

**DATE:** August 12, 2022  
**TO:** SAA Board of Directors  
**FROM:** Tim Rogers and Shelli Swanson  
**SUBJECT:** August 17, 2022, SAA Regular Board Meeting

Enclosed are items for your review prior to Wednesday's meeting. Please note that the meeting will be held in the **first-floor conference room, Hangar 600, 2720 Arnold Ct.** A map showing the location of Hangar 600 is enclosed in your board meeting packet. The meeting is also available via the following GoToMeeting link.

<https://meet.goto.com/salinaairport/salina-airport-authority-board-meeting>

Wednesday's meeting will feature discussion concerning the following 2022 Airport Authority operating plan priorities.

- Planning and funding for 2022 – 2023 FAA AIP grant funding for:
  - Fuel farm design and construction
  - Runway 12/30 rehabilitation design
  - Terminal building expansion design
- New long-term leasing of SAA available space
- Review 2023 capital expenditures to be included in the SAA's 2023 budget report
- Plan for providing additional hangar space for MRO and/or military training tenants

Please note the following agenda comments.

**Agenda Item #5 – Review of Airport Activity and Financial Reports for the Month Ending July 31, 2022.** (Rogers)

**Airport Activity – Air Traffic** (Rogers)

The Salina air traffic control tower (ATCT) recorded 4,613 operations during July 2022 which was a 36% decrease as compared to the July 2021 total of 7,230. For the year-to-date, a total of 39,077 operations have occurred at the Salina Airport which is 17% less than the June 2021 YTD total of 47,354. The decrease in aircraft operations is due to the closure on Runway 17/35 for resurfacing.

**Airport Activity – Fuel Flowage** (Rogers)

The July 2022 fuel flowage came in at 104,328 gallons which was 55% less than the July 2021 total of 233,652 gallons. For the year-to-date, a total of 1,334,805 gallons have been delivered which is 14% more than the July 2021 YTD total of 1,165,146 gallons. The July 2022 decrease is a result of the Runway 17/35 closure for construction.

**Airport Activity – Passenger Enplanements** (Rogers)

During July 2022 SkyWest enplaned 2,157 passengers, which was a 9% decrease over the July 2021 total of 2,379 passengers. The July 2022 total passenger count was 4,416 which was a 5% decrease over the July 2021 YTD total of 4,654. For the year-to-date, a total of 12,327 passengers have enplaned United Express flights which is 42% more than the July 2021 YTD total of 8,646 enplaned passengers. The July 2022 decrease

in passenger enplanement reflects the negative impact of the routing and scheduling tag with Hays.

**Financial Reports – Comments and Notes** (Swanson)

Highlights from the July 2022 financials include:

- Unrestricted cash in bank at \$1,934,560
- Total YTD income came in \$230,718 over the same period in 2021 (14%) and is tracking over (10%, \$166,257) the 2022 budget projections.
- Total operating expenses came in 1% over budget and is running 2.15% more than 2021 or \$35,869.
- Net operating income before depreciation equaled \$161,309 YTD at the end of July.

The SAA closed on the \$1,000,000, 2022-1 General Obligation Temporary Notes on July 7 which resulted in the increase of bond funds on deposit and long-term liabilities as compared to June 2022.

The below table represents disbursements from the 2021-1 and 2022-1 GO Temporary Note project funds account during July 2022.

**Salina Airport Authority  
Account QuickReport  
As of July 31, 2022**

Type	Date	Num	Name	Memo	Split	Amount	Balance	
<b>Cash in Bank-Bond Funds</b>								
BSB 2021-1 GO Temp Note (8146)							1,576,915.79	
▶ Bill Pmt -Check	07/27/2022	1037	Midwest Siding	Terminal Building concourse - west end soffit & column wraps	Accounts pa...	-8,740.00	1,568,175.79	
Deposit	07/31/2022			Interest	Interest incom...	277.72	1,568,453.51	
Total BSB 2021-1 GO Temp Note (8146)							-8,462.28	1,568,453.51
Total Cash in Bank-Bond Funds							-8,462.28	1,568,453.51
<b>TOTAL</b>							<b>-8,462.28</b>	<b>1,568,453.51</b>

