

32934-B

BOBBIE GAGNER  
BENTON COUNTY, AUDITOR

This contract is entered into between the City of Kennewick and the Port of Kennewick, municipal corporations of the State of Washington, on the 17th day of SEPTEMBER, 1991.

1. Purpose

It is the purpose of this contract to convey and transfer from the City of Kennewick to the Port of Kennewick the property, facilities and accessories commonly known as Vista Field Airport and other real estate within Vista Field included within Exhibit A and legally described on A-1, A-2, and A-3 which are attached hereto and made a part hereof by this reference.

The described property is being conveyed from the City of Kennewick to the Port of Kennewick for the purpose of operating an airport in general accordance with the plans heretofore approved by the City Council prepared by Reid/Middleton & Associates and for the purpose of commercial and industrial development within Vista Field. It is understood by both parties that improvements to the airport and development of associated commercial and industrial property will be done with reasonable diligence in light of future needs and the financial status of the Port and the entire area.

2. Transfer of Title and Liens and Encumbrances

The City of Kennewick shall convey the property to the Port in fee simple title subject to the existing leases, easements, options and rights of first refusal. The City represents that as of this date such commitments, which are attached hereto within Exhibit B and made a part hereof by this reference, now existing are:

- A. Vista Hangars Lease (from sublease of Vista Aviation, Inc.), with attachments:
  - 1) City of Kennewick to Rainier National Bank about Vista Aviation, Inc.
  - 2) Vista Aviation, Inc. Assignment of Interest to City of Kennewick
  - 3) Vista Aviation, Inc. Assignment of Interest to City of Kennewick  
Re: Vista Hangars
- B. Field Base Operations Office Space Leases
  - 1) Kennewick Aircraft Services
  - 2) Tri-Cities Visitor & Convention Bureau Lease
  - 3) Tri-City Avionics Lease
  - 4) Pay + Benefits, Inc. Lease
- C. Brockman Precision Machine & Design Sale Agreement
- D. Continental Sports, Inc. Right of First Refusal
- E. Poverty Flats, Inc. Land Purchase Option
- F. Vista Aviation, Inc. Exchange of Property with Right of First Refusal

The City shall be solely responsible for obtaining any required approvals

CASCADE TITLE INSURANCE CO.

BENTON COUNTY  
EXCISE TAX PAID

SEP 25 91 04 20 7

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for any assignments of the above to the Port. The Port shall not assume any existing LIDs or other similar assessments or obligations.

3. Consideration

The consideration for transfer of the above described property from the City to the Port shall be:

- A. The mutual benefits to both parties
- B. The sum of one hundred thousand dollars (\$100,000) as reimbursement for the cost to the City for construction of a portion of Grandridge Boulevard, including certain utilities, adjacent to a five-acre parcel currently under option to the Port in accordance with the Amended Option Agreement between the Port and the City dated June 19, 1990; reimbursement for out-of-pockets costs for improvements to Brockman Precision Machine property; and other considerations.

4. Development and Zoning

It is agreed between the parties that the continued operation of Vista Field and commercial and industrial activities compatible therewith is a vital concern to both parties. Both agree to seek and promote appropriate and necessary zoning, building, construction, platting and subdivision and other improvements so as to make the said Vista Field and its environs productive, harmonious and a social and economic asset for the community. The City and the Port agree that they will cooperate in assuring that future surrounding development is not detrimental to the safe operation of the airport, i.e. heights of structures and other objects and light and glare. It is agreed and understood that nothing in this contract shall be construed as affecting the sovereign or municipal powers of either party.

5. Improvements and Assets to be Transferred

It is agreed that this transfer shall include all improvements to the real estate, including without limitation to, buildings, lights, navigational aids, parking, landscaping and other improvements.

6. Use of the Crosswind Runway

The City shall be allowed to make reasonable use of the crosswind runway for emergency vehicle training, as long as this area is not needed for development or other Port purposes. Said time and extent of use will be subject to prior approval of the Port and, during any City use, it will hold the Port harmless from all related claims, demands or liabilities.

7. Future Improvements

It is agreed that any future sale of land or fixtures by the Port as a result of receiving the property under this contract shall be used for permanent

capital improvements and/or related operating cost to the airport; and/or for other Vista Field property development and/or operating costs, i.e. any profit from Vista Field will be used for Vista Field and not other Port properties.

