lease shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators, assigns, and personal representatives of the respective parties.

20.3 SURRENDER. Upon the expiration of the earlier termination of this lease, the Tenant shall surrender possession of the premises to the Lessor.

20.3.1 Subject to the Lessor's lien for any sums which may be due and owing to the Lessor, the Tenant may remove any improvements constructed upon the premises by the Tenant. The Tenant shall restore the premises to their original condition and repair any damage caused to the property by the removal of any improvements.

20.3.2 Any improvements left on the premises for more than sixty

days following the termination of the lease shall become the property of the Lessor, without any compensation to the Tenant; provided, however, that the Lessor may require the Tenant to remove any of the improvements constructed on the Property by the Tenant and require the Tenant to repair and restore the Property.

20.3.3 The Tenant may remove any fixtures or trade fixtures installed on the Property by the Tenant, provided the Tenant repairs any damages caused to the Property or any improvements upon the property by the removal of such fixtures.

20.3.4 The Tenant shall leave the Property and any improvements accepted by the Lessor in a neat and clean condition, subject only to reasonable wear and tear.

20.4 PARTIAL INVALIDITY. If any provision of this lease is held to be invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect.

LESSOR:

TENANT:

PORT OF BENTON
By: [Signature]
Title: Executive Director

Bing Manawadu
By: [Signature]
Title: President