**Salina Airport Authority  
Account QuickReport  
All Transactions**

Type	Date	Num	Name	Memo	Split	Amount	Balance	
<b>Cash in Bank-Bond Funds</b>								
BSB 2022-1 GO Temp Note (9668)								
▶ General Journal	07/07/2022	2550		New Issue Entry	GO Temp Note 2022...	1,000,000.00	1,000,000.00	
Bill Pmt -Check	07/27/2022	1251	Gilmore & Bell	Transcript prep and assembly, Note printing, debt service sche...	Accounts payable	-4,750.00	995,250.00	
Bill Pmt -Check	07/27/2022	1252	Hutton Corporation	Hangar 626 Design Contract Pay Estimate #1	Accounts payable	-28,000.00	967,250.00	
Bill Pmt -Check	07/27/2022	1253	Office of the State Treasurer	Taxable G-O Temp Note, Series 2022-1 Registrar and Transfer ...	Accounts payable	-630.00	966,620.00	
Bill Pmt -Check	07/27/2022	1254	Stifel, Nicolaus & Company, Incorporated	G-O Temp Notes, Series 2022-1, Municipal Advisor Fee	Accounts payable	-5,000.00	961,620.00	
Bill Pmt -Check	07/29/2022	1255	State of Kansas Attorney General's Office	Taxable G-O Temp Note, Series 2022-1, review 1 hr	Accounts payable	-150.00	961,470.00	
Deposit	07/31/2022			Interest	Interest income on d...	787.67	962,257.67	
Total BSB 2022-1 GO Temp Note (9668)							962,257.67	962,257.67
Total Cash in Bank-Bond Funds							962,257.67	962,257.67
<b>TOTAL</b>							<b>962,257.67</b>	<b>962,257.67</b>

**Financial Reports – Accounts Receivable Past Due 31 days or more as of August 12 ,2022** (Swanson)

Account	Amount	Days	Comments
AGCO Corporation	\$962	61>90	Utilities & late fees
Shane Brown	\$245	31-60	Storage Igloo
Max Alan Hale	\$18	31-60	Finance charges

**Short-term Leasing Activity**

On August 11, 2022, the SAA entered an 18-day lease for Hangars 509, 600, and 606 with the US Special Operations Command (USSOCOM) to conduct the multi-force military training exercise known as Jaded Thunder. Jaded Thunder 22.2 will be the seventh time USSOCOM has based this exercise at Salina over the last nine years. This short-term rental will generate approximately \$140,000 in hangar, equipment, and fuel flowage fees during the month of September.

**Agenda Item #6 - Consideration of a Lease Agreement with Garmin International, Inc.** (Rogers and Swanson)

Garmin has initially leased 1,131 SF of office/classroom space in hangar H600 to be close to the K-State Salina aerospace and unmanned systems programs. Garmin is working on several projects that involve K-State faculty and students. Garmin specializes in GPS technology for automotive, aviation, marine, outdoor and sport activities. The company headquarters is at Olathe, KS.

The transition from a month-to-month initial lease is a significant step toward growing Garmin’s Salina operations. The lease terms are as follows:

<b>Lease term:</b>	One (1) year
<b>Effective Date:</b>	October 1, 2022
<b>Option to renew:</b>	Four (4) additional years of one (1) year each
<b>Basic rent:</b>	\$1,185 per month
<b>CPI adjustment:</b>	Every two (2) years

**Recommendation:** Approval of the proposed office/classroom lease with Garmin International

**Agenda Item #7 – Consideration of a Lease Agreement with Avflight Salina for Space at Building B207.** (Swanson)

Since June 1, 2017, Avflight has leased 2,778 SF at B207 for use as a vehicle and equipment maintenance shop. The space provides Avflight the ability to service mobile aircraft refueling trucks and ground service equipment such as ground power units. The new lease will be effective September 1, 2022, for a five (5) year initial term. Avflight will have an option to renew the lease for one (1) additional term of five (5) years. The new rental rate will be \$700 per month, \$8,400 per year. The rental rate is subject to a CPI adjustment every two (2) years.

