



Serving All of Thurston County

Commission Meeting
Monday, April 14, 2025
5:30 PM

Percival Plaza - Olympics Room
626 Columbia Street NW
Olympia, WA 98501

The meeting agenda is available on the Port's website as of April 10, 2025.

<https://www.portolympia.com/commission>

The public may join the meeting from their computer, tablet or smartphone at:

<https://us02web.zoom.us/j/87174114590?pwd=QqJCvbSpg8bE7Y485MXBTXSACzAeO.1>

or Telephone: 1 253 215 8782

Meeting ID: 871 7411 4590

Passcode: 594862

Written public comments may be submitted to commissioncoordinator@portolympia.com by 12:00 p.m. on the date of the meeting. All written comments will be compiled and sent to the Commissioners prior to the meeting.

Verbal public comment is accepted in person at the meeting.

If you are attending the meeting via Zoom, you may raise your hand during the meeting to give public comment.
For those listening by phone, press *9 if you wish to raise your hand and provide comment.

AGENDA

- A. Call to Order
- B. Pledge of Allegiance
- C. Approval of Agenda
- D. Executive Director Report
- E. Public Comment
- F. This public comment period is the opportunity for public input on the agenda items on this evening's agenda, in addition to an opportunity for public comment on any other port business. Individual public comments are limited to 3 minutes per person.

NOTE: Guidelines for public comment can be found in the Commission Rules in Resolution 2025-03 Article VI.

- Comments should be directed to Commission: Comments should be directed to the Commission as a whole and should not include comments about individual Port staff or members of the public.
- Courtesy: All speakers (members of the public, Port staff, and Commissioners) shall be courteous in language and demeanor and shall confine remarks to those facts that are germane and relevant to the question or issue under discussion.

Port of Olympia Mission

Creating economic opportunities and building community for all of Thurston County through responsible resource use.

G. Consent Calendar

1. United States Postal Service Lease Amendment #8
2. Hoya and Sushi Lease Assignment and Amendment #8
3. Airport Capital Project Contract Award: Runway 17-35 Pavement Rehabilitation and Electrical Improvements
4. Professional Services Contract Amendment – Moffatt & Nichol

H. Pending Issues or Business

1. Regional Transportation Plan Presentation: Alex Smith, Executive Director; Katrina VanEvery, Transportation Manager, Thurston Regional Planning Council

I. Action Calendar

1. None

J. Action/Other Calendar

1. None

K. Advisory Calendar

1. Hands On Children's Museum Update: Patty Belmonte, CEO, Hands On Children's Museum
2. Hands On Children's Museum Purchase and Sale Agreement with the City of Olympia: Mike Reid, Director of Communications and Economic Development
3. South Sound Commerce Center Ground Lease: Warren Hendrickson, Director of Operations

L. Commissioner Reports/Discussion

M. Other Business

N. Meeting Announcements

O. Adjourn

COVER MEMO

Briefing Date/Time: April 14, 2025

Staff Contact/Title: Chris Paolini, Airport Senior Manager
(360) 528-8074, chrisp@portolympia.com

Subject: United States Postal Service Lease Amendment #8

Purpose: ☐ Information Only ☒ Decision Needed

CONSENT ITEM

Overview and Background:

The Port entered into a land lease with The United States Postal Service (USPS) effective October 1, 1996 through September 1, 2016. After the initial 20-year term, USPS exercised their first 10-year lease extension, effective October 1, 2016 and expires on September 30, 2026. The current land lease is for approximately 6.96 acres in the New Market Industrial Campus. The USPS has, and remains, in good standing throughout the term of their lease.

USPS now desires to exercise their second 10-year lease extension option. This lease option will commence on October 1, 2026, and expire on September 30, 2036. Under the lease, the new lease rate is based on an appraisal, cost shared by both parties, or as agreed by both parties. USPS has agreed to waive the appraisal process and use the commission set land lease rate of \$0.48 per square foot with a 10% rate increase after the fifth year.

Documents Attached:

Exhibit A – The Premises
Copy of lease amendment #8

Summary & Financial Impact:

October 1, 2026 – September 30, 2031	\$145,525.25 / Annually
October 1, 2031 – September 30, 2036	\$160,684.13 / Annually

Staff Recommendation:

Approve lease amendment #8 as presented on the consent calendar.

United States Postal Service Lease Amendment #8

Exhibit A – The Premises





Lease Amendment

Facility Name/Location

GROUND LEASE-P&DF (546148-008)
717 76TH AVE SW, OLYMPIA , WA 98501-9991

Amendment No: 008

Lease: Y00000012942

This refers to the Lease accepted by the United States Postal Service, hereinafter called the Postal Service, under date of 05/20/2016, whereby there is leased to the Postal Service the above-described facility.

WHEREAS, the Postal Service desires and Landlord is willing to amend the Lease as specified below;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties do hereby agree as follows, effective on the date this document is executed by the Postal Service.

In all other respects, the Lease shall remain the same and is hereby confirmed.

Facility Name/Location
GROUND LEASE-P&DF (546148-008)
717 76TH AVE SW, OLYMPIA , WA 98501-9991

County: Thurston
Lease: Y00000012942

1. The Lease at Paragraph 6. Renewal Options, as it relates to the First Renewal Option, is hereby amended as follows:

The Annual Rent for the First Renewal Option shall be as follows:

10/1/2026-9/30/2031 \$145,525.25
10/1/2031-9/30/2036 \$160,684.13

The parties agree that notwithstanding any notice requirements to the contrary, for the purposes of exercising the First Renewal Option, the Postal Service's execution of this Lease Amendment shall be a legally sufficient exercise of the First Renewal Option.

2.) With respect to the First Renewal Option term as described in the Lease at Paragraph 6 and the Addendum (Market Value), the parties agree as follows:

The parties agree to waive all notice and appraisal requirements set forth in the Lease with respect to the Postal Service's exercise of the First Renewal Option. In lieu of the process set forth in the Addendum to the Lease, the parties agree to negotiate the annual rental rate for the First Renewal Option in good faith, and to document their agreement by the execution of an Amendment (008) to the Lease setting forth the agreed-upon annual rental amount

3.) The parties agree that if the signature(s) of either Landlord or the Postal Service on this Lease or any amendments, addendums, assignments, or other records associated with this Lease is not an original but is an electronic signature, scanned signature or a digitally encrypted signature, then such electronic signature, scanned signature or digitally encrypted signature shall be as enforceable, valid and binding as, and the legal equivalent to, an authentic original wet signature penned manually by its signatory. Signatures required under this Lease, or any amendments, addendums, assignments, or other records associated therewith, may be transmitted by email or by fax and, once received by the party to whom such signatures were transmitted, shall be binding on the party transmitting its signatures as though they were an original signature of such party.



Lease Amendment

EXECUTED BY LANDLORD this _____ day of _____, _____.

GOVERNMENTAL ENTITY

By executing this Lease Amendment, Landlord certifies that Landlord is not a USPS employee or contract employee (or an immediate family member of either), or a business organization substantially owned or controlled by a USPS employee or contract employee (or an immediate family member of either).

Name of Governmental Entity: Port of Olympia

Name & Title Alexandra Smith, Executive Name & Title _____

Name & Title _____ Name & Title _____

Name & Title _____ Name & Title _____

Name & Title _____ Name & Title _____

Landlord's Address: PORT OF OLYMPIA

ACCOUNTING DEPARTMENT

606 COLUMBIA ST NW, STE 300

OLYMPIA, WA Zip+4 98501-9001

Landlord's Telephone Number(s): (360) 528 - 8000

Federal Tax Identification No.: XX-XXX1021

Witness Witness

- Where the Landlord is a governmental entity or other municipal entity, the Lease must be accompanied by documentary evidence affirming the authority of the signatory(ies) to execute the Lease to bind the governmental entity or municipal entity for which he (or they) purports to act.
- Any notice to Landlord provided under this Lease or under any law or regulation must be in writing and submitted to Landlord at the address specified above, or at an address that Landlord has otherwise appropriately directed in writing. Any notice to the Postal Service provided under this Lease or under any law or regulation must be in writing and submitted to "Contracting Officer, U.S. Postal Service" at the address specified below, or at an address that the Postal Service has otherwise directed in writing.

ACCEPTANCE BY THE POSTAL SERVICE

Date: _____

Terrence P Brennan
Contracting Officer

Signature of Contracting Officer

Western FSO 7500 E 53RD PL RM 1108, DENVER, CO 80266-9918
Address of Contracting Officer

COVER MEMO

Briefing Date/Time: April 14, 2025

Staff Contact/Title: Jessie Bensley, Property Manager
360.528.8071, Jessieb@portolympia.com

Subject: Hoya Sushi Lease Assignment and Amendment #8

Purpose: ☐ Information Only ☒ Decision Needed

CONSENT ITEM

Background:

In 2015 Hanjoo Inc. and the Port entered into a new space lease to operate Koibitio Japanese Restaurant located at 7205 Old Highway 99 SW Tumwater at the Airport Retail Building. The initial term was January 1, 2015 through December 31, 2019 with two five-year options to extend. In 2017 Hoya Sushi 1 Inc. accepted the assignment of lease from Hanjoo Inc. In 2019 the two five-year options were exercised therefore the lease term expires December 31, 2029.

The tenant Hoya Sushi now desires to assign the lease to Holy Inheritance Co. effective April 1, 2025. The rent rates are set with a 3% annual increase through December 31, 2029. The new tenant, Holy Inheritance Co., is seeking one additional five-year option which would commence January 1, 2030 and end December 31, 2034.

Documents Attached:

Exhibit A – The Premises
Copy of Lease Assignment and Amendment #8

Summary and Financial Impact:

January 1, 2025 – December 31, 2025	\$4,164.76/Month
January 1, 2026 – December 31, 2026	\$4,289.70/Month
January 1, 2027 – December 31, 2027	\$4,418.39/Month
January 1, 2028 – December 31, 2028	\$4,550.94/Month
January 1, 2029 – December 31, 2029	\$4,687.47/Month

The tenant is required to have a lease security equal to two (2) month's rent (\$8,329.52) plus Washington State Leasehold Tax (\$1,069.51) plus common area maintenance fee (\$200.00) for a total amount of (\$9,599.03). The security amount has already been collected by the Port prior to the lease commencement date.

Staff Recommendation:

Approve the new lease term as presented on the consent calendar.

EXHIBIT A

THE PREMISES SUITE 102



ASSIGNMENT OF LEASE AND AMENDMENT NO. 8

THIS ASSIGNMENT OF LEASE AND AMENDMENT NO. 8 (this “Assignment”) is made and entered into this 31st day of March, 2025 (the “Effective Date”) by and between the **PORT OF OLYMPIA**, a Washington municipal corporation (the “Port” or “Landlord”), **HOYA SUSHI 1, INC.**, a Washington corporation (“Tenant 2” or “Assignor”), successor-in-interest to HANJOO, INC., a Washington corporation (“Tenant 1”) (Tenant 1 together with Tenant 2, the “Tenant”), and **HOLY INHERITANCE CO.**, a Washington corporation (“Tenant 3” or “Assignee”).

WHEREAS, the Port, owner of real property located at 7205 Old Highway 99 SW, Tumwater, WA, entered into a Restated and Amended Lease Agreement (the “Lease”) dated March 11, 2015 to lease premises consisting of approximately 1,600 sq. ft. of retail space (Suite 102) in a commercial building as generally depicted in Exhibit A attached hereto (the “Premises”) to Tenant 1; and

WHEREAS, the Port and Tenant 1 amended the Lease through Lease Amendment No. 1 dated January 4, 2016 for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease through Lease Amendment No. 2 dated December 29, 2016 for the purpose of adjusting the rent and surety requirement; and

WHEREAS, Tenant 1 assigned its right, title and interest in the Lease in relation to the Premises through Assignment of Lease, Acceptance and Consent dated September 20, 2017 to Tenant 2; and

WHEREAS, the Port and Tenant 2 amended the Lease through Lease Amendment No. 3 dated December 12, 2017 for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant 2 amended the Lease through Lease Amendment No. 4 dated November 20, 2018 for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant 2 amended the Lease through Lease Amendment No. 5 dated August 26, 2019 for the purpose of memorializing two (2) Options to Extend Term, document annual rent adjustments during the extension of the Term, and adjust surety requirements; and

WHEREAS, the Port and Tenant 2 amended the Lease through Lease Amendment No. 6 dated August 24, 2021 for the purpose of updating the monthly rent adjustment table based on certain property improvements related to the Premises and adjusting the surety requirement; and

WHEREAS, the Port and Tenant 2 amended the Lease through Lease Amendment No. 7 dated November 14, 2024 for the purpose of adjusting the rent and surety requirement; and

WHEREAS, Tenant 2 now desires to assign its right, title and interest in the Lease to Assignee and Assignee desires to accept assignment of the Lease from Tenant 2; and

WHEREAS, the Port is willing to consent to the assignment from Tenant 2 to Assignee, upon and subject to the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the above recitals and promises, covenants, conditions, and agreements set forth below and other good and valuable consideration, the parties hereby agree as follows:

1. Tenant 2 hereby assigns to Assignee all of its right, title, and interest in and to the Lease and the Premises commencing on the Effective Date subject to ratification by the Port of Olympia Commission within thirty (30) days from the date set forth in the Ratification Provision below and subject to satisfaction of all of the conditions to closing set forth in the Purchase and Sale Agreement dated January 12, 2025 by and between Tenant and Assignee ("Purchase Agreement").

2. Assignee hereby accepts assignment of Tenant's right, title, and interest in the Lease and the Premises, and assumes and agrees to make all the payments and to perform all the terms, conditions, and covenants of the Lease (including all amendments and additions thereto) that are to be performed by the Tenant therein, beginning on the Effective Date, subject to ratification by the Port of Olympia Commission, and subject to satisfaction of all of the conditions to closing set forth in the Purchase Agreement.

3. The Port hereby consents to Tenant 2's assignment of its interest in the Lease and the Premises to Tenant 3, and hereby accepts Assignee as the Tenant under the Lease commencing on the Effective Date subject to the terms and conditions stated herein, and subject to approval or ratification by the Port of Olympia Commission.

4. As of the Effective Date, the Port and Assignee agree that Paragraph 3, OPTION TO EXTEND TERM is hereby amended to add the following:

The Lessee is hereby granted a third Option to Extend Term equal to five (5) years. The third Option to Extend Term, if exercised, would commence on January 1, 2030 and end on December 31, 2034.

5. As of the Effective Date, the Port and Assignee agree that Paragraph 1, LEASE SUMMARY – LEASE SECURITY is hereby amended and restated as follows:

Tenant shall provide lease security equal to two (2) month's rent (\$8,329.52) plus Washington Leasehold Excise Tax (\$1,069.51) plus common area maintenance fee (\$200.00) for a total amount equal to Nine Thousand Five Hundred Ninety-Nine and 03/100 Dollars (\$9,599.03). The security amount shall be collected by the Port prior to the lease commencement date.

6. Assignee hereby further acknowledges and agrees that it has received and reviewed a copy of the Lease, including all exhibits and other papers relating thereto and any changes or additions made to any of the above, that it is familiar with the terms thereof and accepts the same as stated, and that Assignee is not relying on any representations, warranties, or assurances of any kind by the Port with respect thereto.

7. Assignee hereby further agrees to post security and liability insurance in amounts and form in accordance with the terms of the Lease as amended hereby and satisfactory to the Port on or before the Effective Date.

8. Assignee hereby further acknowledges and agrees that it has made a full and complete inspection of the Premises and accepts the Premises "AS IS" in its present condition, and that the Assignee is not relying on any representations, warranties, or assurances of any kind by the Port with respect thereto.

9. Tenant hereby further acknowledges and agrees that Tenant shall not by this Amendment be released from any obligations or responsibilities to be performed by the Tenant under the Lease and any amendments or changes thereto but rather shall continue to remain jointly and severally liable with respect to the Lease. Tenant hereby further waives notice of any subsequent changes or amendments to the Lease, or any default under the Lease. In the event of any default or failure to perform in any respect, the Port may elect to proceed against any one, several, or all of the Tenants or Assignees, and by so doing shall not thereby release or waive any rights the Port may have against any other persons or entities. Provided, however, that Tenant shall in no event be liable beyond the terms and conditions in existence as of the date of this Agreement, as if the same had not hereafter been amended or changed.

10. Tenant and Assignee hereby further acknowledge and agree that the Port's consent to this Agreement does not waive the requirement of the Port's consent, or the Port's right to object or withhold consent, to any future option, assignment or subletting of the Lease or the Premises.

11. Guaranty. Landlord and Assignee acknowledge that Sung Kyung Yoo and Sun J. Kim, joint and severally, agree to act as guarantors and to guarantee to Landlord and its successors and assigns the full, faithful, and punctual performance and observance by Assignee of all obligations, covenants, and conditions to be performed and/or observed by Assignee as set forth in this Lease.

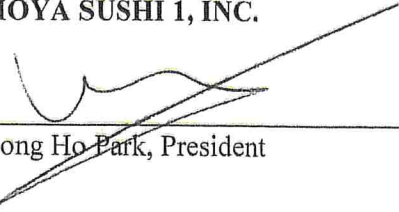
12. In any action or proceeding, including but not limited to mediation or arbitration, and including all appeals, brought to enforce this Assignment or the Agreement, to determine or declare the rights and duties under this Assignment or the Agreement, or to resolve a dispute, breach, or default in connection with any of the provisions of this Assignment or the Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs, including expert witness fees, incurred in such action or proceeding, in addition to any other relief to which such party may be entitled.

13. This Assignment shall be governed by the laws of the State of Washington. Any dispute resolution shall have exclusive venue in Olympia, WA. Should a dispute arise between the parties, the losing party shall pay the prevailing party's actual and incurred attorney's fees; mediation, arbitration and court costs including appeals; as well as other legal expenses and collection costs.

14. Terms not defined in this Assignment shall have the meaning set forth in the Lease.


WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed by an authorized representative.

ASSIGNOR: **HOYA SUSHI 1, INC.**



Song Ho Park, President

ASSIGNEE: **HOLY INHERITANCE CO.**



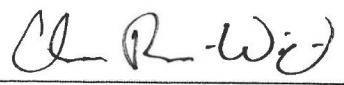
Sung Kyung Yoo, President

PORT: **PORT OF OLYMPIA**



Alexandra K. Smith, Executive Director

Approved as to Form:



Christopher Pierce-Wright
General Counsel, Port of Olympia

STATE OF WASHINGTON)
) ss
COUNTY OF Thurston)

On this 11th day of March, 2025, personally appeared before me Sang Ho Park, to me known as President, or sufficiently proven to be the individual named in the within and foregoing instrument and said person acknowledged that he/she signed said instrument, on oath stated that he/she is authorized to sign said instrument and acknowledged he/she is authorized to sign said instrument and did so as his/her free and voluntary act and deed of such party for the uses and purposes mentioned in said instrument..

In witness whereof, I have hereunto set my hand and seal the day and year above written.



Jessie Bensley
Printed Name: Jessie Bensley
Notary Public in and for the State of Washington
Residing at: Olympia
My commission expires: 7-15-2027

STATE OF WASHINGTON)
) ss
COUNTY OF Thurston)

On this 11th day of March, 2025, personally appeared before me Sung Kyung yoo, to me known as President, or sufficiently proven to be the individual named in the within and foregoing instrument and said person acknowledged that he/she signed said instrument, on oath stated that he/she is authorized to sign said instrument and acknowledged he/she is authorized to sign said instrument and did so as his/her free and voluntary act and deed of such party for the uses and purposes mentioned in said instrument..

In witness whereof, I have hereunto set my hand and seal the day and year above written.

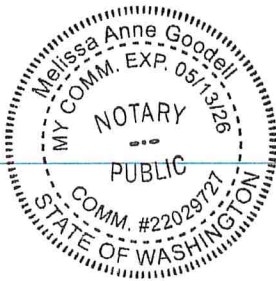


Jessie Bensley
Printed Name: Jessie Bensley
Notary Public in and for the State of Washington
Residing at: Olympia
My commission expires: 7-15-2027

STATE OF WASHINGTON)
COUNTY OF Thurston) ss

On this 18th day of March, 2025, personally appeared before me Alexandra K. Smith, to me known as The Executive Director, or sufficiently proven to be the individual named in the within and foregoing instrument and said person acknowledged that he/she signed said instrument, on oath stated that he/she is authorized to sign said instrument and acknowledged he/she is authorized to sign said instrument and did so as his/her free and voluntary act and deed of such party for the uses and purposes mentioned in said instrument..

In witness whereof, I have hereunto set my hand and seal the day and year above written.



Printed Name: Melissa Anne Gooden
Notary Public in and for the State of Washington
Residing at: Olympia
My commission expires: May 13, 2006

RATIFICATION PROVISION

This Assignment of Lease, Consent and Amendment No. 8 shall be subject, as a condition subsequent, to ratification by the Port of Olympia Commission within thirty (30) days after the date set forth on Page 1. This Assignment of Lease, Consent and Amendment No. 8 shall be effective and binding on the parties until such time, and thereafter if ratified. If this Assignment of Lease, Consent and Amendment 8 is not ratified as required herein, then it shall terminate and be of no further force and effect.

The undersigned confirms that this Assignment of Lease, Consent and Amendment 8 was ratified by the Port of Olympia Commission on _____, 2025.

PORT OF OLYMPIA COMMISSION

By: _____

Its: _____

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

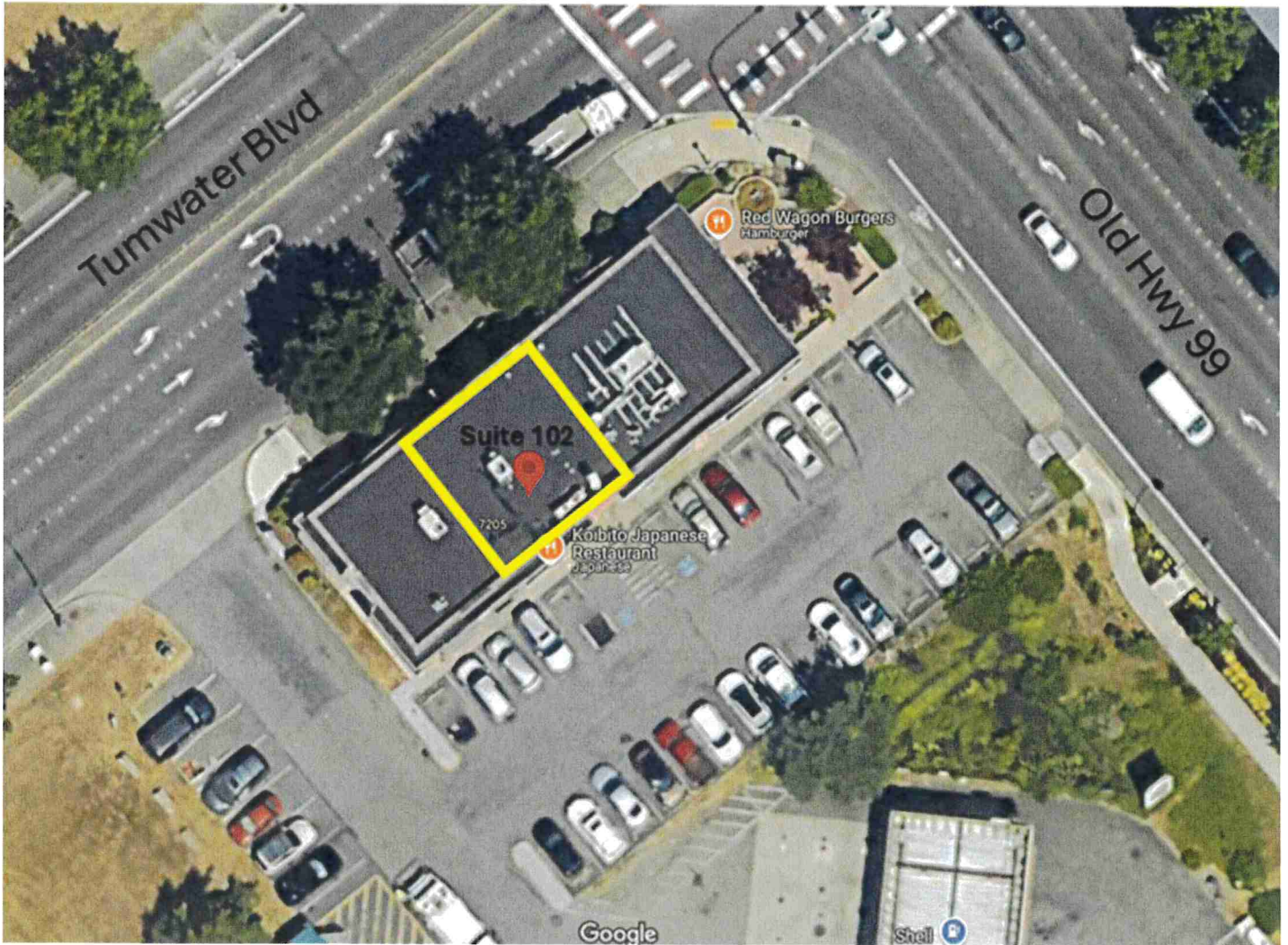
On this ____ day of _____ 20____, personally appeared before me _____ to me known to be the _____ of the Port of Olympia Commission, the municipal corporation named in the within and foregoing Assignment of Lease, Consent and Amendment 8, and said person acknowledged that he/she signed the same on its behalf, as he/she is so authorized to do, as the free and voluntary act and deed of such party for the uses and purposes therein mentioned.

In witness whereof, I have hereunto set my hand and seal the day and year above written.

Printed Name: _____
 Notary Public in and for the State of Washington
 Residing at: _____
 My commission expires: _____

EXHIBIT A

**THE PREMISES
SUITE 102**



COVER MEMO

Briefing Date/Time: April 14, 2025

Staff Contact/Title: Chris Paolini, Airport Senior Manager, 360.528.8074, chrisp@portolympia.com

Subject: Airport Capital Project Contract Award: Runway 17-35 Pavement Rehabilitation and Electrical Improvements

Purpose: ☐ Information Only ☒ Decision Needed

CONSENT ITEM

Documents Attached:

Tucci & Sons, LLC Bid Package
Bid Tabulation

Background and Purpose:

Tonight's action request follows an advisory presentation to the commission on March 10, 2025. In summary, in 2005 an approximate 750-foot section of the southern portion of Runway 17-35 was paved under an FAA grant. The contract award presented this evening is for the rehabilitation of this pavement section. Also, as part of this project, we will replace the existing runway edge lighting with new energy efficient LED lighting and a modern lighting control system.

What this project does:

- Rehabilitates a portion of the primary runway to protect our Port asset.
- Improves safety and operational reliability.
- Improves airport energy efficiency by reducing electricity usage.

What this project does not do:

- Does not increase the length of the runway.
- Does not increase pavement strength to support larger aircraft.

Environmental:

An external review of the project with the FAA and a project review by the Port's Director of Environmental Planning & Programs was completed. This project was

determined to be NEPA and SEPA exempt. Below are the applicable references for both NEPA and SEPA.

Per FAA guidance, the entirety of this project is NEPA exempt:

Project lighting work:

“...this project (Runway 17-35 Electrical Rehab) is categorically excluded from further environmental review pursuant to FAA Order 1050.1F, Paragraph 5-6.3(b) and (g) and Paragraph 5-6.4(o).”

Pavement maintenance work:

“The proposed Runway 17-35 (South) Rehabilitation is Categorically Excluded pursuant to FAA Order 1050.1F Section 5-6.4 e”

Per the following Washington State Administrative Code (WAC), the entirety of this project is SEPA exempt:

Project lighting work:

WAC 197-11-800 (23)(c) exempts: “All electric facilities, lines, equipment or appurtenances, not including substations, with an associated voltage of 55,000 volts or less;...within existing rights of way or developed utility corridors, all electric facilities, lines, equipment or appurtenances, not including substations, with an associated voltage of 115,000 volts or less; and the undergrounding of all electric facilities, lines, equipment or appurtenances.”

Pavement maintenance work:

WAC 197-11-800 (3) exempts: “Repair, remodeling and maintenance activities...transportation facilities involving no material expansions or changes in use beyond that previously existing...”.

Apprenticeship Utilization:

This project is exempt from the apprenticeship utilization requirements of Port Resolution 2022-16 under section “d” of the Resolution’s “Reduction or Waiver” paragraph in which it states:

“Where an apprentice utilization requirement is precluded by law or regulatory requirements such as, but not limited to, Federal Aviation Administration (FAA) contracting requirements.”

Summary:

A construction bid package was prepared by our airport engineering consultant for the proposed construction project and published by the Port on February 13, 2025. The bid period closed on March 13, 2025. Three responsive bids, five total bids, were received by close of the bid period. Bids range from the highest bid of \$3,639,558.04 to the lowest bid of \$2,103,027.44. The low responsive and responsible bid was from Tucci & Sons, Inc. with a bid amount of \$2,103,027.44.

Tucci & Sons, Inc is a family-owned heavy construction company out of Tacoma, Washington. They've been in business since 1950 serving Western Washington for over 70 years. Tucci & Sons, LLC specializes in utilities, grading, and paving. Some of their customers have included WSDOT, JBLM, City of Auburn, City of Tacoma, King County, and Thurston County among others. Tucci & Sons, LLC is familiar with, and experienced in, airport and runway projects.

Financial Impact:

An FAA grant will provide funding for 95% of the project cost. We will also pursue a WSDOT Aviation grant later this year, when the grant cycle opens, to fund up to 2.5% of project costs. Airport funds will be used to fund the remaining portion of the project.

Estimated Project Cost

Construction Cost:	\$2,103,027.44 (tonight's item)
Construction Management and engineering Costs:	\$ 299,510 (separate contract)
TOTAL PROJECT COST:	\$2,402,537.44

Estimated Project Funding Breakdown

Total project cost:	<u>\$2,402,537.44</u>
FAA grant funds (est):	\$2,282,410.56
WSDOT grant funds (est):	<u>\$ 60,063.44</u>
Airport funds (est):	\$ 60,063.44 (\$120,126.88 if no WSDOT grant)

Next Steps/Timeframe:

Anticipated Project Start Date: Construction will begin after September 1st, 2025, following the end of the Streaked Horned Lark breeding season.

Options with Pros & Cons:

1. Award construction contract to the lowest responsive and responsible bidder, Tucci & Sons, Inc, in the amount of \$2,103,027.44, and authorize

the Executive Director to enter a contract with Tucci & Sons, Inc. pursuant to the bid award.

Result: Airport project moves forward as planned and timeline for FAA grant application will be met securing grant funding.

2. Do not approve contract award to the lowest responsive bidder.

Result: Airport project will not move forward as planned. FAA grant funding opportunity may be lost, and runway safety repairs will not be completed.

Staff Recommendation:

Award construction contract to the lowest responsive and responsible bidder, Tucci & Sons, Inc, in the amount of \$2,103,027.44, and authorize the Executive Director to enter a contract with Tucci & Sons, Inc. pursuant to the bid award.

BIDDER'S CHECKLIST

PORT OF OLYMPIA, WA

OLYMPIA REGIONAL AIRPORT

RUNWAY 17-35 PAVEMENT REHABILITATION & ELECTRICAL IMPROVEMENTS

AIP PROJECT 3-53-0041-032-2024/-034-2025

To all Plan Holders and/or Prospective Bidders:

Use the following checklist to ensure that your bid package is complete upon submittal on the date listed in the Invitation to Bid. This checklist has been prepared and furnished to aid Bidders in including all necessary supporting information with their bid. Bidder's submittals shall include, but are not limited to, the following:

Checked

1. Contractor's Qualification Statement in accordance with Section 20-02, including "Evidence of Competency" and "Evidence of Financial Responsibility." _____
2. Proposal (Bid) Fully Executed. Complete the Proposal in clearly written ink or typed characters. Changes may be made provided all changes are initialed. _____
3. Acknowledgement of Addenda (on Proposal). Acknowledge receipt of all Addenda. Bidders are strongly encouraged to contact the Airport to verify that all addenda are in hand prior to submittal of the bid package. _____
4. Certification of Non-segregated Facilities. _____
5. Bidder's Statement on previous contracts subject to EEO Clause. _____
6. Disadvantaged Business Enterprise Utilization. ***This contract cannot be awarded without meeting or demonstrating a good faith effort to meet the established DBE participation goal.*** _____
7. Letter of Intent (for each DBE subcontractor to be used). _____
8. Restrictions of Federal Public Works Projects. _____
9. Bidders Certification. _____
10. Minimum Wage Compliance. _____
11. Buy American Certification. _____

- 12. Complete the Subcontractor List per RCW 39.30.060 and submit with the Bid Proposal. ***Failure to submit the disclosure form will result in the bid being declared "non-responsive."*** _____
- 13. Bidder's List. _____
- 14. Bidder's Bond or other Security. Include an executed Bid Bond or other acceptable Bid Security in the amount of five percent (5%) of the total bid amount. _____
- 15. Power-of-Attorney for Surety's Agent to execute Bidder's Bond. _____
- 16. Submit the bid package, prior to the Bid Closing time, at the place indicated in the Invitation to Bid. The bid package shall be enclosed in an opaque, sealed envelope, marked with the project title, date and time of the Opening, and the name and address of the Bidder. _____

END OF BIDDER'S CHECKLIST

Section 20 Proposal Requirements and Conditions

20-01 Advertisement (Notice to Bidders). The time, place, and stipulation of all bid proposals has been advertised in a manner as prescribed by law and is contained in the "Invitation to Bid."

20-02 Qualification of bidders. Each bidder shall submit evidence of competency and evidence of financial responsibility to perform the work to the Owner at the time of bid opening.

Evidence of competency, unless otherwise specified, shall consist of statements covering the bidder's past experience on similar work, and a list of equipment and a list of key personnel that would be available for the work.

Each bidder shall furnish the Owner satisfactory evidence of their financial responsibility. Evidence of financial responsibility, unless otherwise specified, shall consist of a confidential statement or report of the bidder's financial resources and liabilities as of the last calendar year or the bidder's last fiscal year. Such statements or reports shall be certified by a public accountant. At the time of submitting such financial statements or reports, the bidder shall further certify whether their financial responsibility is approximately the same as stated or reported by the public accountant. If the bidder's financial responsibility has changed, the bidder shall qualify the public accountant's statement or report to reflect the bidder's true financial condition at the time such qualified statement or report is submitted to the Owner.

Unless otherwise specified, a bidder may submit evidence that they are prequalified with the State Highway Division and are on the current "bidder's list" of the state in which the proposed work is located. Evidence of State Highway Division prequalification may be submitted as evidence of financial responsibility in lieu of the certified statements or reports specified above.

20-03 Contents of proposal forms. The Owner's proposal forms state the location and description of the proposed construction; the place, date, and time of opening of the proposals; and the estimated quantities of the various items of work to be performed and materials to be furnished for which unit bid prices are asked. The proposal form states the time in which the work must be completed, and the amount of the proposal guaranty that must accompany the proposal. The Owner will accept only those Proposals properly executed on physical forms or electronic forms provided by the Owner. Bidder actions that may cause the Owner to deem a proposal irregular are given in paragraph 20-09 *Irregular proposals*.

Mobilization is limited to 10 percent of the total project cost.

A voluntary prebid conference will be held to discuss as a minimum, the following items: material requirements; submittals; Quality Control/Quality Assurance requirements; the construction safety and phasing plan including airport access and staging areas; and unique airfield paving construction requirements. The date, time, and location of the prebid conference are included in the "Invitation to Bid."

20-04 Issuance of proposal forms. The Owner reserves the right to refuse to issue a proposal form to a prospective bidder if the bidder is in default for any of the following reasons:

- a. Failure to comply with any prequalification regulations of the Owner, if such regulations are cited, or otherwise included, in the proposal as a requirement for bidding.
- b. Failure to pay, or satisfactorily settle, all bills due for labor and materials on former contracts in force with the Owner at the time the Owner issues the proposal to a prospective bidder.



**Washington State
Department of Transportation**

May 29, 2024

MICHAEL F. TUCCI
Prequalification #832800
TUCCI & SONS, INC.
4224 WALLER ROAD E
TACOMA WA
98443 - 1099

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

Prequalified Bidding Rate

Dear MICHAEL F. TUCCI:

The recent information submitted by your firm is sufficient to fulfill the requirements for qualification under the provisions of RCW 47.28.070. This qualification allows your firm to bid on our projects in the amount, class, and type of work as listed below, for a period expiring June 30, 2025.

CLASS	AMOUNT	DESCRIPTION
01	\$17,500,000	CLEARING, GRUBBING, GRADING AND DRAINING
02	\$10,000,000	PRODUCTION AND PLACING OF CRUSHED MATERIALS
03	\$7,500,000	BITUMINOUS SURFACE TREATMENT
04	\$14,344,425	ASPHALT CONCRETE PAVING
15	\$15,500,000	SEWER AND WATER MAINS
17	\$3,500,000	CEMENT CONCRETE CURB AND GUTTER
19	\$3,000,000	RIPRAP AND ROCK WALLS
20	\$1,250,000	CONCRETE STRUCTURES EXCEPT BRIDGES
34	\$5,250,000	EROSION CONTROL
53	\$1,679,520	TRAFFIC CONTROL
57	\$7,750,000	MATERIALS TRANSPORTING

SWR SMALL WORKS ROSTER PARTICIPANT

The amount shown for each class is the maximum value within a class of work that is used to determine your firm's eligibility to receive a bid proposal document for a single project.

The rating you have received above is subject to review at any time and is conditioned upon a satisfactory performance record on present and future contracts you may have with this Department. In accordance with Section 1-02.1 of the Standard Specifications, the amount of your bid plus the amount of outstanding work with the state as a prime contractor cannot exceed \$86,208,862.

The official name by which your firm has been prequalified with the Washington State Department of Transportation is as follows:

TUCCI & SONS, INC.
PREQUALIFICATION #832800

All bidding proposals and contract documents will have this name entered thereon. Any alteration of this name on the bidding proposal issued by the Department of Transportation may be sufficient cause for considering the proposal irregular and consequent rejection of the bid.

In the event any correction of the above firm name is required, we request you notify this department immediately.

Applicants not satisfied with the qualification granted may request in writing, a review of their questionnaire and qualification ratings. The request must be filed

MICHAEL F. TUCCI
Prequalification #832800
May 29, 2024
Page 2

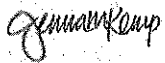
within thirty calendar days of the above date and must specifically state the basis for the request.

If there is a decrease in your financial position or there are significant changes within the structure of your organization, you must file a new Standard Questionnaire and Financial Statement Form (DOT Form 420-010).

Organizational changes which require the submission of a new Standard Questionnaire and Financial Statement form are: incorporation, additions to or changes in partners to a copartnership, joint venture arrangements, dissolution of a corporation, copartnership or joint venture, etc.

If you have any questions regarding your prequalification please contact the Contractor Qualification Analyst at 360-705-7837.

Sincerely,



Digitally signed by Jenna M.
Kemp
Date: 2024.05.29 13:18:55 -07'00'

Jenna M. Kemp
Manager, Contract Ad & Award

A21 TAX DELINQUENCY AND FELONY CONVICTIONS

A21.1 SOURCE

Section 8113 of the Consolidated Appropriations Act, 2022 (Public Law 117-103) and similar provisions in subsequent appropriations acts.

DOT Order 4200.6 – Appropriations Act Requirements for Procurement and Non-Procurement Regarding Tax Delinquency and Felony Convictions

A21.2 CERTIFICATION CLAUSE

CERTIFICATION OF OFFEROR/BIDDER REGARDING TAX DELINQUENCY AND FELONY CONVICTIONS

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

- 1) The applicant represents that it is () is not (X) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.
- 2) The applicant represents that it is () is not (X) a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note

If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the Sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the owner about its tax liability or conviction to the Owner, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twenty four (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. Code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 USC § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

PROPOSAL

PORT OF OLYMPIA, WA

OLYMPIA REGIONAL AIRPORT

RUNWAY 17-35 PAVEMENT REHABILITATION & ELECTRICAL IMPROVEMENTS

AIP PROJECT 3-53-0041-032-2024/-034-2025

TO: *Mr. Chris Paolini, Airport Senior Manager*
Port of Olympia
606 Columbia St NW, Suite 300
Olympia, WA 98501

This Proposal is submitted as an offer by the undersigned, having examined the Contract Documents and considered all conditions to be encountered, to enter into a Contract with the Port of Olympia (Port) to furnish all labor, materials, and equipment, and to perform all work necessary to complete this project, in accordance with the Contract Documents, in consideration of the amounts stated in this Proposal.

BIDDERS DECLARATION:

The undersigned, hereinafter called the Bidder, declares that the only persons or parties interested in this proposal are those named herein, that this proposal is, in all respects, fair and without fraud, that it is made without collusion with any official of the Owner, and that the proposal is made without any connection or collusion with any person making another proposal on this contract.

The Bidder further declares that he has carefully examined the Contract Documents for the construction of the project, that he has personally inspected the site, that he has satisfied himself as to the quantities involved, including the fact that the description of the quantities of work and materials, as included herein, is brief and is intended only to indicate the general nature of the work and to identify the said quantities with the detailed requirements of the Contract Documents, and that this proposal is made according to the provisions and under the terms of the Contract Documents, which documents are hereby made a part of this proposal.

The Bidder further declares that the provisions required pertaining to Federal and State prevailing wage rates shall be included in his contract and will be complied with.

The Bidder further agrees that he has exercised his own judgment regarding the interpretation of subsurface information and has utilized all data which he believes pertinent from the Engineer, Owner and other sources in arriving at his conclusions.

CONSTRUCTION TIME LIMITS:

The Bidder agrees to begin work within 10 calendar days after the date of the Owner's written Notice to Proceed and to substantially complete the construction of Work, if awarded, within the specified contract time.

In the event that certain items not required for substantial completion, as defined in the Supplementary Conditions herein, but required for final completion of the work as put forth in this Contract Document

fail to arrive at the work site in time to be properly installed during normal working hours within the time allowed for substantial completion of the work, then an allowance of not more than thirty (30) calendar days following the receipt of the last item required will be given to the Contractor to effect the final completion of said work.

NOTICE TO PROCEED:

The Owner reserves the right to delay the Notice to Proceed until such time that soil conditions and weather conditions are conducive to efficient construction. No work shall begin prior to the issuance of Notice to Proceed by the Owner.

Notice to Proceed will be issued after issuance of FAA funding for the project. Anticipated timing is given on plan sheet C1.7. In the event that Notice to Proceed is delayed, no adjustments will be made to the pricing established in this proposal.

CONTRACT TIME:

The contract time for each phase of work shall be as shown on the phasing plan sheet C1.7, which also includes work hour limits, and other phasing restrictions. Days of no work performed between the phases will be counted against the contract duration.

LIQUIDATED DAMAGES:

The Owner shall be entitled to liquidated damages for failure of the Bidder to complete the work within the specified contract time as identified on plan sheet C1.7.

- A. As compensation for non-use, the Contractor shall be assessed liquidated damages for each day that the work remains uncompleted beyond the contract time as outlined below:

Phase	Construction Duration	Contract Time	Liquidated Damages Cost
1	12 Calendar days	12 Calendar days	\$1,200/day
2	28 Calendar days	28 Calendar days	\$1,200/day
3	3 Calendar days*	3 Calendar days*	\$1,200/day

Note:

* 3 working days for final pavement marking shall occur no sooner than 30 calendar days after the summer work substantial completion.

Liquidated Damages will not be assessed for any days for which an extension of time is granted. No deduction or payment of liquidated damages will, in any degree, release the Contractor from further obligations and liabilities to complete the entire Contract.

- B. As compensation for expense incurred for unscheduled employment of the Engineer, the Contractor shall be assessed an additional liquidated damage equal to the expense incurred for each day that the work remains uncompleted beyond the substantial completion or final completion contract period.

SUBCONTRACTORS:

The Bidder will list all proposed subcontractors by their proper corporate name and the portion of the work the subcontractor intends to perform in the spaces provided below.

The Owner reserves the right to reject any subcontractor that the Owner deems unfit for the scope of the work proposed.

Subcontractor	Work to be performed	DBE Yes/No*
1. NORTHEAST ELECTRIC LLC	ELECTRICAL	NO
2. MOBILE ELECTRICAL DIST	ELECTRICAL MATERIAL	YES
3. THE BAG LADY INC	SUPPLY EROSION CONTROL	YES
4. GROUND UP CONST.	ASPHALT MILLING	NO
5. OBUNCO ENGINEERING	SURVEY	YES
6. DIAMOND COMPANIES	ASPHALT GROOVING	NO
7. CR CONTRACTING	PAVEMENT MARKING/ CRACK REPAIR	NO

* Submit a Letter of Intent for each DBE Subcontractor. (Letter of Intent form is provided within this proposal.)

UNIT PRICES:

The Bidder further proposes to accept as full payment for the work proposed herein the amounts computed under the provisions of the Contract Documents and based on the following lump sum price or unit price amounts. The Bidder agrees that the lump sum prices or unit prices represent a true measure of the labor and materials required to perform the work, including all allowances for overhead and profit for each type and unit of work called for in these Contract Documents. The amounts shall be shown in both words and figures. In case of discrepancy, the amount shown in words shall govern.

All blanks on the Proposal must be completed by clearly printing in ink or by typewriter. Changes may be made provided that the Bidder initials all changes.

All items in the proposal form shall be completed in full showing a unit or lump sum price or prices for each and every item. The price per item shall be clearly shown in the space provided. The pricing shall be extended to show the total when required.

The totals in the column headed "AMOUNT" are made for the sole purpose of facilitating bid comparisons and if there are any discrepancies between the unit prices and the total amount shown, the unit prices shall govern.

BASIS OF AWARD:

Bidders must bid all portions of the work. The bidder understands that the award shall be made to the lowest responsible and responsive bidder on the basis of the sum of Schedules A, B, and C. Schedule D will not be used to determine the basis for award. The Port reserves the right to withdraw any item(s) from being part of the award consideration and the Additive Bids from being part of the Work. The contract is subject to the receipt of FAA grant funding.