The Port agrees it will use reasonable diligence to increase the length of the main runway by 500 feet for a total length of approximately 4,000 feet, and shall improve lighting, overlay the main runway, provide increased security systems and overall safety-related and general improvements within a reasonable time and in view of existing economic conditions of the Port and the general needs of the community. It is the intent of both parties that progress occur at a reasonable rate; the Port will report to the City Council annually on the overall development related to this contract.

8. Title Insurance & Other Related Closing Costs

The Port agrees that it will pay for any costs of closing and transfer, such as title insurance, boundary surveys, environmental reviews and various permit requirements.

9. Conditions Precedent

The Port, at its cost, will immediately undertake environmental reviews and this agreement shall be subject to completion thereof. In the event there are existing dangers to the environment for which the cost of remedial action is beyond the feasible financial limits of the Port, then the Port will, upon notification to the City, be released from any obligations under this agreement. The City agrees to cooperate with the Port in making the environmental survey.

10. Continued Airport Operation

It is the intent of the Port to continue to operate the Vista Field Airport. The Port cannot voluntarily close the airport without the consent of the City. Likewise, the City cannot force the closure of the airport without the consent of the Port. In the event of unforeseen circumstances caused by others forcing the closure of the airport operation, the Port will exercise one of the following options:

- A. The Port will replace the airport operation with a similar facility in the Kennewick area and will, in that case, retain full ownership of the then operating portion of the airport; or
- B. If the airport is not replaced, the following will revert to the City: the land occupied by the now existing runway 02/20; access; an equivalent of the land occupied by the tiedown area, taxiways, parking; and the equivalent of the now existing FBO building. The Port will have the option of purchasing the reverted land and facilities at a price determined by a board of three qualified appraisers, one each to be chosen by the City and the Port and the third chosen by the two so selected.

In the event the City chooses to take any action that deliberately forces the closure of the airport operation without the Port's consent, the Port will not be obligated under the provisions of 10. A. and 10. B. and will retain all property and other assets conveyed through this agreement.

This provision, if unexercised by January 1, 2021, or earlier if agreed to by both parties, shall become null and void.

Both parties agree that as municipal corporations they will take all necessary steps, hold all hearings and pass all resolutions, ordinances or other official acts necessary to fully effectuate the purposes of this agreement.

DATED this 17th day of SEPTEMBER, 1991.

CITY OF KENNEWICK

Paula Drew Lockwood  
Paula Drew Lockwood, Mayor

Attest:

M. A. Price  
M. A. Price, City Clerk

Approved as to form:

William L. Cameron  
William L. Cameron  
City Attorney

PORT OF KENNEWICK  
BOARD OF COMMISSIONERS

Gene L. Spaulding  
Gene L. Spaulding, President

Dave Dickerson  
Dave Dickerson, Vice President

George J. Jones  
George J. Jones, Secretary

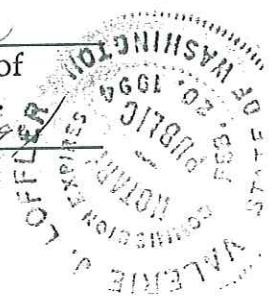
STATE OF WASHINGTON)
) ss.
County of Benton )

On the 27th day of March, 1990, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paula Drew Lockwood and M. A. Price, to me known to be the Mayor and the City Clerk, respectively, of the City of Kennewick, Washington, the corporation that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument and that the seal affixed is the corporate seal of the City of Kennewick.

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

[Handwritten signature]

Notary Public in and for the State of Washington, residing at Kennewick. My Commission expires: 2/26/92



STATE OF WASHINGTON)
) ss.
County of Benton )

On the 17th day of SEPTEMBER, 1990, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Gene L. Spaulding, Dave Dickerson and George J. Jones, to me known to be the President, Vice President and Secretary, respectively, of the Port of Kennewick, the corporation that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument and that the seal affixed is the corporate seal of the said corporation.

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

[Handwritten signature]

Notary Public in and for the State of Washington, residing at Kennewick. My Commission expires: 7/14/92