**Recommendation:** Approval of the proposed B207 lease with Avflight Salina for vehicle and equipment maintenance shop space.

**Agenda Item #8 – Consideration and Discussion of the SAA’s 2023 Airport Improvement Priorities.** (Rogers and Swanson)

Since the July 20, 2022, SAA board meeting the priorities for 2023 airport improvement projects has come into focus. During the remainder of 2022 and into 2023 the following projects will be SAA priorities:

1. **Design and construction of a new 202,000-gallon fuel farm** – It appears that the USDOT hold on the AIP grant for the fuel farm design has been lifted. The USDOT hold has caused a delay in receiving a FAA grant agreement for project design. The delay means that project design will start late this calendar year and carry over to 2023. The goal will be to complete the project design and obtain construction bids early next year. Early 2023 bidding would enable initial construction phases to start late next year.
2. **Runway 12/30 rehabilitation design** – The FAA’s approval of the Runway 12/30 pavement investigation report clears the way for final engineering contract negotiations with Aviation and a FAA AIP grant to fund project design. The design work would occur in 2023 with construction to follow in 2024.
3. **Terminal building expansion design** – The second round for applications for FAA Terminal Building Program grant funding will be announced soon. The SAA’s terminal building project

will again be submitted and has a good chance of being selected. If selected, the terminal building design could start in 2023.

Enclosed is a summary of project design and construction costs for the projects listed above. As noted above the primary activity during 2023 will be design work. The one project that may move on to a construction phase is the fuel farm project. A total of \$229,282 local match funds will be needed for 2023 project design work. A total of \$256,058 local match funds is needed for the start of fuel farm construction in 2023. Total local match needed for 2023 FAA AIP projects is \$485,340. The \$485,340 will be matched by \$4,368,060 in federal grant funds.

I will be recommending approval of a 1 mill property tax to raise \$485,340 in matching funds for 2023 FAA AIP projects.

**Agenda Item #9 – Review of the SAA’s Preliminary 2023 Capital Improvement Budget.**

(Swanson)

At the meeting, Shelli will review the SAA’s preliminary 2023 capital improvement budget. The projects that will be reviewed are projects that are not eligible for either federal or state grant funding and need to be funded with SAA cash. We are waiting for a final determination by FEMA on funding for replacing general aviation hangars damaged during the December 15, 2021 windstorm.

**Agenda Item #10 – Review and Discuss Changes in the Scope of Work for the Hangar H626 Rehabilitation Project.** (Rogers)

The prospective tenant for hangar H626 has informed me that the company needs to make other plans for aircraft paint operations due to the immediate demand for painting customer aircraft. 1 Vision is planning to prepare a bay at hangar H959, at their expense, to meet immediate demand for aircraft paint operations. As a result of 1 Vision’s notification, I’ve asked Hutton and their subcontractor to hold up on all H626 design work. To date approximately 25% of the total H626 design has been completed to date. The design work completed to date includes the core hangar rehabilitation components such as new hangar doors, new HVAC system, south end wall replacement, new lighting, fire suppression system, electrical service upgrades, new restrooms, and remodeled offices.

There is still a need to proceed with the rehabilitation of hangar H626. Completing the core H626 improvements will enable the Airport Authority to offer a 45,000 SF hangar to prospective MRO companies, federal agencies, and the military. Continued use of the hangar as a warehouse is not the best and highest use for this key asset. Remodeling the hangar for variable and flexible aeronautical use will provide more opportunities for both short term and long-term leasing. The cost of the rehabilitation of the core components of H626 will be less than converting the hangar to an aircraft paint hangar.

With the board’s approval I would like to renegotiate the scope of work and fee for the Hutton, H626 architectural design agreement. The renegotiated scope of work, design fee and estimated construction cost will be presented to the board for final approval.

At the meeting, I’ll provide you with an update H626 site plan and floorplan.

Please let me know if you have questions that you would like for me to prepare for prior to the board meeting.