DBE GOAL:

The Owner has a Disadvantaged Business Enterprise (DBE) contract goal of 8.7%, in compliance with their 49 CFR Part 26 program. The Owner's award of this contract is conditioned upon Bidder satisfying the good faith effort requirements of 49 CFR §26.53. **This contract cannot be awarded without meeting or demonstrating a good faith effort to meet the established DBE participation goal.**

PROPOSAL AMOUNTS:

OLYMPIA REGIONAL AIRPORT – RUNWAY 17-35 PAVEMENT REHABILITATION & ELECTRICAL IMPROVEMENTS							
ITEM NO	BID ITEM SPEC. REFERENCE	BID QTY	UNITS	UNIT PRICES		AMOUNT	
				\$	¢	\$	¢
BID SCHEDULE A: BASE BID – RUNWAY REHAB & ELECTRICAL WORK (AIP-ELIGIBLE)							
1	FOD Prevention Controls 01000	1	LS	80,000	00	80,000	00
2	Temporary Flagging, Marking, and Signing 01300	1	LS	130,000	00	130,000	00
3	Low Level Barricades 01300	1	LS	55,000	00	55,000	00
4	Safety Plan Compliance Document 01300	1	LS	1500	00	1500	00
5	Construction Staking 01406	1	LS	35,000	00	35,000	00
6	Mobilization C-105	1	LS	173,900	00	173,900	00
7	Cold Milling P-101	12,717	SY	3	50	44,509	50
8	Crack Route and Seal P-101/P-605	5,000	LF	5	00	25,000	00
9	Asphalt Surface Course P-401	1,880	TON	215	00	404,200	00
10	Emulsified Asphalt Tack Coat P-603	3.7	TON	2450	00	9065	00
11	Crack Repair Membrane P-605	5,000	LF	5	75	28,750	00
12	Grooving P-621	10,978	SY	8	75	96,057	50
13	Airfield Electrical System Demolition and Salvage L-100-5.1	1	LS	69,000	00	69,000	00
14	New L-806(L) LED Style I-B Supplemental Wind Cone on New Concrete Foundation L-107-5.1	1	EA	13,000	00	13,000	00

15	No. 8 AWG, 5kV, L-824, Type C Cable, Installed in Duct Bank or Conduit L-108-5.1	30,730	LF	2	75	84,507	50
16	No. 6 AWG, Solid, Bare Copper Counterpoise Wire Installed in Trench, Including Connections L-108-5.2	1,435	LF	3	50	5022	50
17	New 30kW Ferroresonant Constant Current Regulator Installed in Airfield Lighting Vault L-109-6.1	2	EA	40,000	00	80,000	00
18	New 15kW Ferroresonant Constant Current Regulator Installed in Airfield Lighting Vault L-109-6.2	2	EA	30,000	00	60,000	00
19	New S-1 Cutout Installed in Airfield Lighting Vault L-109-6.3	4	EA	1400	00	5600	00
20	New 400A, 120/208V, 3-Phase, 4-Wire Distribution Panelboard L-109-6.4	1	EA	9200	00	9200	00
21	1-2" Sch. 40 PVC Conduit, Direct Buried L-110-5.1	1,435	LF	25	00	35,875	00
22	Sawcut Existing Pavement and Install 1-2" Concrete Encased Sch. 40 PVC Conduit L-110-5.2	35	LF	400	00	14,000	00
23	New HIRL, L-862(L) LED Elevated Runway Edge Light, Including New Isolation Transformer, Hardware, and Splice Kit, Installed on Existing Base Can L-125-5.1	57	EA	1440	00	82,080	00

24	New HIRL, L-862E(L) LED Elevated Runway End Light, Including New Isolation Transformer, Hardware, and Splice Kit, Installed on Existing Base Can L-125-5.2	16	EA	1440	00	23,040	00
25	New HIRL, L-850C(L) LED In-Pavement Runway Edge Light, Including New Isolation Transformer, Hardware, and Splice Kit, Installed on Existing Base Can L-125-5.3	1	EA	1440	00	1440	00
26	New Size 2, 1 Module LED Airfield Guidance Sign, Including New Isolation Transformer and Splice Kit, Installed on Existing Base L-125-5.4	12	EA	2400	00	28,800	00
27	New Size 2, 2 Module LED Airfield Guidance Sign, Including New Isolation Transformer and Splice Kit, Installed on Existing Base L-125-5.5	14	EA	3500	00	49,000	00
28	New Size 2, 3 Module LED Airfield Guidance Sign, Including New Isolation Transformer and Splice Kit, Installed on Existing Base L-125-5.6	6	EA	4000	00	24,000	00

29	New Size 5, 1 Module LED Runway Distance Remaining Sign, Including New Isolation Transformer and Splice Kit, Installed on Existing Base L-125-5.7	4	EA	3500	00	14,000	00
30	Conduit Repair DWG 2/C3.0	10	EA	750	00	7500	00
Subtotal Schedule A:						1,689,047	00
9.7% Sales Tax (WAC Rule 170):						163,837	56
Total Construction Cost Schedule A:						1,852,884	56
BID SCHEDULE B: BASE BID – ALCMS WORK (AIP-ELIGIBLE)							
31	Mobilization C-105	1	LS	10,000	00	10,000	00
32	Airfield Lighting Control and Monitoring System (ALCMS) Demolition in Airfield Lighting Vault and Air Traffic Control Tower L-100-5.2	1	LS	2300	00	2300	00
33	New L-890B Airfield Lighting Control and Monitoring System (ALCMS) Installed in Airfield Lighting Vault and Air Traffic Control Tower L-890-5.1	1	LS	102,000	00	102,000	00

34	Contractor Airfield Lighting Control and Monitoring System (ALCMS) Support Services L-890-5.2	1	LS	3000	00	3000	00
Subtotal Schedule B:						117,300	00
9.7% Sales Tax (WAC Rule 170):						11,378	10
Total Construction Cost Schedule B:						128,678	10
BID SCHEDULE C: BASE BID – EROSION CONTROL & PAVEMENT MARKINGS (AIP-ELIGIBLE)							
35	Straw Wattles C-102	2,050	LF	8	00	16,400	00
36	Inlet Protection C-102	8	EA	120	00	960	00
37	Temporary Erosion Control Force Account C-102	1	FA	5,000	00	5,000	00
38	Mobilization C-105	1	LS	7500	00	7500	00
39	Initial Pavement Marking P-620	18,036	SF	1	00	18,036	00
40	Final Reflective Pavement Marking P-620	89,755	SF	0	70	62,828	50
Subtotal Schedule C:						110,724	50
9.7% Sales Tax (WAC Rule 170):						10,740	28
Total Construction Cost Schedule C:						121,464	78

BID SCHEDULE D: BID ADDITIVE #1 - PAVEMENT MARKINGS (NON-AIP ELIGIBLE)							
41	Final Reflective Pavement Marking P-620	12,903	SF	1	50	19,534	50
Subtotal Schedule D:						19,534	50
9.7% Sales Tax (WAC Rule 170):						1877	39
Total Construction Cost Schedule D:						21,231	89
Total Construction Cost Schedules A, B, and C (Basis of Award):						2,103,027	44
(Base Bid 1, Base Bid 2, Additive Bid 1)							
Firm Name:			TUCCI & SONS, LLC				

BID BOND:

Accompanying this Proposal is a certified check, cashier's check or bid bond payable to the Port of Olympia, Washington, in the sum of FIVE PERCENT ~~ONE PERCENT~~ 5%), said amount being equal to five percent (5%) of the Total Bid Amount, based on the foregoing prices. If this proposal shall be accepted by the Port of Olympia and the undersigned shall fail to execute a satisfactory Public Improvement Contract, performance bond, and payment bond within seven (7) days from the date of the Notice of Award, then the Port may, at its option, determine that the undersigned has abandoned the Contract and thereupon this proposal shall be null and void, and the above check or bond accompanying this proposal shall be forfeited to and become the property of the Port.

PREVAILING WAGE STATEMENT:

The undersigned bidder declares by the signing of this Proposal that the provisions required by RCW 36.12 pertaining to prevailing wage rates (and Federal wage rates) are included in this Proposal, and that the bidder will comply with said requirements throughout the duration of the contract. The undersigned bidder will pay the higher of state or federal prevailing wage rates in accordance with WAC 297-127-025.

NON-DISCRIMINATION STATEMENT:

By signing and submitting this Proposal to the Port of Olympia, the Bidder certifies that, in accordance with RCW 49.60.030, it has not engaged in discriminatory practices in obtaining any subcontracts.

ADDENDA:

By signing and submitting this Proposal to the Port of Olympia, bidder represents that it has examined and carefully studied the Contract Documents, and other data identified in the Contract Documents, and the following Addenda, receipt of which is hereby acknowledged:

ADDENDUM NO.	ADDENDUM DATE
1	FEBRUARY 26, 2025
2	MARCH 6, 2025

SIGNATURE OF BIDDER:

Name of Bidder: TUCCI & SONS, LLC

Signature of Authorized Agent: _____

(Date) MARCH 13, 2025

Title: PRESIDENT

(SEAL)

Business Address: 4224 WALLER ROAD

TACOMA, WA 98443

Phone #: (253) 922-6676

Email: MTUCCI@TUCCIANDSONS.COM

Contractor's License No: TUCCIS*379N0

UBI No: 278 021 315

ESD Account No: 107832-00-2

Workers Comp. Insurance Company: MIDWEST EMPLOYERS CASUALTY

Workers Comp. Policy/Binder Number: EW007402

c. Documented record of Contractor default under previous contracts with the Owner.

d. Documented record of unsatisfactory work on previous contracts with the Owner.

20-05 Interpretation of estimated proposal quantities. An estimate of quantities of work to be done and materials to be furnished under these specifications is given in the proposal. It is the result of careful calculations and is believed to be correct. It is given only as a basis for comparison of proposals and the award of the contract. The Owner does not expressly, or by implication, agree that the actual quantities involved will correspond exactly therewith; nor shall the bidder plead misunderstanding or deception because of such estimates of quantities, or of the character, location, or other conditions pertaining to the work. Payment to the Contractor will be made only for the actual quantities of work performed or materials furnished in accordance with the plans and specifications. It is understood that the quantities may be increased or decreased as provided in the Section 40, paragraph 40-02, Alteration of Work and Quantities, without in any way invalidating the unit bid prices.

20-06 Examination of plans, specifications, and site. The bidder is expected to carefully examine the site of the proposed work, the proposal, plans, specifications, and contract forms. Bidders shall satisfy themselves to the character, quality, and quantities of work to be performed, materials to be furnished, and to the requirements of the proposed contract. The submission of a proposal shall be prima facie evidence that the bidder has made such examination and is satisfied to the conditions to be encountered in performing the work and the requirements of the proposed contract, plans, and specifications.

Boring logs and other records of subsurface investigations and tests are available for inspection of bidders. It is understood and agreed that such subsurface information, whether included in the plans, specifications, or otherwise made available to the bidder, was obtained and is intended for the Owner's design and estimating purposes only. Such information has been made available for the convenience of all bidders. It is further understood and agreed that each bidder is solely responsible for all assumptions, deductions, or conclusions which the bidder may make or obtain from their own examination of the boring logs and other records of subsurface investigations and tests that are furnished by the Owner.

20-07 Preparation of proposal. The bidder shall submit their proposal on the forms furnished by the Owner. All blank spaces in the proposal forms, unless explicitly stated otherwise, must be correctly filled in where indicated for each and every item for which a quantity is given. The bidder shall state the price (written in ink or typed) both in words and numerals which they propose for each pay item furnished in the proposal. In case of conflict between words and numerals, the words, unless obviously incorrect, shall govern.

The bidder shall correctly sign the proposal in ink. If the proposal is made by an individual, their name and post office address must be shown. If made by a partnership, the name and post office address of each member of the partnership must be shown. If made by a corporation, the person signing the proposal shall give the name of the state where the corporation was chartered and the name, titles, and business address of the president, secretary, and the treasurer. Anyone signing a proposal as an agent shall file evidence of their authority to do so and that the signature is binding upon the firm or corporation.

20-08 Responsive and responsible bidder. A responsive bid conforms to all significant terms and conditions contained in the Owner's invitation for bid. It is the Owner's responsibility to decide if the exceptions taken by a bidder to the solicitation are material or not and the extent of deviation it is willing to accept.

A responsible bidder has the ability to perform successfully under the terms and conditions of a proposed procurement, as defined in 2 CFR § 200.318(h). This includes such matters as Contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

20-09 Irregular proposals. Proposals shall be considered irregular for the following reasons:

September 3, 2024

Re: Assignment of Authorized Signers

Tucci & Sons

To Whom It May Concern,

Each of the individuals listed below is recognized as an officer and has the authority to sign and execute agreements on behalf of Tucci & Sons, LLC.

NAME	TITLE	PHONE	MOBILE
Michael F. Tucci	President	(253) 922-6676	(253) 905-9595
Torrey E. Johnson	Vice President	(253) 922-6676	(253) 377-0789
Tyler R. Larson	Secretary/ Treasurer	(253) 922-6676	(253) 719-9518

Sincerely,

TUCCI & SONS, LLC



Michael F. Tucci
President

CERTIFICATION OF NONSEGREGATED FACILITIES

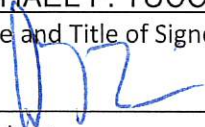
The federally assisted construction contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor certifies further that he will not maintain or provide for his employees segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor agrees that a breach of this certification is a violation of the equal opportunity clause in this contract.

As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time-clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin, because of habit, local custom, or any other reason. The federally assisted construction contractor agrees that (except where obtained identical certification from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the equal opportunity clause, and that he will retain such certifications in his files.

Certification: The information above is true and complete to the best of my knowledge and belief.

MICHAEL F. TUCCI, PRESIDENT

Name and Title of Signer (Please type)


Signature

MARCH 13, 2025

Date

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

**BIDDER'S STATEMENT ON PREVIOUS
CONTRACTORS SUBJECT TO EEO CLAUSE**

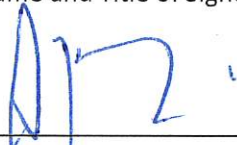
The Bidder (proposer) has X has not _____ participated in a previous contract subject to the nondiscrimination clause prescribed by Section 202 of Executive Order No. 11246 dated September 24, 1965.

The Bidder (proposer) has X has not _____ submitted compliance reports in connection with any such contract as required by applicable instructions.

If the Bidder (proposer) has participated in a previous contract subject to the nondiscrimination clause and has not submitted compliance reports as required by applicable instructions, the Bidder (proposer) shall submit Standard Form 100 (for federal construction contracts) with the bid or proposal indicating current compliance.

MICHAEL F. TUCCI, PRESIDENT

Name and Title of Signer (Please type)



Signature

MARCH 13, 2025

Date

DISADVANTAGED BUSINESS ENTERPRISE UTILIZATION COMMITMENT

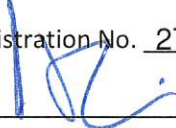
The undersigned has satisfied the requirements of the specifications in the following manner (please check the appropriate space):

 X The Bidder is committed to a minimum 8.7% DBE utilization on this project.

 The Bidder (if unable to meet the goal of 8.7% DBE) is committed to a minimum of % DBE utilization on this project and has submitted documentation showing good faith effort. *(See Appendix for Good Faith Effort documentation.)*

Contractor TUCCI & SONS, LLC

State Registration No. 278 021 315

By  PRESIDENT
(Signature) (Title)

Address 4224 WALLER ROAD, TACOMA, WA

Phone No. (253) 922-6676 Zip Code 98443

LETTER OF INTENT

Name of bidder/offeror's firm: TUCCI & SONS, LLC

Address: 4224 WALLER ROAD

City: TACOMA State: WASHINGTON Zip: 98443

Name of DBE firm: Mobile Electrical Distributors

Address: 14050 Lake City Way NE

City: Seattle State: WA Zip: 98125

Telephone: 206-363-2400

State DBE Certification Number: D2F0017012

Description of work to be performed by DBE firm:

Electrical Supplier

The bidder/offeror is committed to utilizing the above-named DBE firm for the work described above. The estimated dollar value of this work is \$ 199,261.59, (Percent of total contract: 9 %)

Affirmation

The above-named DBE firm affirms that it will perform the portion of the contract for the estimated dollar value as stated above and that the firm is DBE certified to perform the specific trades.

By Lukas Complita

Date: 3/13/25

Lukas Complita
(Signature)

Project Manager
(Title)

If the bidder/offeror does not receive award of the prime contract, any and all representations in this Letter of Intent and Affirmation shall be null and void.

(Submit this page for each DBE subcontractor. Letter of intent is not required if no DBE firms participate in the project)

LETTER OF INTENT

Name of bidder/offeror's firm: TUCCI & SONS, LLC

Address: 4224 WALLER ROAD

City: TACOMA State: WA Zip: 98443

Name of DBE firm: Obunke Engineering

Address: 38650 6th Ave S Ste 102

City: Federal Way State: WA Zip: 98003

Telephone: 425-451-7300

State DBE Certification Number: D3M0010080

Description of work to be performed by DBE firm:

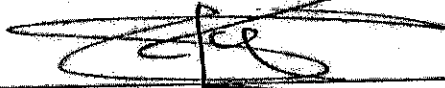
Construction Survey

The bidder/offeror is committed to utilizing the above-named DBE firm for the work described above. The estimated dollar value of this work is \$ 29,935⁰⁰ (Percent of total contract: 1 %)

Affirmation

The above-named DBE firm affirms that it will perform the portion of the contract for the estimated dollar value as stated above and that the firm is DBE certified to perform the specific trades.

By Samuel Obunke Date: 3-12-25



(Signature)

President

(Title)

If the bidder/offeror does not receive award of the prime contract, any and all representations in this Letter of Intent and Affirmation shall be null and void.

(Submit this page for each DBE subcontractor. Letter of Intent is not required if no DBE firms participate in the project)

LETTER OF INTENT

Name of bidder/offeror's firm: TUCCI & SONS, LLC

Address: 4224 WALLER ROAD

City: TACOMA State: WA Zip: 98443

Name of DBE firm: THE BAG LADY, INC

Address: 11124 VALLEY AVE E

City: POYALLUP State: WA Zip: 98372

Telephone: 253-435-9150

State DBE Certification Number: D2F0016394

Description of work to be performed by DBE firm:

TESC
SUPPLY AND INSTALL EROSION CONTROL MATERIALS

The bidder/offeror is committed to utilizing the above-named DBE firm for the work described above. The estimated dollar value of this work is \$ 14,522.50 . (Percent of total contract: 1 %)

Affirmation

The above-named DBE firm affirms that it will perform the portion of the contract for the estimated dollar value as stated above and that the firm is DBE certified to perform the specific trades.

By STEVEN R. GARLAND

Date: 3-12-25

Steven R. Garland
(Signature)

SR. PROJECT ESTIMATOR
(Title)


If the bidder/offeror does not receive award of the prime contract, any and all representations in this Letter of Intent and Affirmation shall be null and void.

(Submit this page for each DBE subcontractor. Letter of Intent is not required if no DBE firms participate in the project)

RESTRICTION ON FEDERAL PUBLIC WORKS PROJECTS

- (a) General: This clause implements provisions contained in the Airport and Airway Safety and Capacity Expansion Act of 1987, Public Law No. 100223.
- (b) Restrictions on Contract Award: No contract will be awarded to a bidder (1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms, published by the United States Trade Representative (USTR) or (2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list or (3) who incorporates in the project any production of a foreign country on such USTR List; unless a waiver to these restrictions is granted by the President of the United States or the Secretary of Transportation. (Notice of the granting of a waiver will be published in the Federal Register.)
- (c) Certification: By this page the bidder certifies that with respect to this solution, and any resultant contract the bidder:
1. Is _____ Is not X a contractor of a foreign country included on the USTR list;
 2. Has _____ Has not X entered into any contract with a subcontractor of a foreign country included on the USTR list;
 3. Has _____ Has not X entered into any contract for any product to be used on this project that is produced in a foreign country included on the USTR list.
- (d) The bidder may rely upon the certification of a prospective subcontractor for the above conditions unless the bidder has knowledge that the certification is erroneous.
- (e) Erroneous Certification: This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the bidder knowingly rendered an erroneous certification, the sponsor may cancel this contract for default at no cost to the sponsor.
- (f) Subcontracts: The bidder shall incorporate this clause, without modification, including this paragraph (f) in all solicitations and subcontracts under this contract.
- (g) Applicability of 18 U.S.C. 1001: This certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

Firm Name TUCCI & SONS, LLC

Authorized Signature 

Title PRESIDENT

Date MARCH 13, 2025

BIDDER'S CERTIFICATION

The bidder hereby certifies that neither the bidder nor the bidder's principals are presently debarred, suspended or proposed for debarment by any federal agency. Bidder further agrees to include this clause in all subcontracts. Where the bidder or any subcontractors is unable to certify to this statement an explanation shall be attached to this proposal.

Firm Name: TUCCI & SONS, LLC

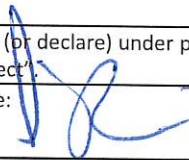
Authorized Signature: 

Title: PRESIDENT

Date: MARCH 13, 2025

MINIMUM WAGE COMPLIANCE

The undersigned Bidder hereby certifies that, within the three-year period immediately preceding the bid solicitation date for this Project, the bidder is not a "willful" violator, as defined in RCW 49.48.082, of any provision of chapters 49.46, 49.48, or 49.52 RCW, as determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction.

OFFICIAL AUTHORIZED TO SIGN FOR BIDDER	
"I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct."	
Signature: 	Date: MARCH 13, 2025
Print Name and Title: MICHAEL F. TUCCI, PRESIDENT	Location or Place Executed (City, State): TACOMA, WA

BUY AMERICA CERTIFICATION
(Title 49 U.S.C. Section 50101)

PROJECT NAME:	Runway 17-35 Pavement Rehabilitation & Electrical Improvements
AIRPORT NAME:	Olympia Regional Airport
AIP NUMBER:	3-53-0041-032-2024/-034-2025

This solicitation and any resulting contract are subject to the Buy America requirements of 49 U.S.C. Section 50101; Executive Order 14005, *Ensuring the Future is Made in All of America by All of America's Workers*; and the Bipartisan Infrastructure Law (Pub. L. No. 117-58), Build America, Buy America (BABA).

The Contractor certifies that its bid/offer is in compliance with 49 USC § 50101, BABA and other related Made in America Laws, U.S. statutes, guidance, and FAA policies, which provide that Federal funds may not be obligated unless all iron, steel and manufactured goods used in AIP funded projects are produced in the United States, unless the Federal Aviation Administration has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list.

The bidder or offeror must complete and submit the certification of compliance with FAA's Buy American Preference, BABA and Made in America laws included herein with their bid or offer. The Airport Sponsor/Owner will reject as nonresponsive any bid or offer that does not include a completed certification of compliance with FAA's Buy American Preference and BABA.

The bidder or offeror certifies that all constructions materials, defined to mean an article, material, or supply other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives that are or consist primarily of: non-ferrous metals; plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables); glass (including optic glass); lumber; or drywall used in the project are manufactured in the U.S.

* * * * *

Note: Per Executive Order 14005 "Made in America Laws" means all statutes, regulations, rules, and Executive Orders relating to federal financial assistance awards or federal procurement, including those that refer to "Buy America" or "Buy American," that require, or provide a preference for, the purchase or acquisition of goods, products, or materials produced in the United States, including iron, steel, and manufactured products offered in the United States.

* * * * *

U.S.C. Section 50101 - Buying goods produced in the United States

Section 50101 of 49 USC requires that all steel and manufactured goods used on AIP projects be produced in the United States. This section also gives the FAA the ability to issue a waiver to a Sponsor to use non-domestic material on an AIP funded project subject to meeting certain conditions. A Sponsor may request that the FAA issue a waiver from the Buy American Preference requirements if the FAA finds that:

- (a) Applying the provision is not in the public interest.
- (b) The steel or manufactured goods are not available in sufficient quantity or quality in the United States.
- (c) The cost of components and subcomponents produced in the United States is more than 60 percent of the total components of a facility or equipment, and final assembly has taken place in the United States.

Items that have an FAA standard specification item number (such as specific airport lighting equipment) are considered the equipment.

(d) Applying this provision would increase the cost of the overall project by more than 25 percent.

Labor costs involved in final assembly are not included in calculating the cost of components.

* * * * *

Note: Approval of waivers listed under (a) & (b) above, can only be approved by the FAA Office of Airports in Washington DC and approval is rare. Waivers listed under (c) & (d) may be approved by FAA Regional or District Offices. A listing of Equipment and Products that have been approved and on the national waiver list may be located at:

https://www.faa.gov/airports/aip/buy_american/media/nationwide-buy-american-waivers-issued.pdf

* * * * *

Executive Order 14005

Executive Order 14005 advances the Administration's priority to use terms and conditions of Federal financial assistance awards to maximize the use of goods, products, and materials produced in, and services offered in, the United States. The Order directs, to the extent appropriate and consistent with applicable law, agencies shall partner with the Hollings Manufacturing Extension Partnership (MEP) to conduct supplier scouting in order to identify American companies that are able to produce goods, products, and materials in the United States that meet Federal procurement needs, prior to consideration of using non-domestic products.

* * * * *

Bipartisan Infrastructure Law (Pub. L. No. 117-58), Build America, Buy America (BABA)

The Bipartisan Infrastructure Law, Build America, Buy America (BABA) Act strengthens Made in America Laws and bolsters America's industrial base, protects national security, and supports high-paying jobs. Under BABA, iron, steel and certain construction materials are required to be 100% produced in the United States.

Under the Bipartisan Infrastructure Law (Pub. L. No. 117-58) BABA three waivers are available for iron and steel, manufactured products, and construction materials when a Federal agency finds that –

- 1) Applying the domestic content procurement preference would be inconsistent with the public interest (a "public interest waiver");
- 2) Types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality (a "nonavailability waiver"); or
- 3) The inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent (an "unreasonable cost waiver").

BABA defines construction materials, items that are or consists primarily of non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber or drywall.

Items that consist of two or more of the aforementioned materials that have been combined together through a manufacturing process, and items that include at least one of the listed materials combined with a material that is not listed through a manufacturing process, should be treated as manufactured products, rather than as construction materials. For example, a plastic framed sliding window should be treated as a manufactured product while plate glass should be treated as a construction material.

* * * * *

The Buy America Preference requirements flow down from the Sponsor to first tier contractors, who are responsible for ensuring that lower tier contractors and subcontractors are also in compliance.

Note: The Buy American Preference does not apply to temporary equipment a contractor uses as a tool of its trade and which does not remain as part of the project.

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with its proposal. The bidder or offeror must indicate how it intends to comply with 49 USC § 50101, BABA, and other related Made in America Laws, U.S. statutes, guidance, and FAA policies, by selecting one on the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (not both) by inserting a checkmark (✓) or the letter "X".

☒ Bidder or offeror hereby certifies that it will comply with 49 USC § 50101, BABA, and other related U.S. statutes, guidance, and policies of the FAA by:

- a) Only installing iron, steel and manufactured products produced in the United States;
- b) Only installing construction materials defined as: an article, material, or supply – other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives that are or consist primarily of non-ferrous metals; plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables); glass (including optic glass); lumber or drywall that have been manufactured in the United States.
- c) Installing manufactured products for which the FAA has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing, or;
- d) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

1. To provide to the Owner evidence that documents the source and origin of the iron, steel, and/or manufactured product.
2. To faithfully comply with providing U.S. domestic products
3. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.
4. Certify that all construction materials used in the project are manufactured in the U.S.

☐ The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for either a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:

1. To submit to the Owner within 15 calendar days of being selected as the responsive bidder, a formal waiver request and required documentation that supports the type of waiver being requested.
2. That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination that may result in rejection of the proposal.
3. To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
4. To furnish U.S. domestic product for any waiver request that the FAA rejects.
5. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation – See Appendix for Waiver Forms

Type 2 Waiver (Nonavailability) - The iron, steel, manufactured goods or construction materials or manufactured goods are not available in sufficient quantity or quality in the United States. The required documentation for the Nonavailability waiver is:

- a) Completed Content Percentage Worksheet and Final Assembly Questionnaire
- b) Record of thorough market research, consideration where appropriate of qualifying alternate items, products, or materials including;
- c) A description of the market research activities and methods used to identify domestically manufactured items capable of satisfying the requirement, including the timing of the research and conclusions reached on the availability of sources.

Type 3 Waiver - The cost of components and subcomponents produced in the United States is more than 60 percent of the cost of all components and subcomponents of the "facility/project". The required documentation for a Type 3 waiver is:

- a) Completed Content Percentage Worksheet and Final Assembly Questionnaire including;
- b) Listing of all manufactured products that are not comprised of 100 percent U.S. domestic content (excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety).
- c) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly and installation at project location.
- d) Percentage of non-domestic component and subcomponent cost as compared to total "facility" component and subcomponent costs, excluding labor costs associated with final assembly and installation at project location.

Type 4 Waiver (Unreasonable Costs) - Applying this provision for iron, steel, manufactured goods or construction materials would increase the cost of the overall project by more than 25 percent. The required documentation for a Type 4 waiver is:

- a) A completed Content Percentage Worksheet and Final Assembly Questionnaire form
- b) At minimum two comparable equal bids and/or offers;
- c) Receipt or record that demonstrates that supplier scouting called for in Executive Order 14005, indicates that no domestic source exists for the project and/or component;
- e) Completed waiver applications for each comparable bid and/or offer.

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

MARCH 13, 2025

Date


Signature

TUCCI & SONS, LLC

Company Name

PRESIDENT

Title

Further guidance on Buy American Preference may be found at:

https://www.faa.gov/airports/aip/buy_american/

SUBCONTRACTOR LIST

Prepared in compliance with RCW 39.30.060 as amended

****To Be Submitted with the Bid Proposal****

Project Name: Olympia Regional Airport: RUNWAY 17-35 PAVEMENT REHABILITATION & ELECTRICAL IMPROVEMENTS

Failure to list subcontractors who are proposed to perform the work of heating, ventilation, air conditioning; plumbing as described in Chapter 18.106 RCW; and electrical as described in Chapter 19.28 RCW, or to name itself for the work, will result in your bid being non-responsive and therefore void.

Subcontractor(s) that are proposed to perform the work of heating, ventilation, air conditioning; plumbing as described in Chapter 18.106 RCW; and electrical as described in Chapter 19.28 RCW, or to name itself for the work, must be listed below. The work to be performed is to be listed below the subcontractor(s) name.

HEATING

Subcontractor Name N/A

VENTILATION

Subcontractor Name N/A

AIR CONDITIONING

Subcontractor Name N/A

PLUMBING

Subcontractor Name N/A

ELECTRICAL

Subcontractor Name NORTHEAST ELECTRIC LLC

WORK: REBAR

Subcontractor Name N/A

WORK: STRUCTURAL STEEL

Subcontractor Name N/A

WORK: _____

Subcontractor Name _____

WORK: _____

Subcontractor Name _____

Agency Name PORT OF OLYMPIA						Federal Aid Number AIP 3-53-0041-032-2024/-034/2025		
Prime Contractor Name TUCCI&SONS, LLC						Contract Number		
Contract Name RUNWAY 17-35 PAVEMENT REHABILITATION AND ELECTRICAL IMPROVEMENTS								
Firm/ Subcontractor Name	Address (incl. Zipcode)	DBE Status	Race	Gender	NAICS Codes	Scope of Work	Firm Age	Firm Gross Receipts
O'BUNCO ENGINEERING	33650 6TH AVE S FEDERAL WAY 98003	DBE	Black American	Male	541370	SURVEY	27YRS	\$6-10 million
THE BAG LADY, INC	11124 VALLEY AVE E PUYALLUP 98372	DBE	White	Female	561730	EROSION CONTROL	33YRS	\$3-6 million
MICHAELIS TRUCKING & EXC	PO BOX 15057 TUMWATER 98511	DBE	Black American	Female	484220 484110	TRUCKING	20YRS	\$1-3 million
GROUND UP CONSTRUCTION	PO BOX 1690 MILTON 98354	Non-DBE	N/A	N/A	324121	ASPHALT MILLING	30YRS	\$6-10 million
NEWELL BROTHERS	12603 34TH AVE E TACOMA 98446	Non-DBE	N/A	N/A	484220	TRUCKING	12YRS	\$3-6 million
COMBINED CONSTRUCTION	3701 SOUTH RD MUKILTEO 98275	Non-DBE	N/A	N/A	237310	CONCRETE	14YRS	Greater than \$30.72 million
NORTHLINE SURVEYING	1580 PORT DRIVE BURLINGTON 98233	Non-DBE	N/A	N/A	541730	SURVEY	6YRS	\$1-3 million
PR SYSTEMS INC	8351 30TH AVE NE LACEY 98516	Non-DBE	N/A	N/A	324121	ASPHALT MILLING	32YRS	\$6-10 million
LEE'S DEMOLITION	PO BOX 698 SPANAWAY 98387	DBE	Black American	Male	488490	STREET SWEEPING	4YRS	\$1-3 million
EUGENE WILLIAM ASPHALT LLC	3004 BABER CT SE SALEM, OR 97317	DBE	Black American	Male	424720 484220	OIL SUPPLY	4YRS	\$3-6 million

Agency Name PORT OF OLYMPIA						Federal Aid Number AIP 3-53-0041-032-2024/-034/2025		
Prime Contractor Name TUCCI&SONS, LLC						Contract Number		
Contract Name RUNWAY 17-35 PAVEMENT REHABILITATION AND ELECTRICAL IMPROVEMENTS								
Firm/ Subcontractor Name	Address (incl. Zipcode)	DBE Status	Race	Gender	NAICS Codes	Scope of Work	Firm Age	Firm Gross Receipts
COLVICO INC	2812 N PITTSBURG ST SPOKANE 99207	Non-DBE	N/A	N/A	238210	ELECTRICAL	30YRS	\$10-20 million
BES ELECTRICAL SERVICES	PO BOX 129 EAST OLYMPIA 98540	Non-DBE	N/A	N/A	238210	ELECTRICAL	10YRS	\$10-20 million
NORTHEAST ELECTRIC LLC	1780 DOWN RIVER DR WOODLAND 98674	Non-DBE	N/A	N/A	238210	ELECTRICAL	19YRS	Greater than \$30.72 million
SPECIALIZED PAVEMENT MARK	11095 SW INDUS WAY TUALATIN, OR 97062	Non-DBE	N/A	N/A	238710	PAVEMENT MARKINGS	27YRS	Greater than \$30.72 million
MOBILE ELECTRICAL DIST	14050 LAKE CITY WAY NE, SEATTLE 98125	DBE	White	Female	423610 444190	ELECTRICAL MATERIAL SUPPLY	61YRS	\$6-10 million
CR CONTRACTING	64435 STRICKLER AVE BEND, OR 97703	Non-DBE	N/A	N/A	238710	PAVEMENT MARKINGS	14YRS	\$6-10 million
DIAMOND COMPANIES	11800 S EWING AVE CHICAGO, IL 60617	NON DBE	N/A	N/A	238710	ASPHALT GROOVING	11YRS	\$6-10M

BID BOND

KNOW ALL PEOPLE BY THESE PRESENTS, that we, the undersigned, Tucci & Sons LLC
as Principal and
Travelers Casualty and Surety Company of America as Surety are hereby held and firmly bound
unto Port of Olympia as OWNER in the penal sum of
Five Percent (5%) of Total Bid Amount for the payment of which, well and truly to be made, we
hereby jointly and severally bind ourselves, successors and assigns.

Signed this 6th day of March 2025.


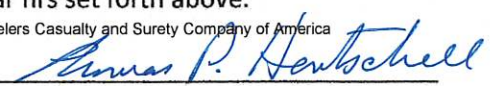
The Condition of the above obligation is such that whereas the Principal has submitted to
Port of Olympia a certain BID attached hereto and hereby made a
part hereof to enter into a contract in writing, for the Runway 17-35 Pavement
Rehabilitation & Electrical Improvements AIP Project 3-53-0041-034-2025

NOW, THEREFORE,

(a) If said BID shall be rejected, or
(b) If said BID shall be accepted and the Principal shall execute and deliver a contract in the Form
of Contract attached hereto (property completed in accordance with said BID) and shall furnish a BOND
for his faithful performance of said contract, and for the payment of all persons performing labor or
furnishing materials in connection therewith, and shall in all other respects perform the agreement
created by the acceptance of said BID, then this obligation shall be void, otherwise the same shall
remain in force and effect; it being expressly understood and agreed that the liability of the Surety for
any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as herein
stated.

The Surety, for value received, hereby stipulates and agrees that the obligations of said Surety and its
BOND shall be in no way impaired or affected by any extension of the time within which the OWNER
may accept such BID; and said Surety does hereby waive notice of any such extension.

IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals and such of
them as are corporations have caused their corporate seals to be hereto affixed and these presents to
be signed by their proper officers, the day and year first set forth above.

Tucci & Sons LLC (L.S.)
Principal
By: 
Travelers Casualty and Surety Company of America

Thomas P. Hentschell, Attorney-in-Fact Surety

IMPORTANT- Surety companies executing BONDS must appear on the Treasury Department's most
current list (Circular 570 as amended) and be authorized to transact business in the state where the
project is located.



**Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company**

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **THOMAS P HENTSCHELL** of **TACOMA, Washington**, their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **21st** day of **April**, 2021.



State of Connecticut

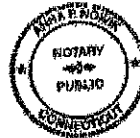
City of Hartford ss.

By: 
Robert L. Raney, Senior Vice President

On this the **21st** day of **April**, 2021, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June**, 2026




Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

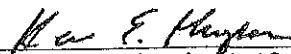
FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **6th** day of **March**, 2025




Kevin E. Hughes, Assistant Secretary

**To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.**

BID TABULATION															
OLYMPIA REGIONAL AIRPORT RUNWAY 17-35 PAVEMENT REHABILITATION & ELECTRICAL IMPROVEMENTS AIP #3-53-0041-032-2024 / 034-2025															
BIDS OPENED: 3/13/2025															
Engineers Estimate GRANITE CONSTRUCTION LAKESIDE INDUSTRIES MILES RESOURCES ROGNLIN'S INC TUCCI & SONS															
ITEM NO.	TECH. PROV.	ITEM DESCRIPTION	SPEC.	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
SCHEDULE A: BASE BID - RUNWAY REHA & ELECTRICAL WORK (AIP-ELIGIBLE)															
1	01000	FOD Prevention Controls	01000	LS	1	\$10,000.00	\$ 10,000.00	\$ 215,000.00	\$ 215,000.00	\$ 138,545.00	\$ 138,545.00	\$ 38,400.00	\$ 38,400.00	\$ 40,000.00	\$ 40,000.00
2	01300	Temporary Flagging, Marking, and Signing	01300	LS	1	\$40,000.00	\$ 40,000.00	\$ 430,000.00	\$ 430,000.00	\$ 136,500.00	\$ 136,500.00	\$ 239,750.00	\$ 239,750.00	\$ 50,000.00	\$ 50,000.00
3	01300	Low Level Barriade	01300	LS	1	\$20,000.00	\$ 20,000.00	\$ 175,000.00	\$ 175,000.00	\$ 74,250.00	\$ 74,250.00	\$ 99,485.00	\$ 99,485.00	\$ 25,000.00	\$ 25,000.00
4	01300	Safety Plan Compliance Document	01300	LS	1	\$2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,930.00	\$ 2,930.00	\$ 1,250.00	\$ 1,250.00	\$ 1,000.00	\$ 1,000.00
5	01406	Construction Staking	01406	LS	1	\$70,000.00	\$ 70,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,270.00	\$ 55,270.00	\$ 33,705.00	\$ 33,705.00	\$ 25,000.00	\$ 25,000.00
6	C-105	Mobilization	C-105	LS	1	\$150,000.00	\$ 150,000.00	\$ 320,000.00	\$ 320,000.00	\$ 230,000.00	\$ 230,000.00	\$ 211,000.00	\$ 211,000.00	\$ 153,627.50	\$ 153,627.50
7	P-101	Cold Milling	P-101	SY	12,717	\$7.00	\$ 89,019.00	\$ 13.00	\$ 165,321.00	\$ 7.00	\$ 89,019.00	\$ 4.95	\$ 62,949.15	\$ 8.00	\$ 101,928.00
8	P-101P-605	Crack Route and Seal	P-101P-605	LF	5,000	\$2.00	\$ 10,000.00	\$ 7.00	\$ 35,000.00	\$ 6.25	\$ 31,250.00	\$ 5.35	\$ 26,750.00	\$ 5.00	\$ 25,000.00
9	P-401	Asphalt Surface Course	P-401	TON	1,890	\$175.00	\$ 329,625.00	\$ 305.00	\$ 573,400.00	\$ 275.00	\$ 517,000.00	\$ 213.50	\$ 403,360.00	\$ 360.00	\$ 679,800.00
10	P-603	Emulsified Asphalt Tack Coat	P-603	TON	3.7	\$600.00	\$ 2,220.00	\$ 5,000.00	\$ 18,500.00	\$ 1.00	\$ 3.70	\$ 5,217.00	\$ 3,200.00	\$ 11,940.00	\$ 2,450.00
11	P-605	Crack Repair Membrane	P-605	LF	5,000	\$5.00	\$ 25,000.00	\$ 10.00	\$ 50,000.00	\$ 7.25	\$ 36,250.00	\$ 6.20	\$ 31,000.00	\$ 6.00	\$ 30,000.00
12	P-621	Gridding	P-621	SY	10,978	\$9.00	\$ 98,802.00	\$ 10.00	\$ 109,780.00	\$ 5.50	\$ 60,379.00	\$ 5.85	\$ 64,221.30	\$ 8.00	\$ 87,824.00
13	L-1105-1.1	1-2" Sch. 40 PVC Conduit, Direct Buried	L-1105-1.1	LS	1	\$75,000.00	\$ 75,000.00	\$ 100,000.00	\$ 100,000.00	\$ 11,725.00	\$ 11,725.00	\$ 74,225.00	\$ 74,225.00	\$ 92,000.00	\$ 92,000.00
14	L-107-5.1	New L-800(L) LED Style I-8 Supplemental Wind Cone on New Concrete Foundation	L-107-5.1	EA	1	\$28,000.00	\$ 28,000.00	\$ 20,000.00	\$ 20,000.00	\$ 17,810.00	\$ 17,810.00	\$ 13,760.00	\$ 13,760.00	\$ 25,000.00	\$ 25,000.00
15	L-108-5.1	No. 6 AWG, SVL, L-824, Type C Cable, Installed in Duct Bank or Conduit	L-108-5.1	LF	30,730	\$4.00	\$ 122,920.00	\$ 4.00	\$ 122,920.00	\$ 2.80	\$ 86,044.00	\$ 3.00	\$ 92,190.00	\$ 3.00	\$ 92,190.00
16	L-108-5.2	No. 6 AWG, Solid, Bare Copper Counterpoise Wire Installed in Trench, Including Connections	L-108-5.2	LF	1,435	\$4.00	\$ 5,740.00	\$ 4.00	\$ 5,740.00	\$ 3.25	\$ 4,663.75	\$ 3.75	\$ 5,381.25	\$ 5.00	\$ 7,175.00
17	L-109-6.1	New 300W Fluorescent Constant Current Regulator Installed in Airfield Lighting Vault	L-109-6.1	EA	2	\$32,000.00	\$ 64,000.00	\$ 50,000.00	\$ 100,000.00	\$ 49,275.00	\$ 98,550.00	\$ 45,000.00	\$ 90,000.00	\$ 50,000.00	\$ 100,000.00
18	L-109-6.2	New 150W Fluorescent Constant Current Regulator Installed in Airfield Lighting Vault	L-109-6.2	EA	2	\$25,000.00	\$ 50,000.00	\$ 40,000.00	\$ 80,000.00	\$ 31,870.00	\$ 63,740.00	\$ 32,525.00	\$ 65,050.00	\$ 35,000.00	\$ 70,000.00
19	L-109-6.3	New S-1 Cutout Installed in Airfield Lighting Vault	L-109-6.3	EA	4	\$1,000.00	\$ 4,000.00	\$ 2,000.00	\$ 8,000.00	\$ 3,870.00	\$ 15,480.00	\$ 6,000.00	\$ 24,000.00	\$ 1,000.00	\$ 4,000.00
20	L-109-6.4	New 400A, 120/208V, 3-Phase, 4-Wire Distribution Panelboard	L-109-6.4	EA	1	\$1,500.00	\$ 1,500.00	\$ 15,000.00	\$ 15,000.00	\$ 16,065.00	\$ 16,065.00	\$ 10,000.00	\$ 10,000.00	\$ 12,000.00	\$ 12,000.00
21	L-110-5.1	1-2" Sch. 40 PVC Conduit, Direct Buried	L-110-5.1	LF	1,435	\$5.00	\$ 7,175.00	\$ 4.00	\$ 5,740.00	\$ 25.00	\$ 35,875.00	\$ 26.25	\$ 37,687.50	\$ 40.00	\$ 57,400.00
22	L-110-5.2	Sawcut Existing Pavement and Install 1-2" Concrete Encased Sch. 40 PVC Conduit	L-110-5.2	LF	35	\$150.00	\$ 5,250.00	\$ 400.00	\$ 14,000.00	\$ 53.00	\$ 1,855.00	\$ 344.00	\$ 12,040.00	\$ 300.00	\$ 10,500.00
23	L-125-5.1	New HRL, L-862(L) LED Elevated Runway Edge Light, Including New Isolation Transformer, Hardware, and Splice Kit, Installed on Existing Base Can	L-125-5.1	EA	57	\$22,000.00	\$ 1,254,000.00	\$ 2,000.00	\$ 114,000.00	\$ 1,550.00	\$ 88,350.00	\$ 1,564.00	\$ 89,148.00	\$ 1,650.00	\$ 94,050.00
24	L-125-5.2	New HRL, L-862(L) LED Elevated Runway End Light, Including New Isolation Transformer, Hardware, and Splice Kit, Installed on Existing Base Can	L-125-5.2	EA	16	\$2,300.00	\$ 36,800.00	\$ 2,000.00	\$ 32,000.00	\$ 1,665.00	\$ 26,640.00	\$ 1,564.00	\$ 25,024.00	\$ 1,200.00	\$ 19,200.00
25	L-125-5.3	New HRL, L-850C(L) LED In-Pavement Runway Edge Light, Including New Isolation Transformer, Hardware, and Splice Kit, Installed on Existing Base Can	L-125-5.3	EA	1	\$2,300.00	\$ 2,300.00	\$ 2,000.00	\$ 2,000.00	\$ 3,015.00	\$ 3,015.00	\$ 1,564.00	\$ 1,564.00	\$ 2,500.00	\$ 2,500.00
26	L-125-5.4	New Size 2, 1 Module LED Airfield Guidance Sign, Including New Isolation Transformer and Splice Kit, Installed on Existing Base	L-125-5.4	EA	12	\$6,500.00	\$ 78,000.00	\$ 3,500.00	\$ 42,000.00	\$ 4,000.00	\$ 48,000.00	\$ 2,626.00	\$ 31,512.00	\$ 2,800.00	\$ 33,600.00
27	L-125-5.5	New Size 2, 2 Module LED Airfield Guidance Sign, Including New Isolation Transformer and Splice Kit, Installed on Existing Base	L-125-5.5	EA	14	\$7,500.00	\$ 105,000.00	\$ 5,000.00	\$ 70,000.00	\$ 6,010.00	\$ 84,140.00	\$ 3,880.00	\$ 54,320.00	\$ 3,800.00	\$ 45,600.00
28	L-125-5.6	New Size 2, 3 Module LED Airfield Guidance Sign, Including New Isolation Transformer and Splice Kit, Installed on Existing Base	L-125-5.6	EA	6	\$9,000.00	\$ 54,000.00	\$ 5,000.00	\$ 30,000.00	\$ 6,780.00	\$ 40,680.00	\$ 4,500.00	\$ 27,000.00	\$ 5,000.00	\$ 30,000.00
29	L-125-5.7	New Size 5, 1 Module LED Runway Distance Remaining Sign, Including New Isolation Transformer and Splice Kit, Installed on Existing Base	L-125-5.7	EA	4	\$6,500.00	\$ 26,000.00	\$ 5,000.00	\$ 20,000.00	\$ 4,465.00	\$ 17,860.00	\$ 3,880.00	\$ 15,520.00	\$ 3,300.00	\$ 13,200.00
30	DWG 2/C3.0	Conduit Repair	DWG 2/C3.0	EA	10	\$900.00	\$ 9,000.00	\$ 1,000.00	\$ 10,000.00	\$ 1,115.00	\$ 11,150.00	\$ 813.00	\$ 8,130.00	\$ 700.00	\$ 7,000.00
Subtotal Construction Cost						\$ 1,884,545.00	\$ 1,884,545.00	\$ 2,092,461.00	\$ 2,092,461.00	\$ 2,103,039.45	\$ 2,103,039.45	\$ 1,830,640.45	\$ 1,830,640.45	\$ 1,960,074.50	\$ 1,960,074.50
Washington State Sales Tax (9.7%)						\$ 183,800.87	\$ 183,800.87	\$ 204,942.82	\$ 204,942.82	\$ 204,942.82	\$ 204,942.82	\$ 178,377.21	\$ 178,377.21	\$ 191,677.16	\$ 191,677.16
Construction Cost Estimate						\$ 2,068,345.87	\$ 2,068,345.87	\$ 2,297,403.82	\$ 2,297,403.82	\$ 2,307,982.27	\$ 2,307,982.27	\$ 2,009,012.67	\$ 2,009,012.67	\$ 2,151,751.66	\$ 2,151,751.66
								no math errors	no math errors	no math errors	no math errors	no math errors	no math errors	no math errors	no math errors
Engineers Estimate GRANITE CONSTRUCTION LAKESIDE INDUSTRIES MILES RESOURCES ROGNLIN'S INC TUCCI & SONS															
ITEM NO.	TECH. PROV.	ITEM DESCRIPTION	SPEC.	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
SCHEDULE B: BASE BID - ALCMS WORK (AIP-ELIGIBLE)															
31	C-105	Mobilization	C-105	LS	1	\$36,000.00	\$ 36,000.00	\$ 12,000.00	\$ 12,000.00	\$ 10,405.00	\$ 10,405.00	\$ 23,767.00	\$ 23,767.00	\$ 5,000.00	\$ 5,000.00
32	L-110-5.2	Airfield Lighting Control and Monitoring System (ALCMS) Demolition in Airfield Lighting Vault and Air Traffic Control Tower	L-110-5.2	LS	1	\$25,000.00	\$ 25,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,800.00	\$ 3,800.00	\$ 2,500.00	\$ 2,500.00	\$ 2,000.00	\$ 2,000.00
33	L-890-5.1	New L-890B Airfield Lighting Control and Monitoring System (ALCMS) Installed in Airfield Lighting Vault and Air Traffic Control Tower	L-890-5.1	LS	1	\$300,000.00	\$ 300,000.00	\$ 120,000.00	\$ 120,000.00	\$ 221,150.00	\$ 221,150.00	\$ 111,125.00	\$ 111,125.00	\$ 95,000.00	\$ 95,000.00
34	L-890-5.2	Contractor Airfield Lighting Control and Monitoring System (ALCMS) Support Services	L-890-5.2	LS	1	\$30,000.00	\$ 30,000.00	\$ 4,000.00	\$ 4,000.00	\$ 6,900.00	\$ 6,900.00	\$ 3,125.00	\$ 3,125.00	\$ 13,000.00	\$ 13,000.00
Subtotal Construction Cost						\$ 391,000.00	\$ 391,000.00	\$ 139,000.00	\$ 139,000.00	\$ 242,255.00	\$ 242,255.00	\$ 140,517.00	\$ 140,517.00	\$ 115,000.00	\$ 115,000.00
Washington State Sales Tax (9.7%)						\$ 37,927.00	\$ 37,927.00	\$ 13,483.00	\$ 13,483.00	\$ 23,498.74	\$ 23,498.74	\$ 13,630.15	\$ 13,630.15	\$ 11,155.00	\$ 11,155.00
Construction Cost Estimate						\$ 428,927.00	\$ 428,927.00	\$ 152,483.00	\$ 152,483.00	\$ 265,753.74	\$ 265,753.74	\$ 154,147.15	\$ 154,147.15	\$ 126,155.00	\$ 126,155.00
								no math errors	no math errors	no math errors	no math errors	no math errors	no math errors	no math errors	no math errors
Engineers Estimate GRANITE CONSTRUCTION LAKESIDE INDUSTRIES MILES RESOURCES ROGNLIN'S INC TUCCI & SONS															
ITEM NO.	TECH. PROV.	ITEM DESCRIPTION	SPEC.	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
SCHEDULE C: BASE BID - EROSION CONTROL & PAVEMENT MARKINGS (AIP-ELIGIBLE)															
35	C-102	Straw Mattes	C-102	LF	2,950	\$7.00	\$ 20,650.00	\$ 15.00	\$ 44,250.00	\$ 18.00	\$ 53,100.00	\$ 10.35	\$ 30,517.50	\$ 6.00	\$ 17,700.00
36	C-102	Inter Protection	C-102	EA	8	\$125.00	\$ 1,000.00	\$ 150.00	\$ 1,200.00	\$ 140.00	\$ 1,120.00	\$ 110.00	\$ 880.00	\$ 60.00	\$ 480.00
37	C-102	Temporary Erosion Control Force Account	C-102	FA	1	\$5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
38	C-105	Mobilization	C-105	LS	1	\$23,000.00	\$ 23,000.00	\$ 10,000.00	\$ 10,000.00	\$ 9,160.00	\$ 9,160.00	\$ 7,820.00	\$ 7,820.00	\$ 5,000.00	\$ 5,000.00
39	P-620	Initial Pavement Marking	P-620	SP	18,004	\$1.50	\$ 27,006.00	\$ 1.25	\$ 22,505.00	\$ 1.50	\$ 27,006.00	\$ 1.10	\$ 19,806.60	\$ 1.00	\$ 18,004.00
40	P-620	Final Reflective Pavement Marking	P-620	SP	89,725	\$2.00	\$ 1,794,500.00	\$ 1.30	\$ 1,166,425.00	\$ 0.95	\$ 85,238.75	\$ 0.80	\$ 71,780.00	\$ 1.00	\$ 89,725.00
Subtotal Construction Cost						\$ 249,914.00	\$ 249,914.00	\$ 166,176.50	\$ 166,176.50	\$ 164,501.25	\$ 164,501.25	\$ 126,633.10	\$ 126,633.10	\$ 130,571.60	\$ 130,571.60
Washington State Sales Tax (9.7%)						\$ 24,241.66	\$ 24,241.66	\$ 16,159.52	\$ 16,159.52	\$ 15,959.62	\$ 15,959.62	\$ 12,263.41	\$ 12,263.41	\$ 12,665.39	\$ 12,665.39
Construction Cost Estimate						\$ 274,155.66	\$ 274,155.66	\$ 182,336.02	\$ 182,336.02	\$ 180,460.87	\$ 180,460.87	\$ 138,892.51	\$ 138,892.51	\$ 143,236.99	\$ 143,236.99
								no math errors	no math errors	no math errors	no math errors	no math errors	no math errors	no math errors	no math errors
Engineers Estimate GRANITE CONSTRUCTION LAKESIDE INDUSTRIES MILES RESOURCES ROGNLIN'S INC TUCCI & SONS															
ITEM NO.	TECH. PROV.	ITEM DESCRIPTION	SPEC.	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
SCHEDULE D: BID ADDITIVE #1 - PAVEMENT MARKINGS (NON-AIP ELIGIBLE)															
41	P-620	Final Reflective Pavement Marking	P-620	SF	12,603	\$2.00	\$ 25,206.00	\$ 1.30	\$ 16,773.90	\$ 2.00	\$ 25,206.00	\$ 1.65	\$ 21,289.80	\$ 1.50	\$ 18,904.50
Subtotal Construction Cost						\$ 29,806.00	\$ 29,806.00	\$ 16,773.90	\$ 16,773.90	\$ 25,206.00	\$ 25,206.00	\$ 21,289.80	\$ 21,289.80	\$ 18,904.50	\$ 18,904.50
Washington State Sales Tax (9.7%)						\$ 2,503.18	\$ 2,503.18	\$ 1,627.07	\$ 1,627.07	\$ 2,503.18	\$ 2,503.18	\$ 2,065.13	\$ 2,065.13	\$ 1,877.39	\$ 1,877.39
Construction Cost Estimate						\$ 28,309.18	\$ 28,309.18	\$ 18,400.97	\$ 18,400.97	\$ 25,309.18	\$ 25,309.18	\$ 21,279.89	\$ 21,279.89	\$ 19,781.89	\$ 19,781.89
								no math errors	no math errors	no math errors	no math errors	no math errors	no math errors	no math errors	no math errors
Total Construction Cost Schedule A + Schedule B + Schedule C (Basis of Award) = \$ 2,551,028.52															
\$ 3,639,558.04															
\$ 2,793,245.88															
Contractor Add-Or-Sub for total cost (\$2,781.55.07)															
Bids' Checklist															

COVER MEMO

Briefing Date/Time: April 14, 2025

Staff Contact/Title: James Sommer, Public Works Program Manager,
360.528.8005, JamesS@PortOlympia.com

Subject: Professional Services Contract Amendment – Moffatt & Nichol

Purpose: ☐ Information Only ☒ Decision Needed

Overview:

- This item is on the Consent agenda.
- Action is requested from the commission tonight.

