

EXHIBIT B

TENANT REIMBURSEMENTS PROCEDURE

AVIATION DIVISION

AV-2 (As of 5-20-09)

I. STATEMENT OF THE PROCEDURE

A. Section 2.4.1 of Port Commission Resolution No. 3605, as amended, authorizes the Chief Executive Officer (CEO) to “approve reimbursements to Airport tenants for work performed by such tenants to improve Airport premises so long as the total reimbursement amount: (i) is less than or equal to Two Hundred Thousand Dollars (\$200,000), (ii) is within Authorized Budget Limits, (iii) the plans and specifications for such improvements and (iv) the work as completed is acceptable as determined by policies and procedures promulgated by the CEO”. Section 2.4.2 of Resolution No. 3605 further provides that “the CEO shall implement procedures for the reimbursement of Airport tenant improvements. Such procedures must include allowable cost categories and provide for their consistent application among all tenants”.

B. This Procedure provides the mechanism for ensuring compliance with Section 2.4 of Resolution No. 3605.

C. This Procedure applies to all requests for Tenant Reimbursement, including requests estimated at over \$200,000 that require Port Commission approval.

II. DETAILS

A. AV Properties Manager or designee (“Manager”) shall engage the necessary Port staff in determining whether a tenant project (“Project”) meets the eligibility criteria for tenant reimbursements (TR) set forth in the Aviation Division Tenant Reimbursement Guidelines (Guidelines).

B. The Manager shall ensure that:

1. Interested tenants receive a copy of this Procedure and of the Guidelines; and
2. All TR requests are in writing and outline the scope of the Project

C. The Manager shall identify a source of funds for the requested TR prior to Port management approval, execution of the TRA, and approval by the Port Commission (where the estimated TR exceeds \$200,000).

D. Once the Port determines that a Project is eligible for TR, the requesting tenant must sign a Tenant Reimbursement Agreement (TRA) documenting the TR amount.

E. The Port may consider requests for additional TR amounts beyond the amount established in the TRA when, in the Port’s sole determination, the additional costs resulted from:

1. the Port’s subsequent imposition of design standards or Project requirements; and/or
2. unforeseen Project site conditions; and/or
3. qualified project scope or costs that were not adequately detailed in the Port’s internal cost estimate

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If the Port consents to an adjustment to the initial TR amount and the additional costs fall under 1, 2, or 3 above, Port staff shall work with tenants to obtain any required authorizations, including Port Commission authorization, for the additional TR amount.

III. AVIATION PROPERTIES RESPONSIBILITY

Aviation Properties shall be responsible for the coordination, dissemination, and implementation of this TR procedure.

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TENANT REIMBURSEMENTS GUIDELINES

AVIATION DIVISION

(In support of Aviation Procedure on Tenant Reimbursements AV-2)

Authority: Pursuant to RCW 14.08.120 (4) the Port may reimburse Airport tenants for the cost of constructing, altering, repairing or improving Airport property that is included in the tenant's leased area. Resolution No. 3605, Section 2.4 authorizes the Port's Chief Executive Officer to promulgate these Tenant Reimbursement Guidelines under RCW 14.08.120 (4). These Guidelines were developed solely to assist the Aviation Properties staff in reviewing tenant requests for project reimbursements. The Port retains the sole discretion to determine, interpret and revise all requirements for tenant project reimbursement, including eligibility and criteria.

Responsible Department: Aviation Properties has been delegated primary responsibility for the coordination, dissemination and implementation of this procedure on behalf of the Aviation Division. This responsibility includes reviewing a tenant's proposed construction scope, coordinating with appropriate Port staff determining a project's eligibility, establishing a reimbursement amount reviewing tenant and contractor documentation, and ultimately issuing a reimbursement.

Definitions: As used in these Guidelines, the following terms shall have the meaning set forth below:

Tenant: "Tenant" means any individual or entity with a term lease of Airport property, including preferential areas under the Signatory Lease and Operating Agreement; Port owned space within the Airport Terminal building; and areas within the Air Operations Area or AOA.

Air Operations Area: "Air Operations Area" or "AOA" means any area enclosed by the Airport security fence.

Section 1. Criteria for Determining Eligibility of Tenant Project for Reimbursement:

The following criteria are to be used as general guidelines in determining whether a Tenant project is eligible for reimbursement.

- 1.1 Tenant improvement of unfinished "raw/shell" space to a usable "finished" space.
- 1.2 Tenant improvement of existing "finished," including Tenant leaseholds by remedying deficient building systems and infrastructure such as air handling systems, fire sprinklers, or other building code or Port required systems or utilities.
- 1.3 Tenant build -out of fixtures or equipment such as gate or ticket counter casework and associated infrastructure as part of Tenant projects in preferential areas.

Section 2. Documentation Required for Reimbursement

- 2.1 During the initial project scoping and negotiation process, the Port may use an estimated per square foot cost as an order of magnitude guideline.

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2.2 Final reimbursement amounts will be based on either a Port engineering estimate of project specific reimbursable scope, or the submission and review of a tenant's Project expenditure documentation, including detailed breakout of costs.

2.3 Reimbursement Documentation should be organized into the following categories

2.3.1. Architectural Finishes (Doors/Hardware, Perimeter Walls, Demising Walls, Floor Finishes, Ceilings, Lighting, and Casework/other)

2.3.2 Mechanical (HVAC supply, HVAC distribution, HVAC Controls, Smoke Control, and Sprinklers)

2.3.3 Electrical/Communications (Panel, Power Distribution, Communications demark, and Communications distribution)

2.4 At its discretion, the Port may request additional documentation to support a claim for reimbursement.

2.5 All tenants requesting reimbursement for tenant improvements must sign a Tenant Reimbursement Agreement (TRA).