**DATE:** August 12, 2022  
**TO:** Tim Rogers, SAA Board of Directors  
**FROM:** Maynard Cunningham  
**SUBJECT:** August 17, 2022, SAA Regular Board Meeting

## Facilities and Construction Notes

### New Projects

- **H600(K-State) and B520(Development Center) Roof Repairs** – Webcon Inc, was selected from bids received for repairs of the standing seam metal roofs at Hangar 600 and Building 520. The repairs will include seam sealing, sealing around protrusions, and partial roof coating in repair areas.
- **H626 Boiler Room Demolition** – SAA has selected Associated Insulation, Manhattan, KS, from bids received for removal of asbestos containing insulation in the boiler room on the west side of Hangar 626. The contractor will begin work in September when permits are issued. Demolition and removal of the equipment will follow. The room can then be utilized in the overall design of the aircraft hangar.

### Current Projects

- **Runway 17/35 South 7500 ft.** – Bettis Asphalt, the contractor performing the rehabilitation of the south 7500 ft. of Runway 17/35, began milling and paving the first phase of runway construction on July 14, 2022. Phase I and II paving are complete. Phase III paving began this week. Runway and taxiway pavement markings are scheduled to begin August 22. The runway is scheduled to be closed through August 29, 2022.
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- **SLN Fuel Facility (PH305)** – The Kansas State Historic Preservation Office (SHPO) has reviewed the materials submitted by Coffman Associates, SAA’s Airport Planning Consultant, and determined that the proposed project will not adversely affect any property listed or determined eligible for listing in the National Register. Coffman has submitted a Documented Categorical Exclusion (CATEX) to request a CATEX determination from the FAA.
  - **Runway 12/30** – Pavement investigation was performed in the Fall 2021. From the pavement investigation report, the type of rehabilitation was determined and proposed by Jviation. Jviation is finalizing the Scope of Work and Design Fee Proposal for the runway rehabilitation project.
  - **B595 Renovation** - Cheney Construction began work on the B595 renovation project the first week of March. Drywall is installed on the office and restrooms walls in both the north and south units. Fire sprinkler pipe and HVAC ductwork are installed in the south unit. Preparation for ceiling paint is in process in the north unit. Dirt work is substantially complete awaiting concrete crews to begin around the exterior. Building renovations are scheduled to be completed by October.



- **Terminal Building –**
  - Exterior cameras arrived and have been installed around the SLN Terminal Building. SAA personnel met with Nex-Tech personnel at the Terminal Building on July 29 to review relocating the exterior cameras to optimize viewing area.

### Special Projects

- **December 15, 2021, Windstorm** - Multiple properties were damaged in the windstorm. Roofing, siding, and other mitigation repairs have been completed at multiple sites to protect from weather. Bids are still being solicited for repairs from the windstorm.
  - **B412 (Century Business Systems)** – A purchase order was issued to Webcon Inc., for roofing repairs at B412. Materials are staged at B412 and roofing is scheduled to begin August 15.
  - **D Hangars** – A bid package for storm damage repairs on the D Hangars was placed out for bid Monday, March 21, 2022. The bid opening was held April 4, 2022, with no contractors responding with bids. SAA has received an estimate from an engineering/architecture firm for pre-storm condition repair costs. SAA personnel are working with FEMA for possible funding.
  - **Multiple Locations** – FEMA has received the reports from the site visit Thursday, May 21, 2022, to multiple SAA buildings as part of the process to determine available funding for debris removal, temporary and emergency protective measures, permanent repairs, and mitigation, etc. SAA personnel continue to upload data to the FEMA portal for review.
  - **H606, B655(Stryten), H626(Schwann's)** – Cheney construction has been selected from bids received to complete storm damage repair to the west interior wall of Hangar 606, the southwest exterior wall of Building 655, and the exterior siding of Hangar 626.
- **AIT and CTX Devices at SLN** - TSA approval has been received for AIT and CTX devices at the airport terminal building to improve passenger and bag screening. Contractors have installed electrical power to the necessary locations and moved the storefront wall in the TSA screening area to accommodate the AIT device when it arrives. The Skywest ticket counter was relocated April 6, 2022, to allow room for the CTX device.