Background:

This agenda item addresses one of our competitively solicited on-call Professional Services contracts. In March of 2022, the Port of Olympia released a Request for Qualifications (RFQ) for our On Call Professional Services pool. The solicitation requested interested eligible firms submit their qualifications for the following services.

- Community, Economic, Land Use and Environmental Planning
- Engineering
- Surveying
- Architecture
- Landscape Architecture
- Project and/or Construction Management
- Archeological / Cultural Resources
- Arboricultural Services

The Moffat & Nichol, Inc. contract (2022-1017) for on call professional services was executed under Executive Director authority on April 13, 2022, after the competitively solicited request for qualifications was performed. Moffat & Nichol was selected for a contract under category A “Community, Economic, Land Use and Environmental Planning” and category B “Engineering”.

- The current term of the contract is through December 31, 2026, with a not to exceed amount of \$300,000.00.
- Under this contract there have been 4 task orders issued totaling \$284,486.00 in committed funds.
- This leaves \$15,514.00 in uncommitted funds for new scopes of work through December 31, 2026.

Documents Attached:

- Moffatt & Nichol Statement of Qualifications

Summary and Financial Impact:

The Port is requesting the commission to authorize the Executive Director to sign a contract amendment with our on-call Professional Services consultant Moffatt & Nichol.

- The amendment is with Moffatt & Nichol to continue providing on-call professional services by adding \$200,000 to the contract authority for a new total not to exceed amount of \$500,000.00.

Affected Parties:

Port staff and tenants.

Options with Pros and Cons:

This amendment is to provide Professional Services support as needs arise throughout the year on various projects. By not adding contract authority, the Port would be limited in their ability to perform tasks that require services as outlined above.

Staff Recommendation:

Approval of amendment for the Professional Services contract of Moffat & Nichol, Contract #2022-1017, to add \$200,000 to the contract authority for a new total not to exceed amount of \$500,000.00.

March 4, 2022

Chris Martinez
Contract and Grant Administrator
Port of Olympia
606 Columbia Street NW, Suite 300
Olympia, WA 98501
Via email: chrism@portolympia.com

RE: REQUEST FOR QUALIFICATIONS – NO. 2022-1000 ON CALL PROFESSIONAL SERVICES POOL

Dear Mr. Martinez and Review Committee Members:

The Port of Olympia's 2022 RFQ for On-call Professional Services establishes on-call consultant services roster for maintaining, repairing and enhancing your valuable public facilities and assets. Moffatt & Nichol (M&N) has been providing similar on-call services for many regional and national agencies and offers our local professionals' expertise in categories A. Community, Economic, Land Use, and Environmental Planning and B. Engineering. We will support and work with the Port to deliver task order projects that meet your needs.

CATEGORIES FOR WHICH M&N PROPOSES

- › A. Community, Economic, Land Use and Environmental Planning
- › B. Engineering

A family-owned firm for over seven decades, M&N is a multi-disciplinary engineering and planning firm that provides a full range of services including planning, design, economic, and environmental services to support our clients' project needs. Our teams in Seattle and Federal Way are backed by M&N's national resources of more than 850 specialists to provide the Port with the expertise in both categories. Our resources and staffing allow us to perform custom-scaled projects, while remaining attuned to each local client's specific requirements.

We thank you for the opportunity to submit our qualifications and we look forward providing engineering and consulting services to meet your upcoming project needs. If you have any questions or require additional information, please contact me at (206) 622-0222.

Sincerely,

MOFFATT & NICHOL



R. Shane Phillips, PE
Business Unit Leader

A. Community, Economic, Land Use and Environmental Planning

Environmental Planning

M&N provides the full range of environmental planning services necessary to respond to environmental challenges. Specialties include numerical and physical modeling, hindcasting, and statistical analyses to determine storm surge, wave height and current magnitudes; coastal morphological analyses; and hydrostatic loads on structures. We also use modeling and in-water engineering expertise to support design within the estuarine and riverine environments.

M&N's engineers and scientists routinely evaluate local and global sea levels as part of designing coastal flood protection projects, and they are familiar with risk-based, probabilistic methods used in project life-cycle analyses and risk assessments. We are particularly qualified to assess the vulnerability to sea level rise and to develop strategies in a manner that is easily understood by planners, architects, and local communities.

M&N scientists use unique techniques and tools to plan and design ecosystem restoration projects (both large and small). Strategies include the introduction of ocean tides through new or redesigned inlets; the introduction of river water, mineral sediments and nutrients through diversions; the management/ regulation of flows to reduce saltwater intrusion; and marsh restoration and vegetation plantings.

Land Use and Environmental Regulatory Permitting and Compliance

NEPA / SEPA reviews (exemptions, categorical exclusions, checklists, environmental assessments, and environmental impact statements). Federal, state, and local environmental regulations and codes applicable to endangered and protected species habitat (e.g., Endangered Species Act, Marine Mammal Protection Act, etc.), and the environment (e.g., Clean Water and Air Acts, Coastal Zone Management Act, etc.).

Experience with U.S. Army Corps of Engineers (USACE) section 204 and 408 regulations. All phases of the permitting process, including but not limited to, permit applications, biological and habitat assessments, Incidental Harassment Authorizations, and mitigation and monitoring plans.

Grant Writing and Administration

As a leader in port and marina design and engineering, M&N is knowledgeable of available and applicable funding opportunities that may be available to clients' facilities and organization. M&N has successfully identified grant funding opportunities for many of Washington's ports and supported them with successful grant applications (e.g., MARAD, RCO, PSGP, BUILD, INFRA, FEMA, NOAA, USFWS, NFWF). M&N can support the Port with strategic assessment of proposed grants, developing a compelling storyline that is integrated with the required analytical support—benefit/cost analysis, public policy compliance, economic impact analysis, traffic and operational studies, capital program and alternative analyses, revenue forecasting, commercial and market viability studies, environmental reviews, and resiliency/restoration studies



SUBJECT AREAS

- › Environmental Planning (Sea Level Rise, Climate Change Adaptation, Natural Resource and Habitat Restoration, Brownfield Remediation and Redevelopment, etc);
- › Land Use and Environmental Regulatory Permitting and Compliance (Local, State and Federal); and
- › Grant Writing and Administration (Local, State and Federal Programs)

B. Engineering

M&N is a family- and employee-owned firm with experts located in offices throughout the US. This geographic coverage allows us to respond quickly to our clients with local knowledge, and, if necessary, supplement it with our broader experiences, responding to all our client needs, large or small.

The interconnectivity of M&N's engineers, scientists, and other professional staff is an important part of providing innovative and cost-effective solutions. M&N has a broad background of experience and expertise in civil, environmental, and structural engineering as well as inspection and rehabilitation services.

Civil Engineering

Our civil services include marine facility planning and design, site layout, grading and earthwork; roads; railroad and intermodal yards; utilities design, including fire and domestic water supply systems, sanitary sewer conveyance systems, and storm drainage; storm water treatment in marine environments; and erosion and sedimentation control systems design. M&N has extensive expertise in waterfront inspection, planning and design for projects ranging from public access sites; to Marinas and supporting facilities; to industrial waterfront goods movement.

Environmental

M&N professionals are experienced in developing construction and industrial Storm Water Pollution Prevention Plans (SWPPPs). We have experts in biogeophysics, biogeochemistry, biological systems, and ecosystem habitats. We provide a wide range of modeling services from hydrodynamic modeling for calculating water movement to eutrophication modeling for evaluating nutrient-related water quality issues.

Environmental remediation and restoration for the presence, evaluation, and remediation of hazardous materials in soil, sediment, and groundwater. Expertise includes evaluation of historic contamination, active spill management, cleanup documentation, regulatory coordination, and reporting.

Structural Engineering

M&N has shaped the practice of marine and waterfront structural engineering. Our staff has authored design and planning manuals for national standards for dry docks, moorings, port facilities, coastal protection, and utility services. We are recognized throughout the world for our role in the evolution of modern marina and small craft harbor design. Our dedicated design professionals have a proven track record in the design and preparation of plans and specifications for constructing coastal structures and supporting utilities. These projects have included marinas, mooring systems, bulkheads, shore protection, breakwaters, seawalls, and wharves for commercial and military vessels.

Inspection and Rehabilitation (Above and Underwater Inspection)

M&N is nationally recognized for its expertise in waterfront inspection and rehabilitation design. The firm offers clients engineering solutions with the goal of extending the service life of their waterfront infrastructure. With a focus on added value and consideration of clients' financial constraints, the firm offers service life engineering, durability modeling, and finite element modeling in addition to planning and design services—all targeted towards extending the service life of existing marine structures, bridges, and other engineered structures for port, military, and transportation clients.



SUBJECT AREAS

- › Civil (Utilities, Streets/Roads, Railroads, Marine Facilities, etc.);
- › Environmental (Stormwater, Hydraulics, Environmental Remediation, Environmental Restoration, etc.);
- › Structural (Buildings, Bridges, Large Structures, etc.); and
- › Inspection and Rehabilitation

References

The following references have experience working with Moffatt & Nichol on a variety of tasks that are included in scope category A and B of the solicitation. Additional references can be provided if desired by the Port of Olympia.

Dwight Jones Elliott Bay Marina 206-285-4817 whitey@elliottbaymarina.net	Brett Arvidson, Project Manager City of Oak Harbor 360-279-4521 barvidson@oakharbor.org	Greg Nicoll, Engineering Program Manager Port of Bellingham 360-676-2500 gregn@portofbellingham.com
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COVER MEMO

Briefing Date/Time: April 14, 2025

Staff Contact/Title: Alex Smith, Executive Director, 360.528.8001,
alexs@portolympia.com

Subject: Regional Transportation Plan

Purpose: ☒ Information Only ☐ Decision Needed

Overview:

This is an informational presentation from Thurston Regional Planning Council's (TRPC) Transportation Manager, Katrina VanEvery.

She will be presenting on the Regional Transportation Plan (RTP). The RTP is the blueprint for the region's transportation system over the next 20-25 years. The RTP is updated every five years, and what Ms. VanEvery will present reflects the latest updates.

Ms. VanEvery will also discuss TRPC's upcoming planning work on freight mobility.

Documents Attached:

The Regional Transportation Plan can be found here: [Regional Transportation Plan - What Moves You | Thurston Regional Planning Council, WA](#).

Regional Transportation Plan

Port of Olympia | April 14, 2025



1



Thurston Regional Planning Council: who are we?

- 50+ years of Regional Planning: 1967-2025
- 23-member intergovernmental board
- Mission: **Provide visionary leadership on regional plans, policies, and issues for the benefit of all Thurston region residents.**
 - Assemble & analyze data
 - Act as convener
 - Build intergovernmental consensus
 - Conduct planning consistent with state and federal requirements

2

What key takeaways should people know?

- Our region's **planned land use and roadway capacity improvements alone will not be sufficient** to meet regionally adopted targets, goals, or level of service standards.
- **We can still make good progress on our regionally adopted targets and goals**, which will help reduce level of service failures expected in the future.
- Growing population will lead to **increased traffic volumes**. Projects in the RTP will help mitigate vehicle congestion associated with this growth.

3



What is *What Moves You 2050*?

The plan is our regional roadmap for a complete and high-functioning transportation system over the next 25 years

4

What's in the plan?

- 25-year planning horizon
- All transportation modes
- Regional goals and policies
- Recommendations
- Financial forecast
- Future conditions



5

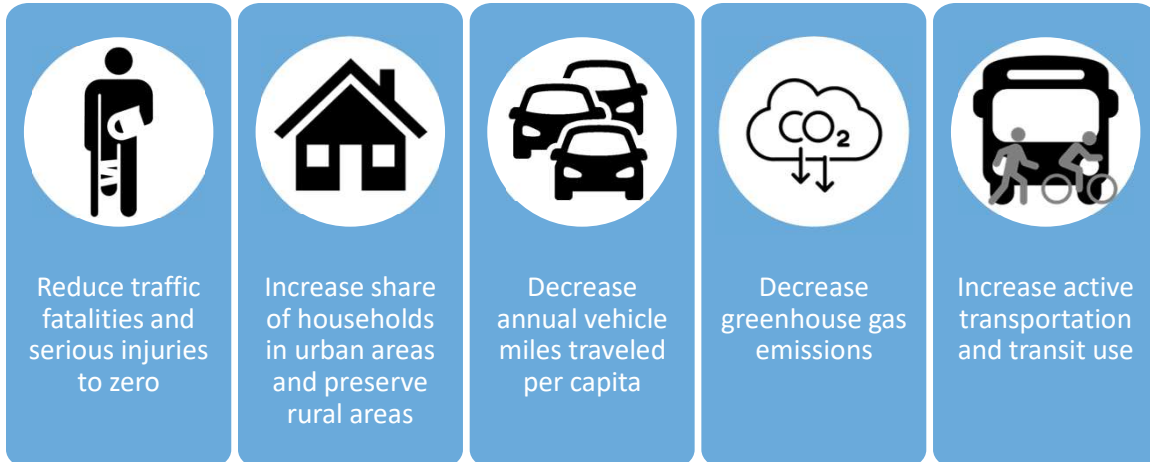
Areas of emphasis



- Safety
- Equity
- Climate change & greenhouse gas emissions
- Maintaining the system we've already invested in
- Projects that:
 - Continue to enhance transit options
 - Emphasize system efficiency
 - Strategically expand the system
 - Plan for local and state roads as a cohesive system

6

What regional targets and goals are we striving for?



7

How will the Thurston region change between now and 2050?



106,000+
people



52,000+
jobs



58,000+
housing units

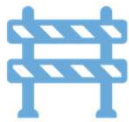


52,000+ living
near transit

8



How will the Thurston region change between now and 2050?



80 Regional Projects

- 18 miles of new roadways
- 36+ miles of new general purpose lanes and center turn lanes
- 65+ miles of new or rebuilt bicycle and pedestrian facilities
- 29+ miles of new multiuse trails
- 3 new or realigned highway interchanges
- Improved transit facilities and expanded service

9



Projects in the RTP

CAPACITY PROJECTS

Martin Way/I-5 Interchange Project (Lacey)	\$40,000,000 Public
Mottman Road Improvements (Olympia, Tumwater)	\$12,500,000 Public
Brewery District Transportation Project (Tumwater)	\$18,750,000 Public
Tumwater Boulevard Interchange (Tumwater)	\$23,000,000 Public

NEW CONNECTIONS

US 101/West Olympia Access Project (Olympia)	\$42,000,000 Public
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10



Projects in the RTP

WSDOT TRANSPORTATION PROJECTS

I-5 Tumwater to Mounts Road Alternatives Analysis	\$2,500,000 Public
---	--------------------

STUDIES

I-5 and 93rd Avenue SE Interchange Improvements Study (Tumwater)	\$258,960 Public
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Emergency Incident Management Detour Route Improvements (TRPC)	\$250,000 Public
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Freight Mobility Strategy (TRPC)	\$600,000 Public
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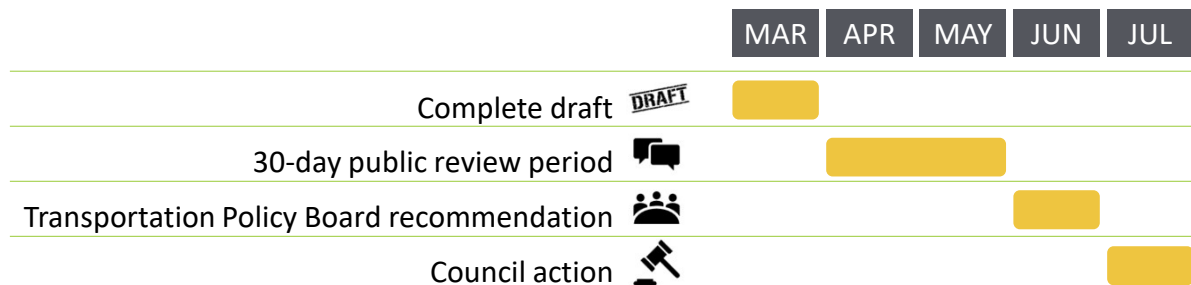
Regional Transportation Safety Action Plan (TRPC)	\$415,650 Public
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Transportation Resiliency Strategy (TRPC)	\$750,000 Public
--	------------------


11



Schedule



12



The graphic features two logos side-by-side. On the left is the 'What Moves You' logo, with 'TRPC' in small letters above 'What', 'Moves' in a teal color, and 'You' in a dark grey color. Below this is the text 'Regional Transportation Plan'. To the right of this is a stylized graphic of a road or path. On the right is the 'thurston regional planning council' logo, with 'thurston' in a bold, sans-serif font, and 'regional planning council' in a smaller, sans-serif font below it. The background of the right logo is blue.

Katrina Van Every, Transportation Manager
VanEveryK@trpc.org
(360) 956-7575

COVER MEMO

Briefing Date/Time: April 14, 2025

Staff Contact/Title: Mike Reid, Community and Economic Development Director, 360.764.5395, Miker@portolympia.com

Subject: Hands On Children's Museum Update

Purpose: ☒ Information Only ☐ Decision Needed

Overview:

- The Hands On Children's Museum (HOCM) is the anchor of the Port's East Bay District.
- Patty Belmonte, Executive Director of the HOCM, will provide a briefing on the museum's long range planning, expansion plans, visitation trends, and overall community impact.

Background:

- In 2008 the Port of Olympia sold property to the City of Olympia to accommodate the development of the current Hands On Children's Museum.
- The intention of this effort was to revitalize an underutilized area of downtown Olympia.
- Ports have a statutorily defined role in the promotion of tourism and tourism related facilities as defined in RCW 53.08.255: Tourism promotion and tourism-related facilities authorized.
 1. Any port district in this state, acting through its commission, has power to expend monies and conduct promotion of resources and facilities in the district or general area by advertising, publicizing, or otherwise distributing information to attract visitors and encourage tourist expansion.
 2. Any port district is authorized either individually or jointly with any other municipality, or person, or any combination thereof, to acquire and to operate tourism-related facilities.

Documents Attached:

PowerPoint Presentation



Hands On Children's Museum Expansion Planning



Patty Belmonte, CEO



Quality Early Learning Visitors Appreciate

- 13 Years in New Home – HOCM most visited youth museum in PNW every year
- More visitors per sq/ft than any of the nation's 470 children's museums
- A nationwide leader in Access – 140,000 served
- Consistent “Best Of” Award-Winner





Enriching Quality of Life in Olympia Bringing Visitors to Port Properties!





Drawing Out of Town Visitors & Creating Special Family Memories

On Visitor Survey's:
**The Farmer's Market is #1 visitor destination
in conjunction with a visit to Hands On**

Instagram papacorsi – Shelton, WA
**One of the best days I've had all year with Grandpa...
Anthony's for lunch and children's museum after.
...thanks for coming up to the PNW and
spending priceless time with your boys, we love you!!**





Museum Attendance Over 30 years

Green = Expansion Years

The Museum has grown steadily every year except the Pandemic years



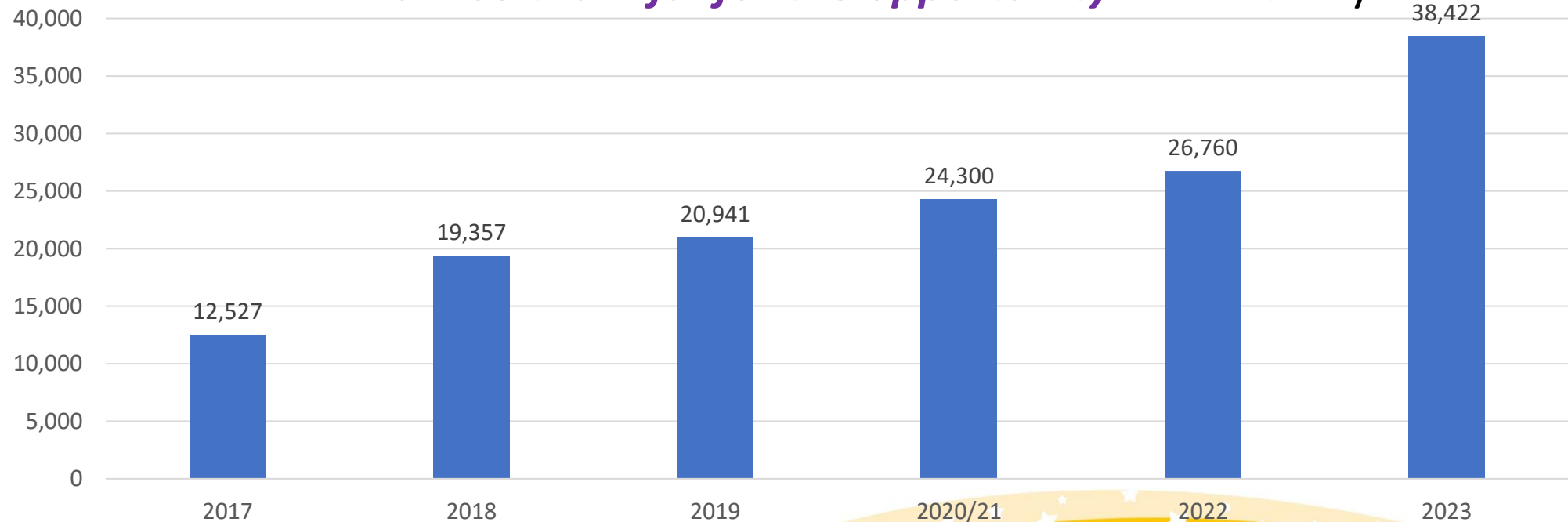


A Museum For All

30 Free & Reduced Programs

Largest Program - EBT Family Access

"This was an amazing first-time experience and I am so thankful for the opportunity." EBT Family



Value of EBT Admissions \$164,137 in 2017 growing to \$644,068 in 2023!



Mid-size Museum with King-size Attendance Visitors from Every State & Multiple Countries

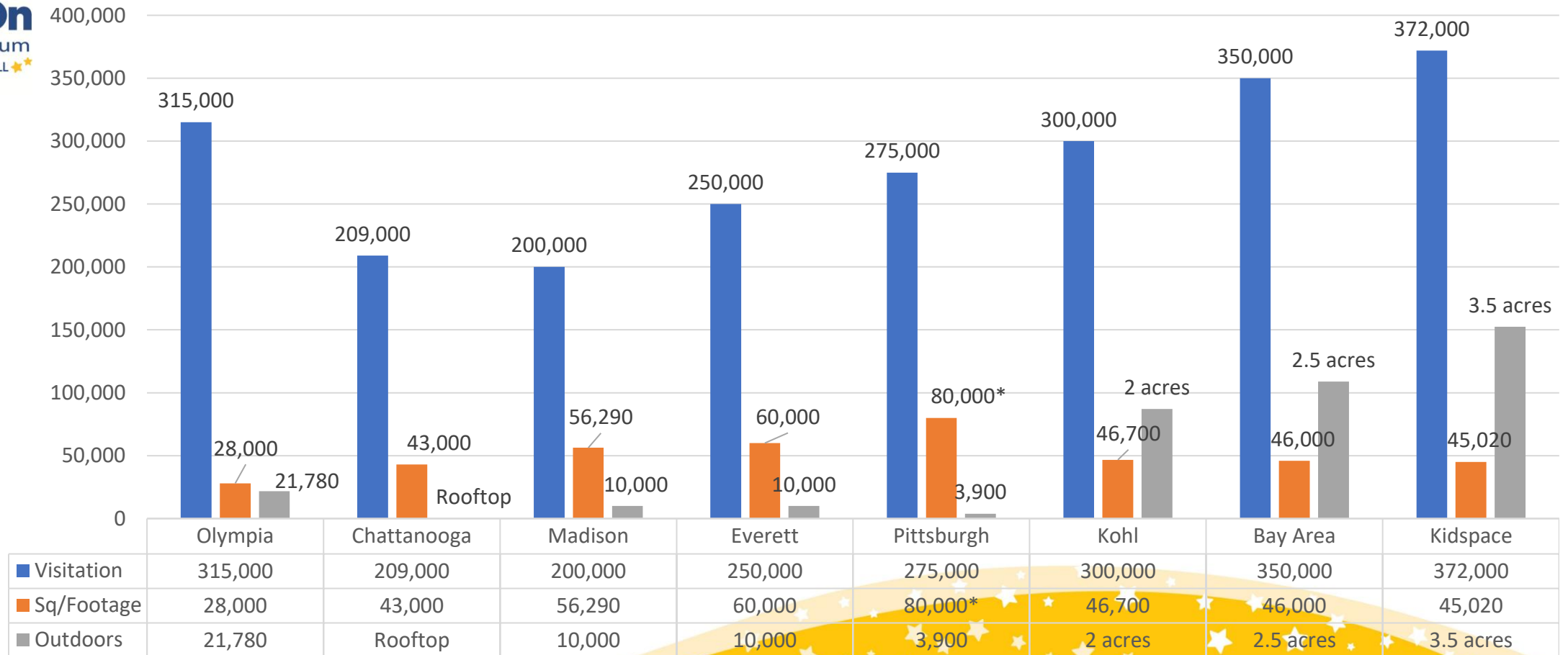
Space Saving Strategies Since 2017

- Extended hours
- Added multi-day events
- Selling timed tickets
- Promoting after hours parties and field trips



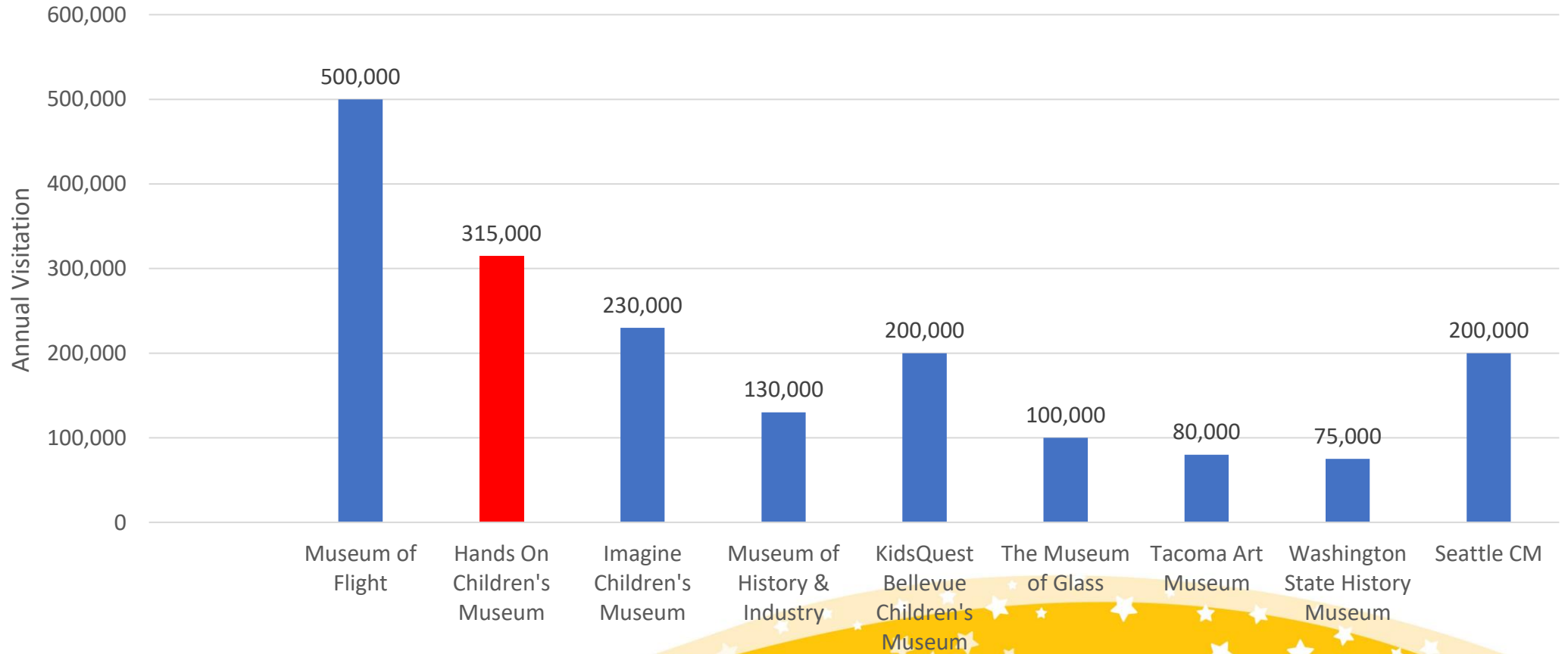


Hands On has less sq/footage than any children's museum serving 300,000+

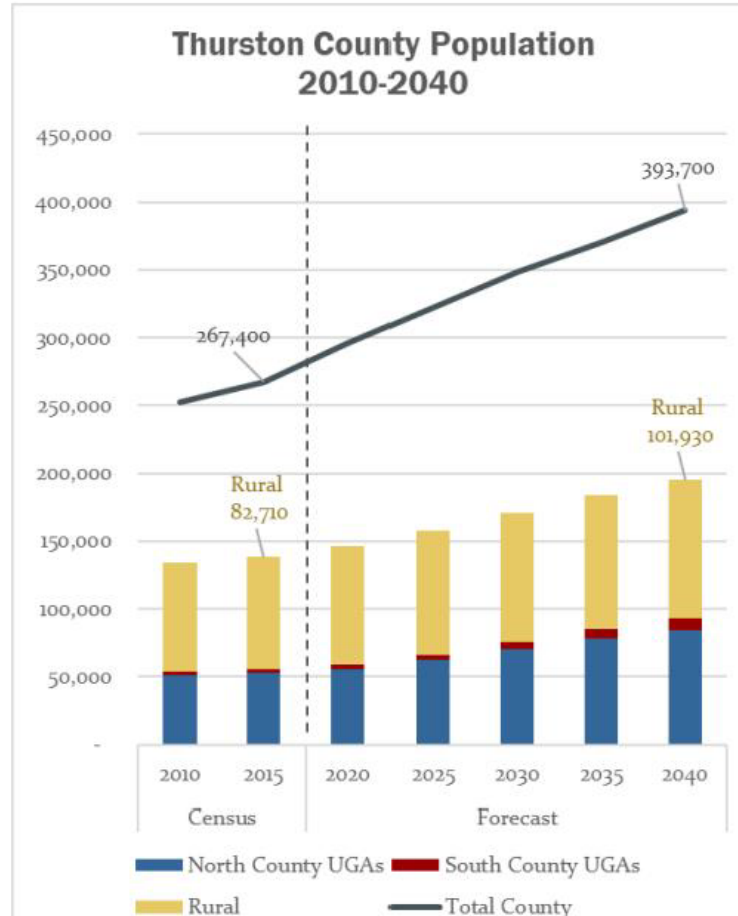




A Regional Leader for Attracting High Visitation



Growth: Thurston County Comp Plan Update 2018



Thurston County
has already
reached 307,552 in
2023

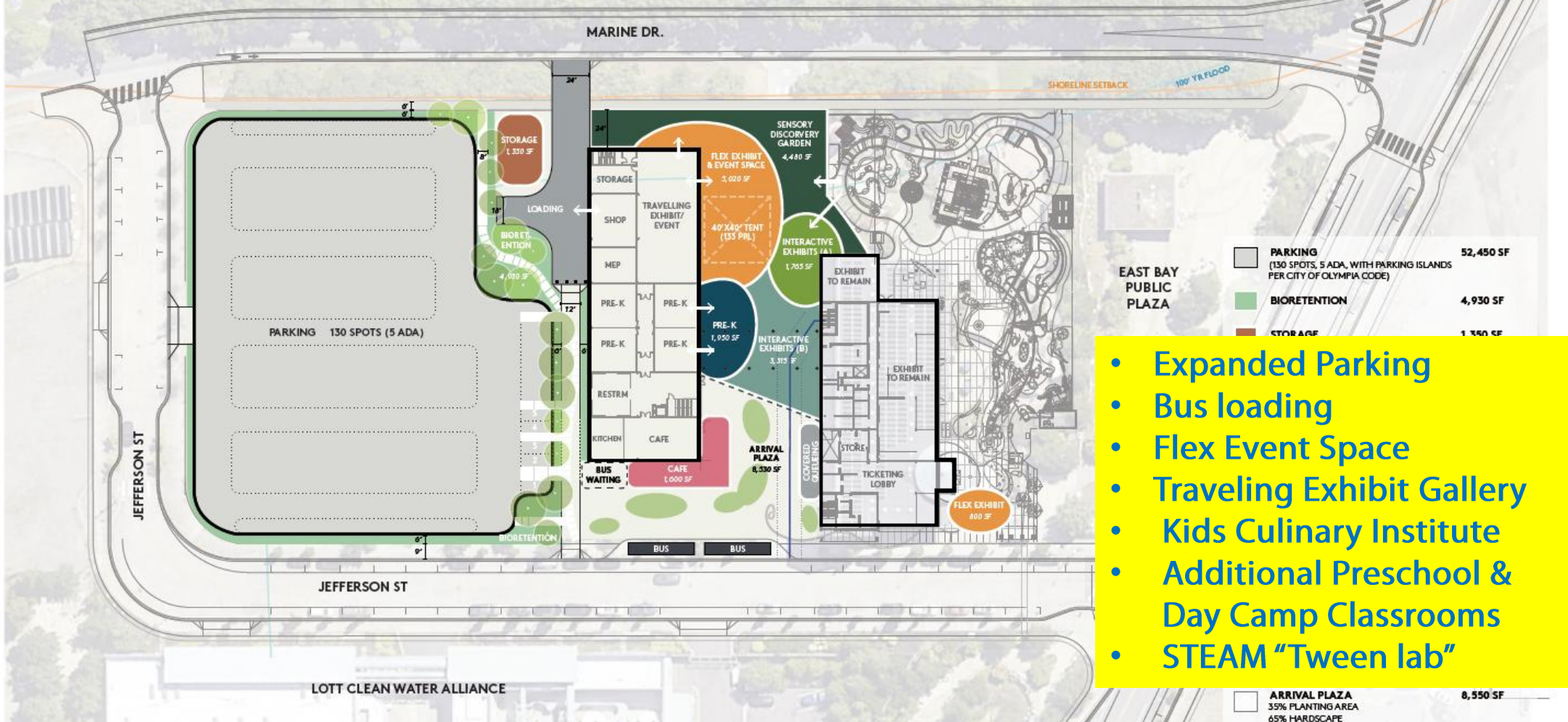
VISITORS KEY DRIVERS

1. Scenic Beauty
2. Waterfront
3. State Parks
4. Cycling / Hiking
5. Family Fun
6. Attractions / Museums
7. Dining
8. Festivals / Events
9. Heritage & Culture
10. Colleges & Universities



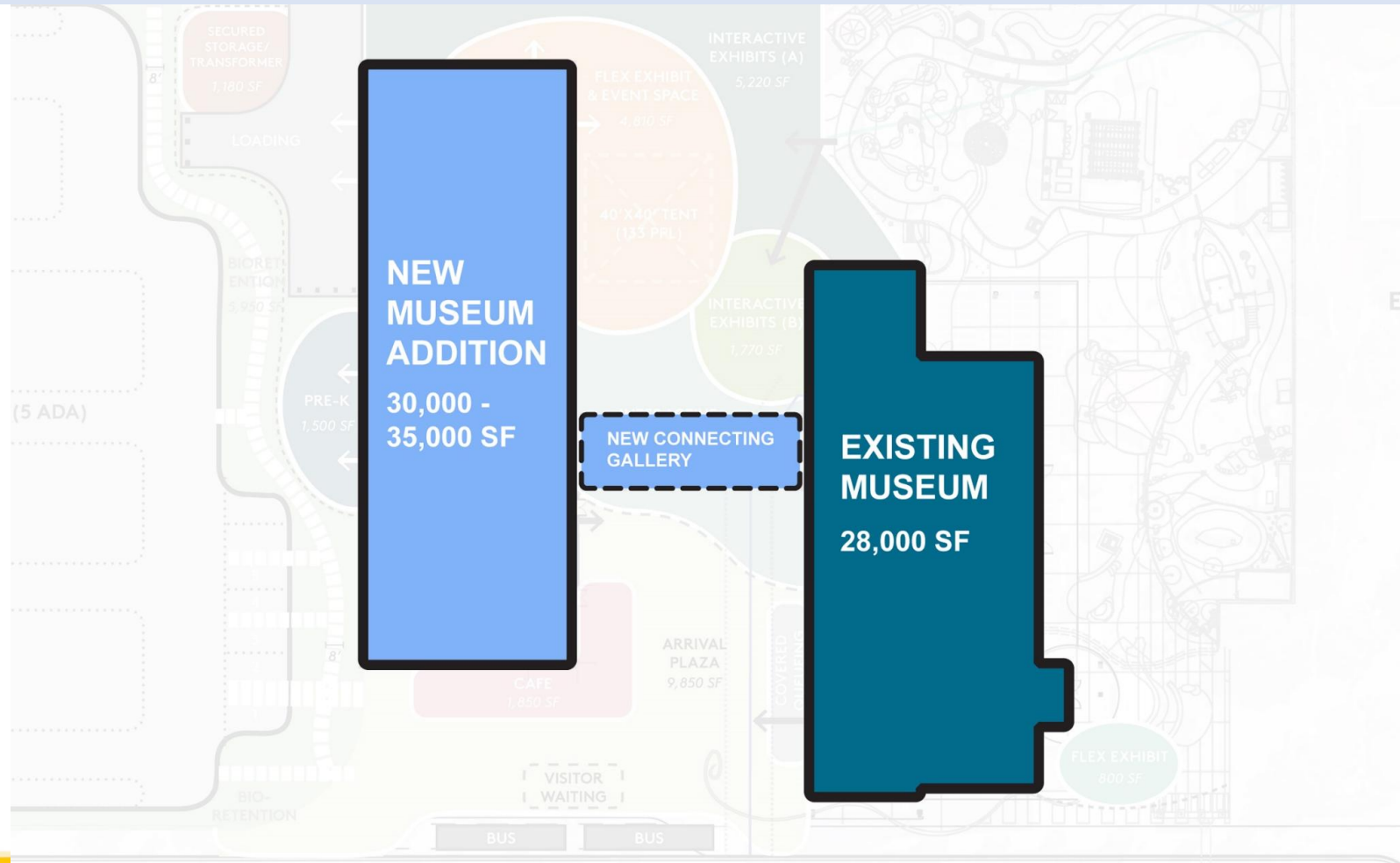
SITE PLAN
SCALE 1"=60'

Hands On Children's Museum Expansion A Campus Approach



- Expanded Parking
- Bus loading
- Flex Event Space
- Traveling Exhibit Gallery
- Kids Culinary Institute
- Additional Preschool & Day Camp Classrooms
- STEAM "Tween lab"

Additional Square Footage Brings Us Within Best Practices



Design Feasibility Study Confirms Concept for Expansion

New Building 20-30,000sq/ft
Doubles current space
1-acre of outdoor learning



New Traveling Exhibit Gallery & Flexible Indoor Outdoor Event Space





Funding Sources \$35M Campaign

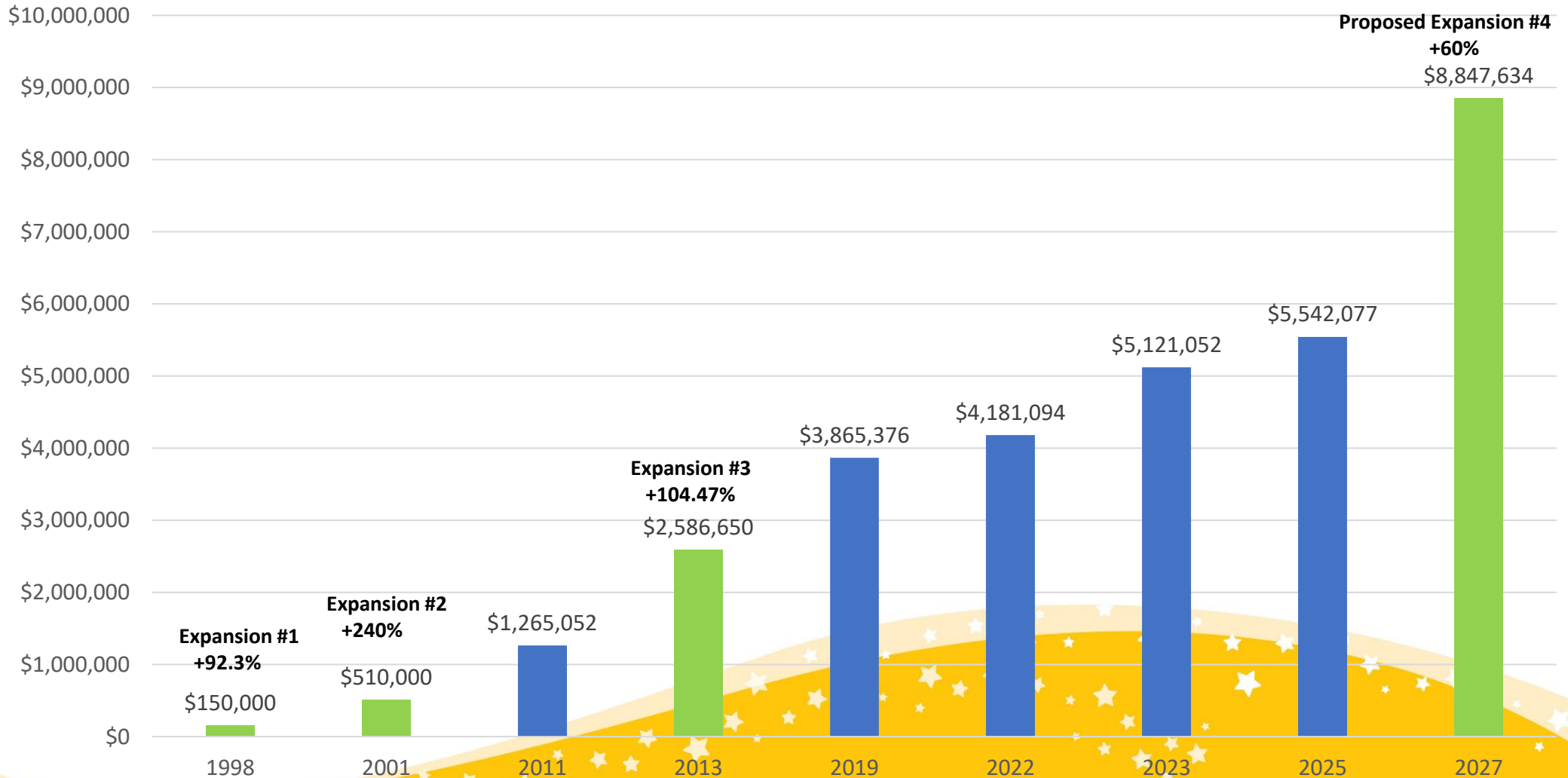
PFD Funding Can Only Be Used for HOCM Project

- **\$25M Public Facilities District Funding Secured**
- **\$1M HOCM Board of Directors**
- **\$1.6M Building for the Arts Grant**
- **\$2M Federal/State Funds & Grants**
- **\$2M Foundation Grants**
- **\$3M Individual, Business Gifts**



Budget Growth Increase over 30 years

Green = Expansion Years





Preliminary 4-Year Expansion Timeline

2025

Spring
Spring
Spring

Progressive Design Build Approved
City/Port Approve Port Land Purchase
City Approves Financing for Expansion
HOCM Capital Campaign launches

Spring/Summer
Fall
Fall/Winter

Process for Progressive DB Selection
Design Build Team Proceeds
Schematic Design

2026

Spring
Summer
Fall

Permit Documents
Grading and Foundation Construction
Construction Begins

2027

Spring – Winter **Construction Continues**
Winter 2027/2028 **Grand Opening**



COVER MEMO

Briefing Date/Time: April 14, 2025

Staff Contact/Title: Mike Reid, Community and Economic Development Director, 360.764.5395, MikeR@portolympia.com

Subject: Purchase and Sale Agreement to the City of Olympia for the Expansion of the Hands On Children's Museum

Purpose: ☒ Information Only ☐ Decision Needed

Overview:

- Port staff have negotiated a purchase and sale agreement with the City of Olympia for the sale of two properties located at 427 and 517 Marine Dr NE.
- The City of Olympia is acquiring these two properties to facilitate the expansion of the Hands On Children's Museum.
- The sale price for the property is \$2,100,000.
- The closing date is on or before November 7, 2025.
- There is an "environmental covenant" that will be recorded with the deed that articulates the contamination mitigation and cleanup requirements associated with the property. Following these requirements will be the responsibility of the buyer (City of Olympia).
- The deed will include a use restriction limiting the use of the property to that of a "Children's Museum" with the potential for reversion back to Port ownership if this requirement is not upheld.
- At the April 28, 2025 Commission meeting the Commission will be presented with three resolutions:
 1. A resolution to surplus the property
 2. A resolution to amend the Comprehensive Scheme of Harbor Improvements
 3. A resolution authorizing the sale of the property
- To accommodate the modification of the Comprehensive Scheme of Harbor Improvements the Commission will need to hold a public hearing as part of the April 28, 2025 Commission meeting.