### Completed Projects

- **H959 (1 Vision Aviation)** - A project to reduce heating and cooling costs at H959 was completed with installation of 38 destratification fans and new hangar door seals.
- **Airport Terminal South Overflow Parking Lot (150 additional spaces)** – T&R Construction completed work on the Airport Terminal South Overflow Parking Lot. SAA maintenance personnel will place concrete parking curbs to complete the project.



BUSINESS AND COMMUNICATIONS MANAGER

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**DATE:** August 12, 2022  
**TO:** Salina Airport Authority Board of Directors  
**FROM:** Kasey L. Windhorst  
**SUBJECT:** August Board Meeting Update

### **SAA/SLN FCT Letter of Agreements (LOA)**

We have finalized the remaining two (2) Letter of Agreements (LOA) between the Salina Airport Authority and SLN Federal Contract Tower (SLN FCT) during the month of July.

1. Reporting Airport Conditions – This LOA outlines the procedures and responsibilities for the exchange of braking action reports at Salina Regional Airport.
2. Airport Lighting – This LOA provides the procedures for operation of the SAA airfield lighting between the SAA and SLN FCT. This agreement is for the SAA lighting systems only and does not include the FAA owned lighting systems.

### **SAA Staff Update**

During the month of July, Henry Allendorph accepted a vacant full-time ARFF and Operations Specialist position. Henry has worked for the SAA since March 2022 in a part-time ARFF role. We are excited to have him join our team full-time.

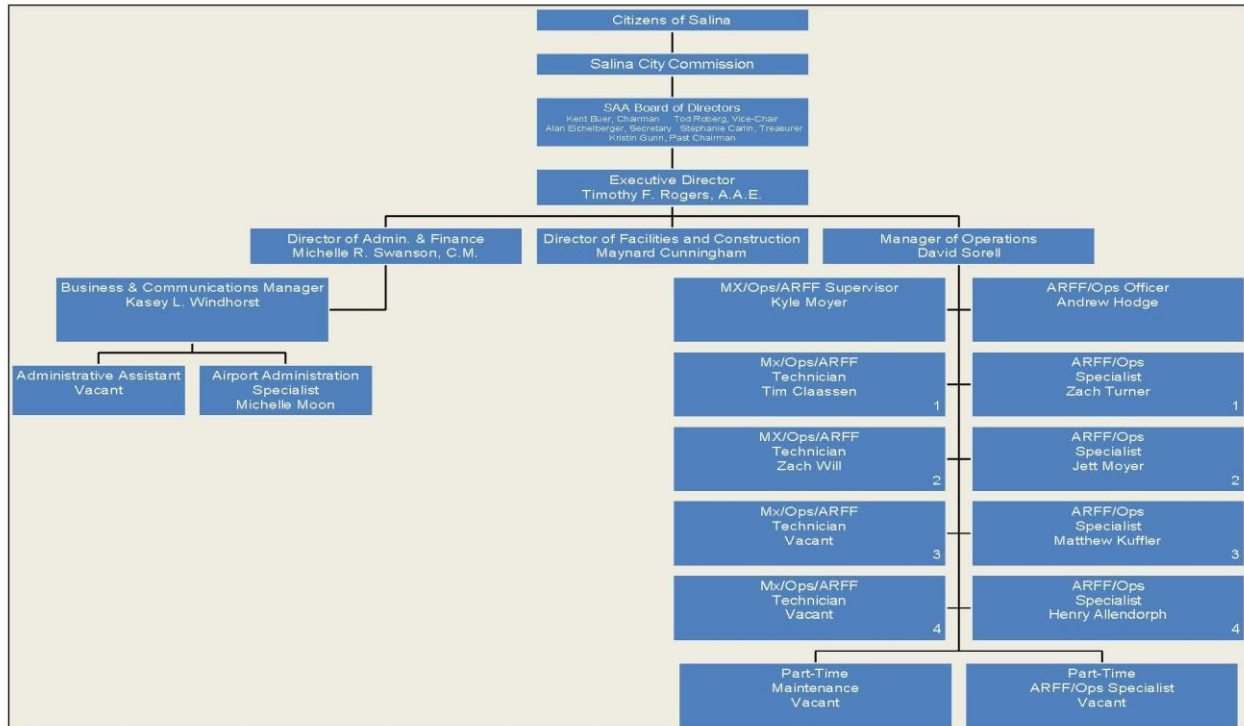
At the beginning of September, we will have a vacant full-time Maintenance/Operations and ARFF Technician position due to an employee relocating out of state. The position is being advertised and is posted on the SAA website at the following link under employment opportunities.

<https://www.salinaairport.com/public-information.aspx>

Below is the updated org chart noting the vacant positions.



August 2022



### Announcements

As a reminder, the following special and regular board meetings are scheduled for the remainder of CY 2022.

- |  |                       |
|--|-----------------------|
| Wednesday, August 31, 2022, 4:00 p.m.    | Special Board Meeting |
| Wednesday, September 7, 2022, 4:00 p.m.  | Special Board Meeting |
| Wednesday, September 21, 2022, 8:00 a.m. | Regular Board Meeting |
| Wednesday, October 19, 2022, 8:00 a.m.   | Regular Board Meeting |
| Wednesday, November 2, 2022, 4:00 p.m.   | Special Board Meeting |
| Wednesday, November 16, 2022, 8:00 a.m.  | Regular Board Meeting |
| Wednesday, December 21, 2022, 8:00 a.m.  | Regular Board Meeting |



**SALINA AIRPORT AUTHORITY REGULAR BOARD MEETING**  
**Hangar H600, First Floor Conference Room**  
**2720 Arnold Court**

**August 17, 2022 – 8:00 AM**

**AGENDA**

**Call to Order:** (Buer)

1. Call to order, determine that a quorum is present and confirm that the meeting notice has been published. (Buer)
2. Recognition of guests. (Buer)
3. Additions to the agenda and agenda overview. (Rogers)
4. Approval of the minutes of the July 20, 2022, regular board meeting. (Buer)
5. Review of airport activity and financial reports for the month ending July 31, 2022. (Rogers and Swanson)
6. Consideration of a Lease Agreement with Garmin International, Inc. for office and computer lab space at hangar H600, 2720 Arnold Ct. (Swanson)
7. Consideration of a Lease Agreement with Avflight Salina Corporation for space at building B207. (Swanson)
8. Calendar year 2023 airport improvement project priorities and available FAA grant funding. (Rogers and Swanson)
9. Review the SAA's 2023 capital budget projects and expenditures that are not eligible for federal or state grant funding. (Rogers and Swanson)
10. Review and discuss changes in the scope of work for the design of Hangar 626 improvements. (Rogers)

**Directors' Forum:** (Buer)

**Visitor's Questions and Comments:** (Buer)

**Staff Reports:** (Rogers)

**Announcements:** (Windhorst)

**Adjournment:** (Buer)



**MINUTES OF THE REGULAR MEETING OF THE BOARD  
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY  
JULY 20, 2022  
HANGAR 600, ROOM 100**

**Call to Order**

The meeting was called to order at 8:00 A.M. by Chair Kent Buer. Chair Buer confirmed that a quorum was present. Administration Specialist Michelle Moon confirmed that the notice was published Friday, July 15, 2022, and a revised agenda and board packet published on Monday, July 18, 2022.

**Attendance**

Attendance was taken. Chair Buer, Directors Roberg (via GTM), Gunn, Carlin, and Eichelberger (via GTM) were present. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Maynard Cunningham; Administration Specialist Michelle Moon; and Attorney Greg Bengtson attended. Guests were Julie Yager-Zuker, Avflight; and Mitch Robinson, Salina Community Economic Development Organization. Attending via GTM were guests Danielle Hollingshead, C.P.A, Adams/Brown; Renee Duxler, Salina Area Chamber of Commerce; Kory Lewis, Coffman & Associates; Saline County Commissioner Bob Videricksen; and City of Salina Commissioner Mike Hoppock.