Background:

- In 2007 the Port, in partnership with the City of Olympia, LOTT Cleanwater Alliance, and the Hands On Children's Museum, launched the "East Bay Redevelopment Project".
- The intention of this effort was to revitalize an underutilized area of downtown Olympia.
- Anchoring this redevelopment project was the development of new Hands On Children's Museum.
- Since its launch the Hands On Children's Museum has garnered state and national recognition as a premier destination for families, exceeding over 300,000 visitors a year.
- This transaction would accommodate the opportunity for the Hands On Children's Museum to create a 30,000 – 35,000 square foot expansion.

Documents Attached:

PowerPoint presentation.

Real Estate Purchase and Sale Agreement.

Summary and Financial Impact:

This transaction would yield \$2,100,000 in sales proceeds to the Port of Olympia.

Consistency with Vision 2050:

- Goal 3: Turn the Port Peninsula into a premier destination by adding attractions, increasing accessibility and maintaining a clean and safe environment.
 - Action Item 12: Collaborate with the City of Olympia and other partners on strategies to maintain a welcoming environment throughout downtown and the Port Peninsula.

Environmental Considerations:

Environmental review and compliance for the development of the site will be the sole responsibility of the buyer (City of Olympia).

Staff Recommendation:

Advisory only at this time.

Next Steps/Timeframe: Associated Commission Resolutions will come for Commission action on April 28, 2025.



Purchase and Sale Agreement – City of Olympia

Mike Reid
Community and Economic Development Director
April 14, 2025



1



Today's Presentation

Advisory Only – No Action Required

- East Bay redevelopment background
- Purchase and Sale Agreement overview
- Vision 2050 alignment
- April 28, 2025 - actions



2

Energizing


East Bay

..... and beyond

Imagine . . .
a vibrant and inviting East Bay area, drawing people to the waterfront, new learning opportunities, public services, and nearby downtown businesses. The Port of Olympia, the Hands On Children's Museum, the LOTT Alliance, and the City of Olympia are working together to create this dynamic center of activity, connecting the East Bay district to downtown Olympia and the surrounding communities.

What's In the Works?


- **Public Plaza** – A vibrant, central Public Plaza and gathering space
- **Hands On Children's Museum** – A new, larger Hands On Children's Museum
- **Water Education Center and Business Offices** – A new Regional Services Center, housing an Education Center, laboratory, and offices for LOTT
- **Shops, restaurants, offices, and possibly a hotel and urban housing** on redeveloped Port property
- **City Hall** – A new City Hall with convenient public services, adjacent to the East Bay district



Energizing East Bay

2000's Redevelopment Effort

- Hands On Children's Museum
- East Bay Plaza
- LOTT Expansion
- WET Center
- City Hall
- Education, Environment, Economic Renewal



3



4



5

Purchase and Sale Agreement

City of Olympia

- Two parcels
 - 427 Marine Dr - .92 Acres
 - 517 Marine Dr - .65 Acres
- Sale price: \$2,100,000
- Closing date: November 7, 2025
- Environmental covenant
- Deed restriction (use limited to Children's Museum)



6

Location



7

Vision 2050 Alignment

Destination Waterfront

Goal: Turn the Port Peninsula into a premier destination by adding attractions, increasing accessibility and maintaining a clean and safe environment.

**Community
Priority Level**

#	Action Key Words	Complete Action	Task Force Notes	1	2	3
12	Work with City of Olympia to create more welcoming environment downtown	Collaborate with the City of Olympia and other partners on strategies to maintain a welcoming environment throughout downtown and the Port Peninsula.	i.e. homelessness, buildings, etc.	✓		
17	Work with City of Olympia on parking and access strategies downtown	Collaborate with the City of Olympia on parking and access strategies to better-accommodate destination visitors.			✓	
18	Attract another anchor tenant to port peninsula	Either separate from or in conjunction with the action above, attract another anchor destination tenant to the Port Peninsula.				✓



8

April 28, 2025 – Commission Actions

1. Resolution – Surplus Property
2. Resolution – Amend the Comprehensive Scheme of Harbor Improvements
3. Resolution – Authorizing Sale of Property
4. Approve Purchase and Sale Agreement and authorize Executive Director to fulfill the obligations of the transaction



9

Questions and Comments



10

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement ("Agreement") is made and entered into as of the last date of an authorized signature set forth below by and between the PORT OF OLYMPIA, a Washington port district ("Seller"), and the CITY OF OLYMPIA, a Washington municipal corporation ("Buyer"). Seller and Buyer are collectively referred to as the "Parties".

WHEREAS, Seller is the owner of certain real property located in Olympia, Thurston County, Washington; and

WHEREAS, Buyer wishes to purchase from Seller, and Seller wishes to sell to Buyer, upon the terms and conditions set forth herein, the property;

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement, and the mutual promises and covenants herein, the Parties hereby agree as follows:

1. **PROPERTY.** The property consists of lots located in the East Bay Redevelopment Short Plat, City of Olympia Master File #07-0154 and is comprised of two parcels of land: Parcel 6 consisting of approximately 0.92 acres and Parcel 7 consisting of approximately 0.65 acres, as generally depicted in Exhibit A hereto (together, the "Property"). Seller shall sell and convey the Property to Buyer, and Buyer shall purchase and acquire the Property from Seller, upon and subject to the terms and conditions set forth in this Agreement.
2. **PURCHASE PRICE.** The Purchase Price to be paid by Buyer to Seller for the Property shall be Two Million One Hundred Thousand and No/100 Dollars (\$2,100,000.00).
3. **PAYMENT OF PURCHASE PRICE.** At Closing, the entire amount of the Purchase Price shall be paid by Buyer to Escrow Agent in a form of payment recognized by Escrow Agent as immediately available funds, subject, however, to the closing adjustments, prorations, and other provisions set forth in this Agreement.
4. **CONDITIONS TO PURCHASE AND SALE.**

4.1 Title Matters.

- 4.1.1 **Title Binder.** Within ten (10) business days from the execution of this Agreement by Buyer and Seller, Seller shall obtain and provide to Buyer a title insurance policy commitment issued by Thurston County Title Insurance Company (the "Title Company"), or such other Title Company that the Parties may agree to in writing, describing the Property, showing all matters pertaining to the Property, listing Buyer as the prospective named insured, and showing as the policy amount the total Purchase Price without any deduction for credits. At the same time, the Title Company shall deliver to Buyer true, correct, and legible copies of all instruments referred to in such title commitment as affecting title to the Property. Such title insurance policy commitment and instruments affecting title are herein collectively referred to as the "Title Binder".

4.1.2 Title Objections. Buyer shall have twenty (20) business days after Buyer's receipt of the Title Binder as to exceptions contained in such Title Binder, and twenty (20) business days after Buyer's receipt of any supplemental report as to exceptions contained in such supplemental report, to disapprove any such exceptions other than Permitted Exceptions (defined below), in Buyer's sole and absolute discretion. If Buyer fails to give Seller notice of its disapproval of any exception (including any exception noted in the Title Binder as an exception to be deleted at or prior to Closing upon the occurrence of certain specified events) within such period, then Buyer shall be deemed to have approved such exception (except for monetary liens attributable to Seller, which Seller shall pay or cause to be satisfied at or prior to Closing).

4.1.3 Action on Objections. If Buyer disapproves any exception (other than a Permitted Exception) appearing in the Title Binder or any supplemental report, then Seller shall have twenty (20) days after receipt of Buyer's notice to notify Buyer, in writing, of its agreement to cure or remove any of the disapproved exceptions. Seller's failure to notify Buyer that it will cure or remove a particular exception shall be deemed to constitute notice by Seller that it will not cure or remove that exception. Seller shall remove or cure by Closing those exceptions that Seller has agreed to remove or cure. If Seller notifies or is deemed to have notified Buyer that it will not cure or remove any exception disapproved by Buyer, Buyer shall have twenty (20) days from the date of such notification to notify Seller, in writing, whether Buyer in its sole discretion will waive such objections and close the transaction, or terminate this Agreement. Buyer's failure to give such notice shall constitute Buyer's election to waive its objections and close the transaction. In that event, the disapproved exceptions shall become Permitted Exceptions. If Buyer elects to terminate this Agreement, then Seller shall pay any cancellation fee or other cost of the Title Company and Escrow Agent, and this Agreement and all rights and obligations of the parties under this Agreement shall terminate, except for such obligations as expressly survive any termination of this Agreement. Notwithstanding anything to the contrary contained herein, a lien, encumbrance, or other exception to title representing a security interest relating to an obligation to pay money and attributable to Seller shall be deemed disapproved and shall be removed by Seller at or before Closing.

4.1.4 Title Policy. At Closing, Seller at its cost will cause the Title Company to issue to Buyer an ALTA standard coverage owner's policy of title insurance, in the amount of the Purchase Price, without any deduction for credits, insuring Buyer against loss or damage arising from defects in title to the Property other than Permitted Exceptions (the "Title Policy"). The policy shall contain such endorsements as may be reasonably requested by Buyer. If Buyer elects to obtain an ALTA extended coverage owner's policy, then Buyer shall pay the difference

in the premium between the standard coverage policy and the extended coverage policy, together with the cost of a survey or an update of any existing survey, if such is required in order to obtain the extended owner's coverage. Buyer will also pay for the cost of any endorsements requested by Buyer. If at Closing the Title Company will not insure the title as provided above, Buyer may either proceed to close despite the lack of required insurance or terminate this Agreement. Seller shall pay any cancellation fee or other cost of the Title Company, and this Agreement and all rights and obligations of the parties there under shall terminate, except for such obligations as expressly survive any termination of this Agreement.

4.1.5 Permitted Exceptions. As used herein, the term "Permitted Exceptions" means: (i) all existing building and use restrictions, easements, rights of way, reservations, conditions, covenants, and restrictions presently of record or general to the area; (ii) all building and zoning ordinances, laws, regulations, and restrictions of any municipal or other governmental authority applicable to the Property; (iii) all easements, encroachments, and other encumbrances that do not materially affect the value of the Property or unduly interfere with Buyer's reasonable use of the Property; (iv) all taxes and special assessments which are a lien but which are not yet due and payable or for which statements have not yet been tendered; (v) all matters created by Buyer; (vi) all other matters contained in the preprinted exceptions for a standard owner's policy of title insurance contained in the Title Binder; and (vii) all exceptions which have been approved by Buyer or which Buyer is deemed to have approved as provided in this Agreement.

4.2 Buyer's Feasibility Contingency. Buyer's obligation to purchase the Property is subject to and contingent on the satisfaction or waiver, within the applicable contingency period, of the following condition:

4.2.1 Documents from Seller. Seller agrees to promptly provide Buyer with access to documents regarding the Property reasonably requested by Buyer and in the possession or control of Seller, including environmental reports, inspection reports, surveys, engineering reports and analyses, and other documents in the possession or control of Seller relating to the Property, except to the extent such documents are protected from disclosure under any applicable law. Seller will make copies of such documents as Buyer may request and Buyer shall pay for the cost of such copies. Buyer shall use the documents and information obtained from Seller only for purposes of analyzing whether it will complete the purchase of the Property and shall not disclose the contents thereof to any person other than its employees, attorneys, accountants, consultants, agents and representatives who are assisting Buyer in evaluating the Property, unless required by law. Seller makes no representations or warranties to Buyer regarding the accuracy or

completeness of the information in such documents, and all documents and information provided to Buyer pursuant to this Agreement are provided without any warranty whatsoever. Upon termination of this Agreement, Buyer shall return all hard copies of Seller's documents to Seller upon Seller's request, except such copies as Buyer is required to retain pursuant to any applicable law.

4.2.2 Review of Property and Related Matters by Buyer. Buyer shall have until June 30, 2025, in which to investigate and review the Property and all matters relating thereto and to determine, in Buyer's sole and absolute discretion, whether to proceed with this transaction (the "Feasibility Contingency Period"). Subject to the notification requirements and the Washington State Department of Ecology's consent set forth in Section 5 (Buyer's License to Enter Property), Buyer's investigation and review may include the review of all existing surveys, reports, studies, and other written materials regarding the Property; the conducting of surveys, toxic and hazardous waste studies, engineering, electrical, mechanical, historical use, structural, geologic, hydrologic, and other studies, and physical inspections, soils sampling and/or tests (including borings) with respect to the Property; the investigation and review of endangered species, habitat, wetlands, zoning, and other laws, ordinances, codes, covenants, and/or restrictions affecting the Property; and the review of the requirements and conditions of governmental bodies with jurisdiction over the Property, the restrictions, if any, to demolishing any existing improvements on the Property, the certificates, licenses, and permits existing with respect to the Property and the likelihood and anticipated cost of obtaining additional certificates, licenses, and permits that Buyer desires to obtain with respect thereto, the availability and access to public roads, the availability of utilities and sewer capacity, the potential opportunity to acquire additional property adjacent to or contiguous with the Property, the leases and other agreements affecting the Property, the past performance of the Property and the potential future performance of the Property, the potential to finance the Property and/or the development thereof in a manner satisfactory to Buyer, in all respects, and the feasibility of Buyer's planned use of the Property. All reviews, investigations, inspections, and studies made by Buyer shall be at Buyer's sole cost and expense. All investigations of the physical condition of the Property shall be pursuant to the license provision, Section 5, or other agreement between Seller and Buyer. If Buyer terminates this Agreement as provided elsewhere herein, then the results of all tests, surveys, reviews, investigations, inspections, and studies of the Property made by or for Buyer, and all reports and other documents relating thereto, except internal reports and strategic analyses prepared by or for Buyer, shall be made available to Seller upon Seller's written request.

4.2.3 Extension of Feasibility Period. If Buyer has made a good faith and diligent effort to complete its feasibility investigation within the initial

Feasibility Contingency Period but is unable to do so, then Buyer may request an extension of the Feasibility Contingency Period by up to an additional three (3) months if necessary to complete its feasibility investigation, and Seller shall not unreasonably withhold its consent to such an extension.

4.2.4 Buyer's Right to Terminate. If Buyer does not approve the results of its investigation and review of the Property and all matters relating thereto, and/or Buyer decides not to proceed with this transaction, then Buyer may terminate this Agreement by giving a written notice to Seller and Escrow Agent stating Buyer's disapproval and/or intent to terminate this Agreement ("Feasibility Termination Notice"). Buyer's failure to give written notice of its dissatisfaction with the results of its investigation and review prior to the expiration of the Feasibility Contingency Period (including any extensions thereof) shall be deemed to constitute a waiver of the Feasibility Contingency. If Buyer gives its Feasibility Termination Notice to Seller prior to the expiration of the Feasibility Contingency Period (including any extensions thereof), then neither Buyer nor Seller shall have any further liability to the other under this Agreement, except for such obligations as expressly survive any termination of this Agreement.

4.3 Buyer's Closing Conditions. Buyer's obligation to purchase the Property is subject to and contingent upon the satisfaction or waiver, as of Closing, of the following conditions:

- 4.3.1** At the time of Closing, Seller shall have terminated all tenancies and all other agreements and contracts affecting the Property other than such agreements as Buyer has by written agreement agreed to assume at Closing, and all tenants, including Seller, shall have vacated the Property.
- 4.3.2** Seller shall have performed all other obligations to be performed by Seller hereunder and under escrow on or before the Closing Date (or, if earlier, on or before the date set forth in this Agreement for such performance).
- 4.3.3** At the time of Closing, Seller shall deliver title to the Property by means of a statutory warranty as set forth in Section 4.6 (Deed and Environmental Covenant), conveying fee simple title to the Property, and the Title Company shall deliver the Standard Owner's A.L.T.A. Title Policy specified in Section 4.1 of this Agreement, or an Extended Title Policy if requested by Buyer pursuant to Section 10.4, and Seller shall deliver the Affidavit specified in Section 10.2.2 of this Agreement.
- 4.3.4** At the time of Closing, the condition of the Property shall be substantially the same as it was on the effective date of this Agreement, except for the effects of ordinary wear and tear and completion of actions taken by either party in accordance with this Agreement.

4.4 Parties' Closing Condition Concerning Governing Body Approval and Actions. The Parties' obligations under this Agreement are subject to and contingent on (i) the approval of this Agreement and all terms of this transaction by the Port of Olympia Commission in open public meeting, (ii) the Port of Olympia Commission declaring the Property to be surplus and amending the Port's comprehensive plan to permit the sale of the Property in open public meeting, and (iii) the successful completion of all appropriate environmental review processes necessary for the sale of the Property, including any appeals, all prior to Closing. The Parties' obligations under this Agreement are also subject to and contingent on the approval of this Agreement and all terms of this transaction by the City of Olympia City Council, in open public meeting prior to Closing.

4.5 Use of Property: Use Restrictions: Seller's Right to Reversion and Repurchase. Buyer acknowledges, covenants, represents, and warrants that the Property will be used solely for the expansion of the existing Hands On Children's Museum (the "Children's Museum") and additional surface parking. Buyer shall not build above 30 feet within 20 feet of the eastern boundary of the Property, to maintain a view corridor to/from adjoining property. Buyer shall not use the Property for any other purpose without the prior written consent of the Port in its sole and absolute discretion, and any use of the Property other than the Children's Museum shall be a public use. Buyer shall not sell, assign, or lease the Property or any part thereof, or the operation of the Children's Museum, to any person without the prior written consent of the Port in its sole and absolute discretion. Pursuant to the preceding sentence, a mere change in the name of such entity shall not give rise to the requirement for the prior written consent of the Port and other rights of the Port as provided herein. If any change other than a mere name change - e.g., a change in ownership of the entity, merger with another entity, or change in the form, type, or purpose of the entity - leads to modifications in the nature and operation of the Children's Museum that are inconsistent with the children's museum envisioned in this Agreement, such change shall give rise to such requirements and such rights of the Port. If Buyer fails or ceases to use the Property for the Children's Museum or other public use approved by the Port in advance in writing, or attempts or actually does sell, assign, or lease the Property or any part thereof, or the operation of the Children's Museum without the prior written consent of the Port, then the Port shall have the right, but not the obligation, to declare a reversion and to retake ownership and possession of the Property on the following terms:

4.5.1 The Port shall have one hundred eighty (180) days from the Port's actual notice of any event on which a reversion may be based to exercise its right to declare a reversion.

4.5.2 The Port shall pay the owner of the Property as of the Port's exercise of its right of reversion the fair market value of the Property (land only) at such time. Payment shall be made within one hundred twenty (120) days from the Port's exercise of its right of reversion.

4.5.3 The Port shall pay the owner of the Property as of the Port's exercise of its right of reversion the value of such part or all of the building and other improvements constructed by Buyer then located on the Property ("improvements") that the Port, in its sole and absolute discretion, decides to keep on the Property. Payment shall be made within one hundred twenty (120) days from the Port's exercise of its right of reversion.

4.5.4 If the Port decides not to keep some or all of the improvements on the Property, then the owner of the Property shall remove such improvements at its cost or abandon such improvements, and if such improvements are abandoned then the Port may remove such improvements, and the reasonable cost of such removal shall be credited against the amount to be paid by the Port for the Property, and any cost in excess of the value of the Property shall be paid by the owner to the Port at Closing.

4.6 Deed and Environmental Covenant. The deed to be delivered by Seller at Closing shall be in the form of Exhibit C and contain an environmental covenant including restrictions on use of the Property and provisions on Seller's right of reversion/repurchase in accordance with Section 4.5 (the "Deed"). In addition to the Deed, Seller shall deliver an environmental covenant at Closing in favor of Ecology in the form of Exhibit C.

4.7 Obligations of Parties Post-Closing. As additional consideration for this Agreement, unless this Agreement is terminated by either party prior to Closing in accordance with this Agreement, Buyer and Seller shall have the following obligations post-Closing, which obligations shall survive Closing and shall not be merged into the Deed:

4.7.1 Environmental Covenant. Buyer shall maintain and uphold the environmental covenants set forth in in this Agreement and Exhibit C.

5. BUYER'S LICENSE TO ENTER PROPERTY.

5.1 License to Enter Property. Subject to (1) the submission of a scope of work by Buyer to Seller in writing of its site investigation and other due diligence activities and (2) the written consent of Ecology and Seller, from the date of this Agreement through the end of the Feasibility Contingency Period or earlier termination of this Agreement, Buyer and its contractors, agents, servants, employees, and licensees shall have the right and permission to enter upon the Property or any part thereof at all reasonable times after reasonable notice to Seller, without interfering with the use of the Property by Seller or any other person rightfully in possession of the Property, for the purpose of making any and all soil tests, surveys, and such other studies and investigations of the Property as Buyer may desire to make, all at Buyer's sole cost and expense. Specifically, Buyer shall not conduct any sampling, boring, or other investigation of the soil or groundwater on the Property without first providing a scope of work that includes a work plan for such activities to Ecology and Seller, and obtaining Ecology's and Seller's prior written consent to such work plan. The Seller agrees that it will not unreasonably withhold consent of any work plan that has been approved by Ecology regarding work to be performed

on the Property.

- 5.2 Restoration of Property.** Buyer shall, at Buyer's sole cost and expense, immediately repair any and all damage to the Property caused by Buyer or its agents, employees or contractors caused by its due diligence activities, and immediately restore the Property to the same physical condition it was in prior to the time Buyer and its agents, employees, or contractors entered on the Property. Furthermore, Buyer shall comply with any and all requirements and timelines mandated by Ecology (including but not limited to restoration of institutional controls such as clean cap and fencing). If Buyer fails to restore the Property, then Seller may perform the restoration work and Buyer shall reimburse Seller for the reasonable cost thereof within thirty (30) days after Seller's delivery of an invoice for such costs to Buyer.
- 5.3 Indemnification of Seller.** Buyer shall defend, indemnify and hold harmless Seller from and against any mechanic's or other liens, and any other claims or encumbrances, that may be filed or asserted against the Property or Seller arising out of or related to any actions or omissions of Buyer or Buyer's contractors, agents, servants, employees, or licensees in connection with the Property or Buyer's due diligence activities and investigation. In addition, to the fullest extent it may lawfully do so, Buyer shall defend, indemnify and hold harmless Seller, its commissioners, members, directors, officers, agents, servants and employees, from and against any and all liability, loss, costs, and expense of whatsoever nature growing out of property damage, personal injury to, or death of, persons whomsoever, where such property damage, personal injury, death, loss, destruction or damage arises from the occupation or use of the Property by, or the presence thereon of, Buyer or Buyer's contractors, agents, servants, employees, or licensees prior to Closing.
- 5.4 Survival of Buyer's Obligations.** Notwithstanding anything in this Agreement to the contrary, the obligations of Buyer in this Section 5 shall survive any termination of this Agreement.

6. "AS IS" PURCHASE.

Except as otherwise expressly provided in Section 7 of this Agreement, Buyer agrees that the Property is being sold to and purchased by Buyer **"AS IS, WHERE IS, AND WITH ALL FAULTS"**, and Seller hereby disclaims any and all warranties, and makes no representations or warranties to Buyer of any kind, express or implied, regarding the Property, including, without limitation, the physical or environmental condition, habitability, or suitability for any particular purpose of the Property or any improvements or personal property located thereon. Buyer acknowledges, covenants, represents, and warrants that: (i) Buyer has inspected or will inspect the Property, the improvements thereon, if any, and all matters relating thereto which Buyer desires; (ii) except as otherwise expressly provided in this Agreement, neither Seller nor anyone on Seller's behalf has made or is making any representations or warranties with respect to the Property, and Seller expressly disclaims any representations or warranties concerning the accuracy or completeness of any of the disclosures made to Buyer with respect to the Property; (iii) Buyer is relying solely on Buyer's own

investigation of the Property and all matters pertaining thereto, including but not limited to the environmental condition of the Property; and (iv) except as otherwise expressly set forth in this Agreement, Buyer is purchasing the Property **“AS IS, WHERE IS, AND WITH ALL FAULTS”**. Buyer further agrees that, notwithstanding anything in this Agreement to the contrary, in no event shall Seller be liable to Buyer for any special, indirect, or consequential damages, including but not limited to claims for loss of use, rents, anticipated profit or business opportunity, business interruption, diminution in value, or mental or emotional distress or fear of injury or disease.

7. ENVIRONMENTAL MATTERS

7.1 Condition of Property. Seller and Buyer acknowledge that, in the past, the Property and surrounding properties have been developed with buildings and/or other improvements and have been used for various commercial and industrial purposes for many years, and that portions of the Property and surrounding properties are or may be affected by releases or threatened releases of hazardous substances, as those terms are defined under applicable environmental laws, and that such area constitutes a “Facility” under RCW 70.105D.020(4). The boundaries of the Facility, as defined under applicable environmental laws, may include an area larger than the boundaries of the Property, and the boundaries of the Facility may change from time to time based on additional information obtained and activities undertaken with respect to the Facility. Existing site assessments and other environmental reports describe the known physical condition of the Property and surrounding properties. Further environmental investigations that may be conducted in the future may reveal additional releases or threatened releases of hazardous substances affecting the Property or surrounding properties. Subject to the provisions of Sections 7.2 and 7.3 below, Seller and Buyer shall cooperate regarding any additional remediation of the Property and surrounding properties, and the Parties' involvement with the Washington State Department of Ecology regarding such remediation.

8. REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer hereby represents and warrants to Seller, which representations and warranties shall be deemed made by Buyer to Seller also as of the Closing Date, that:

8.1 Buyer has the power and authority to enter into this Agreement, and each individual executing this Agreement on behalf of Buyer has the full power and authority to enter into this Agreement and to perform on Buyer's behalf all of Buyer's obligations hereunder.

8.2 Except as provided in Section 4.4 above, no consent, approval, authorization, or order of, or registration or filing with, any court or governmental agency or body or other third party is required in connection with Buyer's execution and delivery of this Agreement or the performance by Buyer of its obligations hereunder.

8.3 The obligations of Buyer set forth in this Agreement are valid and binding obligations of Buyer, enforceable against Buyer in accordance with the

provisions of this Agreement.

8.4 Neither execution or delivery of this Agreement, nor consummation of the transactions contemplated hereby, nor fulfillment of or compliance with the terms and conditions hereof, contravenes any provision of any law, rule, statute, or ordinance to which Buyer is subject, or conflicts with or results in a breach of, or constitutes a default under, any of the terms, conditions, or provisions of any agreement or instrument to which Buyer is a party.

9. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller hereby makes the following representations and warranties to Buyer, which representations and warranties shall also be deemed to be made by Seller to Buyer as of Closing:

9.1 Seller has the power and authority to enter into this Agreement, and each individual executing this Agreement on behalf of Seller has the full power and authority to enter into this Agreement and to perform on Seller's behalf all of Seller's obligations hereunder.

9.2 Except as provided in Section 4.4 above, no consent, approval, authorization, or order of, or registration or filing with, any court or governmental agency or body or other third party is required in connection with Seller's execution and delivery of this Agreement or the performance by Seller of its obligations hereunder.

9.3 The obligations of Seller set forth in this Agreement are valid and binding obligations of Seller, enforceable against Seller in accordance with the provisions of this Agreement.

9.4 Neither execution or delivery of this Agreement, nor consummation of the transactions contemplated hereby, nor fulfillment of or compliance with the terms and conditions hereof, contravenes any provision of any law, rule, statute, or ordinance to which Seller is subject, or conflicts with or results in a breach of, or constitutes a default under, any of the terms, conditions, or provisions of any agreement or instrument to which Seller is a party.

9.5 Seller is the sole legal fee owner of the Property, and is not holding fee title as a nominee for any other person or entity. No person or entity other than Buyer has any right of first refusal or option to acquire any interest in the Property or any part thereof, and Seller has not sold or contracted to sell the Property or any portion thereof or interest therein other than as set forth herein.

9.6 Except as expressly set forth in this Agreement, Seller makes no representations or warranties regarding the Property or any improvements, including without limitation any warranties with respect to condition or suitability for a particular purpose.

10. ESCROW.

10.1 Opening of Escrow. Upon execution of this Agreement by Buyer and Seller, Buyer shall open escrow with Thurston County Title Insurance Company in

Olympia, Washington ("Escrow Agent"), by depositing with Escrow Agent a copy of this Agreement. This Agreement shall become a part of the escrow and shall constitute the basic instructions of Buyer and Seller to Escrow Agent. However, Buyer and Seller agree to execute such additional instructions and documents as are reasonably required to complete the closing of the sale of the Property in accordance with the terms and conditions of this Agreement. In case of conflict, this Agreement shall control.

10.2 Deposits into Escrow. Buyer and Seller shall deposit into Escrow, on or before the Closing Date, all documents and funds necessary to carry out this Agreement, including the following:

10.2.1 Deposits by Buyer. Buyer shall deposit into Escrow: (i) Funds in a form acceptable to Escrow Agent equal to the Purchase Price plus Buyer's share of escrow fees and related charges; (ii) the exact vesting required by Buyer for title to the Property. Buyer shall also deposit into Escrow such other documents and funds as are reasonably required to close the sale of the Property pursuant to the terms of this Agreement; an Environmental Covenant, in the form set forth in Exhibit C, which shall be duly executed and acknowledged by Buyer.

10.2.2 Deposits by Seller. Seller shall deposit into Escrow: (i) a Statutory Warranty Deed, in the form set forth in Exhibit B, which shall be duly executed and acknowledged by Seller so as to convey to Buyer all of the Property in accordance with the terms of this Agreement; (ii) a Real Estate Excise Tax Affidavit, in proper form for submission to the Thurston County Auditor, and duly executed by Seller; and (iii) an affidavit executed by Seller to the effect that as of the Close of Escrow Seller is a "United States person" as that term is defined in Section 7701(a)(30) of the Internal Revenue Code of 1986 as amended (the "Code"), and is not a foreign person as defined by the Code ("FIRPTA Affidavit"). Seller shall also deposit into Escrow such other documents and funds as are reasonably required to close the sale of the Property pursuant to the terms of this Agreement.

10.3 Prorations. The following items shall be prorated as follows:

10.3.1 Real and personal property taxes and assessments with respect to the Property, and any refunds thereof, which shall be prorated as of Closing.

10.3.2 Utility charges and assessments with respect to the Property, if any, which shall be prorated as of Closing, but Buyer and Seller hereby waive the services of the Closing Agent in disbursing closing funds necessary to satisfy unpaid utility charges affecting the Property, pursuant to RCW 60.80.

10.3.3 All charges and payments made or received with respect to any contracts with respect to the Property which are assigned to and assumed by Buyer, which shall be prorated as of Closing.

- 10.4 Fees and Costs.** Buyer and Seller shall pay their own respective fees and costs incurred with respect to this transaction including, without limitation, attorney fees. Notwithstanding the foregoing, Buyer shall pay at Closing the cost of recording the Deed, and one-half of the escrow fees pertaining to this transaction. If Buyer elects to obtain an ALTA extended coverage owner's policy, then Buyer shall also pay the difference in the premium between the standard policy and the extended coverage policy, together with the cost of a survey or an update of the existing survey, if such is required in order to obtain the extended owner's coverage. Buyer shall also pay for the cost of any endorsements requested by Buyer. Seller shall pay at Closing the cost of a standard ALTA owner's title insurance policy, all real estate excise taxes or similar charges incident to the conveyance of title to the Property to Buyer, and the other one-half of the escrow fees pertaining to this transaction. Provided, however, that if escrow is terminated due to the failure of both parties to perform any of their respective material obligations, then the parties shall each pay one-half (1/2) of the escrow fees charged, but if escrow is terminated due to the failure of only one party to perform any of its material obligations, then such defaulting party shall pay all escrow fees charged. Such payment shall not affect any other rights between the parties.
- 10.5 Closing Date.** Provided that all conditions set forth in this Agreement have been fulfilled or waived, this transaction shall be closed at the offices of the Escrow Agent on a date to be selected by Buyer which shall be on or before November 7, 2025 (the "Closing Date"); provided, however, that the Parties may by mutual agreement select a Closing Date prior to November 7, 2025. This escrow may be extended by a written extension agreed to and signed by both Buyer and Seller. If this transaction does not close by the Closing Date as provided herein or as subsequently agreed to by the parties in writing, then escrow shall be terminated. Notwithstanding anything to the contrary, if Seller requires additional time to complete actions required to be completed by Seller prior to Closing, then Closing shall be extended for a reasonable time to permit Seller to complete such actions, provided that Seller diligently pursues completion of such actions.
- 10.6 Closing.** When all of the conditions and instructions provided for herein have been satisfied and complied with, and this transaction is ready to close, then Escrow Agent shall promptly close this transaction (the "Close of Escrow" or "Closing") and shall:
- 10.6.1** Record the original Statutory Warranty Deed for the Property;
 - 10.6.2** Record the original Environmental Covenant;
 - 10.6.3** Disburse funds on deposit in escrow to the appropriate persons in accordance with this Agreement and final settlement statements approved by the Parties;
 - 10.6.4** Deliver the original title insurance policy to Buyer; and

10.6.5 Deliver copies of the recorded Deed, filed excise tax affidavit, final settlement statements, and all other documents included in the sale of the Property, to Buyer and to Seller.

11. GENERAL PROVISIONS.

- 11.1 No Agency or Partnership.** Buyer and Seller agree that nothing herein shall be construed to create the relationship of principal and agent, joint venture, partnership, or any other form of legal association which would impose liability upon one party for the act or failure to act of another party.
- 11.2 Amendment or Modification.** No amendment, modification, or change of this Agreement shall be valid unless made in writing and signed by the parties hereto.
- 11.3 Assignment.** Buyer shall not assign, agree to assign, offer to assign, or solicit offers for, Buyer's interest in or rights to purchase the Property, without the prior written consent of Seller, in its sole and absolute discretion; provided, that upon notice to Seller, Buyer may assign its rights hereunder to a wholly-owned subsidiary, parent, or sister entity of Buyer.
- 11.4 Further Assurances.** Each of the parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder in good faith, to carry out the intent of the parties herein.
- 11.5 Authority.** Each of the signatories hereto hereby represents and warrants that he or she has the right, power, legal capacity, and authority to enter into this Agreement and to bind the entity he or she represents to this Agreement and the obligations hereunder.
- 11.6 Real Estate Commissions.** Each party represents and warrants that it is not represented by any broker or agent in connection with any of the transactions contemplated by this Agreement, and that it has not dealt with any broker or other person to which a commission or other fee is due in connection with any of the transactions contemplated by this Agreement, and that insofar as it knows, no broker or other person is entitled to any commission, charge, or fee in connection with any of the transactions contemplated by this Agreement. Each party agrees to indemnify, defend, and hold harmless the other party against any loss, liability, damage, cost, claim, or expense, including interest, penalties, and reasonable attorney fees that the other party shall incur or suffer by reason of a breach by the first party of the representations and warranties set forth in the preceding sentence.
- 11.7 Counterparts.** This Agreement may be executed in several counterparts, and all counterparts so executed shall constitute one Agreement binding on the parties.
- 11.8 Default.** In the event of a breach or default under this Agreement by Seller without

any default by Buyer or failure of any condition to Seller's obligations hereunder, which is not cured by Seller in a timely manner, Buyer at its election may terminate this Agreement. The foregoing shall be Buyer's sole and exclusive remedies for Seller's breach or default, other than breach or default of a post-Closing obligation. In the event of Buyer's breach of its obligation to purchase the Property pursuant to this Agreement without any default by Seller or failure of any condition to Buyer's obligations hereunder, which is not cured by Buyer in a timely manner, Seller at its election may terminate this Agreement. The foregoing shall be Seller's sole and exclusive remedies for Buyer's breach or default, other than breach or default of a post-Closing obligation. The parties acknowledge that in the event of a default, Buyer or Seller may have incurred substantial but unascertainable damages and that, therefore, the provisions herein for liquidated damages are valid and enforceable. Buyer further agrees that, notwithstanding anything in this Agreement to the contrary, in no event shall Seller be liable for any special, consequential, or other damages, including but not limited to claims for loss of use, rents, anticipated profit or business opportunity, business interruption, or diminution in value.

- 11.9 Escrow Agent.** The funds deposited into escrow and all interest earned thereon shall be disbursed by the Escrow Agent to the party ultimately entitled to receive same pursuant to the terms and conditions of this Agreement. Escrow Agent has executed this Agreement to indicate its agreement to comply with each of the obligations imposed on it hereunder and to acknowledge that it is aware that in entering into this Agreement both Buyer and Seller are relying on Escrow Agent's agreement so to comply. All parties hereby agree to indemnify and hold Escrow Agent harmless from any loss, liability or expense incurred by Escrow Agent hereunder except for violation by Escrow Agent of this Agreement. If Escrow Agent becomes uncertain at any time of the proper disposition of any funds or documents it may be holding hereunder, then it may interplead the same with a court of competent jurisdiction and abide by such court's direction. Escrow Agent shall file all tax reporting documents required to be filed in connection with the transaction described herein.
- 11.10 Exhibits.** All exhibits attached hereto are incorporated herein by reference and are an integral part of this Agreement.
- 11.11 Headings.** The captions and paragraph headings used in this Agreement are inserted for convenience of reference only and are not intended to define, limit, or otherwise affect the interpretation or construction of any term or provision of this Agreement.
- 11.12 Inducements.** The execution and delivery of this Agreement by the parties hereto has not been induced by any statements, representations, warranties, or agreements other than those expressed herein.
- 11.13 Integration.** This Agreement constitutes the entire understanding and agreement of the parties with respect to its subject matter, and any and all other agreements, understandings, or representations with respect thereto are of no force or effect.

11.14 Interpretation. This Agreement is the result of negotiations between the parties hereto, each of which was represented by legal counsel or had the opportunity to be represented by legal counsel. Each party participated in the preparation of this Agreement and reviewed this Agreement. No particular provision shall be deemed to have been drafted by any particular party, and no question of interpretation shall be resolved by any rule of interpretation providing for interpretation against a drafting party. This Agreement shall be interpreted and construed according to the intent of the parties and a fair reading of the language of this Agreement as a whole, and not for or against any particular party.

11.15 Notices. Any and all notices, requests, approvals, or other communications required or desired to be given hereunder (collectively, "notice") shall be in writing and shall be validly given or made if: (i) personally served; (ii) sent by certified, registered, or express mail with postage prepaid thereon and return receipt requested; or (iii) sent by e-mail if e-mail addresses are provided; provided, that in case of notice of breach or termination, notice shall be in writing and (i) personally served or (ii) sent by certified, registered, or express mail with postage prepaid thereon and return receipt requested. Notice shall be deemed given (i) at the time of personal service; (ii) five (5) business days after mailing; or (iii) at the time of e-mail transmission. Notice shall be effective and deemed given only if properly addressed to the party to whom such notice is to be given as follows:

To Seller:

Port of Olympia
606 Columbia St NW #300,
Olympia, WA 98501
Attn: Executive Director
Phone: (360) 528-8000

To Buyer:

City of Olympia
601 4th Ave E
P.O. Box 1967
Olympia, WA 98507
Attn: Steven J. Burney, City Manager
Phone: (360) 753-8740

To Escrow Agent:

Thurston County Title Insurance Company
105 8th Avenue SE
Olympia, Washington 98501
Phone: (360) 743-7300

Any party may change its address for the purpose of receiving notices as herein provided by a written notice given to the other parties hereto.

11.16 Possession. Buyer shall be entitled to possession of the Property upon

Closing.

- 11.17 Successors and Assigns.** This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors, and assigns.
- 11.18 Third Party Beneficiaries.** Except as otherwise expressly provided in this Agreement, nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective successors and assigns, if any, nor shall any provision give any third parties any right of subrogation or action against any party to this Agreement.
- 11.19 Time.** Time is of the essence of each provision of this Agreement.
- 11.20 Waiver.** No waiver shall be effective against a party unless set forth in writing and signed by the party charged with making the waiver. No waiver of any provision of this Agreement shall constitute a waiver of any other provision of this Agreement, whether or not similar, nor shall any waiver constitute a waiver of any preceding, succeeding, or continuing occurrence or condition, unless expressly stated in the waiver.
- 11.21 Applicable Law; Venue.** This Agreement shall be governed in all respects by the laws of the State of Washington. The venue of any action or dispute regarding this Agreement shall be Thurston County Superior Court, Thurston County, Washington.
- 11.22 Attorney Fees.** In any legal action or proceeding, including but not limited to arbitration, brought to enforce this Agreement, to declare the rights and duties under this Agreement, or to resolve a dispute, breach, or default in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs, including expert witness fees, incurred in such action or proceeding, in addition to any other relief to which such party may be entitled.
- 11.23 Dispute Resolution.** In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement, or the breach thereof, the Parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution.

[signature page follows]

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year written below.

SELLER:

BUYER:

PORT OF OLYMPIA

CITY OF OLYMPIA

By: _____
Name: Alexandra K. Smith
Title: Executive Director
Date: _____

By: _____
Name: Steven J. Burney
Title: City Manager
Date: _____

Approved as to Form:

Approved as to Form:

By: _____
Name: Christopher Pierce-Wright
Title: General Counsel, Port of Olympia
Date: _____

By: _____
Name: Mark Barber
Title: City Attorney, City of Olympia
Date: _____

ACKNOWLEDGMENT

STATE OF _____)
)
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public Signature (SEAL)

ACKNOWLEDGMENT

STATE OF _____)
)
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public Signature (SEAL)

EXHIBIT A

The Property

Lot 6 – Tax Parcel #: 66130000406

Address: 427 Marine Dr NE, Olympia WA 98501

Legal Description: Section 14 Township 18 Range 2W Quarter NW, NE, SE Binding Site Plan
OLYMPIA AREA ROWING LT 6 THIRD AMENDMENT 4611194

Lot 7 - Tax Parcel #: 66130000407

Address: 517 Marine Dr NE, Olympia WA 98501

Legal Description: Section 14 Township 18 Range 2W Quarter NW, NE, SE Binding Site Plan
OLYMPIA AREA ROWING LT 7 THIRD AMENDMENT 4611194



Exhibit B-2 Illustration of Lot 6 and 7, Olympia Area Rowing Binding Site Plan Amendment #3



EXHIBIT B

Form of Deed

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

City of Olympia
601 4th Ave E
P.O. Box 1967
Olympia, WA 98507
Attn: City Attorney

STATUTORY WARRANTY DEED

Grantor/Seller/Port: PORT OF OLYMPIA

Grantee/Buyer/City: CITY OF OLYMPIA

Abbreviated Legal:

Lot 6: Section 14 Township 18 Range 2W Quarter NW, NE, SE Binding Site Plan Olympia Area Rowing LT 6 Third Amendment 4611194

Lot 7: Section 14 Township 18 Range 2W Quarter NW, NE, SE Binding Site Plan Olympia Area Rowing LT 7 Third Amendment 4611194

Assessor's Tax Parcel:

Lot 6: 66130000406

Lot 7: 66130000407

Address:

Lot 6: 427 Marine Dr NE, Olympia WA 98501

Lot 7: 517 Marine Dr NE, Olympia WA 98501

The Grantor, PORT OF OLYMPIA, for good and valuable consideration received, conveys and warrants to Grantee, CITY OF OLYMPIA, the real estate legally described in Schedule A attached hereto and incorporated by this reference, situated in the County of Thurston, State of Washington (the "Property"):

The Property shall be subject to the following conditions and restrictions, which shall run with the land:

- A. The Property will be used solely for the expansion of the Hands On Children's Museum (the "Children's Museum") and additional surface parking for the Children's Museum.
- B. Buyer shall not build above 30 feet within 20 feet of the eastern boundary of the Property, to maintain a view corridor to/from adjoining property.
- C. Buyer shall not use the Property for any other purpose without the prior written consent of the Port in its sole and absolute discretion, and any use of the Property other than the

Children's Museum shall be a public use. Buyer shall not sell, assign, or lease the Property or any part thereof, or the operation of the Children's Museum, to any person without the prior written consent of the Port in its sole and absolute discretion. Pursuant to the preceding sentence, a mere change in the name of such entity shall not give rise to the requirement for the prior written consent of the Port and other rights of the Port as provided herein. If any change other than a mere name change (e.g., a change in ownership of the entity, merger with another entity, or change in the form, type, or purpose of the entity) leads to modifications in the nature and operation of the Children's Museum, such change shall give rise to such requirements and such rights of the Port. If Buyer fails or ceases to use the Property for the Children's Museum or other public use approved by the Port in advance in writing, or attempts or actually does sell, assign, or lease the Property or any part thereof, or the operation of the Children's Museum without the prior written consent of the Port, then the Port shall have the right, but not the obligation, to declare a reversion and to retake ownership and possession of the Property on the following terms:

1. The Port shall have one hundred eighty (180) days from the Port's actual notice of any event on which a reversion may be based to exercise its right to declare a reversion.
2. The Port shall pay the owner of the Property as of the Port's exercise of its right of reversion the fair market value of the Property (land only) at such time. Payment shall be made within one hundred twenty (120) days from the Port's exercise of its right of reversion.
3. The Port shall pay the owner of the Property as of the Port's exercise of its right of reversion the value of such part or all of the building and other improvements constructed by Buyer then located on the Property ("improvements") that the Port, in its sole and absolute discretion, decides to keep on the Property. Payment shall be made within one hundred twenty (120) days from the Port's exercise of its right of reversion.
4. If the Port decides not to keep some or all of the improvements on the Property, then the owner of the Property shall remove such improvements at its cost or abandon such improvements, and if such improvements are abandoned then the Port may remove such improvements, and the reasonable cost of such removal shall be credited against the amount to be paid by the Port for the Property, and any cost in excess of the value of the Property shall be paid by the owner to the Port at closing.