**Additions to the Agenda**

Chair Buer asked if there were any additions to the agenda. Executive Director Rogers stated there were no additions to the agenda. Rogers provided an overview of the agenda.

**Minutes**

Chair Buer asked if the board members had additions or corrections to the minutes. Director Gunn moved to approve the minutes of the June 15, 2022 regular board meeting, Director Carlin seconded the motion. Motion carried 5-0.

**Airport Activity**

Executive Director Rogers reviewed the airport activity during the month of June 2022. SLN ATCT recorded 6,660 operations during June 2022 which was a 7% decrease as compared to the June 2021 total of 7,142. Fuel flowage came in at 193,611 gallons which was 21% more than the June 2021 total of 159,726 gallons. For the year-to-date, a total of 1,230,478 gallons have been delivered which is 32% more than the June 2021 YTD total of 931,494 gallons. The increase in fuel flowage was positively impacted by the Gunslinger exercise. The direct economic impact of the 1,100 Marines in Salina for Gunslinger was \$1.6M. Gunslinger 2023 is already booked for SLN. Fuel Flowage for July will be down but the use of runway 12/30 will help to offset the construction closure of runway 17/35.

SkyWest enplaned 2,325 passengers, which was a 18% increase over the June 2021 total of 1,979 passengers. SLN enplanements has flattened and will take a predictable downturn due to the tag at Hays. Due to the tag, Salina outbound passenger enplanements will decline and be below the national average for the first time. With the tag, SkyWest has lost an estimated 3,200 passengers

since June. ArkStar's report continues to remind SkyWest that Salina is a Business Market hub. Since getting the Notice of Termination rescinded, the next steps will be to optimize the schedule for the business market with better connections to Chicago and Denver and break the tag with Hays.

### **Financial Reports**

Director of Administration and Finance Swanson reviewed the 2<sup>nd</sup> quarter financials ending June 30, 2022. Unrestricted cash in the bank is over budget 8% (1,887,229). Total year-to-date income came in \$270,311 over the first half of 2021 (20%) and is tracking over the 2022 projections (12%, \$171,158). A payment was made to APAC for the 17/35 project from the KDOT funds (\$1.2M). Accounts Payable are down \$1.6M from May 2022. Total operating expenses came in 1% under budget and is running .66% less than 2021 or \$9,467. Net operating income before depreciation equaled \$194,039 year to date at the end of the 2<sup>nd</sup> quarter.

Significant capital expenditures for June include continued storm damage repairs, B595 renovation continues, on schedule, with pay estimate #3 paid in June, and Hangar 626 design work continues with a payment to Hutton.

Rogers pointed out the 10-Year Operating Revenue and Expense Analysis report provided in the board packet. The report reflects the positive trend for the Salina Airport regarding the goals and objectives.

### **Comprehensive Annual Financial Report for calendar years 2021 and 2020**

Executive Director Rogers reported the Comprehensive Annual Financial Report is available on the SAA website at <https://www.salinaairport.com/media/36831/final-version-2021-cafr.pdf>. Swanson explained that AdamsBrown was engaged to provide an independent review of the financial statements.

Swanson introduced Danielle Hollingshead, CPA and lead auditor with AdamsBrown, LLC, to present to the board the Airport Authority's Comprehensive Annual Financial Report for Calendar Years 2021 and 2020 report. The independent auditor's opinion letter states that, "*In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of **Salina Airport Authority** as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.*"

Director Eichelberger commended Ms. Hollingshead on the presentation and acknowledged the work efforts of the audit team in preparing the financials. The clean audit report is exceptional. Swanson pointed out specifically for future reference that the statistical portion of the report is a valuable resource as many of the documents have a 10-year historical record. Ms. Hollingshead added that the Management Discussion Analysis provides the best recap of the report.

### **SLN North Ramp Development Plan Review and Public Comment**

Executive Director Rogers provided an update of status of SLN North Ramp Development Plan project and let board members know that there has been no scope of development changes since his February 16, 2022, board meeting report. The next step is FAA approval of changes to the SLN Airport Layout Plan (ALP).