The above conditions and restrictions shall be covenants running with the land and shall be stated in all subsequent deeds to the Property, and any violation thereof shall result in the right by the Port to declare a forfeiture of all interests in the Property and reassume title to the Property.

Furthermore, the Property shall be subject to those permitted exceptions shown on Schedule B attached hereto and incorporated by this reference.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this Deed as of _____, 2025.

GRANTOR:

PORT OF OLYMPIA

By: _____
Name: Alexandra K. Smith
Title: Executive Director
Date: _____

ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public Signature (SEAL)

Schedule A to Warranty Deed
Legal Description of the Property

Lot 6: Section 14 Township 18 Range 2W Quarter NW, NE, SE Binding Site Plan Olympia Area
Rowing LT 6 Third Amendment 4611194

Lot 7: Section 14 Township 18 Range 2W Quarter NW, NE, SE Binding Site Plan Olympia Area
Rowing LT 7 Third Amendment 4611194

Schedule B to Warranty Deed
Permitted Exceptions

[to be inserted after Buyer's review of title report]

EXHIBIT C

Form of Environmental Covenant

After Recording Return to:
Toxics Cleanup Program
Department of Ecology
300 Desmond Drive
Lacey, WA 98503

ENVIRONMENTAL COVENANT

Grantor: City of Olympia

Grantee: State of Washington, Department of Ecology (hereafter "Ecology")

Brief Legal Description: Lot 6: Section 14 Township 18 Range 2W Quarter NW, NE, SE Binding Site Plan OLYMPIA AREA ROWING LT 6 THIRD AMENDMENT 4611194
Lot 7: Section 14 Township 18 Range 2W Quarter NW, NE, SE Binding Site Plan OLYMPIA AREA ROWING LT 7 THIRD AMENDMENT 4611194

Tax Parcel Nos.: Lot 6: 66130000406
Lot 7: 66130000407

RECITALS

A. This document is an environmental (restrictive) covenant (hereafter "Covenant") executed pursuant to the Model Toxics Control Act ("MTCA"), chapter 70.105D RCW, and Uniform Environmental Covenants Act ("UECA"), chapter 64.70 RCW, as amended.

B. The Property that is the subject of this Covenant is part of a site commonly known as the East Bay Redevelopment Site. The Property is legally described in Exhibit A and illustrated in Exhibit B, both of which are attached (hereafter "Property"). If there are differences between these two Exhibits, the legal description in Exhibit A shall prevail.

C. The property is the subject of remedial action conducted under MTCA. This Covenant is required because residual contamination remains on the Property after completion of remedial actions. Specifically, the following principal contaminants remain on the Property:

Medium	Principal Contaminants Present
Soil	Arsenic, lead, total petroleum hydrocarbons (TPH) in the gasoline range (TPH-G), total naphthalenes, TPH in the diesel

	range (TPH-D) and TPH in the heavy oil range (TPH-HO) combined, total carcinogenic polycyclic aromatic hydrocarbons (cPAHs), and total chlorinated dibenzo-p-dioxins and chlorinated dibenzofurans (dioxins/furans) were identified as soil constituents of concern (COCs)
--	--

D. It is the purpose of this Covenant to restrict certain activities and uses of the Property to protect human health and the environment and the integrity of remedial actions conducted at the site. Records describing the extent of residual contamination and the remedial actions conducted are available through Ecology.

E. This Covenant grants Ecology certain rights under UECA and as specified in this Covenant. As a Holder of this Covenant under UECA, Ecology has an interest in real property; however, this is not an ownership interest which equates to liability under MTCA or the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.). The rights of Ecology as an “agency” under UECA, other than its rights as a “holder”, are not an interest in real property.

COVENANT

The City of Olympia, as Grantor and fee simple owner of the Property hereby grants to the Washington State Department of Ecology, and its successors and assignees, the following covenants. Furthermore, it is the intent of the Grantor that such covenants shall supersede any prior interests the Grantor has in the property and run with the land and be binding on all current and future owners of any portion of, or interest in, the Property.

Section 1. General Restrictions and Requirements.

The following general restrictions and requirements shall apply to the Property:

a. **Interference with Remedial Action.** The Grantor shall not engage in any activity on the Property that may impact or interfere with the remedial action and any operation, maintenance, inspection, or monitoring of that remedial action without prior written approval from Ecology.

b. **Protection of Human Health and the Environment.** The Grantor shall not engage in any activity on the Property that may threaten continued protection of human health or the environment without prior written approval from Ecology. This includes, but is not limited to, any activity that results in the release of residual contamination that was contained as part of the remedial action or that exacerbates or creates a new exposure to residual contamination remaining on the Property.

c. **Continued Compliance Required.** Grantor shall not convey any interest in any portion of the Property without providing for continued adequate and complete operation, maintenance and monitoring of remedial actions and continued compliance with this Covenant.

d. **Leases.** Grantor shall restrict any lease for any portion of the Property to uses and activities consistent with this Covenant and notify all lessees of the restrictions on the use of the Property.

e. Preservation of Reference Monuments. Grantor shall make a good faith effort to preserve any reference monuments and boundary markers used to define the areal extent of coverage of this Covenant. Should a monument or marker be damaged or destroyed, Grantor shall have it replaced by a licensed professional surveyor within thirty (30) days of discovery of the damage or destruction.

Section 2. Specific Prohibitions and Requirements.

In addition to the general restrictions in Section I of this Covenant, the following additional specific restrictions and requirements shall apply to the Property.

a. Land Use. Prohibited uses on the Property include but are not limited to K-12 public or private schools, grazing of animals, and growing of food crops.

b. Containment of Soil/Waste Materials. The remedial action for the Property is based on containing contaminated soil under a cap consisting of an engineered cap consisting of 12 inches of clean, washed gravel overlying a permeable, geotextile fabric and located as illustrated in Exhibit B. The primary purpose of this cap is to minimize the potential for contact with contaminated soil; prevent runoff from contacting contaminated soil; and minimize airborne contaminants. As such, the following restrictions shall apply within the area illustrated in Exhibit B:

Any activity on the Property that will compromise the integrity of the cap including: drilling; digging; piercing the cap with sampling device, post, stake or similar device; grading; excavation; installation of underground utilities; removal of the cap; or, application of loads in excess of the cap load bearing capacity, is prohibited without prior written approval by Ecology. The Grantor shall report to Ecology within forty-eight (48) hours of the discovery of any damage to the cap. Unless an alternative plan has been approved by Ecology in writing, the Granter shall promptly repair the damage and submit a report documenting this work to Ecology within thirty (30) days of completing the repairs.

The Grantor covenants and agrees that it shall annually, or at another time as approved in writing by Ecology, inspect the cap and report within thirty (30) days of the inspection the condition of the cap and any changes to the cap that would impair its performance.

c. Stormwater Facilities. To minimize the potential for mobilization of contaminants remaining in the soil on the Property, no storm water infiltration facilities or ponds shall be constructed within the area of the Property illustrated in Exhibit B. All stormwater catch basins, conveyance systems, and other appurtenances located within this area shall be of water-tight construction.

d. Groundwater Use. The groundwater beneath the Property remains contaminated and shall not be extracted for any purpose other than temporary construction dewatering, investigation, monitoring or remediation. Drilling of a well for any water supply purpose is strictly prohibited. Groundwater extracted from the Property for any purpose shall be considered potentially contaminated and any discharge of this water shall be done in accordance with state and federal law.

Section 3. Access.

a. The Grantor shall maintain clear access to all remedial action components necessary to construct, operate, inspect, monitor and maintain the remedial action.

b. The Grantor freely and voluntarily grants Ecology and its authorized representatives, upon reasonable notice, the right to enter the Property at reasonable times to evaluate the effectiveness of this Covenant and associated remedial actions, and enforce compliance with this Covenant and those actions, including the right to take samples, inspect any remedial actions conducted on the Property, and to inspect related records.

c. No right of access or use by a third party to any portion of the Property is conveyed by this instrument.

Section 4. Notice Requirements.

a. Conveyance of any Interest. The Grantor, when conveying any interest in any part of the Property, including but not limited to title, easement, leases, and security or other interest, must:

i. Provide written notice to Ecology of the intended conveyance at least thirty (30) days in advance of the conveyance.

ii. Include in the conveying document a notice in substantially the following form, as well as a complete copy of this Covenant:

NOTICE: THIS PROPERTY IS SUBJECT TO AN ENVIRONMENTAL COVENANT GRANTED TO THE WASHINGTON STATE DEPARTMENT OF ECOLOGY ON [DATE] AND RECORDED WITH THE THURSTON COUNTY AUDITOR UNDER RECORDING NUMBER [INSERT NUMBER]. USES AND ACTIVITIES ON THIS PROPERTY MUST COMPLY WITH THAT COVENANT, A COMPLETE COPY OF WHICH IS ATTACHED TO THIS DOCUMENT.

iii. Unless otherwise agreed to in writing by Ecology, provide Ecology with a complete copy of the executed document within thirty (30) days of the date of execution of such document.

b. Reporting Violations. Should the Grantor become aware of any violation of this Covenant, Grantor shall promptly report such violation in writing to Ecology.

c. Emergencies. For any emergency or significant change in site conditions due to Acts of Nature (for example, flood or fire) resulting in a violation of this Covenant, the Grantor is authorized to respond to such an event in accordance with state and federal law. The Grantor must notify Ecology in writing of the event and response actions planned or taken as soon as practical but no later than within 24 hours of the discovery of the event.

d. Notification Procedure. Any required written notice, approval, reporting or other communication shall be personally delivered or sent by first class mail to the following

persons. Any change in this contact information shall be submitted in writing to all parties to this Covenant. Upon mutual agreement of the parties to this Covenant, an alternative to personal delivery or first class mail, such as e-mail or other electronic means, may be used for these communications.

To Grantor: City of Olympia
601 4th Ave E
P.O. Box 1967
Olympia, WA 98507
Attn: City Attorney

To Ecology: Washington State Department of Ecology
Toxics Cleanup Program
300 Desmond Drive
Lacey, WA 98503-1274

Section 5. Modification or Termination.

a. Grantor must provide written notice and obtain approval from Ecology at least sixty (60) days in advance of any proposed activity or use of the Property in a manner that is inconsistent with this Covenant. For any proposal that is inconsistent with this Covenant and permanently modifies an activity or use restriction at the site:

i. Ecology must issue a public notice and provide an opportunity for the public to comment on the proposal; and

ii. If Ecology approves of the proposal, the Covenant must be amended to reflect the change before the activity or use can proceed.

b. If the conditions at the Property requiring a Covenant have changed or no longer exist, then the Grantor may submit a request to Ecology that this Covenant be amended or terminated.

Any amendment or termination of this Covenant must follow the procedures in MTCA and UECA and any rules promulgated under these chapters.

c. By signing this Agreement, per RCW 64.70.100, the original signatories to this agreement, other than Ecology, agree to waive all rights to sign amendments to and termination of this Covenant.

Section 6. Enforcement and Construction.

a. This Covenant is being freely and voluntarily granted by the Grantor.

b. Within ten (10) days of execution of this Covenant, Grantor shall provide Ecology with an original signed Covenant and proof of recording and a copy of the Covenant and proof

of recording to others required by RCW 64.70.070.

c. Ecology shall be entitled to enforce the terms of this Covenant by resort to specific performance or legal process. All remedies available in this Covenant shall be in addition to all remedies at law or in equity, including MTCA and UECA. Enforcement of the terms of this Covenant shall be at the discretion of Ecology, and any forbearance, delay, or omission to exercise its rights under this Covenant in the event of a breach of any term of this Covenant is not a waiver by Ecology of that term or of any subsequent breach of that term, or any other term in this Covenant, or of any rights of Ecology under this Covenant.

d. The Grantor shall be responsible for all costs associated with implementation of this Covenant. Furthermore, the Grantor, upon request by Ecology, shall be obligated to pay for Ecology's costs to process a request for any modification or termination of this Covenant and any approval required by this Covenant.

e. This Covenant shall be liberally construed to meet the intent of MTCA.

f. The provisions of this Covenant shall be severable. If any provision in this Covenant or its application to any person or circumstances is held invalid, the remainder of this Covenant or its application to any person or circumstance is not affected and shall continue in full force and effect as though such void provisions had not been contained herein.

g. A heading used at the beginning of any section or exhibit of this Covenant may be used to aid in the interpretation of that section or exhibit but does not override the specific requirements in that section or exhibit.

[signature page follows]

The undersigned warrants that he/she has authority to execute this Environmental Covenant on behalf of the Grantor.

EXECUTED this ____ day of _____ 2025

GRANTOR:

CITY OF OLYMPIA

(Signature)

(Printed Name)

Title: _____

The Department of Ecology, hereby accepts the status as GRANTEE and HOLDER of the above Environmental Covenant.

GRANTEE:

**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**

(Signature)

(Printed Name)

Title: _____

Dated: _____

GRANTOR ACKNOWLEDGMENT:

STATE OF _____)
)
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)

Notary Public Signature

WASHINGTON DEPARTMENT OF ECOLOGY ACKNOWLEDGMENT:

STATE OF _____)
)
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)

Notary Public Signature

Exhibit A to Environmental Covenant

Legal Description

Lot 6: Section 14 Township 18 Range 2W Quarter NW, NE, SE Binding Site Plan
OLYMPIA AREA ROWING LT 6 THIRD AMENDMENT 4611194

Lot 7: Section 14 Township 18 Range 2W Quarter NW, NE, SE Binding Site Plan
OLYMPIA AREA ROWING LT 7 THIRD AMENDMENT 4611194

Illustration of Lots 6 and 7



Exhibit B-2 Illustration of Lot 6 and 7, Olympia Area Rowing Binding Site Plan Amendment #3



COVER MEMO

Briefing Date/Time: April 14, 2025

Staff Contact/Title: Warren Hendrickson, Director of Operations
360.528.8050, warrenh@portolympia.com

Subject: South Sound Commerce Center Ground Lease
New Market Industrial Campus (NMIC)/Panattoni

Purpose: ☒ Information Only ☐ Decision Needed

Overview:

- Advisory presentation – No Action required.

The objective of this topic is to approve the NMIC South Sound Commerce Center ground lease with Panattoni Development Company (PDC).

Background:

The Port and SSECC PDC, LLC (Panattoni Development Company, Inc.) executed an Option to Ground Lease Agreement effective July 13, 2020 for 199 acres of Port property located in the New Market Industrial Campus. There have been seven amendments to date to the base agreement – the most recent executed on March 10, 2025 to revise the Option to Lease Agreement to permit development of those optioned property parcels not subject to the Bush Prairie Habitat Conservation Plan (HCP).

On July 12, 2021, the Commission approved a Standard Lease Form to be used as the Port's ground lease document as individual parcels covered by the Option Agreement are developed. The Standard Lease Form was revised by the Commission on December 11, 2023, to specifically address certain additional provisions – as required by the City of Tumwater – anticipated for this South Sound Commerce Center ground lease.

Task before the Commission:

Panattoni now seeks to commence a ground lease with the Port for the South Sound Commerce Center, a 29.27-acre parcel (Lot 1) that is not subject to the HCP (i.e., the parcel is free of species covered by the Endangered Species Act, as determined by the City of Tumwater).

In terms of significance, this is the first lease under the PDC Option to Ground Lease Agreement with the Port. It will bring the first construction to NMIC and Olympia Regional Airport property since March 2008, and – most notably – it will increase annual NMIC revenue to the Port by 33.5% annually.

The attached presentation will address each of the following topics in turn:

- Background
- Location/depiction
- Term sheet (summary also provided below)
- Significance:
 - Port
 - City
 - Community
- Vision 2050 alignment
- Lease Form review and revisions
 - Unique provisions associated with this ground lease
 - Certain revisions based on current industry practices
- Environmental considerations
- Project implementation
- Next steps
- Questions and comments

The attached ground lease agreement has been reviewed and approved by all parties, including both Tenant and Port counsel.

Documents Attached:

- PowerPoint presentation.
- South Sound Commerce Center Ground Lease Agreement.

Summary & Financial Impact:

- As specified within the PowerPoint presentation.

Business, Economic, and Community Development Focus Points:

- Port, City, and Community effects.
- As specified within the PowerPoint presentation.

Alignment with Vision 2050

- Focus Area, Goals, and Action Items
- As specified within the PowerPoint presentation.

Environmental Considerations and Review:

- HCP exemption: Site Plan Review Approval by City of Tumwater.
 - TUM-21-1580: March 15, 2023 – Ground Lease Agreement Exhibit H.
- SEPA MDNS by City of Tumwater.
 - TUM-22-0278: December 19, 2022 – Ground Lease Agreement Exhibit H
- As additionally specified within the PowerPoint presentation.

Historical Timeline:

Jul 2020: Initial execution of Option to Lease Agreement.
Oct 2020: Amendment #1 – Revision of development agreement conditions.
Jul 2021: Amendment #2 – Subdivision application and extension of terms.
Jul 2021: Commission approval of Standard Lease Form.
Jan 2022: Amendment #3 – Extension of terms and expense reimbursement.
Mar 2023: Amendment #4 – Extension of terms.
Dec 2023: Commission approval of Revised Standard Lease Form.
Aug 2024: Amendment #5 – Extension of terms.
Feb 2025: Amendment #6 – Extension of terms.
Mar 2025: Amendment #7 – Revision of Option to Lease Agreement.

Lease Terms/Financial Impact:

Lease Acreage:	29.27 acres
Term:	55 years
	Two ten-year options
Current Lease Rate:	\$.48 per square foot
Monthly Lease Payment:	\$ 50,994.08 per month plus LET
Adjustments:	Ten percent (10%) every five years first 25 years
	Periodic fair market value adjustments thereafter

Signatory Parties:

- Port of Olympia
- Panattoni Development Company

Additional Affected Parties:

- Olympia Regional Airport
- City of Tumwater

Staff Recommendation:

- No action required today.
- April 28, 2025: Approve the South Sound Commerce Center ground lease with Panattoni Development Company via the Consent Calendar agenda item, as presented.




PORT of OLYMPIA
Serving All of Thurston County

South Sound Commerce Center Ground Lease ~ Panattoni/NMIC

Warren Hendrickson ~ Director of Operations
April 14, 2025



1



Tonight's Presentation

Advisory Item – No Action Required

- Project: South Sound Commerce Center.
- Tenant: Panattoni Development Company (PDC).
- Location: New Market Industrial Campus (NMIC).
- First ground lease within the 196 acres covered by the PDC Option to Ground Lease Agreement.



2

Tonight's Presentation

Topics to be Discussed...

- Background
- Location/depiction
- Term sheet
- Significance:
 - Port
 - City
 - Community
- Vision 2050 alignment
- Lease Form review and revisions
- Environmental considerations
- Project implementation
- Next steps
- Questions and comments

3



3

Background

Panattoni Development Option to Ground Lease Agreement

- Option to ground lease agreement executed 7/13/2020.
 - 7 amendments to date; most recent approved 3/10/2025.
- Standard Lease Form approved by Commission 7/12/2021.
 - Amended 12/11/2023.
- This ground lease is not subject to Habitat Conservation Plan.
 - Parcel has been certified free of Mazama Pocket Gopher.
 - Reference: City of Tumwater Formal Site Plan Review Approval, issued 3/15/2023 (Ground Lease Agreement Exhibit "H").

4



4

Location



5



5

Location

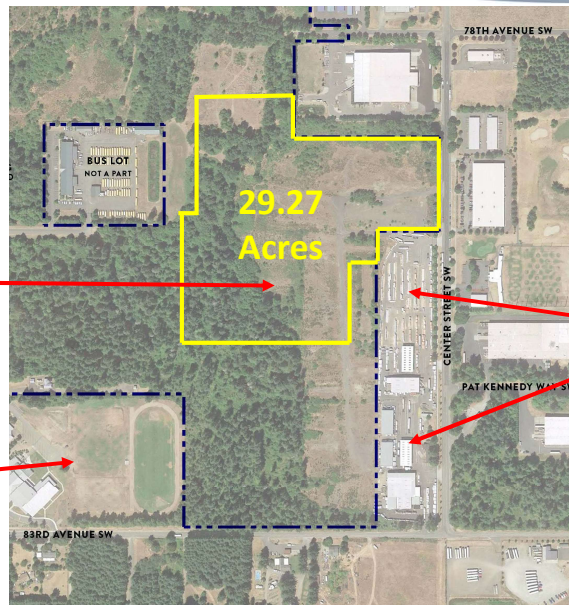
Center Street SW

"South
Sound
Commerce
Center"

Bush
Middle
School

29.27
Acres

International
Wood
Products (IWP)

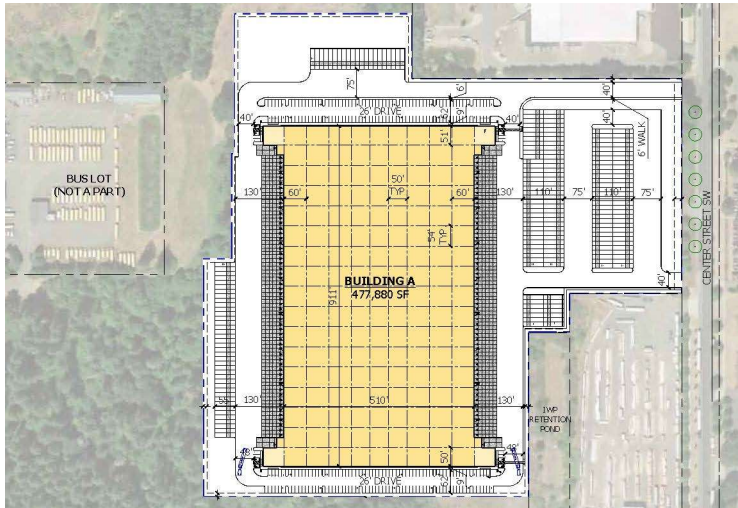


6



6

South Sound Commerce Center



FULLY PERMITTED

Brand new stand alone buildings within a half a mile to access I-5.

PERMITTED	10 month delivery period
ACCESS	Multiple ingress/egress options
LOCATION	Desirable location with high functionality and appeal to a variety of industrial uses
POTENTIAL USES	Industrial distribution and warehousing, e-commerce, light manufacturing, technology or life sciences
CLEAR-HEIGHT	Up to 65' allowed per zoning
OFFICE	Build-to-suit
TENANCY	Can be multi-tenant



7

7

South Sound Commerce Center



8

8

Term Sheet

Ground Lease

- 29.27 acres (1,274,852 sq ft).
- 7847 Center Street SW, Tumwater.
- 55-year term with two 10-year options.
- \$.48 per square foot per year.
- \$50,994.08 per month plus LET (\$611,928.96 per year).
- Rate adjusts +10% every five years for first 25 years, then Fair Market Value appraisals every ten years.

9



9

Analyzing Lease Effects

Three Separate Lenses

- Measuring the impacts:
 - Business development significance/financial metrics for the Port.
 - Economic development benefit to the City and region.
 - Community development benefits to the broader community and within NMIC in particular.

10



10

Business Development Significance

First New Construction in NMIC Since 2008

- Center Street Carting: Defy – Now Sky Zone Trampoline Park.
- 7960 Center Street SW – 3/1/2008.



SKY ZONE[®]
TRAMPOLINE PARK

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SSCC Business Development Metrics

Financial Benefit to the Port

- Good Faith Cash Deposit \$14,933.67.
 - Payable now; due date 4/30/2025.
- Option Payment \$4,335.00 monthly.
 - Should PDC not pull City permits by 7/1/2025.
- Ground Lease Payments \$50,994.08 monthly (\$611,928.96 annually).
 - Commence upon Certificate of Occupancy – OR –
 - Fourteen (14) months after Lease Commencement Date.
 - Whichever occurs first.

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SSCC Business Development Metrics

Financial Benefit to the Port (cont'd)

- 2025 Budget total NMIC revenue: \$1,828,846.00
- SSCC Ground Lease annual revenue: 611,928.96
- Net change: **+33.5%**



2025
Operating Budget and
Capital Investment Plan

ADOPTED
November 25, 2024

13



13

SSCC Economic Development Opportunity

City of Tumwater

- **Consistent with Tumwater's adopted Economic Development Plan of its Comprehensive Plan.**
 - Goal #3: Grow City's light industrial and manufacturing sectors.
 - Goal #6: Work with Port of Olympia to develop NMIC and Olympia Regional Airport.

City of Tumwater Economic Development Plan 2019

*Achieving a Diverse, Prosperous, and
Sustainable Economy*

Adopted July 20, 2010
Amended March 19, 2013
Amended December 3, 2019

Adopted into the Tumwater Comprehensive Plan as the Economic Development Element on October 5, 2010 by Ordinance No. O2010-013. Amended by Ordinance No. O2013-002 and Ordinance No. 2019-004.

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SSCC Economic Development Benefits

City of Tumwater (cont'd)

- *Estimated one-time* City fees to be collected:
 - \$559,000 – Traffic Impact Fee.
 - \$439,000 – SEPA Mitigation Fee (I-5/Tumwater Blvd improvements).
 - \$225,000 – Building Permit Fee.
 - **\$1.224 million – TOTAL**

15



15

SSCC Economic Development Benefits

City of Tumwater (cont'd)

- *Estimated one-time* Construction Sales Tax revenue:
 - City of Tumwater portion = **\$602,093.**
- Assumptions:
 - 477,880 sq ft x \$150. per sq ft construction cost = \$71,682,000.
 - The City receives 0.8415% of the sales tax on each dollar spent in Tumwater.

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SSCC Economic Development Benefits

City of Tumwater (cont'd)

- **Estimated annual** Property Tax revenue:
 - Estimated Annual Property Taxes = **\$496,500.**
 - Assumed \$50m assessed structure valuation.
 - City of Tumwater = **\$87,500.**
 - Tumwater School District = **\$194,000.**
 - Tumwater Metro Parks = **\$24,500.**
 - Timberland Library = **\$11,500.**
- Does not include annual sales tax or B&O tax estimates.

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SSCC Economic Development Benefits

City of Tumwater (cont'd)

- **Infrastructure** – On/offsite improvements required:
 - Stormwater, frontage improvements, Center Street upgrades.
- **Employment Opportunities** – Jobs and direct/indirect wages:
 - Job types/wage ranges known once tenant(s) identified.
 - Anticipated employment sectors include:
 - Industrial distribution and warehousing.
 - Light manufacturing.
 - E-commerce, technology, and/or life sciences.

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SSCC Community Development Impacts

Benefits to the Broader Community

- Interstate 5/Tumwater Boulevard interchange improvements.
- Center Street roadway improvements.
- Center Street frontage improvements.
- Improved stormwater handling vs. runoff.
- Tax benefit to Emergency Services (TFD, TPD), Tumwater School District, Metro Parks District, and Library *without* increased service load.

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SSCC Community Development Impacts

Benefits to the Broader Community (cont'd)

- Option to Ground Lease 7th Amendment follow-up...
- Port-Panattoni-City discussions already underway, including:
 - Provisions by Panattoni for pedestrian/bicycle trail.
 - Potential optioned property Port-Panattoni land exchange to dedicate a parcel for future community use.
 - City of Tumwater has expressed conceptual support.
- To be memorialized in a future 8th Amendment.

20



20

Alignment with Port's Strategic Vision and Goals

Vision 2050: Focus Area 2; Goal 1; Action Items 19, 21, 23

Countywide Economic Development and Real Estate Framework						
Goal: Leverage the Port's unique statutory authority to catalyze economic opportunities in partnership with local jurisdictions and economic development organizations.				Community Priority Level		
#	Action Key Words	Complete Action	Task Force Notes	1	2	3
19	Create and support small and emerging businesses	Lead or partner in efforts to create and support small and emerging businesses.	e.g. light manufacturing, commercial kitchen	✓		
21	Grow freight logistics, avionics, real estate, tourism, agriculture, food processing and storage, and manufacturing	Increase the Port's capacity to market core assets and attributes to attract business and job creation opportunities such as intermodal freight logistics, avionics, real estate development, recreation and tourism, agriculture, food processing and storage, and manufacturing.			✓	
23	Support and invest in regional economic development activities	Become an active partner in the Thurston Economic Alliance and identify specific ways to support innovation, start-up businesses, catalyst projects and gap infrastructure investments.	May require trade-offs, where high return on investment projects replace under-performing ones		✓	

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Alignment with Port's Strategic Vision and Goals

Vision 2050 (cont'd): Focus Area 2; Goal 3; Action Items 31, 34

Airport Functions						
Goal: Maximize the economic and community value of the Olympia Regional Airport in accordance with FAA Master Plan regulations.				Community Priority Level		
#	Action Key Words	Complete Action	Task Force Notes	1	2	3
31	Coordinate with partners on Tumwater development opportunities	Evaluate local government partners' economic development and land use needs and how they might be advanced using Port-owned properties.	Preserve property for long-term, high-priority development goals		✓	
34	Support non-air-dependent manufacturing at airport properties	Support non-air-dependent manufacturing and services that can take advantage of the airport's/NMIC's geographic amenities and services.			✓	

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Form of Ground Lease Review

Center Street Improvements Reimbursement Agreement

- PDC to pay 100% of costs associated with Center Street improvements.
 - Zero cash outlay from Port.
 - Safety, structural improvements, designated truck route.
 - ~ 3,000 feet total; thus, ~ 6,000 linear feet frontage.
- PDC shall receive future ground rent credit for that portion of Center Street improvement cost other than SSCC frontage.
 - PDC frontage 575.97 linear feet ~ 10% of total frontage.

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23

Form of Ground Lease Review

Center Street Improvements Reimbursement Agreement (cont'd)

- Maximum Center Street cost \$750,000.
- Future monthly rent credit to PDC ~ \$675,000.
 - Equates to ~ 13 months from ground rent start date.
- Anticipated PDC SSCC rent credit end date: August 2027.
- Port credit provided will be recovered in part from future Center Street tenants via latecomer's agreements.
 - TMC 12.14 – Street Assessment Reimbursement Agreements.

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Form of Ground Lease Revisions

Updates to December 2023 Template

- Consistent with 7th Amendment provisions.
- Exhibit H added: Center Street SW Scope of Work.
- Exhibit I added: South Sound Commerce Center frontage.
- Exhibit J added: Lease Certificate of Commencement.

25



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Form of Ground Lease Revisions

Updates to December 2023 Template (cont'd)

- Changes to Section 1 – Lease Summary and Section 37 – Appraisal Procedure.
 - Future rent calculations beyond Year 25 too obscure to be clear.
 - Amended language incorporates current best practices for periodic appraisal determinations of fair market value.
 - Fair market appraisals to be accomplished every ten years beginning with lease term Year 26.
 - Subject to no less than then-current rent and no greater than +10%.

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Environmental Requirements

SEPA Process

- 2019: Port entered into an Interlocal Agreement (ILA) with the City of Tumwater pursuant to RCW 39.34.080.
- ILA provides that City of Tumwater serves as lead agency for SEPA. for "project actions" (as defined in WAC 197-11-704(a)(2)) on Port property in Tumwater (outside the Airport's Air Operations Area).
- ILA is consistent with Tumwater Municipal Code 16.04.070 and SEPA (WAC 197-11-942), which both authorize a single agency or government to serve as SEPA lead agency when multiple jurisdictions have a role.

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Environmental Requirements

SEPA Process (cont'd)

- Such agreements are more efficient for the participating agencies and lead to more consistent outcomes.
- Pursuant to this ILA, City of Tumwater served as SEPA lead agency for this Panattoni "project action" on Port-owned land.
- 2022: Tumwater completed a thorough SEPA process for the SSCC project, resulting in the issuance of an MDNS.
 - Ground Lease Agreement Exhibit "H."

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South Sound Commerce Center (SSCC)

Project Implementation Will Commence Upon Lease Execution

- City permits are ready for immediate issuance.
- PDC is in final negotiations with its equity/debt partner.
- PDC received four bids on the project and will choose its general contractor this month.
- Site development, I-5/Tumwater Blvd interchange, Center Street improvements, and building construction to commence ASAP.
- Fee payments to City of Tumwater commence May 2025.

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Next Steps

Future Commission Action and Staff Follow-Up

- 4/28/2025 Commission meeting.
- Authorize the Executive Director to execute the ground lease.
- Action via Consent Calendar.
- Monitor issuance of City permits for commencement of PDC SSCC option payments: NLT July 2025.
- Ground lease revenue generation: NLT 3rd quarter 2026.

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Questions and Comments

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PORT OF OLYMPIA GROUND LEASE TUMWATER PROPERTIES

THIS LEASE is made this 28th day of April, 2025, by and between the PORT OF OLYMPIA, a Washington municipal corporation, Lessor, hereinafter referred to as "Landlord" or "Port", and the Tenant described below, hereinafter referred to as "Tenant", on the following terms and conditions:

1. LEASE SUMMARY.

TENANT

Name: SSECC PDC GL1, LLC, a Delaware limited liability company
Address: 1821 Dock Street, Suite 100
City, State, Zip Code: Tacoma, Washington 98402
Phone Numbers: (206) 248-0555
Email: THale@Panattoni.com

PREMISES

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, upon and subject to the terms and conditions of this Lease, that certain real property known as South Sound Commerce Center, consisting of approximately 29.27 acres of land or approximately 1,274,852 square feet of land, per the August 15, 2022 amended survey, located on Center Street SW in Tumwater, Thurston County, Washington as generally shown and described in **Exhibit "A"** hereto, subject to encumbrances, rights, and reservations as shown therein or provided in this Lease, and as presently existing or hereafter arising pursuant to governmental authority ("Premises").

Tenant acknowledges and agrees that Tenant is responsible for applying for, processing, obtaining, and recording such approvals as may be necessary for the division of the Premises from the larger property owned by the Port of which the Premises are a part, whether by binding site plan or other approval and Tenant shall bear all costs and expenses thereof. The Port shall be given the opportunity to review and approve all applications and submissions made by Tenant in connection therewith prior to submission to the City of Tumwater (the "City"), with the Port's approval not to be unreasonably withheld, conditioned or delayed. The Port agrees to execute such documents as Tenant may reasonably request in such regard and for such purpose and the Port further agrees to support and otherwise fully cooperate with such action commenced by Tenant; provided, however, that except as otherwise provided in this Agreement: (i) the Port shall not be required to incur any expense in doing so, (ii) Tenant shall exercise commercially reasonable efforts (not including variances or other processes for deviations from normal code requirements) to cause any such document to be so worded or submitted as to leave the Port and the Premises and all other Port property without residual liabilities, obligations or encumbrances should Tenant fail to proceed with the government approvals, (iii) no action affecting the Premises or any other Port Property shall be finalized and no document referencing the Premises or any other Port property shall be recorded without the Port's express written consent to such finality or recording, which shall not be unreasonably withheld, conditioned,

or delayed (and, unless otherwise indicated, the Port's execution of an application or petition shall not constitute the Port's consent to finalization of the action requested in such application or petition or to recording of any document), and (iv) the terms of such permits and any associated agreements are subject to the approval of the Port to the extent that the terms thereof would bind the Port following expiration or termination of this Agreement, which such approval shall not be withheld with respect to routine development restrictions and covenants that would run with the land developed for a project like the improvements to the Premises intended to be completed by the Tenant (the "Project") (e.g., slope setback and non-disturbance provisions, rights to make cuts and fills for roads, etc.) or restrictions and covenants otherwise required or customary for issuance of the requested approvals (e.g., provisions applicable to decommissioning facilities used in the management of Hazardous Material), and (v) such documents shall provide that the Port shall have no liability during the Term for any costs or other liabilities related solely to such permits or agreements, applicable law or set forth elsewhere in this Agreement.

Upon full execution of this Lease, the Port and Tenant agree to execute an addendum to this Lease setting forth the description and size of the Premises in accordance with the binding site plan provided by Tenant and approved by the Port.

TERM

The initial term shall be Fifty-Five (55) years beginning upon receipt of the earlier of a site development/grading permit (Site Development/Grading Permit No. TUM-22-0747) or building construction permit (New Commercial Building Permit No. TUM-22-0749) from the City the "Lease Commencement Date", and ending on the last day of the month in which the Lease Term began, fifty-five (55) years later (the "Initial Term"); provided that the commencement of this Lease is subject to the Port's receipt of first month's rent, subject to the Rent Credit due the Tenant from the Port as described in the ADDITIONAL PROVISIONS section below, lease security in a form acceptable to the Port, and certificate of insurance in a form acceptable to the Port. Tenant shall also have two (2) options to extend the term as outlined below. Within a reasonable period after Tenant's receipt of the first of the permits identified above, Tenant shall provide notice to the Port and the Parties shall execute the Certificate of Commencement attached hereto as **Exhibit "J"**.

OPTION TO EXTEND TERM

Tenant shall have two (2) option(s) to extend the Lease Term for an additional period of ten (10) years each. Such extensions shall be upon the terms, covenants, and conditions contained herein (except for rent, rental adjustments, and the times at which rental adjustments shall be made, all of which shall be determined in accordance with the then current Commission policy). The extension term shall commence on the expiration of the immediately preceding term. Such Option to Extend may be exercised only by written notice to the Port no later than one hundred and eighty (180) days prior to the expiration of the then current term. Tenant shall not be entitled to extend this Lease if Tenant is in default of the performance of its obligations hereunder at the date notice of extension is made, at the date notice of extension is due, or at the date the extension term is to commence. In addition, Tenant shall not be entitled to renew this Lease if Tenant is a corporation, limited liability company, or other entity whose stated duration will expire prior to the end of the renewal term.

BASE GROUND RENT

Initial Rent: Tenant shall pay monthly base rent in the amount Fifty Thousand Nine Hundred Ninety-Four Dollars and Sixteen Cents USD (\$50,994.08), based on 1,274,852 square feet, (based on \$0.48 per square foot per annum) ("Base Ground Rent") plus Washington State Leasehold Tax.

Rent Adjustments: During the Initial Term, through the end of the twenty-fifth (25th) year of the Lease Term, the Base Ground Rent shall be increased every five (5) years by ten percent (10%), with the first adjustment being effective as of the fifth (5th) anniversary of the Lease Commencement Date and each such date being hereafter referred to as a "Rent Adjustment Date". Provided, however, that the Base Ground Rent shall never be decreased. Each adjustment shall be calculated on the applicable Rent Adjustment Date and shall be effective as of the applicable Rent Adjustment Date. Within thirty (30) days of the date of the Port's notice of adjustment following completion of an adjustment calculation, Tenant shall pay to the Port the amount of any deficiency in rent paid by Tenant for the period following the subject Rent Adjustment Date and shall thereafter pay the adjusted rent until receiving the next notice of adjustment from the Port.

Notwithstanding adjustments to the Base Ground Rent as provided above, Base Ground Rent for the twenty-sixth (26th), thirty-sixth (36th), forty-sixth (46th), fifty-sixth (56th), and the sixty-sixth (66th) Agreement Years (to the extent Tenant chooses to exercise one or more of the two (2) options to extend the Lease Term) will be adjusted to the then-prevailing fair market rental rate (the "Fair Market Rent") considering similarly-zoned, unimproved industrial property of comparable contiguous developable square footage located within or reasonably proximate to the Premises, to be delivered to a new tenant for development as of the applicable Adjustment Date, subject to the Floor and Cap (as such terms are defined below). The value of any improvements made to the Premises will not be considered in establishing the Fair Market Rent (i.e., the Fair Market Rent shall be determined as if there are no improvements on the Premises). Notwithstanding anything to the contrary contained in this Agreement, in no event will the Fair Market Rent amount be less than one hundred percent (100%) of the then current Base Ground Rent (the "Floor") or more than one hundred ten percent (110%) of the then current Base Ground Rent (the "Cap"). The fair market rental value for rental revisions pursuant to this paragraph shall be determined by independent appraiser, as outlined in Paragraph 37, **APPRAISAL PROCEDURE**.

Base Ground Rent for the thirtieth (30th), fortieth (40th), fiftieth (50th), sixtieth (60th), and the seventieth (70th) Agreement Years (to the extent Tenant chooses to exercise one or more of the two (2) Extension Options) will be increased by ten percent (10%) of the most recent Fair Market Rent adjustment.

RENT COMMENCEMENT DATE

Base Ground Rent shall commence at the earliest to occur of (a) date Tenant receiving a temporary Certificate of Occupancy issued by the City or (b) fourteen (14) months from the Lease Commencement Date.

LEASE SURETY

In accordance with Paragraph 5 of the Lease, Tenant shall file with the Port a good and sufficient surety ("Surety") in an amount equal to one (1) year's minimum Base Ground Rent plus Washington State Leasehold Excise Tax, in a form acceptable to the Port, and adjusted to reflect rental adjustments and other changes to payments due under this Lease. The initial Surety amount shall be Six Hundred Ninety Thousand Five Hundred One Dollar and Seventy-Two Cents USD (\$690,501.72) (one times the annual rent plus Washington State Leasehold Excise Tax of 12.84%). The initial Surety amount shall be posted with the Port by the date of execution of the Lease by Tenant. Any change in Surety shall be posted with the Port at least thirty (30) days prior to the effective date of such change. The expiration date for any Surety shall not be sooner than ninety (90) days after satisfaction of Tenant's obligations under this Lease.

USE OF PREMISES

Tenant may use the Premises for: Commercial, manufacturing and industrial uses.

INSURANCE

Bodily Injury/Death: Combined Single Limit \$1,000,000 each occurrence.
Property Damage per Occurrence: \$500,000.

Tenant shall submit certificates evidencing compliance with Paragraph 14, and at the Port's request shall provide the Port with the actual policies or copies thereof. Tenant shall furnish the Port with evidence of renewal of such policies prior to their expiration.

ASSIGNMENT, SUBLEASE, OR LEASE MODIFICATION.

Tenant shall be subject to a fee for any request for assignment, sublease, or modification of this Lease as stated in Port Commission Fee Schedule, except as otherwise sent forth in this Lease.

REAL ESTATE COMMISSIONS AND FEES.

No real estate commissions or fees are payable under this ground lease.

COMMISSIONS AND FEES

In the absence of any agreement between the parties to the contrary, each party represents and warrants to the other that it has not been represented by, or introduced to the other by, any broker or agent. In the absence of any agreement between the parties to the contrary, each party hereby agrees to indemnify and hold the other harmless from and against any and all fees, commissions, costs, expenses (including attorney fees), obligations, and causes of action arising against or incurred by the other party by reason of any claim for a real estate commission or a fee or finder's fee by reason of

any contract, agreement or arrangement with, or services rendered at the request of, the indemnifying party.

ADDITIONAL PROVISIONS

CONSTRUCTION COMMENCEMENT

Execution by both Tenant and Landlord is required before the Tenant takes receipt of the required permit(s) to commence construction, and no site preparation or construction of any nature may commence until a ground lease for the Premises has been executed by both Tenant and Landlord.

CENTER STREET IMPROVEMENTS (SCOPE)

1. Port and Tenant understand and agree the City requires certain improvements on Center Street (a city-owned street) between Tumwater Boulevard and the south property line of Tenant's Premises frontage, a length of approximately 3,000 linear feet ("Center Street Improvements"). Such improvements are to be part of and as a condition to the approval of permits for development of the Premises.
2. City and Tenant have agreed to the specific scope of work ("Scope") to be memorialized by the City-issued permit for the Center Street Improvements hereto attached as **Exhibit "H"**. The Scope, as identified in the City-issued permit and relevant supporting documents, is specifically limited to meeting, and not exceeding in any measure, the City's conditional requirements for permit issuance. The Scope shall not include Tenant's frontage improvements. Any such Tenant frontage improvements that may be required by the City are independent of any and all required Center Street Improvements.
3. The Port shall have the opportunity to review and approve, within ten (10) business days following submittal to the Port by the Tenant, and in advance of implementation, the Scope for the Center Street Improvements plan, and such review shall not be unreasonably withheld. Port approval of the Scope shall not require any improvement(s) other than those required by the City.

CENTER STREET IMPROVEMENTS (PAYMENT)

1. Tenant agrees to pay one hundred percent (100%) of any and all costs and fees associated with the Scope, i.e., the City-required improvements of Center Street as defined, as part of Tenant's site development project.
2. Tenant has shared with the Port a Preliminary Estimate in the amount of \$643,711, plus reasonable design costs as agreed to by Port and Tenant, and Tenant shall submit to the Port a final Accepted Bid for Center Street Improvements in accordance with the Scope and not including Tenant's frontage improvements. Tenant and the Port understand and agree that the dollar amount of the Preliminary Estimate may fluctuate before the final Accepted Bid is executed and reasonable design costs are determined. Such final Accepted Bid submitted to the Port shall not exceed \$750,000.

CENTER STREET IMPROVEMENTS (RENT CREDIT)

1. Tenant will receive a credit in the amount of the final cost of Center Street Improvements, including reasonable design costs approved by the Port in advance, which represents the full cost of Center Street Improvements per the City-approved plans and Scope, not including any cost directly associated with Tenant's frontage improvements, a length of approximately 576 linear feet, as depicted in the attached **Exhibit "I"**.

2. Such credit will be applied on a continuing monthly basis, for the amounts that would have been otherwise due in that month, against the Tenant's obligated lease payments until the full credit has been applied.

CONFLICTING PROVISIONS

To the extent any of the provisions of the foregoing Paragraph 1, LEASE SUMMARY, conflicts with any other provisions of this Lease, the provisions of Paragraph 1, LEASE SUMMARY, shall govern.

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EXHIBIT “J” – LEASE TERM CERTIFICATE OF COMMENCEMENT

THE PARTIES HEREBY AGREE AS FOLLOWS:

2. PREMISES.

The Port hereby leases to Tenant, and Tenant hereby leases from the Port, the Premises described in Paragraph 1, **LEASE SUMMARY** above.

3. TERM.

This Lease shall be for the term specified in Paragraph 1, **LEASE SUMMARY** above.

4. RENT.

4.1. It is the intention of the parties hereto that the rent specified in this Lease shall be net to the Port in each year during the term of the Lease. Accordingly, all costs, expenses and obligations of every kind relating to the Premises (except as otherwise, specifically provided in the Lease) which may arise or become due during the term of the Lease shall be paid by Tenant and the Port shall be indemnified by the Tenant against such costs, expenses and obligations. All such costs, expenses, and obligations and payments coming due hereunder shall be deemed as "additional rent".

4.2. Tenant agrees to pay as rent for the use and occupancy of the Premises during the term of this Lease, without deduction or offset, the rent specified in Paragraph 1, **LEASE SUMMARY** above, payable to the Port in advance on or before the first day of each and every month and payable at such place as the Port may designate.

4.3. If the Tenant does not pay the rent by the 10th of the month, then in addition to the overdue rent, Tenant shall pay interest on the rent payment then due at a rate per annum equal to the greater of eighteen percent (18%) per annum or two (2) percentage points over the composite prime rate of interest set forth in the Wall Street Journal "Money Rates" Column (or its successor) most recently prior to such date. Such interest commences on the date the rent is due and continues until such rent is paid. If the Tenant does not pay the rent when due and interest is incurred each month for three (3) consecutive months, the rent called for herein shall automatically become due and payable quarterly in advance rather than monthly, notwithstanding any other provision in this Lease to the contrary, and regardless of whether or not the interest is paid or collected. The imposition of such interest does not prevent the Port from exercising any other rights and remedies under this Lease.

5. LEASE SURETY.

Tenant shall, upon execution of this Lease, file with the Port a good and sufficient security ("Surety") in the form of a bond, letter of credit, cash deposit, or other surety acceptable to the Port in its sole discretion, in accordance with the requirements of state law RCW 53.08.085 and Paragraph 1, **LEASE SUMMARY** above. The form and terms of the Surety and the identity of the surety shall be subject to approval of the Port, and the surety shall guarantee the full performance by Tenant of all the terms and conditions of this Lease, including the payment by Tenant of the rents and all other amounts herein provided for the full term hereof. Any acceptable surety instrument having an expiration earlier than the full lease term shall be automatically renewable. Any company issuing such a surety instrument must give the Port at least ninety (90) days advance written notice prior to the effective date of cancellation or expiration of such surety instrument. These provisions as to lease surety are subject to the continued approval of the Port and to revision and adjustment as may hereafter result from changes in state requirements or as established by the Port Commission.

The Surety is a part of the consideration for execution of this Agreement. If Tenant shall have fully performed all terms and conditions of this Agreement, the Surety (or such portion as remains without claim by the Port) shall be returned to Tenant within thirty (30) days following the termination (or expiration)

date; otherwise the Port shall, in addition to any and all other rights and remedies available under this Agreement or at law or equity, retain title to that portion of the Surety sufficient to remedy the default.

The Port may apply all or part of the Surety to unpaid rent or any other unpaid sum due hereunder, or to cure other defaults of Tenant. If the Port uses any part of the Surety, Tenant shall restore the Surety to its then-currently required amount within fifteen (15) days after the receipt of the Port's written request to do so. The retention or application of such Surety by the Port pursuant to this Section does not constitute a limitation on or waiver of the Port's right to seek further remedy under law or equity.

6. ACCEPTANCE OF PREMISES.

Tenant has examined the Premises, and the adjoining premises of which the Premises are a part, and accepts them in their present condition. There are no warranties expressed or implied as to any condition apparent or unknown except as otherwise stated in this Lease. Tenant agrees to make any changes in the Premises necessary to conform to any federal, state or local law applicable to Tenant's use of the Premises.

7. POSSESSION.

If the Port shall be unable for any reason to deliver possession of the Premises or any portion thereof at the time of the commencement of this Lease, the Port shall not be liable for any damage caused thereby to Tenant, nor shall this Lease thereby become void or voidable, nor shall the term specified herein be in any way extended, but in such event Tenant shall not be liable for any rent until such time as the Port can deliver possession; provided that if Tenant shall take possession of any portion of the Premises in the interim, it shall pay the full rent specified herein reduced pro rata for the portion of the Premises not available for possession by Tenant; and provided further, that if the Port shall be unable to deliver possession of the Premises at the commencement of this Lease, Tenant shall have the option to terminate this Lease by giving at least thirty (30) days' written notice of such termination, and this Lease shall terminate unless the Port shall deliver possession of the Premises prior to the effective date of termination specified in such notice. If Tenant shall, with the Port's consent, take possession of all or any part of the Premises prior to the commencement of the term of this Lease, all of the terms and conditions of this Lease shall immediately become applicable, with the exception that Tenant shall not be obligated to pay any rental for the period prior to the commencement of the term of this Lease unless otherwise mutually agreed.

8. USE OF PREMISES.

Tenant shall use the Premises only for those purposes stated in Paragraph 1 above and shall not use them for any other purpose without the prior written consent of the Port, which consent may be withheld in the Port's sole discretion. The Premises shall be used only for lawful purposes; and only in accordance with all applicable building, fire and zoning codes. Tenant shall use the entire Premises for the conduct of said business in a first-class manner continuously during the entire term of this Lease. Tenant agrees that it will not disturb the Port or any other Tenant of the Port by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the Premises. Tenant may install, post, erect and, as Tenant desires or may be required, illuminate exterior facility identification, traffic control, safety, security, ADA, and other code required signage complying with applicable building code, municipal code requirements, and FAA regulations. No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted on or within the Premises, including the windows and doors thereof, without the approval of the Port, which shall not be unreasonably withheld, conditioned, or delayed. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies or awnings attached to or painted by Tenant shall be removed by Tenant at its own expense, and Tenant shall repair any damage or injury to the Premises and correct any unsightly condition caused by such removal. At no time shall the Tenant have the right to remove or otherwise disturb timber, valuable minerals, sand, gravel or water, from

the site, which materials belong to the Port and may only be used with consent and appropriate compensation.

So long as Tenant is not in default under this Agreement and subject to the specific provisions, covenants and agreements contained in this Agreement, the Port covenants and agrees that the quiet and peaceful possession and enjoyment of the Premises by Tenant shall not be disturbed or interfered with by the Port or by any other party claiming by or through the Port.

9. REQUIREMENTS AS TO IMPROVEMENTS.

The specific requirements as to the planning, construction and completion of any major improvements planned by Tenant on the Premises are attached hereto as **Exhibit "B"** to this Lease, which by this reference is incorporated herein as if set forth in full. Prior to the submission of any plans for contemplated improvements on the Premises, Tenant shall furnish a survey of the appropriate Premises as prepared by a registered and licensed surveyor, all at Tenant's own expense.

10. RIGHTS-OF-WAY.

The Port agrees to grant other such right-of-way easements across the property of the Port reasonably available therefor, on reasonable terms and conditions, for the installation and maintenance of necessary and adequate services to the Premises, including but not limited to reasonable ingress, egress, and utilities to and from the Premises on established roadways, driveway, and corridors and sidewalks provided there is no public road access, petroleum product pipelines, railroad spurs, railways and utility lines.

11. RESERVATION OF RIGHTS.

The Port reserves to itself from the Premises rights of way upon, over, across, onto or beneath the above-described lands for access ways, driveways, and other roads, pole and wire lines, gas, water and sewage pipes and mains, conduits, and other utilities, and industrial or business area facilities of all kinds now existing or to be constructed and maintained by it, either in addition to or in the substitution for those now existing from any point or points and in any direction and also reasonable rights of entry upon the Premises for the construction, repair, inspection and maintenance of them in efficient use and condition, providing such action by the Port shall not materially interfere with or interrupt Tenant's operation and shall be at the expense of the Port. The Port is hereby granted such continuous and perpetual easement or easements that the Port believe are necessary within the Premises for such purposes, which easement or easements may be further granted by the Port to third parties.

12. AIR SPACE RESERVATIONS AND USE RESTRICTIONS.

There is hereby reserved to the Port, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the air space above the surface of the Premises herein conveyed, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said air space or landing at, taking off from or operating on the Olympia Regional Airport. Tenant, its successors and assigns, will not erect or permit the erection of any structures nor permit the growth of any tree thereon which would exceed the height limitations set forth in the applicable zoning ordinance and under 14 CFR Part 77, as may be amended from time to time. Tenant, its successors and assigns, will comply in all respects with said zoning ordinance, which is hereby made a part of this Lease. Tenant expressly agrees for itself, its successors and assigns to restrict the height of structures, objects or natural growth and other obstructions on the Premises to a maximum height as determined by applicable Federal Aviation Administration standards as currently in effect or as may be hereafter issued or amended.

Tenant expressly agrees for itself, its successors and assigns to prevent any use of the Premises described which would interfere with landing or taking off of aircraft at the Olympia Regional Airport or otherwise constitute an airport hazard as may be determined by the Port or the Federal Aviation Administration (FAA) or any similar agency having jurisdiction over operations at the Olympia Regional Airport. The prohibited use of the Premises referred to in this paragraph includes causing any visual obstruction or radio or similar emission that may tend to interfere with the operations at the Olympia Regional Airport.

If the Premises are located within the approach zone to the Olympia Regional Airport, Tenant would therefore be subject to substantial use restrictions for the benefit of such airport and its uses. In view of these restrictions, Tenant may not sublease the property until such sublessee shall have received written permission from the Port as to the nature and extent of the use to which such the sublessee intends to devote the property in order to ensure that such intended use will not in any way interfere with the operation of the Olympia Regional Airport.

Tenant acknowledges that noise from both flight and non-flight operations may be generated from activities at the Olympia Regional Airport and by other tenants of the Port. Tenant is taking the Premises subject to such condition, whether now existing or hereafter arising, and hereby waives all claims (including, without limitation, claims for damages, nuisance or injunctive relief) relating thereto; provided, however, that Tenant does not waive any right to have applicable statutes and regulations regarding noise enforced.

13. UTILITIES AND SERVICES.

Tenant shall be liable for and shall pay throughout the term of this lease all charges for all utility services furnished to the Premises, including but not limited to, light, heat, gas, janitorial services, garbage disposal, security, electricity, water, stormwater and sewerage, including any connection fees, and any fire protection, police protection, or emergency health services as furnished by local authorities and as may be the subject of a contract between the Port and such local authorities or as imposed by ordinance or statute. If the Premises are part of a building or part of any larger premises to which any utility services are furnished on a consolidated or joint basis, Tenant agrees to pay to the Port Tenant's pro-rata share of the cost of any such utility services. Tenant's pro-rata share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of cost shall not be required.

14. INDEMNIFICATION/LIABILITY INSURANCE.

The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained or alleged to have been sustained by Tenant or by others (including, but not limited to all persons directly or indirectly employed by Tenant, and any agents, contractors, subcontractors, suppliers, customers, licensees, or invitees of Tenant) as a result of any condition (including existing or future defects in the Premises), or occurrence (including failure or interruption of utility service) whatsoever related in any way to the Premises and the areas adjacent thereto; provided, however, that the foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense to the extent resulting from the negligence or wrongful conduct of the Port or its employees, agents, contractors, subcontractors, suppliers, or officers. Tenant hereby covenants and agrees to indemnify, defend (with attorneys reasonably satisfactory to the Port), protect and hold the Port harmless against and from any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys' and experts' fees and disbursements) which may at any time be imposed upon, incurred by or asserted or awarded against the Port arising from or in connection with the loss of life, personal injury and/or damage to property occasioned by any negligent or other wrongful act or omission of Tenant or its employees, agents, contractors, subcontractors, suppliers, customers, licensees, or invitees. In addition, Tenant covenants and agrees to indemnify, defend (with attorneys reasonably satisfactory to

the Port), protect and hold the Port harmless against and from any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, attorneys' and experts' fees and disbursements) which may at any time be imposed upon, incurred by or asserted or awarded against the Port and arising from or in connection with the loss of life, personal injury and/or damage to property arising from or out of any occurrence in or upon the Premises, unless caused by any negligent or other wrongful act or omission of the Port or its agents, contractors, servants or employees. If a court of competent jurisdiction determines that any activity covered by the indemnities under this section of this Lease is subject to RCW 4.24.115, then, in the event of liability for damages arising out of a bodily injury to persons or damage to property caused by or resulting from the concurrent negligence or willful act or omission of Tenant and Landlord, its officers, officials, employees, agents, contractors, or volunteers, the Tenant's and Landlord's liability hereunder shall be only to the extent of each such party's negligence or willful act or omission. It is further specifically and expressly agreed that Tenant hereby waives any immunity it may have under industrial insurance, RCW Title 51, solely for the purposes of this indemnification and only to the extent necessary to render the parties' indemnity obligations enforceable. This waiver was mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Lease.

The Port shall indemnify, defend, and hold Tenant harmless from claims that are: (i)(a) for personal injury, death, or property damage or (b) for incidents occurring in or about the Premises, building, common areas or project; and (ii) caused by the negligence or wrongful conduct of the Port, its principals, agents, contractors, or employees. This indemnification and hold harmless shall include reasonable attorney fees and court costs incurred by Tenant with respect to such claims.

Tenant shall, at its own expense, provide and maintain commercial general liability insurance or its equivalent with a reputable insurance company or companies reasonably satisfactory to the Port, and including, but not limited to premises and operations; personal injury, contractual liability; independent contractors; broad form property damage; completed operations and products; pollution liability; and such additional types and amounts of liability insurance as the Port may deem reasonably necessary for the types of services or activities offered by Tenant and customarily required by landlords under such circumstances and with the minimum policy limits set forth above. The coverage afforded by such policies shall thereafter be in such amounts as the Port may specify from time to time in accordance with what would be required by a reasonable and prudent property manager in the same geographic area. The Port shall be named as an additional insured on such policies. Such policies shall provide that such insurance may not be cancelled without the insurance company first having given the Port thirty (30) days' advance written notice of such intent to cancel. Tenant shall submit certificates evidencing compliance with this paragraph by time of execution of the Lease by Tenant, and at the Port's request shall provide the Port with the actual policies or copies thereof. Tenant shall furnish the Port with evidence of renewal of such policies prior to their expiration.

15. WAIVER OF SUBROGATION.

The Port and Tenant hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective insurance contracts, including any extended coverage endorsements thereto, provided, that this paragraph shall be inapplicable to the extent it would have the effect of invalidating any insurance coverage of the Port or Tenant. Each party agrees to cause their respective insurance carriers to include in its policies a waiver of subrogation clause or endorsement.

16. TAXES.

Tenant shall be liable for, and shall pay, throughout the term of this lease, all license fees and taxes covering or relating to the Premises and its use, including, without limitation, (a) all real estate taxes

assessed and levied against the Premises; (b) all amounts due and payable for general or special assessments against the Premises during the term of this lease (whether assessed prior to or during the term of this lease), including any assessments for LIDs or ULIDs; and (c) all personal property taxes upon Tenant's fixtures, furnishings, equipment and stock in trade, Tenant's leasehold interest under this lease or upon any other personal property situated in or upon the Premises. Tenant shall reimburse the Port for all such taxes paid or payable by the Port. All other tax amounts for which the Port is or will be entitled to reimbursement from Tenant shall be payable by Tenant to the Port at least fifteen (15) days prior to the due dates of the respective tax amounts involved; provided, that Tenant shall be entitled to a minimum of thirty (30) days' written notice of the amounts payable by it. If any governmental authority at any time levies a tax on rentals payable under this lease or a tax in any form against the Port because of or measured by income derived from the leasing or rental of the Premises, such tax shall be paid by Tenant; provided, however, that Tenant shall not be liable for the payment of any tax imposed generally on the Port's gross or net income without regard to the source of such income.

17. MAINTENANCE AND REPAIR.

Tenant shall, at its own expense, keep the Premises and the buildings, structures and other improvements located on the Premises, and the adjoining roadways, sidewalks and areas, in a neat, clean, safe, sanitary, and good condition, reasonable wear and tear excepted, and to maintain the landscape and undeveloped areas (including ditches and shoulders of adjoining roadways) in a clean, sanitary, orderly and attractive condition, mowed and free from rubbish and debris.

Tenant shall also, at its own expense, at all times keep the Premises free from infestation of pests and conditions which might result in harborage for, or infestation of, pests (pests shall include, without limitation, rodents, insects, and birds in numbers to the extent that a nuisance is created). Tenant shall keep the glass of all windows and doors on the Premises clean and presentable, and shall maintain and keep the Premises in a good state of repair, and shall commit no waste of any kind, and, without limiting the generality of the foregoing, shall replace all cracked or broken glass in the Premises, and keep the electrical system and all drains clean and in a good state of repair, and shall protect all sprinkler systems and all pipes and drains so that they will not freeze or become clogged.

Tenant shall replace any and all improvements which become worn out, obsolescent, deteriorated, unsafe or unusable and shall replace such improvements with new fixtures and improvements of at least as good a quality as originally installed at the commencement of this Lease. If Tenant fails to properly maintain or repair the Premises or any improvements thereon, the Port shall be entitled, but shall not be obligated, to enter the Premises after notice to Tenant and the expiration of any applicable cure period, and perform such work as may be necessary to restore the Premises and improvements to the conditions set forth herein. The cost of such repairs shall be billed to Tenant by the Port and shall be payable upon receipt and subject to the same penalties for late payment as if such payment was additional rent. Tenant shall have no claim as deduction or offset any monies or charges against the rent paid to the Port for maintenance or repairs. Tenant has inspected the Premises and accepts the Premises "AS IS".

Tenant shall also keep the Premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the Premises by Tenant. At the Port's request, Tenant shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the Premises if not paid. Any dispute under this section shall be subject to arbitration under Paragraph 38, **ARBITRATION PROCEDURE**.

18. ALTERATIONS AND IMPROVEMENTS -- SIGNAGE.

18.1 Alterations and Improvements. Tenant shall make no alterations or improvements to or upon the Premises or install any fixtures (other than trade fixtures which can be removed without injury to the Premises) without first obtaining written approval of the Port. The Port's response to Tenant's requests

for approval shall be prompt, and such approval shall not be unreasonably withheld. Upon installation, Tenant shall furnish the Port with a copy of the "as-built" drawings including utility installations and site plans detailing the nature of the additions, alterations or improvements. The Port reserves the right to have Tenant remove, at Tenant's sole expense, all or any of such alterations, additions or improvements at the end of the Lease term as provided in Paragraph 19, **DISPOSITION OF IMPROVEMENTS**. Any dispute under this section shall be subject to arbitration under Paragraph 38, **ARBITRATION PROCEDURE**.

18.2 Signage. Tenant may install, post, erect and, as Tenant desires or may be required, illuminate exterior facility identification, traffic control, safety, security, ADA, and other code required signage complying with applicable building code, municipal code requirements, and FAA regulations. Tenant shall have no right to install Tenant identification signs in any location in or about the Premises that are visible from the exterior of the building, without first obtaining written approval of the Port, which shall not be unreasonably withheld, conditioned or delayed. The location, size, design, color and other physical aspects of permitted signs shall be subject to (i) Port's written approval prior to installation; (ii) any covenants, conditions or restriction encumbering the Premises and (iii) any applicable municipal permits and approvals.

19. DISPOSITION OF IMPROVEMENTS.

a. Except as otherwise agreed to in writing by the Port, in its sole and absolute discretion, within sixty (60) days after the expiration or earlier termination of this Lease (including any and all extensions or renewals thereof), the Tenant shall at Tenant's expense, remove, demolish or clear off from the Premises all improvements and all property owned by Tenant, and after such removal or clearance, Tenant shall restore the surface of the ground to a properly graded, filled, compacted, level, and uniform condition, free from all debris, and in accordance with all applicable law and all provisions of this Lease, including but not limited to Paragraph 27, **HAZARDOUS SUBSTANCES**.

b. If the Port, in its sole discretion, elects to have all or any portion of the improvements remain on the Premises, then title to the same shall automatically pass to the Port, free of any right, title, or interest of Tenant therein, or its successors or assigns, without the necessity of executing any further instrument and without any allowance, compensation, or payment by the Port. Tenant hereby grants and conveys to the Port all of its right, title and interest in and to such improvements, to be effective for all purposes only upon the expiration or termination of this Lease and the Port's election to have such improvements remain upon the Premises. Upon such election by the Port, Tenant further agrees to execute, acknowledge and deliver to the Port contemporaneously with the expiration or termination of this Lease, a proper recordable instrument quit claiming and releasing to the Port to any right, title and interest of Tenant in and to the Premises and in and to all improvements remaining on the Premises pursuant to the election of the Port, and agrees to give such further assurances of title as may be required by the Port. In addition, upon such election by the Port, Tenant shall, upon expiration or termination of the lease, surrender and deliver the Premises and all improvements to remain on the Premises to the Port, without delay and in good order, condition and repair, ordinary wear and tear excepted, and in a neat and clean condition, excepting only Tenant's or any subtenant's movable trade fixtures, machinery, equipment and personal property that can be removed without injury to the Premises. Tenant shall also deliver to the Port all documents necessary or appropriate for the proper operation, maintenance and management of the Premises and remaining improvements.

c. Any dispute under this section shall be subject to arbitration under Paragraph 38, **ARBITRATION PROCEDURE**.

20. INSPECTION.

The Port reserves the right to inspect the Premises at any and all reasonable times throughout the term of this Lease, provided that it shall not interfere unduly with Tenant's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to

ascertain the condition of the Premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for a reasonable period of time prior to the expiration or sooner termination of this Lease.

21. RESTORATION.

a. At all times during the term of this Lease, Tenant shall maintain in effect upon the Premises and Tenant's improvements thereon, fire and extended coverage property insurance for physical loss and damage excluding earthquake insurance and flood insurance, written by companies authorized to do business in the State of Washington and approved by the Port's insurance carrier. Such policy or policies (a) shall be written in the form of replacement cost insurance in an amount not less than 100% of the full replacement cost of the Premises and Tenant's improvements thereon, which amount shall be adjusted not less frequently than annually, (b) shall contain an endorsement waiving any and all rights of subrogation against the Port and (c) shall provide that notice of cancellation of the policy or any endorsement shall be given to the Port and any other party designated by the Port at least 10 days prior to cancellation. The Port and each other party designated by the Port shall be named as additional insureds and loss payees on all such policies. Tenant shall provide the Port and each other party designated by the Port with certificates of insurance evidencing such coverage. Tenant shall provide evidence of renewal prior to the expiration of such policy or policies. Tenant will also take out and maintain policies of insurance to cover the loss, damage or destruction of Tenant's furniture, fixtures, equipment and other items owned by Tenant on the Premises, with limits based on the reasonable value thereof.

b. If any building or improvement erected by Tenant on the Premises or any part thereof shall be damaged or destroyed by fire or other casualty during the term of this Lease, Tenant shall, at its own cost and expense, either (i) repair or restore the same according to the original plans thereof, or (ii) repair or restore the same according to such modified plans as shall be previously approved in writing by the Port. Tenant shall elect whether to proceed under (i) or (ii) above. Such work of repair or restoration shall be commenced within sixty (60) days after the damage or loss occurs and shall be completed with due diligence but no later than one (1) year after such work is commenced, and such work shall be otherwise done in accordance with the requirements of the provisions hereof pertaining to the construction of improvements upon the Premises. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration. If (i) there are not insurance proceeds, or (ii) the same shall be insufficient for said purpose, Tenant shall make up the deficiency out of its own funds. Should Tenant fail or refuse to make the repair or restoration as hereinabove provided, then in such event said failure or refusal shall constitute a default under the covenants and conditions hereof, and all insurance proceeds so collected shall be forthwith paid over to and be retained by the Port on its own account, and the Port may, but shall not be required to, sue and apply the same for and to the repair, restoration or removal of said Premises or improvements, and the Port may, at its option, terminate this Lease as elsewhere provided herein.

c. Notwithstanding anything to the contrary contained in the preceding section, if any building erected on said Premises shall be damaged by fire or other casualty, and if the cost of repairing or restoring the same as provided above shall exceed the insurance payable for such damage, and if such damage shall occur during the term so that the remaining term of this Lease is of insufficient length to allow Tenant to finance such cost in a commercially reasonable manner, the Tenant shall have the option, to be exercised within sixty (60) days after such event, to repair or restore said building as provided above, or to terminate this Lease by written notice thereof to the Port, and upon termination, the Base Ground Rent, Additional Rent and other charges under this Agreement will be apportioned as of the date of destruction, and Tenant will be discharged from responsibility to repair the damage, shall remove debris and restore the Premises to a clean, graded and safe condition, and all proceeds of insurance covering the loss shall in that circumstance belong to Tenant free of any claim thereto by the Port

d. Any dispute under this section shall be subject to arbitration under Paragraph 37 **ARBITRATION PROCEDURE.**

22. DEFAULTS.

Time is of the essence of this Lease, and in the event of the failure of Tenant to pay the rental, interest or other charges provided in this Lease at the time and in the manner herein specified, or to keep any of Tenant's covenants or agreements herein, the Port may elect to terminate this Lease and reenter and take possession of the Premises with or without process of law, provided, however, that Tenant shall be given thirty (30) days' notice in writing if the default is for the nonpayment of rent or other monetary default, or sixty (60) days' notice in writing for any other default (or such longer period as is reasonably required to cure the Event of Default so long as Tenant commences to cure within such sixty (60) day period and diligently pursues such cure to completion), stating the nature of the default in order to permit such default to be remedied by Tenant within the applicable time period. If the Port issues a notice of default for the nonpayment of rent, in order to cure such default, Tenant must pay the overdue rent, together with interest as set forth in Paragraph 4 above, plus a Fifty Dollar (\$50.00) lease reinstatement fee. If during any consecutive twelve-month period, the Port has issued three notices of default, the Port shall not be required to accept the cure of any subsequent default by Tenant and may terminate this Lease or exercise any other rights or remedies available to it immediately by written notice to Tenant without the expiration of any otherwise applicable cure period.

If upon such reentry there remains any personal property of Tenant or of any other person upon the Premises, the Port may, but without the obligation to do so, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Tenant shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Tenant, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Tenant to the Port, and the balance, if any, shall be paid to Tenant. Notwithstanding any such reentry, the liability of Tenant for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Tenant shall make good to the Port any deficiency arising from a reletting of the Premises at a lesser rental than that chargeable to Tenant. At the Port's option, Tenant shall pay such deficiency each month as the amount thereof is ascertained by the Port, or the Port may accelerate all future payments and Tenant shall pay the present value of all future payments at once. Payment by Tenant to the Port of interest on rents and/or any other charges due and owing under this Lease shall not cure or excuse Lessee's default in connection with rents and/or other charges. All remedies of the Port hereunder are cumulative and not alternative.

23. ADVANCES BY PORT FOR TENANT.

If Tenant shall fail to do anything required to be done by it under the terms of the Lease, after any applicable cure period, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Tenant, and upon notification to Tenant of the cost thereof to the Port, Tenant shall promptly pay the Port the amount of that cost. However, if the Port shall pay any monies on Tenant's behalf, Tenant shall repay such monies, together with interest thereon commencing on the date the Port paid such monies and calculated at the greater of the rate of eighteen percent (18%) per annum, or two (2) percentage points over the composite prime rate of interest set forth in the Wall Street Journal "Money Rates" column (or its successor) most recently prior to such date.

24. HOLDING OVER.

If Tenant shall, without the consent of the Port, hold over after the expiration or sooner termination of this Lease, the resulting tenancy shall, unless otherwise mutually agreed, be on a month-to-month basis. During such month-to-month tenancy, Tenant shall pay to the Port the rate of one hundred fifty percent (150%) of the then-current rental under the terms of the Lease, unless a different rate shall be agreed upon, and the Tenant shall be bound by all of the additional provisions of this Lease.

25. ASSIGNMENT OR SUBLEASE.

Except as provided below, Tenant shall not assign or transfer (including any assignment or transfer for security purposes) this Lease or any interest therein nor sublet the whole or any part of the Premises, nor shall this Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the advance written consent of the Port, which may be withheld in the Port's sole discretion. The Port agrees that it will consent to the assignment of this Lease (or any interest herein) for security purposes to a bona fide lender, but only on the terms and conditions contained in the form of Lessor's Consent and Agreement attached hereto as **Exhibit "C"**, which must be signed by such lender. If Tenant is a corporation, limited liability company, limited partnership, partnership, or other form of entity or association, Tenant further agrees that if at any time during the term of this Lease, more than one-half (1/2) of the outstanding beneficial interests of any class of interest in Tenant, or the managerial control of Tenant, shall belong to any persons other than those who hold such interests or managerial control at the time of the execution of this Lease, such change shall be deemed an assignment of this Lease within the meaning of this paragraph.

Notwithstanding anything to the contrary in this Agreement, Tenant may, without the Port's prior written consent, assign this Agreement or sublet all or portions of the Premises to: (i) an Affiliate of Tenant, or (ii) a successor corporation, limited liability company or other entity related to Tenant by merger, consolidation or non-bankruptcy reorganization or (iii) any investor as part of the organization of Tenant or any entity owned or controlled by Carl D. Panattoni, Adon Panattoni or Bart Brynestad (any of the foregoing are referred to herein as "Permitted Assignments"). No Permitted Assignment shall take effect until Tenant shall have delivered to the Port copies of the applicable transfer documents or sublease documents, including an assumption agreement whereby the Permitted Assignee assumes the obligations of Tenant under this Agreement from and after the date of the transfer, running in favor of the Port (except for subleases), and has provided the notice address of the transferee.

Except for the Permitted Subleases, Tenant may not sublease, license or grant concession rights as to any portion of the Premises without the Port's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed and which consent shall be given if the proposed subtenant is financially capable of performing the obligations of the Tenant under this Agreement for the portion of the Premises or portion of the Term being subleased. Tenant shall at the time the Tenant requests the consent of the Port, deliver to the Port such information in writing as the Port may reasonably require respecting the proposed subtenant, including, without limitation, the name, address, nature of business, ownership, financial responsibility and standing of such proposed subtenant and the proposed documentation for the transfer as described below. In determining whether to grant such a consent to a sublease, the Port may consider all factors which the Port reasonably determines in good faith are relevant to its decision. Within twenty (20) days after receipt of all required information, the Port shall, in its sole discretion, elect one of the following: (a) to consent to such proposed sublease or (b) to refuse such consent. Any such sublease shall be subject to all of the covenants, conditions, agreements and terms of this Agreement. As used herein the term "Permitted Sublease" shall mean any sublease by Tenant to a user who will occupy and use some or all of the Premises, so long as Tenant remains the tenant and obligated under this Agreement and the term of the sublease is for a shorter period than the Term of this Agreement and consistent with this Agreement.

Upon any sublease of the Premises or any part thereof, Tenant shall include the following provision in the sublease:

Port Ground Lease. Lessee understands, acknowledges, and agrees that Lessor's right to the real property on which the Premises are located are pursuant to a Ground Lease between Lessor and the Port of Olympia, a copy of which is attached as Exhibit __ hereto. Lessee understands, acknowledges, and agrees that it shall be bound by all provisions in the Ground Lease to which Lessor is subject, including but not limited to provisions related to protection

of air space, environmental provisions, and any limitation on use of the property and Premises. Lessee acknowledges that it has had an opportunity to review the Ground Lease in its entirety and takes no exceptions to any provisions therein.

In connection and simultaneously with any Permitted Assignment of this Agreement or Permitted Sublease, the Port agrees to execute and deliver to any Permitted Assignee or Permitted Sublessee a non-disturbance and attornment agreement in substantially the form of **Exhibit "G"** attached hereto (the "**NDA**"), whereby the Port shall agree not to disturb the Permitted Assignee's or Permitted Sublessee's occupancy and quiet enjoyment of the Premises so long as Tenant or the Permitted Assignee or Sublessee is not in default beyond applicable notice and cure periods on the terms described in the NDA.

Notwithstanding any assignment or sublease, Tenant, except in the case of a Permitted Assignment, shall remain liable under the terms of this Lease, and this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent pursuant to this paragraph. Tenant shall pay all reasonable costs and attorney fees, not to exceed \$5,000.00 incurred by the Port with respect to any request by Tenant for assignment, sublease, or other encumbrance or transfer of this Lease or the Premises or any interest therein.

No sublease by Tenant shall relieve Tenant of any obligation under this Agreement, including Tenant's obligation to pay Base Ground Rent, fees or Additional Rent hereunder. Any purported sublease contrary to the provisions hereof (or for which consent is not specifically obtained) shall be void. Any sublease shall specifically be subject and subordinate at all times to this Agreement, and to all of its covenants, agreements, terms, provisions, and conditions.

Subject to the terms of a Leasehold Mortgage, in the event that any portion of the Premises is sublet or occupied by anyone other than Tenant, the Port may, upon the default of Tenant, collect rent from the subtenant, licensee, concessionaire or occupant and apply the amount collected to the Rent reserved under the terms of this Agreement, but without thereby affecting Tenant's liability under this Agreement

26. MORTGAGES OF TENANT'S INTEREST.

a. Prior Notice Required; Limited Purpose. Upon prior notice to the Port, Tenant shall have the right to mortgage its leasehold interest under this Agreement subject to the limitations set forth in this Section 26 and the terms and conditions of Lender's Consent and Agreement, attached here as **Exhibit "C"**. Any such mortgage ("**Leasehold Mortgage**") shall be for a term not to exceed the Term of this Agreement plus any Extension Option that has been exercised, and shall be subject and subordinate to the rights of the Port.

b. No Benefit Without Notice. No holder ("**Leasehold Mortgage**") of a Leasehold Mortgage on this Agreement shall have the rights or benefits mentioned in this Section 26 nor shall the Port be bound by this Section 26, unless and until an executed counterpart of such Leasehold Mortgage (or any assignment thereof), together with a written notice setting forth the name, address, contact person (or department) for the Leasehold Mortgagee, is delivered to the Port. The Leasehold Mortgagee may designate other contact information by providing notice thereof to the Port in the manner provided by Section 41 of this Agreement.

c. Obligations to Leasehold Mortgagee. If Tenant mortgages this Agreement in compliance with this Section 26, then so long as such Leasehold Mortgage shall remain unsatisfied of record, the following provisions shall apply:

i. The Port shall serve upon the Leasehold Mortgagee, in the manner permitted by Section 41 of this Agreement, a copy of any notice of default sent to Tenant and any other notices the Port is required by the terms of this Agreement to provide to Tenant or that will materially affect the leasehold interest, including but not limited to amendments to this Agreement, side letters that affect the economics of this Agreement or any waivers of any rights or obligations under the terms of this Agreement.

ii. The Port, upon providing Tenant any notice of (i) default under this Agreement or (ii) a termination of this Agreement, or (iii) a matter upon which the Port may predicate or claim a default, shall at the same time provide a copy of such notice to every Leasehold Mortgagee. No such notice by the Port to Tenant shall be deemed to have been duly given unless and until a copy thereof has been so provided to every Leasehold Mortgagee. After such notice has been given to a Leasehold Mortgagee, such Leasehold Mortgagee shall have the same period after the giving of such notice upon it for remedying any default or causing the same to be remedied as is given Tenant after the giving of such notice to Tenant plus, in each instance, the additional periods of time specified in Sections 26(c)(iii) and 26(c)(iv) to remedy, commence remedying, or cause to be remedied the defaults specified in any such notice. The Port agrees that it shall accept such performance by or at the instance of the Leasehold Mortgagee as if the same had been made by Tenant. For such purpose, the Port and Tenant hereby authorize the Leasehold Mortgagee to enter upon the Premises and to exercise any of Tenant's rights and powers under this Agreement and, subject to the provisions of this Agreement, under the Leasehold Mortgage.

iii. Cure Notice to Leasehold Mortgagee. Notwithstanding anything to the contrary in this Agreement, if any Event of Default shall occur that entitles the Port to terminate this Agreement, the Port shall have no right to terminate this Agreement unless, following the expiration of the period of time given Tenant to cure such default, the Port shall notify ("**Cure Notice**") every Leasehold Mortgagee of the Port's intent to so terminate at least thirty (30) days in advance of the proposed effective date of such termination if the nature of such default is the failure to pay a sum of money, and at least sixty (60) days in advance of the proposed effective date of such termination if such default is not the failure to pay a sum of money. A six (6) month extension of the date for termination of this Agreement as provided in Section 26(c)(iv) shall be granted by the Port if, during such thirty (30) or sixty (60) day Cure Notice period, any Leasehold Mortgagee:

(a) Notifies the Port of such Leasehold Mortgagee's desire to nullify such Cure Notice; and

(b) Pays or causes to be paid all Base Ground Rent and other payments then due and in arrears as specified in the Cure Notice to such Leasehold Mortgagee and that may become due during such 30- and 60-day period, provided that any Leasehold Mortgagee shall not be required to pay any amount before the same is due and owing under this Agreement; and

(c) Complies or in good faith, with reasonable diligence and continuity, commences to comply with all non-monetary requirements of this Agreement then in default and reasonably susceptible of being complied with by such Leasehold Mortgagee.

Nothing herein obligates such Leasehold Mortgagee to cure any default of Tenant under the terms of this Agreement. Notwithstanding the above, Leasehold Mortgagee shall not be required to cure any default of Tenant resulting from insolvency or bankruptcy of the Tenant.

iv. Six-Month Extension. If the Port shall elect to terminate this Agreement by reason of any default of Tenant, and a Leasehold Mortgagee shall have proceeded in the manner provided for by Section 26(c)(iii), the specified date for the termination of this Agreement as fixed by the Port in its Cure Notice shall be extended for a period of six (6) months, provided that such Leasehold Mortgagee, during such 6-month period:

(a) Pays or causes to be paid Base Ground Rent and other monetary obligations of Tenant under this Agreement as the same become due, including the payment of any sums due under any Leasehold Mortgage; and

(b) Continues its good faith efforts to perform all of Tenant's other obligations under this Agreement, including during any period during which the Leasehold Mortgagee has possession of the

Premises the obligation to operate and maintain the Project and Premises in accordance with the standards set forth by the Port in this Agreement.

v. Termination; New Lease. In the event that this Agreement is terminated by the Port for any reason under the terms of this Agreement or on account of a bankruptcy by or against Tenant, the Port shall serve notice to the Leasehold Mortgagee that the Agreement has been terminated. The notice shall include a statement of any and all sums which would at the time be due under this Agreement but for such termination and of all other defaults under this Agreement then known to the Port. Every Leasehold Mortgagee shall thereupon have an option, which must be exercised within forty-five (45) days after the notice, to obtain a new lease ("**New Lease**") in accordance with and upon the following terms and conditions:

(a) The New Lease shall be effective as of the date of termination of this Agreement, and shall be, for the remainder of the Term of this Agreement, at a rent and fee and upon all of the original agreements, terms, covenants and conditions. Such New Lease shall require the lessee to perform any unfulfilled obligation of the Tenant under this Agreement.

(b) Upon the execution of the New Lease, the lessee therein named shall pay any and all sums which would at the time of the execution thereof be due under this Agreement but for termination and shall pay all expenses, including reasonable attorneys' fees, court costs and disbursements, incurred by the Port in connection with any default and termination, the recovery of possession of the Premises, and the preparation, execution and delivery of the New Lease.

(c) Nothing herein, however, shall be deemed to obligate the Port to deliver possession of the Premises to the lessee under any New Lease. Upon the execution and delivery of such New Lease, the lessee, in its own name or in the name of the Port, may take all appropriate steps as shall be necessary to remove Tenant from the Premises. The provisions of this Section 26(c) shall survive the termination of this Agreement.

vi. Subject to the provisions of this Section 26, the Leasehold Mortgagee may exercise, with respect to the Premises, any right, power, or remedy under the Leasehold Mortgage. Every Leasehold Mortgagee (or its designee) or any other purchasers in foreclosure proceedings may become the legal owners and holders of Tenant's interest in this Agreement through such foreclosure proceedings or by assignment of this Agreement in lieu of foreclosure and shall provide notice of such assignment and assumption to the Port in compliance with Section 25. Leasehold Mortgagee after a foreclosure or assignment in lieu of foreclosure under the Leasehold Mortgage may subsequently assign the leasehold interest or the New Lease to a third party who shall assume the lease and provide notice of the assumption to the Port and otherwise comply with the Provisions of Section 25. Upon such assumption, the Leasehold Mortgagee shall be released from all liability for the performance or observance of the covenants and conditions in this Agreement (or such New Lease) contained on Tenant's part to be performed and observed from and after the date of such assignment.

vii. Notwithstanding Sections 26(c)(v) and 26(c)(vi), in the event that any person or entity other than Leasehold Mortgagee (a "**Foreclosure Purchaser**") shall acquire title to Tenant's interest in this Agreement as a result of foreclosure or assignment in lieu of foreclosure under the Leasehold Mortgage, or under a New Lease pursuant to this Section 26, the Foreclosure Purchaser may not assign this Agreement (or such New Lease) without the prior written consent of the Port in compliance with the requirements of Section 25. If the Port's consent is obtained, the assignee must assume Tenant's obligations under this Agreement and an executed counterpart of such assumption must be delivered to the Port. Upon such assumption, the Foreclosure Purchaser shall be released from all liability for the performance or observance of the covenants and conditions in this Agreement (or such New Lease) contained on Tenant's part to be performed and observed from and after the date of such assignment.

viii. Notwithstanding Section 26(c)(a), no agreement between the Port and Tenant modifying, canceling or surrendering this Agreement shall be effective without the prior written consent of the Leasehold Mortgagee.

ix. Tenant's share, as provided by Section 31 of this Agreement of the proceeds arising from an exercise of the power of eminent domain shall, subject to the provisions of such Section 31, be disposed of as provided for by any Leasehold Mortgage.

A Standard Mortgagee Loss Payee Clause naming Leasehold Mortgagee may be added to any and all property insurance policies required to be carried by Tenant hereunder on condition that the insurance proceeds are to be applied to rebuilding in the manner specified in this Agreement and the Leasehold Mortgage shall so provide; *provided, however*, the Leasehold Mortgage may provide a manner for the disbursement of such proceeds.

27. COMPLIANCE WITH PORT REGULATIONS/ALL LAWS.

Tenant agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the Premises are a part or to Tenant's use or occupancy thereof, now in existence or hereafter promulgated for the general health, welfare, safety and convenience of the Port, its various tenants, invitees, licensees and the general public, including without limitation, the Minimum Standards for Commercial Activities for the Olympia Regional Airport, and payment of all fees and tariffs provided for therein or adopted in accordance therewith, as the same now exist or may hereafter be amended. Tenant further agrees to comply with all applicable federal, state and local laws, rules, regulations, ordinances, permits, orders, and decrees, including, without limitation, those relating to environmental matters, and Americans with Disabilities Act, as currently in effect or as may be hereafter amended or issued. Tenant shall defend, indemnify, and hold harmless the Port from and against all claims, costs, fees, fines, penalties, liabilities, losses, and damages incurred by the Port by reason of any charge, claim, litigation, or enforcement action related to any actual or claimed violation by Tenant of any of the laws, rules, regulations, ordinances, permits, orders and/or decrees referenced in this section. Costs and fees shall include, but not be limited to, all direct and indirect costs and professional fees, including engineering, consultant, and attorney's fees. Any fees for any federal, state or local inspections and/or certificates required for use and occupancy of the Premises shall be paid by Tenant. The Premises are located at the NEWMARKET INDUSTRIAL CAMPUS Complex and Tenant agrees to conform and to comply with all of the "Standards for Development - NewMarket Industrial Campus, 1998" as now promulgated or as may be amended in the future.

28. HAZARDOUS SUBSTANCES.

Tenant certifies, represents, warrants, covenants and agrees that:

(a) As used in this Section 28, "Hazardous Substances" means any chemical, substance, material, waste, vapor, or similar matter defined, classified, listed or designated as harmful, hazardous, extremely hazardous, dangerous, toxic, radioactive, or pollution, or as a contaminant or pollutant, or other similar term, by, and/or which are subject to regulation under, any federal, state or local environmental statute, rule, regulation, or ordinance presently in effect or that may be promulgated in the future, and as they may be amended from time to time.

(b) As used in this Section 28, "Other Property" means any real or personal property other than the Premises (including, without limitation, surface or ground water) which becomes contaminated with Hazardous Substances as a result of operations or other activities on, or the contamination of, the Premises by Tenant or its agents.

(c) Tenant shall apply for and obtain all necessary federal, state, and local permits and approvals for Tenant's use of the Premises. Tenant shall not commence any activity on the Premises until all permits

and approvals required for such activity have been issued, and shall conduct all activities on the Premises in compliance with such permits and approvals.

(d) Tenant agrees and warrants for itself and its employees, agents, representatives, contractors, subcontractors, licensees, invitees, subtenants, and assigns (collectively "Tenant's Representatives"), that Tenant and Tenant's Representatives will comply with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, orders, and decrees relating to the generation, recycling, treatment, use, sale, storage, handling, transport, disposal, release, and cleanup of any Hazardous Substances by any person on the Premises or other Port property (collectively "Environmental Laws"). In addition, Tenant and Tenant's Representatives will not, without the Port's prior written consent, keep on or around the Premises or any common areas, for use, disposal, treatment, generation, storage, or sale, any Hazardous Substances. The provisions of this Section 28(d) shall not apply to, and the following are specifically excepted from, the storage or use by Tenant or any subtenant of any Hazardous Materials in compliance with all Environmental Requirements that are used by Tenant or any subtenant for ordinary cleaning, for office purposes and warehouse maintenance purposes, for refrigeration equipment installed in accordance with the terms of this Lease, for printing, and except for Hazardous Materials contained in any merchandise being handled, stored or distributed by Tenant or any subtenant provided that such merchandise remains in their original sealed and unopened containers, materials used on minor maintenance of Tenant's or any subtenant's trucks and machinery, and fuel (including liquid hydrogen or other alternative fuels) or batteries for any trucks, generators or other machinery (all of which shall be handled by Tenant or any Subtenant only in compliance with all Environmental Requirements and the other terms and conditions of this Lease).

(e) With respect to any Hazardous Substance, Tenant shall:

(i) Comply promptly, timely and completely with all applicable requirements for reporting, keeping and submitting manifests and obtaining and keeping current identification numbers;

(ii) Make available for the Port's review during normal business hours, true and correct copies of all reports, manifests and identification numbers retained by Tenant or submitted to appropriate governmental authorities, and all documents and communications received from any government agencies, and provide copies to the Port of all documents requested by the Port at no cost to the Port within ten (10) business days of the Port's request;

(iii) Within Ten (10) business days of a written report from the Port, submit a written report to the Port regarding Tenant's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to the Port of Tenant's compliance with applicable Environmental Laws;

(iv) Allow the Port or the Port's agents or representatives to come on the Premises at all reasonable times subject to three (3) days' notice, to check Tenant's compliance with all applicable Environmental Laws; and

(v) Comply with all applicable Environmental Laws, and all requirements and standards established by federal, state, or local governmental agencies responsible for or specifically charged with the regulation of Hazardous Substances.

(f) Tenant has not and will not release or waive the liability of any party who may be potentially responsible for the presence or removal of Hazardous Substances on or from the Premises.

(g) Tenant agrees to immediately notify the Port if Tenant becomes aware of (a) any release of any Hazardous Substances or any other environmental issue or liability with respect to the Premises or any Other Property; or (b) any lien, action or notice resulting from violation of any Environmental Laws. At its own cost, Tenant will take all actions which are necessary to notify relevant and appropriate authorities of any such release and to remediate any Hazardous Substances affecting the Premises, including removal, containment or any other remedial action, whether or not required by governmental authorities.

(h) If Tenant is in non-compliance with any Environmental Laws or is in non-compliance with this Section 28, it shall promptly take such action as is necessary to mitigate and correct the non-compliance. If Tenant fails to act in a prudent and prompt manner, the Port shall have the right, upon ten (10) business days' notice and after an opportunity for Tenant to cure, but not the obligation, to enter the Premises and act in place of the Tenant (with Tenant hereby appointing the Port as its agent for such purposes), and to take such action as the Port deems necessary to address or mitigate the non-compliance. All costs and expenses incurred by the Port in connection with any such action shall be payable by the Tenant and shall become immediately due and payable as additional rent upon presentation of an invoice therefor. Without limiting the foregoing, in the event of Tenant's non-compliance with any requirements in subsections (e)(i) – (v) above, any and all costs incurred by the Port with respect thereto, including but not limited to costs of inspections, monitoring, and attorney fees, shall become immediately due and payable as additional rent upon presentation of an invoice therefor.

(i) Tenant shall be fully and completely liable to the Port for, and shall defend, indemnify, and hold the Port harmless from and against any and all actual or alleged claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and costs and expenses (including costs and professional fees, including engineering, consultant, and attorneys' fees and disbursements), which accrue to or are incurred by Tenant or the Port which arise or are alleged to arise directly or indirectly from or out of, or are in any way connected with (a) the inaccuracy of the representations and warranties contained herein, (b) the breach of any covenant contained herein, (c) any operations or activities (including, without limitation, use, disposal, transportation, storage, generation or sale of Hazardous Substances) on or about the Premises during Tenant's possession or control of the Premises which directly or indirectly result in the Premises or any Other Property becoming contaminated with Hazardous Substances or otherwise violating any applicable Environmental Laws, and (d) the cleanup of Hazardous Substances at or from the Premises or any Other Property to a level sufficiently protective of human health and the environment in compliance with all applicable Environmental Laws. Tenant acknowledges that it will be solely responsible for all costs and expenses relating to investigation (including preliminary investigation) and cleanup of Hazardous Substances from the Premises or from any Other Property. Tenant specifically agrees that the bond provided pursuant to this Lease shall extend to the indemnity agreed to in this subparagraph.

(j) Tenant's obligations under this Section 28 are unconditional and shall not be limited by any other limitations of liability provided for in this Lease. The representations, warranties and covenants of Tenant set forth in this Section 28: (a) are separate and distinct obligations from Tenant's other obligations under the Lease; and (b) shall survive and continue in effect after any termination or expiration of this Lease for any reason.

(k) Within sixty (60) days following the expiration date of the Term of this Agreement (or within ninety (90) days after any earlier termination of this Agreement), Tenant shall submit a report (“**Termination Assessment Report**”) to the Port describing the results of a comprehensive environmental assessment that reasonably investigates whether Hazardous Material in the Premises or migrating from the Premises (except Pre-existing Hazardous Material) for which the Tenant is responsible remain on the Premises or have migrated from the Premises. The Termination Assessment Report shall be conducted by an independent qualified environmental professional selected by Tenant or a successor tenant, as applicable, with the Port's reasonable consent, and the scope of the investigation shall be reasonably determined by such independent qualified environmental professional, subject to the reasonable consent of both Tenant, as applicable, and the Port, and to dispute resolution. The scope of the Termination Assessment Report environmental assessment shall include, at a minimum: (i) review of tenant/occupant operational history, audit reports and responses, spill and spill response reports, and other relevant environmental records; (ii) collection and analysis of samples representative of facility operations; equipment, material and waste storage locations; and locations of leaks, spills and other releases, which could reasonably be expected to have resulted in introduction of Hazardous Material to the environment; and (iii) collection and analysis of samples from random locations, at a rate determined reasonable and appropriate based on best professional

judgment considering the recommendations of the independent qualified environmental professional, and to dispute resolution. With respect to Hazardous Material identified in such Termination Assessment Report that were stored, released, spilled, discharged, leaked, emitted, injected, escaped or dumped in, on or about the Premises after the Commencement Date in violation of any Environmental Requirement (i) by Tenant or its employees, agents, invitees or sublessees and (ii) by unassociated third parties, if prevention of the release was within Tenant's control (and, for avoidance of doubt, releases, Tenant shall perform (x) a final remediation of such Hazardous Material pursuant to a plan approved by the Port in the exercise of its reasonable discretion which, to the extent reasonably feasible and practical under the circumstances (and subject to dispute resolution pursuant to Section 14.8), shall meet the standard established under MTCA Method A or, if such standard does not exist, a reasonably comparable replacement standard consistent with Environmental Requirement ("Method A"); and (y) also to the extent reasonably feasible and practical under the circumstances (and subject to dispute resolution pursuant to Section 14.7), a remediation below Method A in areas or circumstances where such residual Hazardous Material at levels compliant with Method A would materially impair the Port's ability, or increase the cost to the Port, to release, or otherwise use, the Premises for uses compatible with Airport noise levels and otherwise compliant with 49 U.S.C. 47107(c)(2)(A) (the "**Post Termination Remediation**"). Post Termination Remediation shall be a condition precedent to the Port's payment of any Surety to Tenant upon termination or expiration of this Agreement. Notwithstanding the foregoing, with respect to Post Termination Remediation, the Port will reasonably approve less stringent cleanup criteria and investigation, monitoring, removal, institutional controls and restrictive covenants that are not materially burdensome to the Port's re-leasing or future use of the Premises in light of FAA restrictions otherwise imposed upon the Premises. The Post Termination Remediation shall fully and finally resolve Tenant's environmental obligations to the Port under this Agreement, and the Port shall be deemed to accept the Premises upon expiration or earlier termination of this Agreement in their then current condition, AS IS, WHERE IS, WITH ALL FAULTS AND DEFECTS, and subject only to completion of such Post Termination Remediation. As used herein the term "Environmental Requirements" shall mean and refer to any and all Legal Requirements relating to the protection of human health and the environment, including but not limited to all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder

29. STORAGE TANK LICENSES.

All storage on site, whether permanent or mobile, capable of holding more than one hundred ten (110) gallons either in bulk or in separate containers or any material identified in **Exhibit "D"** shall require a separate hazardous materials license. Such license shall provide for appropriate handling and storage facilities, inspections, testing and clean up procedures and any special insurance provisions which may be required. Tenant shall comply with all laws, rules and regulations applicable thereto. Tenant shall provide the Port with full and complete copies of any reports or other results of inspections within five (5) days after any remedial or other action required as a result of any inspection. Upon request, Tenant shall provide the Port with a certificate of insurance evidencing Tenant's compliance with insurance requirements applicable to storage tanks. Tenant shall pay any and all costs necessary to comply with the terms of any license required under this section and the costs of complying with any other legal or regulatory requirements associated with Tenant's storage of materials identified in Exhibit "D."

30. INSPECTIONS AND NOTICE OF CHANGE.

a. Tenant agrees that inspections may be required by the Port at the Tenant's expense to assure compliance with Paragraphs 28, **HAZARDOUS SUBSTANCES**, and 29, **STORAGE TANK LICENSES**.

Such inspections shall be made once every five (5) years or at any time the Port has good cause to believe a problem may exist.

b. The Tenant shall annually identify any materials listed in Exhibit "D" used in the course of its ordinary business.

31. EMINENT DOMAIN.

If the Premises shall be taken or condemned for any public purpose, or for any reason whatsoever, to such an extent as to render the Premises untenable, either the Port or Tenant shall have the option to terminate this Lease effective as of the date of taking or condemnation, which shall be the earlier of the date the final condemnation judgment or the date possession is taken by the condemning authority. If the taking or condemnation does not render the Premises untenable, this Lease shall continue in effect, and the Port shall, if the condemnation award is sufficient therefor, promptly restore the portion not taken to the extent possible to the condition existing prior to the taking. If, as a result of such restoration, the area of the Premises is reduced, the rental shall be reduced proportionately. The phrase "untenable" as used herein means a taking of such scope that the untaken portion of the Premises is insufficient to permit Tenant or its subtenant to occupy the Premises as a high-quality business park, eliminates or material adversely affects access to the Premises or otherwise results in the elimination of parking or truck docks such that the Premises cannot be used for the original intended purpose, or any other then current use of the Premises, as reasonably determined by Tenant.

If title to the whole or materially all of the Premises shall be taken, the rights of the Port and Tenant to share in the net proceeds of any award for the respective Premises and Project, and the damages upon the taking, shall be in the following order of priority:

(a) The Port, at all times, regardless of when the taking occurs, shall be entitled to receive, that portion of the award as shall represent compensation for the value of the Premises, considered as vacant and improved only to the extent existing at the Commencement Date, but subject to a ground lease similar to this Agreement, such value being hereinafter referred to as the "**Property Value**."

(b) The remaining portion of the award shall be paid to the Tenant, subject to the rights of any Leasehold Mortgagee (the "**Remaining Value**").

(c) In addition, to the extent consistent with Washington eminent domain law, Tenant shall have the right to seek an independent and separate award from the condemning authority for loss of value of the leasehold improvements, relocation benefits, and for any tangible personal property of the Tenant or any subtenant that is taken.

In the event of a taking of less than materially all of the Premises, the rights of the Port and Tenant to share in the net proceeds of any award for the respective Premises and Project, and the damages upon the taking, shall be in the following order of priority:

(a) The Port, at all times, regardless of when the taking occurs, shall be entitled to receive that portion of the award as shall represent compensation for the Property Value.

(b) The Remaining Value of the award shall be payable to Tenant, subject to the rights of any Leasehold Mortgagee.

Should, however, the partial taking occur during the last two (2) years of the Term, then Tenant at its option upon thirty (30) days' prior notice to the Port, given at any time within sixty (60) days after the vesting of title in the taking authority, may terminate this Agreement. Upon that termination the Rent and other charges under this Agreement shall be apportioned as of the date of termination and the Tenant will be discharged from responsibility to restore the Premises. Upon that termination the entire Remaining Value shall belong to the Port free of any claim thereto or any part thereof by Tenant, anything in this Section to the contrary notwithstanding.

A voluntary sale or conveyance in lieu of but under the threat of condemnation shall be considered a taking or condemnation for public purpose, and shall include the Port's use of the Premises for any purpose for public use in connection with the operation of the business of the Port. If the Port so requires the use of the Premises, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to Tenant not less than six (6) months or more before the termination date specified in the notice, and damages to Tenant, if any resulting therefrom shall be determined by agreement between the parties hereto, or in the absence of agreement, by arbitration as hereafter provided. Damages or other compensation shall be determined in accordance with RCW 53.08.010 and Title 8 as appropriate.

32. INSOLVENCY.

If Tenant shall: solicit acceptances of a plan of reorganization to be filed in any subsequent case under the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as hereafter amended or any successor statute thereto (the "Bankruptcy Code"); negotiate with one or more creditors for any workout, including, but not limited to, an extension agreement, composition agreement, standoff, standby, or standstill agreement whereby the creditors agree to forebear in any fashion from their rights to collect a debt of Tenant; cease to pay Tenant's debts as they come due; admit in writing the inability to pay its debts as they come due; make an assignment for the benefit of creditors; become a party to any liquidation or dissolution action or proceeding; have appointed (voluntarily or involuntarily), a trustee, custodian, receiver, conservator, or liquidator for Tenant or for a significant portion of Tenant's assets; have entered against it any order by a district court or bankruptcy court of the United States or any of its territories that dismisses a voluntary petition under the Bankruptcy Code because the bankruptcy petition was filed in bad faith; have entered against it an order, judgment, or decree; have any of its assets levied against by writ of execution, attachment (including pre-judgment attachment), garnishment, recording of a judgment or any similar process whereby a creditor seeks to obtain a legal right to dispose of particular assets of Tenant to satisfy to any extent a debt of the Tenant to the creditor; file a voluntary petition under the Bankruptcy Code or have filed against it an involuntary petition under the Bankruptcy Code creating any automatic stay or other injunctive force protecting the assets of Tenant from the immediate collection actions of a creditor (where such involuntary petition is not subsequently dismissed within 90 days in response to pleadings filed by the Tenant by entry of an order of any district court or bankruptcy court of the United States or any of its territories); have appointed voluntarily or involuntarily, a trustee, custodian, or examiner with special powers by any district court or bankruptcy court in the United States or any of its territories; admit in an answer filed in response to an involuntary petition filed under the Bankruptcy Code that Tenant is insolvent because Tenant's assets are exceeded by Tenant's debts or that Tenant is unable to pay Tenant's debts as they come due; then, in the event any of the foregoing shall occur, the Port may, at its option, terminate this Lease.

33. PROMOTION OF PORT COMMERCE.

The purpose of the Port is to encourage the development of commerce within the Port district, and to every reasonable extent possible, increase the movement of passengers and freight through Port facilities. In furtherance of this purpose, Tenant agrees to cooperate with the Port in the promotion of these purposes during the term of this Lease, and wherever reasonably possible, to utilize the Port's facilities in the movement of freight and passengers as a part of Tenant's business activities. Nothing in this paragraph shall be construed to obligate Tenant to spend monies in the Port's promotional advertising, but Tenant does agree to supply such information and data for the Port's promotional and advertising activities.

34. ATTORNEY'S FEES AND COSTS.

Should a dispute arise between the parties hereto as to the effect of any provision hereof and said dispute is referred to an attorney, whether for enforcement in court or for decision under arbitration, the losing party shall pay the prevailing party's actual and incurred attorney's fees; costs of court or arbitration,

including such fees and costs of any appeal; other legal expenses; and collection costs, except that the amount of such fees, costs or expenses taken separately or in the aggregate, shall not be unreasonable. If such dispute arises and is later settled by the parties, such settlement shall include a specific allocation of disposition of attorney's fees on both sides.

35. NONDISCRIMINATION - SERVICES.

Tenant for itself, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a federal Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

It is agreed that Tenant's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

36. NONDISCRIMINATION – SERVICES, CONSTRUCTION, USE.

Tenant for itself, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The Port reserves the right to take such action as the appropriate governmental authority may direct to enforce these provisions.

37. APPRAISAL PROCEDURE.

This section shall apply when a Fair Market Rent determination is called for, as indicated in Paragraph 1, **LEASE SUMMARY**, for rent revisions. Any appraiser used by the Port for this purpose shall be a qualified MAI appraiser, with not less than 10 years experience appraising commercial real estate in Thurston County, Washington. A qualified MAI appraiser shall mean a member in good standing of the Appraisal Institute, or equivalent professional organization. The cost of any appraisal shall be shared equally by the Port and Tenant.

To determine Fair Market Rent, the Port will obtain an appraisal of the fair market rental value of the Premises as unimproved land (i.e., ignoring the value of any improvements thereon) no sooner than one hundred eighty (180) days before but not later than one hundred fifty (150) days before the applicable Rent Adjustment Date. The Port will promptly deliver to Tenant (and Leasehold Mortgagee, if any) a Fair Market Rent proposal along with the appraisal report. In the event the Tenant disputes the Fair Market Rent determination or the Port's appraisal, the parties will endeavor to reach an agreement as to Fair Market Rent amount. If the parties are unable to reach such agreement, before the ninetieth (90th) day prior to the effective date of the adjustment, the Port and Tenant shall each deliver to the other a "Final Offer" and invoke the "Rent Dispute Resolution" process described below. "Final Offer" shall mean the last offer with

regard to what the Port or Tenant, respectively, will accept as the rent rate for the Premises on the 90th day prior to the effective date of the adjustment.

Upon either party's invocation of Rent Dispute Resolution, the adjusted Fair Market Rent of the Premises will be determined by three (3) arbitrators, each of whom shall be a member of one of the following: the Society of Industrial and Office Realtors, the Seattle Chapter of the Appraisal Institute (as an MAI Designated member), the American Society of Real Estate Counselors, or the Washington-British Columbia Chapter of the American Institute of Real Estate Appraisers. The Port and Tenant will each select and fully compensate one of the three arbitrators, and the third arbitrator will be selected by the other two and compensated in equal shares by the Port and Tenant. Each party shall select an appraiser to be a member of the arbitration panel within twenty-one (21) days of either party invoking the Rent Dispute Resolution process. Each party shall cooperate to expedite the selection of the three arbitrators and in no case may either party delay the selection of the arbitration panel. In the event of a dispute with regard to the selection of the third member of the arbitration panel, either party may apply to the Superior Court of Thurston County for appointment of the third member of the arbitration panel. Neither party may use the court process to delay the appointment of the third arbitrator and each party must cooperate with the party applying for appointment to accomplish the appointment of the third arbitrator by the most expeditious means. The arbitration to achieve Rent Dispute Resolution shall be based solely on submission of written materials and on an approach to valuation consistent with the standards of professional appraisal practice. For purposes of the Rent Dispute Resolution, the arbitration panel may ask questions and request further information from each party, but the arbitration panel shall have discretion with respect to what the panel deems comparable properties in light of the requirement in this section that similarly situated industrial property in reasonable proximity to the Premises be considered. The arbitrators shall ultimately select one of the Final Offers as the resolution of the dispute and may not render a compromise decision. The Leasehold Mortgagee, if any, shall participate in the arbitration process to the extent the Tenant refuses or fails to participate after due written notice by Port of Tenant's failure to or refusal to participate.

Required Rent. In the event that the Fair Market Rent cannot be determined until after the applicable Adjustment Date, Tenant shall continue to pay Base Ground Rent at the rate in effect prior to submission of the Fair Market Rent determination to arbitration. Upon final determination of the Fair Market Rent, any underpayment of Base Ground Rent (being the deficit between (i) the amount of Base Ground Rent paid by Tenant following the Adjustment Date and (ii) the amount of Fair Market Rent determined as a result of the arbitration decision (or settlement between the parties in anticipation thereof)) shall be promptly paid by Tenant to the Port together with interest at the Default Rate within fifteen (15) days from the arbitration decision (or final approval of such settlement); provided, however, notwithstanding anything to the contrary contained in this section, in no event shall the Fair Market Rent adjustments be less than the Floor or more than the Cap.

38. ARBITRATION PROCEDURE.

In the event of a dispute between the Port and Tenant with respect to any issue specifically mentioned elsewhere in this Lease as a matter to be decided by arbitration, other than Section 37 APPRAISAL PROCEDURE, such dispute shall be determined by arbitration as provided in this paragraph. The Port and Tenant shall each appoint a person as arbitrator who shall have had at least ten (10) years of experience in Thurston County in the subject matter of the dispute. The appointment shall be in writing and given by each party to the other, and the arbitrators so appointed shall appoint a third arbitrator. In the case of the failure of such arbitrators to agree upon the third arbitrator, the same shall be appointed by the American Arbitration Association from its qualified panel of arbitrators, with similar qualifications. If the Port or Tenant shall fail to so appoint an arbitrator for a period of ten (10) days after written notice from the other party to make such appointment, then such party will have defaulted its right to make such appointment, and the arbitrator appointed by the non-defaulting party shall determine and resolve the dispute. In the event the three arbitrators are appointed, after being duly sworn to perform their duties with

impartiality and fidelity, they shall proceed to determine the question submitted pursuant to the American Arbitration Association's Commercial Arbitration Rules. The decision of the arbitrators shall be rendered within thirty (30) days after a hearing, and such decision shall be in writing, with copies thereof delivered to each of the parties. The award of the arbitrators shall be final, binding, and conclusive on the parties. The fees of the arbitrators and the expenses incident to the proceedings shall be borne equally between the Port and Tenant. The arbitrators shall award to the prevailing party the fees of that party's counsel, expert witnesses, or other witnesses called by the prevailing party.

39. JOINT AND SEVERAL LIABILITY.

Each and every party who signs this Lease, other than in a representative capacity, as Tenant, shall be jointly and severally liable hereunder.

40. INVALIDITY OF PARTICULAR PROVISIONS.

If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

41. NOTICES.

All default and other substantial notices required under the provisions of this Lease may be personally delivered or mailed. If mailed, they shall be sent by certified mail, return receipt requested, to the following addresses:

To the Port:
Port of Olympia
606 Columbia Street NW, Suite 300
Olympia, WA 98501

To the Tenant:
SSECC PDC GL1, LLC
c/o Panattoni Development Company, Inc.
1201 Pacific Avenue, Suite 1700
Tacoma, WA 98402

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices given by personal delivery shall be deemed given upon receipt. Notices sent by mail shall be deemed given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

42. WAIVER.

The acceptance of rental by the Port for any period or periods after a default by Tenant hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Tenant in writing. No waiver by the Port of any default hereunder by Tenant shall be construed to be or act as a waiver of any subsequent default by Tenant. After any default shall have been cured by Tenant, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of Paragraph 22, **DEFAULTS**.

43. BINDER.

Subject to Paragraph 25, **ASSIGNMENT OR SUBLEASE** above, this Lease is binding upon the parties hereto, their heirs, personal representatives, successors in interest and assigns.

44. NO RECORDING.

Without the prior written consent of the Port, this Lease shall not be placed of record. The Port and Tenant agree to record a memorandum of this Agreement in the form of **Exhibit "F"** attached hereto.

45. ESTOPPEL CERTIFICATES/ATTORNMENT. Each party shall, at any time and from time to time as requested by the other party, upon not less than thirty (30) days' prior written notice, execute, acknowledge and deliver to the other a statement in writing certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), certifying the date through which Base Ground Rent, Additional Rent and other charges, if any, have been paid, and stating whether or not, to the best knowledge of the signer, the other party is in default beyond any applicable notice and cure period provided in the performance of any of its obligations under this Agreement, and if so, specifying each such default of which the signer may have knowledge, and such other matters as may be reasonably requested. The parties agree and acknowledge that it is specifically intended that any such statement delivered pursuant to this Section 45 may be relied upon by others with whom the party requesting the certificate may be dealing.

Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any mortgage or deed of trust made by the Port, its successors or assigns, encumbering the Premises or any part thereof, and if so requested, attorn to the purchaser upon such foreclosure or sale or upon any grant of a deed in lieu of foreclosure and recognize such purchaser as landlord under this Agreement, provided, that such purchaser recognizes Tenant's rights under this Agreement, Tenant's subleases, and any modification of this Agreement or any sublease and assumes the Port's obligations under this Agreement arising after the date of transfer, and agrees not to disturb Tenant's or its subtenants quiet possession of the Premises for so long as Tenant is not in default hereunder.

Notwithstanding the above, the Port shall not use the Premises as security for any monetary obligation or further encumber the Premises, except as may be expressly authorized by this Agreement or by prior written approval of Tenant, which approval shall not be unreasonably withheld. So long as Tenant is not in default of this Agreement, this Agreement will not be amended, modified or terminated or subject to termination by any trustee's sale, any action to enforce the security, or by any proceeding or action in foreclosure.

46. REAL ESTATE COMMISSIONS AND FEES.

Any real estate commissions or fees related to this Lease, and claims related thereto, shall be handled in accordance with **Paragraph 1, LEASE SUMMARY** above.

LESSOR:

PORT OF OLYMPIA, a Washington
municipal corporation

By: _____
Alexandra K. Smith
Executive Director

TENANT:

SSECC PDC GL1, LLC, a Delaware limited liability
Company

By: PDC Seattle LPIV BB/TH, LLC
a Delaware limited liability company
Its Manager

By: _____
Name: _____
Title: Local Partner

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this _____ day of _____, 2025, personally appeared before me **ALEXANDRA K. SMITH**, to me known to be the Interim Executive Director at the Port of Olympia, the municipal corporation named in the within and foregoing **Lease Agreement**, and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

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

(Print Name) _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My commission expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this _____ day of _____, 2025, personally appeared before me _____, to me known to be the _____ at the entity named in the within and foregoing **Lease Agreement**, and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

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

(Print Name) _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My commission expires: _____

RATIFICATION

The **Standard Lease Form** was ratified – per Section 5.1 of the Option Lease Agreement, as amended, between the Port and the Tenant dated July 13, 2020 – by the Port of Olympia Commission on July 12, 2021, and as further amended on December 11, 2023.

The undersigned confirms that this Lease was ratified by the Port of Olympia Commission on April 28, 2025.

Port of Olympia Commission

By: _____

Its: _____

Date: _____

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this _____ day of _____, 2025, personally appeared before me **JASMINE VASAVADA**, to me known to be the President of the Port of Olympia Commission, the municipal corporation named in the within and foregoing **Lease Agreement**, and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

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

Print Name: _____
 NOTARY PUBLIC in and for the State of Washington,
 residing at _____
 My commission expires: _____

EXHIBIT A PREMISES

Thurston County Parcel # 12710100301

As further identified as Lot 1 of

Section 10 Township 17 Range 2W Quarter NE SW, SE SW Survey, Lot 1 Thurston County Auditor File No. 4946264

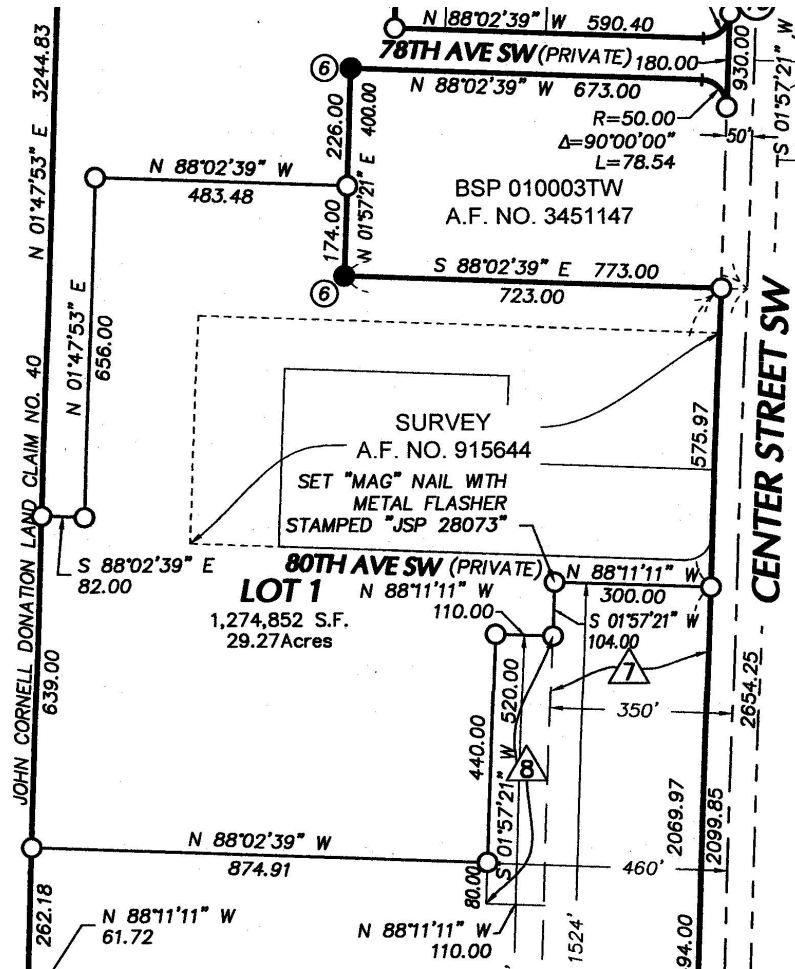


EXHIBIT B

REQUIREMENTS AS TO IMPROVEMENTS

These conditions relating to improvements in this Exhibit "B" shall control unless the Port and Tenant have otherwise separately agreed to more specific time periods for production and coordination of drawings, financing and commencement of construction. In the event such additional documentation becomes a part of this Lease, then the time periods set forth in such documents shall be logically coordinated, the intent being that the shorter time periods should control the parties' respective performances.

1. PORT APPROVAL OF TENANT IMPROVEMENTS.

As used herein, the terms "improvements" or "structures" shall mean and include without limitation all permanent buildings, and all other major structures or improvements of any kind located above the ground level of any site, plus any replacements, additions, repairs or alterations thereto. No improvement shall be constructed or maintained on the Premises until the Port has first approved the design, density, size, appearance and location thereof. Before commencing any work of improvement or applying for any governmental permit or approval, Tenant shall first deliver to the Port for approval two (2) sets of schematic plans and preliminary specifications, including grading and drainage plans, exterior elevations, floor plans, site plans, and showing in reasonable detail existing topography and proposed type of use, size, land coverage, shape, height, location, material and elevation of each proposed improvement, all proposed ingress and egress to public or private streets or roads, all utilities and service connections, and all proposed landscaping, exterior materials and fences, parking, exterior lighting, signs, cut and fill, finished grade, runoff and concentration points. Nothing in this paragraph shall imply a submission standard higher than that required for a building permit, except as it relates to land use(s), utilities, infrastructure and impact upon adjoining properties and use(s) of adjoining properties.

The Port shall then have fifteen (15) days during which to accept and approve or reject such preliminary plans and specifications. Once the preliminary plans and specifications have been approved, but prior to commencing any such work, Tenant shall submit to the Port for approval of final plans and specifications for any proposed improvements in the same manner as provided above.

All plans and specifications for grading or improvements to be submitted to the Port hereunder shall be prepared by a licensed or registered architect or engineer, as the case may be. All grading, piling, footing and foundation work must be conducted under the supervision of an appropriate licensed engineer. At the Port's option, a final certification by a licensed soils engineer or geologist must be filed with the Port upon completion of the grading work. The Port shall not unreasonably withhold its approval of any such plans or specifications.

The Port shall be conclusively deemed to have given its approval unless, within ten (10) days after all such plans and specifications have been received by the Port, the Port shall give Tenant written notice of each item of which the Port disapproves. Unless so disapproved, the Port shall endorse its approval on at least one set of plans and return the same to Tenant. The Port may disapprove any plans which are not in harmony or conformity with other existing or proposed improvements on or in the vicinity of the Premises, or with the Port Master Plan or other plans or criteria for the Premises in the general area in which the Premises are located, the sole discretion as to such adequacy remaining with the Port. Notwithstanding the foregoing, Tenant may, in accordance with the lease, repair, replace, alter or reconstruct any improvement on the Premises for which plans were previously approved by the Port as provided above, but only if such repair, replacement, alteration or reconstruction is substantially identical to the improvement previously approved.

Concerning utility installations, Tenant, at Tenant's sole cost, including any connection fees, assessments or changes, shall be responsible for the installation on the Premises of all utilities required by Tenant's use of the Premises, assuming such utility services are available to the Premises. Any contractual arrangements with any municipal supplier with respect to the improvements or utility installation shall not be

entered into by Tenant without first obtaining the Port's approval. In the event that such utility services are not readily available at the Premises, Tenant, at Tenant's sole cost, shall pay for the extension of such utilities to the Premises. The Port shall cooperate with Tenant to facilitate the design, permitting and construction of such utility services, including, without limitation, executing applications or other instruments, necessary or appropriate, in Tenant's reasonable discretion, in connection therewith. The Port further agrees to grant any reasonably necessary easements on over or across or under the Port Property necessary to bring the utility services to the Premises.

The Port shall not be liable for any damages in connection with the approval or disapproval of any plans or specifications, any construction or performance by Tenant on the Premises in connection with the erection of such improvements, any mistake in judgment, negligence or omissions in exercising its rights and responsibilities hereunder, or the enforcement or failure to enforce any provisions contained in the Lease. The Port's approval of plans and specifications shall not constitute the assumption of any responsibility by the Port or its representatives for the accuracy, efficacy or sufficiency thereof, and Tenant shall be solely responsible therefor.

2. CERTIFICATES OF COMPLIANCE.

Tenant shall obtain all necessary permits and shall send copies of same to the Port, as well as copies of Certificates of Completion/Occupancy associated with such permits and pay the cost thereof. Prior to commencement of any such work of improvements, Tenant shall supply to the Port a certificate from a licensed civil engineer or land surveyor verifying that the appropriate subdivision or binding site plan approval has been obtained, and that the proposed improvements will be located on the correct parcel and in accordance with plans previously approved by the Port. The Port may waive such requirement if the Port has already surveyed the proposed Premises. Upon completion of any such improvements, Tenant shall supply to the Port a further certification by Tenant's architect (including the landscape architect in the case of improvements consisting of landscaping) that the improvements, as designed by the architect, have been completed in accordance with the plans previously approved by the Port. Final landscaping as approved by the Port shall be completed within sixty (60) days after completion of the structure. Tenant shall also supply to the Port one (1) set of "as-built" grading plans showing all underground installations within sixty (60) days following completion of any substantial improvement within the Premises. Tenant shall also furnish the Port with a complete set of "as-built" building plans and an itemized statement of the actual construction cost of such improvements, not later than sixty (60) days after completion.

3. DILIGENT COMPLETION AND COMPLIANCE.

After commencement of construction, Tenant shall diligently complete the construction so that the improvements will not remain in a partly finished condition any longer than is reasonably necessary. Tenant shall comply with all applicable governmental laws, ordinances and other requirements or conditions and restrictions which may affect the Premises, (whether prior to, during or after construction) including, without limitation, the Americans With Disabilities Act, and shall make such corrections, alterations or other improvements which may be necessary to remedy any non-complying condition (subject to the reasonable approval of the Port), all at the sole cost and expense of Tenant. Notwithstanding Substantial Completion of the Premises, Tenant shall use reasonable efforts to cause its contractor to diligently proceed to complete full construction of the Premises and obtain a permanent certificate of occupancy for the Premises once there is an occupant or user for the Premises.

EXHIBIT C
LESSOR'S CONSENT AND AGREEMENT
(For Financing Purposes)

Description of Ground Lease.

"Lessor"	The Port of Olympia
"Tenant"	_____
"Lease":	Ground Lease dated _____
"Leasehold":	Tenant's interest in the Lease and all Leasehold Improvements
"Lender(s)":	_____ _____ _____ _____

NOW, THEREFORE, Lessor represents, warrants, covenants and agrees as follows:

1. **Consents.** Lessor hereby consents to the assignment of Tenant's interest in the Leasehold to Lender for security purposes under the Lender's Deed of Trust upon closing of the loan. Herein the term "Deed of Trust" shall mean the Lender's Deed of Trust as may be applicable and the "Lender" shall mean _____, as its/their interests appear in the Deed of Trust.

2. **Status of Lease.** A true and correct copy of the Lease, together with all amendments, supplements, and modifications thereto, is attached as Schedule A to this Agreement. The Lease is presently in full force and effect, is valid and enforceable according to its terms and has not been modified or amended in any way except as shown on the copy of the Lease attached hereto.

3. **Non-Default.** Tenant is not in default (a) in the payment of rent or any other amounts due and payable by Tenant to Lessor under the Lease or (b) to the knowledge of Lessor, in the observance or performance of any other covenant or condition to be observed or performed by Tenant under the Lease. To the knowledge of Lessor, no event has occurred which now does or hereafter will authorize Lessor to terminate the Lease.

4. **Right to Foreclose Deed of Trust.** Lender recognizes that any Deed of Trust taken by Lender affects and applies only to Tenant's interest in the Leasehold and that Lessor will not permit any security interest to be taken in any of its land. In the event of default by Tenant under the terms of the Deed of Trust, Lender may enforce or foreclose the Deed of Trust including the acceptance of a Deed in Lieu of Foreclosure. Lessor agrees that in connection with any such foreclosure, Lender may:

a. acquire Tenant's interest in the Leasehold either by Deed in Lieu of Foreclosure or actual foreclosure without further consent of Lessor, subject to the requirements of paragraph 6.4 below.

b. rent the Premises pending foreclosure of the Leasehold by Lender without further consent of Lessor.

c. assign and sell the Leasehold in whole or in part to any person or entity, subject to the requirements set forth in paragraph 6.5 below.

5. **Surrender of the Premises.** No surrender of the Premises or any other act of Tenant shall be deemed to terminate the Lease and Lessor will not terminate voluntarily by agreement with Tenant unless Lender has been previously notified in writing and has consented to the termination in writing. The Lease shall not be amended or modified unless Lender has been previously notified in writing and has consented to such amendment or modification in writing.

6. **Notice of Default and Lender's Rights.**

6.1. **Notice of Default.** If Tenant defaults under the Lease or if any event occurs which would give Lessor the right to terminate, modify, amend or shorten the term of the Lease, Lessor shall take no steps to exercise any right it may have under the Lease without first giving Lender written notice of such default. A copy of each and every Notice of Default and any other notices the Port is required by the terms of the Lease to provide to Tenant or that will materially affect the leasehold interest, including but not limited to amendments to this Agreement, side letters that affect the economics of this Agreement or any waivers of any rights or obligations under the terms of this Agreement served or sent by Lessor or its agent to or upon Tenant pursuant to the Lease shall be sent contemporaneously to Lender in accordance with paragraph 13 below. Such Notice of Default shall specify the event or events of default then outstanding and the time period at the end of which the indicated action would become effective.

6.2. **Termination for Monetary Default.** If the Notice of Default given by Lessor to Lender relates to a monetary default and Tenant has not cured such monetary default within time period as provided in the Lease and Tenant's failure to cure results in Lessor desiring to terminate the Lease, Lessor may terminate the Lease if such monetary default is not cured by either Tenant or Lender within the time periods set forth in Section 26(c) of the Lease.

6.3. **Termination for Non-Monetary Default.** If the notice given by Lessor to Lender relates to a non-monetary default and Tenant has not cured such non-monetary default within the time period specified in the Lease, Lessor shall take no action to terminate the Lease if:

(a) within the time period set forth in Section 26(c) of the Lease of Lessor's notice to Lender of Tenant's failure to cure (or failure to diligently pursue a cure), Lender notifies Lessor of its intent to realize upon its security interest and commences realization within the time periods set forth in Section 26(c) of the Lease, and diligently pursues realization; and

(b) Lender notifies Lessor that it will assume the Lease when Lender is legally entitled to the ownership and/or possession of Tenant's interests in the Leasehold; and

(c) Lender pays Lessor at time of notification all back rent or other monies or performances due that may be in default up to the date Lender notifies Lessor of Lender's intent and further pays all rent that accrues during the period after Lender so notifies Lessor and completes such other performances that may be required or come due under the Lease.

Lessor shall not terminate the Lease because of Tenant's breach of any term(s) of the Lease relating to the solvency of Tenant or the institution of any bankruptcy, insolvency, receivership or related action by or against tenant as long as Lender cures any default under the Lease by Tenant as provided in this Consent and Agreement.

6.3.1. If the non-monetary default is of a nature which requires immediate abatement as a result of which Lender would not normally pursue realization on the collateral, and Tenant has not taken steps to immediately cure the default, then Lender must take immediate steps to cure such default within the time period set forth in Section 26(c) of the Lease after receipt of notice or else the Lessor may terminate the Lease.

6.3.2. Upon termination of the Lease as provided herein, Lender will release its Deed of Trust within fifteen (15) days thereafter.

6.4. **Assumption of the Lease.** If Lender acquires the interest of Tenant at any time or takes possession of the collateral, then Lender shall formally assume the Lease within twenty (20) days thereafter.

6.5. **Right to Assign.** Lender shall not have the right to assign its interest in the Leasehold nor in the case of a foreclosure under the Deed of Trust shall the Trustee under the Deed of Trust transfer the Leasehold to any person or entity (other than Lender) except under the terms set forth in Section 26 of the Lease.

7. **Disposition of Insurance and Condemnation Proceeds.** Lessor shall be named as an additional insured under any of Tenant's casualty policies on the Premises to the extent of the interests limited in this paragraph 7. Should the Premises suffer any loss which is covered by casualty insurance, and the insurance proceeds are used to restore any improvements made by Tenant, Lessor agrees that Tenant and Lender shall have the right to such proceeds so long as none of Lessor's property, utilities or other services therein are damaged or such damages are repaired. In the event the Premises are substantially damaged and Tenant's improvements have been repaired, Lessor shall only participate in the insurance proceeds to the extent necessary to repair and restore Lessor's ground and any of Lessor's or Tenant's improvements (excluding buildings and personal property) on or in the ground to the same condition the land was in at the commencement of the Lease, or in the same condition at the time of the casualty. Under the Lease, Lessor has the option of requiring Tenant to demolish the improvements at the end of the Lease term, or to have Tenant convey title to Lessor Tenant's interests in the Leasehold Improvements. In the event Premises and the Leasehold are so severely damaged that Tenant's and Lenders' decision is not to repair or restore the Premises, Lessor shall participate in the insurance proceeds to the extent necessary to remove the remainder of the damaged improvements and to restore the Premises and any utilities or other such improvements (excluding rebuilding the improvements or restoring other personal property of Tenant) to the same condition the land was in at the commencement of the Lease, or in the same condition at the time of the casualty. Other than as described herein, Lessor shall have no claim to insurance proceeds or condemnation proceeds that are attributable to Tenant's interest in the Leasehold, nor shall Lender have any interest in Lessor's condemnation proceeds, if any.

8. **Right to Participate in Litigation.** Lender shall have the right to participate in any litigation, arbitration or dispute directly affecting the Premises or the interests of Tenant or Lender therein, including without limitation, any suit, action, arbitration proceeding, condemnation proceeding or insurance claim. Lessor, upon instituting or receiving notice of any such litigation, arbitration or dispute will promptly notify Lender of the same.

9. **Incorporation of Mortgagee Protection Provisions.** To the extent not inconsistent with this Agreement, all provisions of the Lease which by their terms are for the benefit of any leasehold mortgagee, are hereby incorporated herein for the benefit of Lender. Without limiting the foregoing, Lender shall be a beneficiary of the warranty and indemnity provided in paragraph 6 of Paragraph 1, **LEASE SUMMARY**, of the Lease and Section 26 of the Lease.

10. **Right to Remove Collateral.** In the event Lender exercises its rights under its collateral and realizes upon the collateral, Lessor agrees that Lender is entitled to remove Tenant's furniture, movable trade fixtures and equipment installed by Tenant from the Premises at any reasonable time and that the collateral shall remain personal property even though the trade fixtures may be affixed to or placed upon the Premises. "Trade fixtures" means the movable personal property of Tenant which is free standing or attached to floors, walls or ceiling, but does not include installed light fixtures, floor coverings, doors, windows, heating, plumbing or electrical systems or components thereof, including any roof-mounted HVAC equipment and/or units thereof, or permanent walls or partitions installed by Tenant. In the event Lender so realizes on its collateral, Lessor waives any right, title, claim, lien or interest in the above trade fixtures by reason of such fixtures being attached to or located on the Premises. Lender shall use reasonable care in removing the trade fixtures from the Premises and shall repair any damage that may result from such removal which shall be completed in accordance with the terms of the Lease.

11. **Interpretation of Agreement.** This Agreement sets forth the complete understanding of Lender with respect to this transaction; may be amended only in writing signed by the party against whom it is sought to be enforced; and, without limiting the generality of the foregoing shall not be deemed modified by any course of dealing. No provision in the Assignment of Tenant's Interest in Lease, Security Agreement and Deed of Trust shall vary, modify or expand the covenants herein contained. In the event of any conflict between the terms of this Agreement and the Lease, this Agreement shall control.

12. In the event of litigation or arbitration between the parties to enforce or interpret this Agreement, the arbitrator, Board of Arbitration or Judge, as may be appropriate, may award the prevailing party in such arbitration or litigation a reasonable attorney's fee not to exceed 20 percent of the amount in controversy, plus costs and costs of collection.

13. **Notices.** All notices, copies of notices, consents or other communications given under this Agreement must be in writing and shall be effective when received. Such communications shall be given in person to an officer of Lender or to Lessor or shall be delivered to one of such persons by registered or certified U.S. mail or by public or private courier or wire service or facsimile transmission addressed to the parties at their respective addresses set forth below, unless by such notice a different person or address shall have been designated in writing:

If to Lender: _____ (Print)

_____ (Print)

If to Lessor: Port of Olympia
606 Columbia St. NW, Suite 300
Olympia, Washington 98501
Attn: Real Estate Operations

IN WITNESS WHEREOF, Lessor has executed these presents this ____ day of _____, 20__.

LESSOR:

PORT OF OLYMPIA, a Washington Municipal corporation

By: _____

Its: _____

AGREED to this ____ day _____, 20__.

TENANT:

By: _____

Its: _____

AGREED to this ____ day _____, 20__.

LENDER:

By: _____

Its: _____

AGREED to this ____ day _____, 20__.

EXHIBIT A of C
To Lessor's Consent and Agreement (Exhibit C)

Copy of Lease

EXHIBIT "D"

TOXIC, DANGEROUS AND HAZARDOUS SUBSTANCES STORAGE LICENSE

(License required for any material covered by
Dangerous Waste Regulations in WAC 173-303
as amended and 40 CFR Part 116-117 as amended,
copies are on file in the Port of Olympia offices)

Licensee:

Lease:

Term:

(Not to exceed 5 years.)

Fee:

Insurance:

(The Port must be named insured and entitled notice prior to cancellation.)

Renewable: For life of underlying lease so long as conditions below are met:

1. Facilities approved for installation and use:

2. Preconstruction approvals required:

3. Preoccupancy approvals required:

4. Inspections required:

a. _____

b. At any time the Port has good reason to believe a problem may exist.

c. At a minimum, all tanks shall be pressure tested at least once every five (5) years to assure no loss of product into the environment (air, soil, surface or ground water).

5. Materials authorized for storage:

a. _____

b. Any additional materials require the consent of the Port.

6. Additional terms:

a. The Port Engineer shall have the right to terminate this license at any time and in his own discretion, if the facilities fail to meet all federal, state or local requirements or otherwise pose a hazard of unlawful contamination or pollution and such failures are not cured within thirty (30) days of written notice or such lesser time as appropriate under emergency circumstances.

b. The licensee agrees to bear all costs of construction, operation, maintenance, inspection or repair of the approved facilities and to keep the same in good operating repair during the term of this license, and the cost of any cleanup or other activities required in the event of a spill, leak or other pollution-causing event.

c. The licensee agrees at any time that the approved facilities cease to be subject to a valid license agreement, for any reason, that the licensee shall, at its own cost, remove the facilities and restore the site to its original condition (including removal of all contaminated soils or water).

d. The Port shall have the right to terminate this license upon breach of any term herein or termination of the specified lease. Breach of any term of this license shall constitute a breach of the specified lease.

e. The licensee shall compensate the Port for all costs incurred by reason of any breach of this license.

LICENSEE:

PORT OF OLYMPIA;

By: _____
Title: _____
License Date: _____

By: _____
Title: _____

EXHIBIT “E”

REMOVED

EXHIBIT F
FORM OF MEMORANDUM OF GROUND LEASE

**RECORDED AT THE REQUEST
OF:**

WHEN RECORDED RETURN TO:

Albert & Coss, LLC
550 Howe Ave., Suite 100
Sacramento, CA 95825

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease (“Memorandum”), dated as of April 28, 2025, is entered into by and between **SSECC PDC GL1, LLC**, a Delaware limited liability company, or its assigns (“**Tenant**”), **PORT OF OLYMPIA**, a Washington municipal corporation (“**Landlord**”).

Landlord owns fee title to that certain real property located in the City of Tumwater, Thurston County, State of Washington, as is more particularly described in **Exhibit A** attached hereto and incorporated herein (“**Land**”).

On even date herewith, Landlord entered into that Ground Lease Agreement with Tenant (the “**Lease**”) wherein Landlord agreed to lease to Tenant the Land.

The Lease term is for a period of fifty-five (55) years and commences on _____, 2025 and expires on _____, 2080. Tenant has two successive options to extend the term of the Lease each for a ten-year period.

This Memorandum is solely for recording purposes and shall not be construed to supplement, amend, or otherwise modify the terms and conditions contained in the Lease.

This Memorandum and the Lease shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease regarding Assignment.

This Memorandum and the Lease are governed by the laws of the State of Washington.

Signatures are on the next page.

SIGNATURE PAGE
to Memorandum of Option to Ground Lease

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date set forth above.

[ALL SIGNATURES MUST BE NOTARIZED]

LANDLORD:

PORT OF OLYMPIA

A Washington municipal corporation

By: _____
Name: _____
Its: _____

TENANT:

SSECC PDC GL1, LLC,

a Delaware limited liability company

By: PDC Seattle LPIV BB/TH, LLC,
a Delaware limited liability company,
Manager

By: _____
_____,
Local Partner

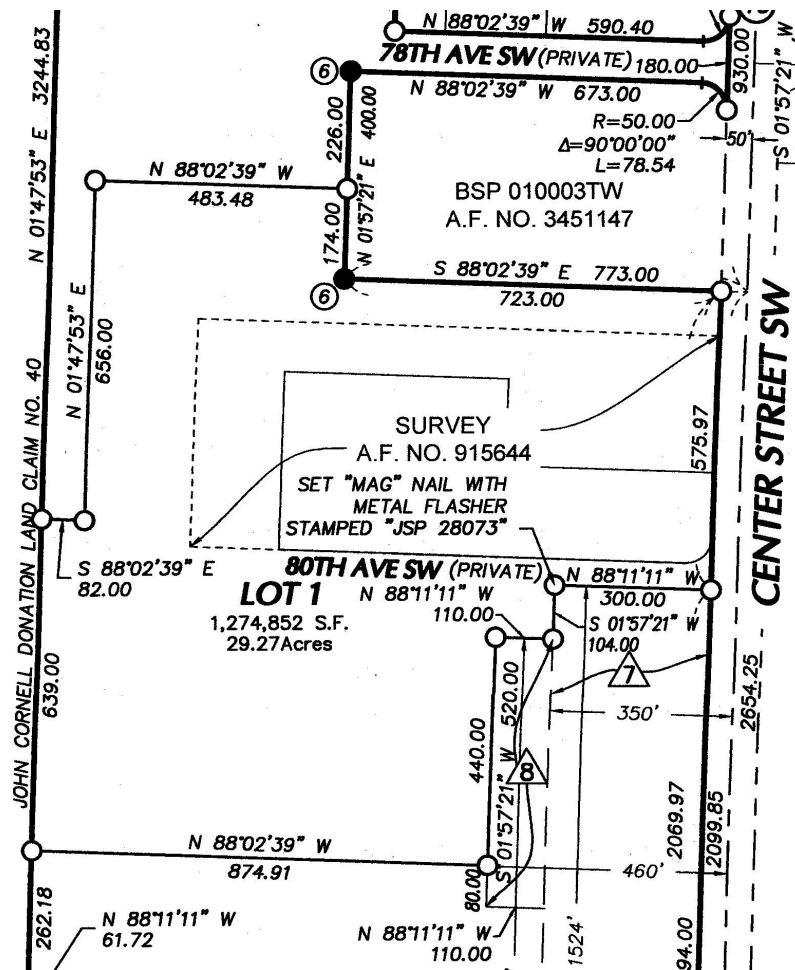
Exhibit A to
Memorandum of Ground Lease

LEGAL DESCRIPTION OF PROPERTY

Thurston County Parcel # 12710100301

As further identified as Lot 1 of

Section 10 Township 17 Range 2W Quarter NE SW, SE SW Survey Lot 1 Thurston County Auditor File
No. 4946264



ACKNOWLEDGMENT

STATE OF _____)
)
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)
Notary Public Signature

ACKNOWLEDGMENT

STATE OF _____)
)
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)
Notary Public Signature

EXHIBIT G

Form of Non-Disturbance and Attornment Agreement

RECOGNITION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT, is made as of _____, 20__, by and among _____, a _____ (hereinafter referred to as “**Prime Lessor**”), and _____, a _____ (hereinafter referred to as “**Prime Lessee**”), and _____, LLC, a Delaware limited liability company (hereinafter referred to as “**Tenant**”), with reference to the following facts:

A. Prime Lessor has entered into a Lease with Prime Lessee dated _____ (the “**Prime Lease**”) for [the building located at _____] (the “**Property**”) as more fully described in the Prime Lease;

B. By a certain sublease entered into between Prime Lessee and Tenant dated _____ (hereinafter called the “**Sublease**”), Prime Lessee leased to Tenant [a portion of] the Property and the improvements to be erected thereon as more particularly described in the Sublease (said portion of the Property and the improvements now or hereafter erected thereon being hereinafter called the “**Demised Premises**”);

C. The parties hereto desire to provide for the recognition and nondisturbance to Tenant by the Prime Lessor; and

D. The parties hereto desire to provide for Tenant’s agreement to pay Prime Lessor the rent payments due under the Prime Lease and to assume the Prime Lease after the occurrence of a default by Prime Lessee not cured within any applicable cure period.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto intending to be legally bound hereby agree as follows:

1. Prime Lessor agrees that as long as the Sublease shall be in full force and effect:

(a) The possession by Tenant of the Demised Premises and the Tenant’s rights thereto shall not be disturbed, affected or impaired by, nor will the Sublease or the term thereof be terminated or otherwise affected by (i) any suit, action or proceeding upon the Prime Lease, or by the termination of the Prime Lease or the enforcement of any rights under the Prime Lease or any other documents held by the Prime Lessor, or by any judicial sale or execution or other sale of the Demised Premises, or (ii) any default under the Prime Sublease; and

(b) Prime Lessor will not exercise any of its rights under the Prime Lease in a manner which would effectively prohibit Prime Lessee from performing the Sublease in accordance with its terms.

2. If the Prime Lessor shall terminate the Prime Lease with Prime Lessee or its assigns or if the Property shall be sold as a result of any action or proceeding to terminate the Prime Lease, or transfer of ownership given in lieu of termination, prior to expiration of the Sublease, the Sublease shall continue in full force and effect as a direct lease between Prime Lessor, or their successor in interest, as landlord, and Tenant, as tenant, upon and subject to the terms and conditions contained in the Sublease, without

necessity for executing any new lease, as a direct lease between Tenant and the then owner of the Property, as "landlord." In such event:

(a) Tenant shall be bound to the Prime Lessor or such new owner under all of the terms, covenants and provisions of the Sublease for the remainder of the term thereof (including the Renewal Periods, if Tenant elects or has elected to exercise its options to extend the term) and Tenant hereby agrees to attorn to the Prime Lessor or such new owner, as the case may be, and to recognize the Prime Lessor or such new owner shall, from and after the date the Prime Lessor or new owner succeeds to the interest of "landlord" under the Sublease, have the same remedies against Tenant for the breach of any covenant contained in the Sublease that landlord might have had under the Sublease against Tenant; and

(b) The Prime Lessor or such new owner shall be bound to Tenant under all of the terms, covenants and provisions of the Sublease for the remainder of the term thereof (including the Renewal Periods, if Tenant elects or has elected to exercise its options to extend the term of the Sublease). Tenant shall, from and after the date the Prime Lessor or new owner succeeds to the interest of "landlord" under the Sublease, have the same remedies against the Prime Lessor or new owner for the breach of any covenant contained in the Prime Lease that Tenant might have had under the Sublease against landlord if the Prime Lessor or new owner had not succeeded to the interest of landlord.

3. Prime Lessee hereby agrees to protect, defend, indemnify and hold Tenant harmless from and against any and all claims, damages, costs and expenses (including not limited to reasonable attorneys' fees) incurred by Tenant as a result of the violation of this Agreement by Prime Lessee or the breach by Prime Lessee of the Prime Lease, including but not limited to any breach which result in termination of the Prime Lease. Tenant hereby agrees to protect, defend, indemnify and hold Prime Lessee harmless from and against any and all claims, damages, costs and expenses (including but not limited to reasonable attorneys' fees) arising from Tenant's violation of the terms of this Agreement.

4. Any notices or communications given under this Agreement shall be in writing and shall be given by registered or certified mail, return receipt requested, postage paid or reliable overnight courier to each of the parties at their respective addresses as hereinabove set forth or at such other address as a party may designate by notice given in accordance with this paragraph. Notices shall be deemed delivered upon actual receipt as evidenced by the return receipt.

5. This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

Signatures are on the next page.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

PRIME LESSOR:

PORT OF OLYMPIA

A Washington municipal corporation

By: _____

Name:

Title:

PRIME LESSEE:

SSECC PDC GL1, LLC,

a Delaware limited liability company

By: PDC Seattle LPIV BB/TH, LLC,
a Delaware limited liability company,
Manager

By: _____
_____,
Local Partner

TENANT:

By: _____

Name:

Title:

EXHIBIT “H”

CENTER STREET IMPROVEMENTS SCOPE OF WORK

References:

- South Sound Commerce Center Site Plan Review Approval TUM-21-1580: March 15, 2023
<https://www.ci.tumwater.wa.us/home/showpublisheddocument/26830/638756522252570000>
- South Sound Commerce Center Revised MDNS TUM-22-0278: December 19, 2022
<https://www.ci.tumwater.wa.us/home/showpublisheddocument/26836/638756522273200000>



City Hall
555 Israel Road SW
Tumwater, WA 98501-6515
Phone: 360-754-5855
Fax: 360-754-4138

March 15, 2023

SSECC, C/O Brenda Fodge
1821 Dock Street, Suite 100
Tacoma, WA 98402

*Sent via email to: bfodge@panattoni.com, ChrisC@hattonpantier.com,
lisap@portolympia.com, and warrenh@portolympia.com*

RE: South Sound Commerce Center Site Plan Review Approval TUM-21-1580
7901 Center St SW, Tumwater, WA 98501, Tax Parcel #12710100301

GENERAL

The City of Tumwater reviewed your formal site plan review application which includes the construction of a 481,241 sq. ft. distribution warehouse, with associated parking, open space and stormwater treatment on a 29.27 acre parcel.

With this letter the City grants formal site plan approval for the project.

PLANNING

1. Use: The proposed project is located within the Airport Related Industry Zone District (ARI) and Aquifer Protection Overlay Zone District. TMC Chapters 18.34 & 18.39.

Warehouse distribution centers are permitted uses subject to the requirements of Section 18.42.110 TMC General Land Use Regulations. Section 18.42.110 TMC provides minimum conditions for location and site planning.

The site plan meets the minimum requirements of Section 18.42.440 as the use located within the crosshatched area in TMC Figure 18.42.110 (B), and located more than 1,000 feet from urban residential zoning.

2. Development Standards: Section 18.34.050 TMC. Development must provide adequate space for parking, yards and landscape, there is no minimum site area required. Lot coverage maximum is 85% of the total area. Lot coverage includes ground area covered by impervious surfaces. Maximum building height sixty-five (65) feet.

The site plan submitted meets the minimum requirements of Section 18.34.050 TMC for adequate space for parking, yards, and landscaping, and shows lot coverage at 85%.

Building elevations showing compliance with Citywide Design Guidelines and building height is required with building permit application. (*Building elevations were provided with building permit application and are under review.*)

3. Yards/Setbacks:

Front: twenty feet minimum setback on all street frontages unless otherwise specified by the Port of Olympia development guidelines or the Tumwater design guidelines. Side: ten feet from property line. Rear: ten feet from property line.

The required setback areas shall be kept free of any building or structure not exempted under Section 18.42.040 TMC.

The site plan meets setback requirements.

4. Industrial Design Review Standards: The project is subject to the industrial design guidelines. The design guidelines have specific site planning requirements for industrial uses and lots with multiple buildings or greater than 2 acres in regards to pedestrian and vehicular access between lots and uses, parking area design, building design and character, blank wall treatment, and site lighting.

The site plan shows pedestrian sidewalks from the street to the buildings, and within the site. Parking lots include parking lot landscape. Minimum open space requirements are met.

Open space pathway shown must be paved with concrete or other approved surface. Building elevations showing compliance with the Citywide Design Review Standards in regards to building design, architectural scale, and materials shall be submitted with building permit application. (*Open space and building elevations were provided with building permit application and are under review.*)

5. Parking: Warehouse distribution requires 1 space per 2,000 square feet. Offices with gross floor area 7,501 to 40,000 sq. ft. require 2.8 spaces per 1,000 square feet.

Parking stall sizes are as follows:

9' x 18' – Standard stalls

8' x 17' – Compact stalls (maximum 15% of total parking) 9' x 18' – Barrier-free

16' x 18' – Barrier-free van stalls

The parking area is to be hard-surfaced (asphalt, concrete or turfstone) and the spaces shall be defined by white striping a minimum of 4-inch wide. A minimum 8-foot-wide walkway is required between the building and the parking stalls. Parking spaces must utilize approved wheel stops to prevent vehicle overhang of a sidewalk or walkway. The parking aisle (lane) is to be a minimum of 22'-6" feet wide. All vehicle maneuvering areas shall be paved.

Bicycle storage facilities are required for the site and shall meet the requirements of Section 18.50.120 TMC. Short-term parking includes cover from weather, visible from primary entrances, illuminated, protection from theft, and located within one hundred of primary entrances. Long-term parking include lockable bike cage or class 1 bicycle lockers. Parking with over 150 parking spaces requires short term spaces at the rate of 8 or 3% of spaces whichever is greater. Long term spaces at 1 per 50 spaces, plus 1 per additional 100 spaces.

The site plan shows minimum parking met with a 10 % reduction request by the applicant, and provides locations for covered short term bicycle parking, meets the minimum vehicle and truck parking requirements. Long term bicycle parking is noted to be located inside the building.

Building plans shall include location and detail of both short-term and long term bicycle parking meeting the requirements of 18.50.120(A) & (C) (*Bicycle parking details were provided with building permit application and are under review.*)

6. Exterior Lighting: Site lighting shall be directed downward and inward, or other techniques may be utilized to minimize impacts on off-site uses. Light poles in the parking area shall be limited to 24 feet in height.

A photometric lighting plan addressing all proposed exterior lighting must be submitted with building permit submittal. (*Photometric plan was submitted as part of building permit application*)

7. Landscaping: The project as proposed requires a minimum 8 foot perimeter with trees and shrubs. Parking lot landscaping requirement are for every ten parking spaces an eight foot by eighteen foot landscape island must be provided. The island must include a tree and groundcover plants. Frontage improvement landscape includes planter strip with street trees. Irrigation of all landscape beds is required.

The site plan includes a conceptual landscape plan that meets the intent of landscape requirements.

A detailed landscape plan shall be submitted with site development grading application. *(A detailed landscape was submitted with building permit submittal and is under review).*

8. Signs: The ARI zone allows a total of 200 square feet on all faces of all signs. Separate permits are required and height restrictions apply depending on the location of the sign. The sign can be as high as the proposed building, or 30-feet, whichever is less [Chapter 18.44 TMC].

Wall and building mounted signs shall be limited to an area not to exceed twenty percent of the public facade, provided that the total area of signs on an individual public facade or outer wall of a building does not exceed 100 square feet. In addition, no one sign may be larger than 100 square feet.

Signage requires a separate sign permit.

9. Impact Fees: Transportation impact fees will be assessed at building permit issuance. The amount of the fee will be in accordance with the adopted fee resolution in place at the time of submittal of fully complete building permit applications.
10. SEPA: The city issued a revised Mitigated Determination of Nonsignificance (MDNS) on December 19, 2022. The revised MDNS includes the following mitigation measures.
 - Construct a roundabout at the northbound Interstate 5 On/Off Ramp and Tumwater Boulevard intersection; or
 - Voluntarily pay a mitigation fee of \$4,219 per peak trip generated by this project under RCW 82.02.020 to be used as described herein: Tumwater Boulevard/I-5 Interchange: The City's planned transportation improvements at the Tumwater Boulevard/I-5 interchange include converting the interchange to a roundabout diamond interchange by replacing the southbound on/off ramp signal and northbound stop controlled intersections with roundabouts.

The Transportation Impact Analysis submitted with the Transportation Concurrency application indicates that 104 new peak hour trips will be generated to the interchange from this development.

- This project will significantly increase traffic on Center Street. The applicant shall provide a site specific American Association of State Highway and Transportation Officials (AASHTO) structural design using field verified "R" values along Center Street to determine the adequacy of the existing structural section using existing and post-development equivalent single axle loads (ESALs). If the evaluation confirms the existing road section is not sufficient for the vehicular loading, the

- proponent shall reconstruct the road section for the full roadway width from Tumwater Blvd. to the southern site property boundary. The reconstructed section shall be the lesser of the site specific AASHTO structural section, and that provided in the October 2020 amendment to Table One, Chapter 4 of the Tumwater Development Guide.
- Tumwater Boulevard is a designated strategy corridor. Strategy corridors are road segments that cannot be built out further in urban core areas and such, the City can accept a lower LOS in lieu of prohibiting development due to concurrency. If there are reasonable improvements that can be made on strategy corridors to bring them to our standard LOS, they shall be completed. The City considers alternative solutions on strategy corridors aside from simply widening roadways or completely rebuilding intersections. The alternative option suggested as mitigation in the Traffic Impact Analysis is to adjust signal timing. This shall be addressed in site development/grading plan permit submission, and may include restriping and/or other physical intersection adjustments.
 - In order to restrict truck traffic from traveling by properties with an urban residential zone district classification, a designated truck route shall be established to assure truck traffic is directed to and from Tumwater Boulevard to the site on Center street. Driveways shall be constructed to physically restrict heavy truck traffic from entering the site from the south or exiting the site to the south.

No appeal was filed.

11. Tree Retention. Section 16.08.070.R requires that not less than (20%) or not less than 12 trees per acre be retained. This section allows the standards to be waived or modified when the applicant provides substantial evidence demonstrating compliance would make reasonable use of the property impracticable for three or more reasons listed in TMC 16.08.070.R.2

The applicant has requested to remove all trees onsite due to the amount of fill required to achieve the minimum requirements of the City of Tumwater Drainage Design and Erosion Control Manual, and High Ground Water Ordinance. The minimum tree retention is 350 trees. Mitigation planting at 3:1 requires 1,050 trees to be planted onsite.

The applicant proposes to provide a 1.46 acre open space tract for pedestrian oriented open space and minimum required tree tract. The tract should accommodate approximately 734 trees.

For any shortfall of mitigation tree planting, the applicant shall pay a tree mitigation fee-in-lieu, based on the most current adopted fee resolution at the time of site development grading permit approval.

12. Olympia Pocket Gopher: The parcel has soils suitable for the Mazama Pocket Gopher, a protected species. A Gopher Habitat Survey performed by Krippner Consulting, LLC shows no evidence of gopher activity on the parcel.
13. Critical Areas: A wetland, and Fish and Wildlife Habitat Assessment completed by Soundview Consultants showed no evidence of wetlands on site.
14. Transportation Concurrency: A Concurrency Ruling was issued by the City Transportation Manager on November 21, 2022. The ruling conditions the project to pay transportation impact fees, constructed transportation improvements provided on the formal site plan, address the level of service failure at Tumwater Boulevard and Center Street Intersection, and contribute to the construction of the Tumwater Boulevard/I-5 Interchange project, and also subject to a Thurston County Mitigation fee of \$1,207. These mitigation measures are reflected in the MDNS issued December 19, 2022.

A Notice of application was issued for this project on July 1, 2022. Several comments were received.

Agency comments:

Nisqually Tribe commented with no specific cultural resource concern.
Squaxin Island Tribe commented with no specific cultural resource concern.
Thurston Climate Action Team commented to remind the City to be mindful of the Thurston Climate Mitigation Plan during review.

Public Comments:

Several comments were in form letter email text requesting the City deny the application and require the Port of Olympia to complete an Interlocal Agreement for a larger portion of land in the area of development.
A specific comment letter was provided by the Audubon Society sharing comments provided for the New Market Industrial Area Plan of 500 acres.

Other concerns include protection for the adjacent Bush Wellfield, stormwater treatment and high ground water issues, tree retention, and transportation.

The interlocal agreement discussed between the Port of Olympia and the City was for a much larger development, on larger amount of acreage. No agreement was reached. The current parcel is subject to current development standards, and is not subject to an interlocal or developers agreement.

The property is subject to the Aquifer Protection Overlay Zone District TMC Chapter 18.39 which limits the type of uses in the overlay zone, as

well as the Wellhead Protection requirement of TMC Chapter 16.26, which limits uses located within certain distances of a wellhead.

The parcel must meet the development standards of the Tumwater 2018 Drainage Design and Erosion Control Manual, which provides specific standards for protection and treatment of stormwater in high groundwater hazard areas.

Tree retention and mitigation options are provided for in TMC Chapter 16.08. The applicant has requested and provided justification for the removal of trees based on the development standards of the drainage manual for the protection of high ground water and the aquifer recharge area. The ordinance at Section 16.08.070 provides mitigation measures to apply.

The SEPA and transportation concurrency review provides mitigation for traffic impacts specific to the development.

The project was reviewed and conditioned to meet ordinance and design standard requirements of the City.

BUILDING

1. A Site Development/grading permit will be required for this site. The permit application shall be accompanied by the application checklist and two sets of plans and specifications, and supporting data consisting of a soils engineering report and engineering geology report prepared and signed by a licensed soils engineer. Inspection of the grading shall be provided by the civil engineer and Geotechnical engineer. In addition special inspectors approved by the building official shall perform inspections of fill placement, compaction testing, and blasting. All special inspections are to be performed by WABO registered labs and inspectors who have expertise in grading and earthwork.

The Engineer of record is responsible for providing a final inspection report which will include the geotechnical engineers and special inspector's reports. In addition as-built drawings for the site will be submitted in a PDF format. IBC Appendix J

2. Special inspectors may be required for the following types of work: concrete, bolts installed in concrete, special moment-resisting concrete, reinforcing steel and pre-stressing steel tendons, structural welding, high strength bolting, structural masonry, reinforced gypsum concrete, insulating concrete fill, special wood design, spray-applied fireproofing, piling, drilled piers and caissons, shotcrete, special (engineered) grading, excavation and filling, soils compaction testing, retaining walls and smoke-control systems. All special inspections are

to be performed by WABO registered inspectors and at the expense of the owner. IBC Section 1704.1

3. Water cross connection control shall be provided in accordance with the provision of the Plumbing Code. Cross connection control devices or assemblies must be models approved under WAC 246-290-490.
4. If water pressure at the meter exceeds 80 psi, a pressure-reducing valve will be required to be installed on the private side of the water line.
5. WABO special inspection Firm shall be submitted to the Building Official prior to the issuance of this permit.
7. This structure will require structural engineer for foundation/structure along with storm system under building.
8. The required fire flow for this building is derived from Appendix B of the International Fire Code. Type IIB buildings of this size are required to have a fire flow of 8,000 gallons per minute at 20 psi. However, based on the approval of the Fire Chief, a 50% reduction for fully sprinkled buildings allowed in Appendix B105 will be allowed for this site. Therefore, the required fire flow will be 4,000 gallons per minute at 20 psi. Water line shall be looped and public system.
11. Fire hydrants and paved access roads shall be installed, tested for fire flow by the Fire Department and made serviceable by the Public Works Department prior to any vertical or combustible construction. No exceptions. IFC 503
12. That no vertical or combustible construction will be allowed on the construction site until the fire hydrants and paved roads are installed, tested and approved by the City of Tumwater. Note: testing will also include verification of fire flow by the fire department.
13. The following permits may be required for this project:
 - Site Development/Grading
 - Retaining/Rockery
 - Building, including plumbing and mechanical
 - Fire sprinkler / fire suppression
 - Fire alarm
 - Sign
 - Well abandonment
 - Septic System abandonment

ENGINEERING GENERAL

1. The applicant shall be responsible for providing the City with all costs associated with the installation of water, sewer, street and storm systems that are dedicated to the City of Tumwater.
2. All designs/construction shall comply with the City of Tumwater's Development Guide and WSDOT standards.
3. The site plan shall show all existing and proposed utilities and easements including street lights, street trees, water, sewer, storm, gas, cable, power, telephone, signage and striping.
4. All main installation, road design and storm drainage work requires engineered plans certified by a professional engineer.
5. The applicant is responsible for all plan check, inspection and connection fees.
6. Any private or public utility relocation is the responsibility of the applicant.
7. The applicant shall be responsible for the maintenance and timely repair of all public improvements for a period of 30 months following final certification by the City and shall submit a surety for maintenance equal in value to fifteen (15) percent of the total value of the required public improvements certified by the Public Works Director. Please refer to Chapter 3 of the Development Guide for further clarification.
8. Provide all easements and bills-of-sale documents with the engineered plans.
9. All legal descriptions must be accompanied with an appropriate drawing that the City Surveyor can use to verify the legal description. All engineering drawings will be on 24" x 36" paper sheets.
10. The owner or owner's representative is also responsible for furnishing the City with electronic files, compatible with release 2018 or newer Auto-CAD format. Provide individual drawings independent of x- refs. Include all non-standard font files and plot files. Also, please furnish PDF files printed from the Auto-CAD files. A storm water maintenance agreement, utility maintenance agreement, easements and bills- of-sale will also be required.
11. Site plan modifications may occur as a result of the engineering review process. For engineering issues, the approved engineering plans take precedence over the approved site plan.
12. Please note on the plans that the PLS responsible for the surveying of the project must obtain a permit from DNR before any monuments are disturbed.

13. The vertical datum required to be used is NGVD29. No exceptions.

STREET

1. Frontage improvements are required per Tumwater Municipal Code 12.12.010.

Center Street

- Northern driveway/entrance – Please design this access as an intersection with curb returns.
- Cross section (west to east)
 - ☐ 2' ROW behind sidewalk, grade to be flat
 - ☐ 6' sidewalk
 - ☐ 6' planter
 - ☐ 0.5' curb
 - ☐ 12' bike + parking
 - ☐ 12' SB
 - ☐ 12' center lane
 - ☐ 11' NB
 - ☐ 6' Parking (east side of road is interim configuration; parking on east side will convert to bike when bike lanes connect to the north and any redevelopment on the east side of the road will mirror the west side)
 - ☐ The proposed driveways shall physically restrict south bound truck trips on Center Street from the site.
 - ☐ Road structural section: Verify existing pavement from site entrance to Tumwater Boulevard is adequate for the additional ESAL's. Note,

Center Street is only 0.2' HMA on crushed from 78th to Pat Kennedy Way

- ☐ Street lighting
- ☐ Storm drainage
- ☐ Please refer to Chapter 4 Amendment of the Development Guide for the structural requirements.

To be confirmed with traffic analysis:

- ☐ Mitigation and TIF
- ☐ Tumwater Boulevard/Center Street - Relocate crossing or signal standard on west approach and re-channelize to allow left turn overlap for NB/SB lefts due to level of service.
- ☐ Upgrade structural section on other streets due to truck routes or the intended use of the development.

Port right-of-way

- ☐ Port will determine requirements, review and approve.

2. Full lane overlays will be required after patching or widening the road prism. Additional improvements might be required on the opposing frontage, such as

widening, realigning the crown to centerline of right-of-way or feathering to meet City of Tumwater standards.

3. All accesses will meet city standards. Verify new accesses will not affect existing accesses along Center Street.
4. Provide an overall traffic plan and time line (TIA). The plan then needs to be outlined with proposed phases. Need to look at intersections along Center Street, Tumwater Boulevard/Center Street intersection and how to prevent or discourage truck traffic heading south on Center Street.
5. Please make the following corrections to the Center Street section:
 - Draw the 30' arrow dimension to the centerline.
 - Show the minimum road structural section for Center Street.
 - Remove the bioretention swale completely out of the ROW.

STORM

1. A drainage design and erosion control plan will be required according to City's 2018 Drainage Design and Erosion Control Manual.
2. Maintenance of the on-site storm water system will be the responsibility of the property owner and a maintenance agreement will be recorded against the property.
3. This project will be paying a monthly storm water utility fee based on the amount of impervious surface per Tumwater Municipal Code 13.12.060.
4. If the depth from the bottom of the proposed detention facility to the high groundwater elevation or other restrictive layer is less than 5-feet, storm water modeling will be required. The applicant will be responsible for the cost of a third party review of the on-site and off-site storm water impacts and mitigations.

SANITARY SEWER

1. The professional engineer will need to provide calculations of the maximum monthly sanitary sewer discharge from the site. The City reserves the right to check the actual use in the future and charge additional connection fees if the actual use is greater than the estimated amount.
2. Extension of the sewer main across all frontages is required.
3. Please look for opportunities to stub the sewer main to serve adjacent areas.

WATER

1. The project must meet minimum fire flow requirements.
2. Back flow prevention is required on all fire services and irrigation services and in accordance with the AWWA Cross Connection Control Manual. A reduced pressure backflow assembly is required on all commercial domestic services per WAC 246-290-490. Please contact maintenance at 754-4150 for more information.
3. Any water main extension will require a minimum size of 12". The main size will depend on the fire flow requirements for this project. The system shall be designed for a maximum velocity of 8 feet per second.
4. Water meters need to be placed in the public right-of-way or clustered on site within an easement. The professional engineer will need to provide calculations on the maximum instantaneous water demand and size of the meter for the project.
5. Please look for opportunities to stub the water main to adjacent areas for future loops.
6. Please provide a 15' clear easement for the water main.

This review does not provide the benefit of vesting, which is currently not allowed until the time a completed building permit application is submitted. Therefore, if ordinance changes occur during the life of this approval, your project must conform to those new requirements prior to the issuance of building permits.

If you have any questions regarding the Planning comments, please contact me at tmerriman@ci.tumwater.wa.us. For questions on Building/Fire, contact Al Christensen at achristensen@ci.tumwater.wa.us, and for engineering questions, please contact Jared Crews at jcrews@ci.tumwater.wa.us, or call 360-754-4180.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tami Merriman", with a stylized flourish at the end.

Tami Merriman, Permit Manager

Appeal: This administrative decision may be appealed to the hearing examiner within fourteen days of the date of this approval. See TMC Chapter 2.58, Hearing Examiner for process.

7847 CENTER STREET SW, TUMWATER, WA 98501

1 SITE PLAN
2 NORTH HORIZONTAL CONTROL PLAN
3 SOUTH HORIZONTAL CONTROL PLAN
4 TEMPORARY EROSION CONTROL & DEMOLITION PLAN
5 TEMPORARY EROSION & SEDIMENT CONTROL DETAILS - 1
6 TEMPORARY EROSION & SEDIMENT CONTROL DETAILS - 2
7 CENTER STREET DEMOLITION PLAN
8 SOIL MANAGEMENT PLAN
9 NORTH PAVEMENT PLAN
10 SOUTH PAVEMENT PLAN
11 OVERALL GRADING & DRAINAGE PLAN
12 ENLARGED GRADING & DRAINAGE PLAN - 1
13 ENLARGED GRADING & DRAINAGE PLAN - 2
14 ENLARGED GRADING & DRAINAGE PLAN - 3
15 ENLARGED GRADING & DRAINAGE PLAN - 4
16 ROOF DRAINAGE PLAN
17 CENTER STREET FRONTAGE IMPROVEMENTS
18 DRAINAGE NOTES & DETAILS - 1
19 DRAINAGE NOTES & DETAILS - 2
20 DRAINAGE DETAILS
21 STORMTECH DETAILS - 1
22 STORMTECH DETAILS - 2
23 STORMTECH DETAILS - 3
24 STORMTECH DETAILS - 4
25 STORMTECH DETAILS - 5
26 SITE NOTES & DETAILS
27 OVERALL UTILITY PLAN
28 AISLE 'A' WATER PLAN & PROFILE
29 AISLE 'B' WATER PLAN & PROFILE
30 AISLE 'C' WATER PLAN & PROFILE
31 AISLE 'D' WATER PLAN & PROFILE - 1
32 AISLE 'D' WATER PLAN & PROFILE - 2
33 AISLE 'E' WATER PLAN & PROFILE - 1
34 AISLE 'E' WATER PLAN & PROFILE - 2
35 AISLE 'F' WATER PLAN & PROFILE
36 WATER DETAILS
37 WATER NOTES & DETAILS
38 AISLE 'A' & 'E' SEWER PLAN & PROFILE
39 AISLE 'B' SEWER PLAN & PROFILE
40 SEWER NOTES & DETAILS

APPLICANT: PANATON DEVELOPMENT COMPANY
1281 DOCK STREET, SUITE 100
TACOMA, WA 98402

JEFF PANITER
HATTON GODAT PANTIER, INC.
3910 MARTIN WAY E. SUITE B
OLYMPIA, WA 98506
360-943-1599

JEFF@HATTONPANTIER.COM
PORT OF OLYMPIA
606 COLUMBIA STREET NW, SUITE 300
OLYMPIA, WA 98501

(PORTION OF) 12710100000 & 1271031010
NORTH 4TH

ASSASSOR PARCEL NO.'S
ZONING
ARI ZONE 4 PEOPLE PER ACRE CALCULATION:
TOTAL ARI ZONE 4 LAND AREA = 7.7 ACRES
TOTAL ARI ZONE 4 BLDG AREA = 59,295 S.F.
TOTAL ARI ZONE 4 OFFICE AREA = 5,974 S.F.
TOTAL ARI ZONE 4 WHSE AREA = 53,281 S.F.
OFFICE OCCUPANT LOAD FACTOR: 5,974/100 = 60 PEOPLE
WHSE OCCUPANT LOAD FACTOR: 53,281/100 = 107 PEOPLE
167 TOTAL PEOPLE/7.7 ACRES = 22 PEOPLE PER ACRE

TOTAL AREA 121,270.640 S.F. (29.17 Acres)
BUILDING AREA 481,241 S.F.
BUILDING CONSTRUCTION TYPE TYPE IIB (FULLY SPRINKLERED W/ ESFR SPRINKLER SYSTEM)
LOT COVERAGE = 1,086,270 SF IMPERVIOUS AREA/
1,270,640 SF TOTAL SITE
85% LOT COVERAGE PROVIDED
1.48 ACRES (5% OF SITE AREA)

OPEN SPACE REQUIRED
PARKING
67 STALLS @ 2,884 SF OFFICE @ 21,800,000
220 STALLS @ 457,347 SF WHSE DIST @ 12,000
296 TOTAL AUTO STALLS REQUIRED
228 (9x18) STANDARD AUTO STALLS PROVIDED
40 (8x18) COMPACT AUTO STALLS PROVIDED
(10% REDUCTION PER TMC 18.50.075.A)
268 TOTAL AUTO STALLS PROVIDED
14 EV (6% OF TOTAL AUTO STALLS PROVIDED)
7 ADA VAN ACCESSIBLE STALLS PROVIDED
206 TOTAL TRAILER STALLS PROVIDED (2X55)
8 COVERED SHORT-TERM BIKE STALLS PROVIDED (3% OF TOTAL AUTO STALLS)
4 LONG TERM BIKE STALLS PROVIDED WITHIN BUILDING (4 REQUIRED)

DOCK/DRIVE-IN DOORS
92 DOCK DOORS PROVIDED
4 DRIVE-IN DOORS PROVIDED

SEWER CITY OF TUMWATER
WATER CITY OF TUMWATER
ELECTRICITY PUGET SOUND ENERGY
NATURAL GAS PUGET SOUND ENERGY
COMMUNICATIONS COMCAST
REFUSE LEMAY

THIS PROJECT MUST BE STAKED PRIOR TO CONSTRUCTION BY
THE DESIGN ENGINEER OR A LICENSED LAND SURVEYOR.

THE CONTRACTOR SHALL FURNISH HATTON GODAT PANTIER WITH A DRAWING(S) SHOWING THE CHANGES MADE TO THE DESIGN DRAWING(S).

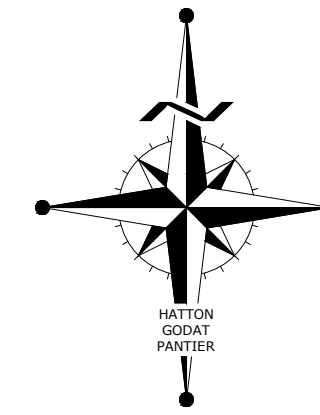
THIS DRAWING DOES NOT REPRESENT A RECORD DOCUMENT.
UNLESS CERTIFIED BY HATTON GODAT PANTIER.

ANY ALTERATIONS TO THE DESIGN SHOWN HEREON MUST BE
REVIEWED AND APPROVED BY HATTON GODAT PANTIER.

NOTE: THE CONTRACTOR SHALL BE FULLY RESPONSIBLE FOR THE LOCATION AND PROTECTION OF ALL EXISTING UTILITIES. THE CONTRACTOR SHALL VERIFY ALL UTILITY LOCATIONS PRIOR TO CONSTRUCTION BY CALLING THE UNDERGROUND LOCATE LINE AT 811 A MINIMUM OF 48 HOURS PRIOR TO ANY EXCAVATION.

**A PERMIT FROM THE DNR IS REQUIRED PRIOR
TO DISTURBING ANY SURVEY MONUMENTS**

PANATTONI DEVELOPMENT COMPANY
1821 DOCK STREET, SUITE 100
TACOMA, WA 98402



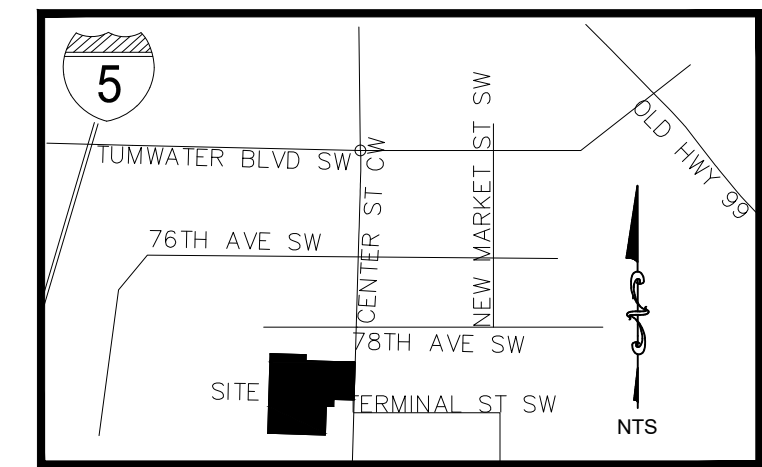
CITY OF TUMWATER

VERTICAL DATUM

THURSTON COUNTY HIGH PRECISION
SURVEY CONTROL NETWORK CONTROL
POINT NO. Gp34005-15 WSDOT BRASS DISK IN
CONC DECK SR-5 & TUMWATER BLVD BRIDGE
OVERPASS, AS BUILT CENTER OF CONCRETE
BRIDGE, 3.7' SOUTH OF NORTH EDGE OF
CONCRETE RAIL
ELEVATION =215.93

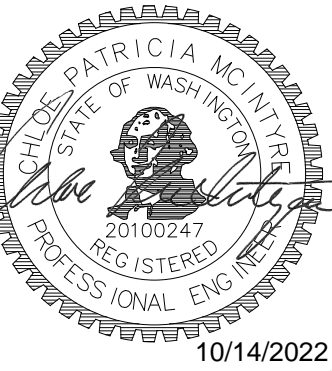
MERIDIAN HORIZONTAL DATUM

HURSTON COUNTY HIGH PRECISION
SURVEY CONTROL NETWORK BASED ON
N.C.H.P. CONTROL #280 & Gp34005-15
DIFFERENCE BETWEEN SAID POINTS EQUALS
NORTH 07°59'59" EAST



	EX. WATER
	EX. WATER METER
	EX. WATER VALVE
	EX. FIRE HYDRANT
	EX. SANITARY SEWER MANHOLE
	EX. SEWER
	EX. STORM DRAIN
	EX. LUMINAIRE
	EX. JUNCTION BOX
	EX. TELEPHONE PEDESTAL
	EX. GAS
	EX. OVERHEAD UTILITY
	EX. OVERHEAD POWER
	EX. UNDERGROUND UTILITIES
	EX. FENCE
	EXISTING EDGE OF PAVEMENT
	EX. MAJOR CONTOUR
	EX. MINOR CONTOUR
	NEW MAJOR CONTOUR
	NEW MINOR CONTOUR
	NEW SWALE
	NEW CATCH BASIN TYPE 1
	NEW CATCH BASIN TYPE 1 W/ SOLID LID
	NEW CATCH BASIN TYPE 2
	NEW STORMWATER CLEANOUT
	NEW STORMWATER OVERFLOW STRUCTURE
	NEW STORM MAIN LINE
	NEW ROOF DRAIN LINE
	NEW SEWER CLEANOUT
	NEW SEWER MANHOLE
	NEW GRAVITY SEWERMAIN
	NEW SEWER LATERAL SERVICE LINE
	NEW WATER MAIN
	NEW WATER SERVICE
	NEW IRRIGATION METER
	NEW SINGLE WATER METER
	NEW HYDRANT
	NEW VALVE
	NEW PIV
	NEW FDC
	NEW SINGLE LIGHT POLE
	NEW DOUBLE LIGHT POLE
	NEW PAVEMENT
	NEW STORMTECH INFILTRATION GALLERY

DESIGNED BY:	CPM
DRAWN BY:	JEG
CHECKED BY:	CPM
DATE:	APRIL 2022
SCALE:	1" = 80'
V	N/A



HATTON GODAT **PANTIER**
ENGINEERS AND SURVEYORS
3910 MARTIN WAY E, SUITE B
OLYMPIA, WA 98506
TEL: 360.943.1599 FAX: 360.357.6299
huttonpantier.com

REVISIONS: _____ DATE: _____
CITY COMMENTS 08/02/2022

SOUTH SOUND COMMERCE CENTER
7847 CENTER STREET SW, TUMWATER, WA 98501

SITE PLAN

SECTION 10, TOWNSHIP 17 N., RANGE 2 W. W.M.

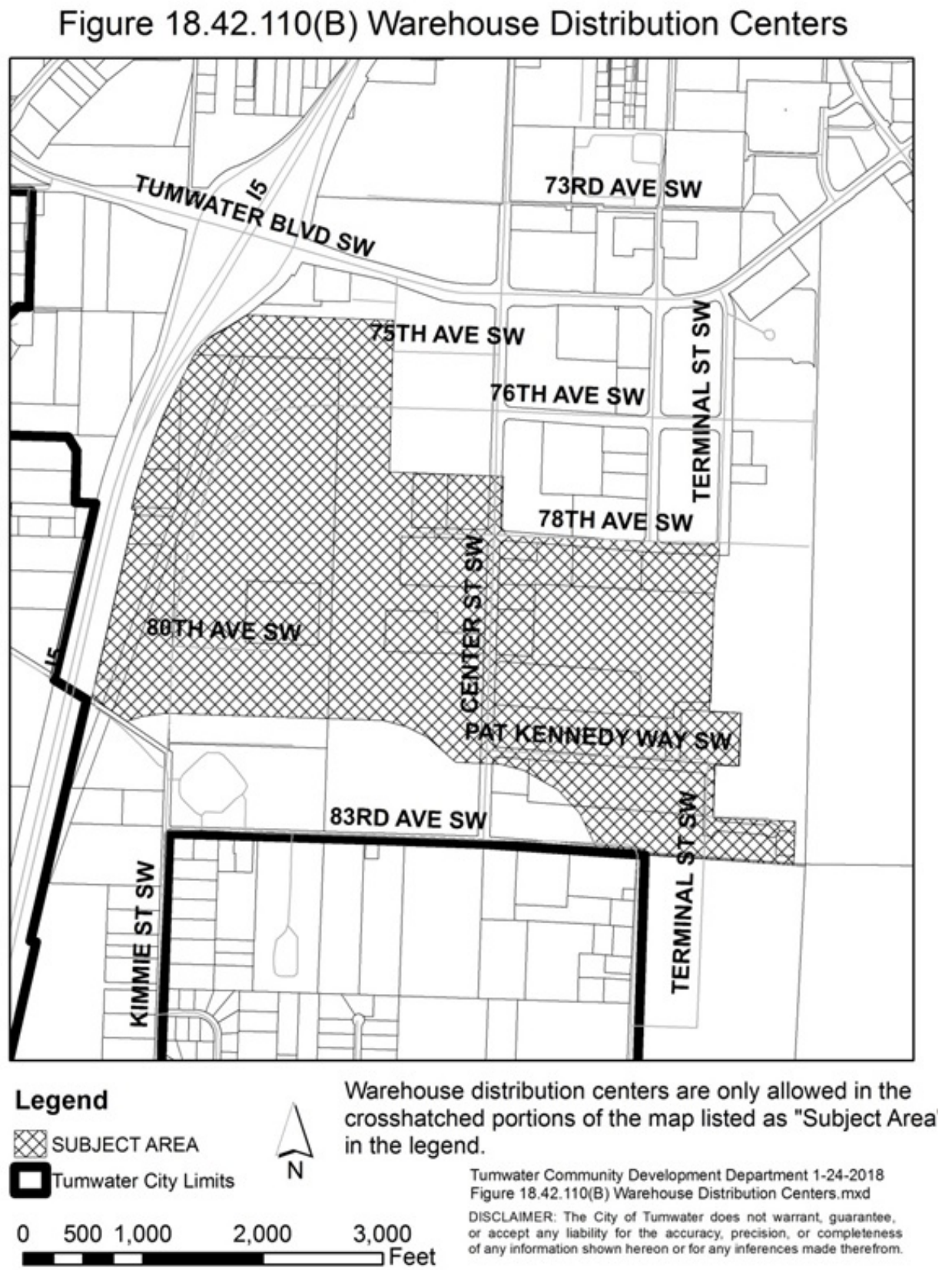
AGENCY NO. 21-1580

SHEET: 1 OF 40
H:\DGN\21-000\21-033\CDs

INDEX: 21-033 cov
JOB: 21-033

Exhibit H - 013

Figure 18.42.110(B) Warehouse distribution centers – Airport related industry zone district.





REVISED
MITIGATED DETERMINATION OF NON-SIGNIFICANCE
TUM-22-0278
South Sound Commerce Center

Description of Proposal: Construction of a 477,880 sq. ft. warehouse distribution center on a 29.17 acre parcel.

Applicant: SSECC, C/O Brenda Fodge, 1821 Dock Street, Suite 100. Tacoma, WA 98402.

Representative: Hatton Godat Pantier, Chris Carlson, 3910 Martin Way E, Ste. B, Olympia, WA 98506.

Location of Proposal: Center Street SW, Tumwater, WA 98501, between Tumwater Blvd and 83rd Ave. Section 10, Township 17N, Range 2W. Parcel #12710100000

Lead agency: City of Tumwater, Community Development Department.

The lead agency for this proposal has determined that, as conditioned, does not have a probable significant adverse impact on the environment. An Environmental Impact Statement (EIS) is not required under RCW 43.21C.030(2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead-agency. This information is available to the public on request.

This MDNS assumes that the applicant will comply with all City ordinances and development standards governing the type of development proposed, including but not limited to, street standards, storm water standards, high groundwater hazard areas ordinance standards, water and sewer utility standards, critical areas ordinance standards, tree protection standards, zoning ordinance standards, land division ordinance standards, building and fire code standards, and level of service standards relating to traffic. These ordinances and standards provide mitigation for adverse environmental impacts of the proposed development.

Condition of Approval for mitigating environmental impacts:

A recent study of the I-5 interchange at Tumwater Boulevard indicates improvements are needed in order to meet established safety and level of service standards. This project shall either:

- Construct a roundabout at the northbound Interstate 5 On/Off Ramp and Tumwater Boulevard intersection; or
- Voluntarily pay a mitigation fee of \$4,219 per peak trip generated by this project under RCW 82.02.020 to be used as described herein: Tumwater

Boulevard/I-5 Interchange: The City's planned transportation improvements at the Tumwater Boulevard/I-5 interchange include converting the interchange to a roundabout diamond interchange by replacing the southbound on/off ramp signal and northbound stop controlled intersections with roundabouts.

The Transportation Impact Analysis submitted with the Transportation Concurrency application indicates that 104 new peak hour trips will be generated to the interchange from this development.

The Tumwater Municipal Code at Section 18.42.110 requires warehouse distribution centers regardless of size and nondistribution warehousing larger than two hundred thousand square feet in size to have a truck access route from a designated truck access point on the site to Interstate 5. The route from the access point on the site to Interstate 5 shall not be bordered on either side by properties with an urban residential zone district classification. This project is required to:

- This project will significantly increase ~~vehicular and truck~~ traffic on Center Street. The applicant shall provide a site specific American Association of State Highway and Transportation Officials (AASHTO) structural design using field verified "R" values along Center Street to determine the adequacy of the existing structural section using existing and post-development equivalent single axle loads (ESALs). If the evaluation confirms the existing road section is not sufficient for the vehicular loading, the proponent shall reconstruct the road section for the full roadway width from Tumwater Blvd. to the southern site property boundary. The reconstructed section shall be the lesser of the site specific AASHTO structural section, and that provided in the October 2020 amendment to Table One, Chapter 4 of the Tumwater Development Guide. ~~reconstruct Center Street structural section from the southern property line north to Tumwater Boulevard to withstand increased truck traffic. Lane shifts and widening will occur, therefore reconstruction is required across full road width.~~
- Tumwater Boulevard is a designated strategy corridor. Strategy corridors are road segments that cannot be built out further in urban core areas and such, the City can accept a lower LOS in lieu of prohibiting development due to concurrency. If there are reasonable improvements that can be made on strategy corridors to bring them to our standard LOS, they shall be completed. The City considers alternative solutions on strategy corridors aside from simply widening roadways or completely rebuilding intersections. The alternative option suggested as mitigation in the Traffic Impact Analysis is to adjust signal timing. ~~The timing adjustment requires reconfiguration and/or restriping at the intersection.~~ This shall be addressed in site development/grading plan permit submission, and may include restriping

and/or other physical intersection adjustments.

- In order to restrict truck traffic from traveling by properties with an urban residential zone district classification, a designated truck route shall be established to assure truck traffic is directed to and from Tumwater Boulevard to the site on Center street. Driveways shall be constructed to physically restrict heavy truck traffic from entering the site from the south or exiting the site to the south.

This REVISED MDNS is issued under WAC 197-11-340 (2)(F) There is no additional comment period. 50; the lead agency will not act on this proposal for 14 days from the date below. Comments must be submitted no later than December 12, 2022, by 5:00 p.m.

Date: ~~November 28~~ December 19, 2022

Responsible Official:


Mike Matlock, Community Development Director

Contact person: Tami Merriman, Permit Manager
555 Israel Road SW
Tumwater, WA 98501
tmerriman@ci.tumwater.wa.us

~~Appeals of this MDNS must be made to the City of Tumwater Community Development Department, no later than December 19, 2022, by 5:00 p.m. All appeals shall be in writing, be signed by the appellant, be accompanied by a filing fee of \$175, and set forth the specific basis for such appeal, error alleged and relief requested.~~

TENANT PROPORTIONATE AREAS OF CENTER STREET IMPROVEMENTS



EXHIBIT J

LEASE TERM CERTIFICATE OF COMMENCEMENT

This Certificate of Commencement ("Certificate") is entered into effective as of the date of the last signature below, by and between the Port of Olympia, a Washington municipal corporation ("Landlord") and SSECC PDC GL1, LLC, a Delaware limited liability company ("Tenant").

Pursuant to that certain Ground Lease dated April 28, 2025 (the "Lease"), between Landlord and Tenant, concerning certain real property as described in the Lease, located in Tumwater, Washington (the "Premises").

Pursuant to Section 1 of the Lease, the parties hereby confirm and agree as follows:

1. Lease Commencement Date. The Lease Commencement Date is hereby confirmed to be _____, **2025**.
2. This Certificate is executed solely for the purpose of confirming the Lease Commencement Date under the Lease and shall not amend, modify, or otherwise affect the terms of the Lease except as expressly stated herein. In the event of any conflict between this Certificate and the Lease, the Lease shall control.

IN WITNESS WHEREOF, the parties have executed this Certificate of Commencement as of the dates written below.

LANDLORD:

PORT OF OLYMPIA

A Washington municipal corporation

By: _____
Name: _____
Its: _____

TENANT:

SSECC PDC GL1, LLC,

a Delaware limited liability company

By: PDC Seattle LPIV BB/TH, LLC
a Delaware limited liability company
Its Manager

By: _____
Name: _____
Title: Local Partner