Rogers reported that an application for a National Environmental Policy Act (NEPA) Categorical Exclusion (CATEX) from the need to prepare an Environmental Assessment (EA) report of an even more extensive Environmental Impact Statement (EIS) report for the SLN North Ramp Project has been prepared. Rogers reviewed the contents of the application. Rogers reported that the CATEX application will be submitted to the FAA for a decision that no further NEPA review is required.

Rogers also reported following a favorable FAA CATEX decision, the updated Salina Regional Airport (SLN) Airport Layout Plan (ALP) showing the SLN North Ramp Development can be approved by the FAA. The FAA CATEX and ALP approvals are required before SLN North Ramp construction can start.

Rogers reviewed the plans for the new North Ramp MRO hangar construction.

Chair Buer asked for public comment concerning the North Ramp Development Plan and NEPA CATEX application.

Mitch Robinson, Executive Director, Salina Community Economic Development Organization (SCEDO), addressed the board, commenting that the Salina Airport is the number one asset to the Salina community. Director Robinson stated that the Airport property is the prime location for aviation projects; the Airport is the ideal location for expansion; and that the expansion itself is ideal as it occurs on existing property, limiting additional environmental impact. Robinson stated that the expansion has the support of SCEDO.

No other public comments were received by the board.

Rogers noted for the board that staff will be preparing an excerpt of the minutes of the meeting for signature by Director Eichelberger as secretary and certification.

### **FAA Airport Improvement Program (AIP) Projects Scheduled for Calendar Years 2023 through 2027.**

Rogers presented a summary of airfield improvements projects scheduled calendar years 2023 through 2027. The order of the projects matches up with FAA priorities and available grant funds. Years 2023 through 2025 take advantage of multiple sources of FAA grant funding. The grant program applicable to SLN projects is listed. The 2023 – 2025 priority projects are:

- 2023 - New fuel farm construction
- 2023 - Rehabilitate (resurface) Runway 12/30
- 2024 - Rehabilitate and expand the terminal building parking lot

- 2025- Terminal building expansion

FAA AIP grant funding for the projects is estimated to be \$18,631,574 over the next four years. The local match required is estimated to be \$1,594,675.

The fuel farm construction is stalled at the federal level. Rogers reported that a 104-page addendum was submitted to the FAA, and he expects a resolution by the end of July.

Runway 12/30 pavement investigation report was completed in 2021 and submitted to the FAA, projecting that the rehabilitation will last an estimated 15 years, well over the 10-year requirement. FAA approval was given for the rehabilitation/resurface of Runway 12/30. Design work is scheduled for CY 2023.

Terminal building expansion project was not selected for 2022 but will be submitted for the 2023 application process; other opportunities will be available over the next 4 years. In the interim, the expansion work on the overflow parking area continues with local funds.

In all, between 2023 and 2027, \$33.8M in projects, \$30.8M of federal funding is available, \$3M is needed for local match. Next month, the board will be considering mill levy funds for next year. There are opportunities through regional collaboration for state funding to reduce the local match.

#### **SAA's General Obligation Debt Service Mill Levy Requirement for Calendar Year 2023.**

Swanson provided a summary of the debt service schedules for the G.O. bond debt, estimated by the Saline County Clerk at \$485M. Swanson reported that the airport authority needs 4.901 Mill for G.O. bond debt, generating \$2.378M for 2022. SAA staff will provide a report from Steifel regarding a refinancing analysis prior to the special board meeting scheduled for August 31.

#### **Consideration of SAA's Intent to Exceed the Revenue Neutral Rate for the 2022 Mill Levy for the Budget Year 2023.**

Rogers discussed the changes to state law and commented that Jamie Doss, Saline County Master County Clerk, was immensely helpful in implementing the new regulations. By adopting a notice of intent, the Salina Airport Authority declares its intent to consider a 2022 mill levy that would exceed its 2021 mill levy. The SAA's 2021 certified mill levy rate is 4.838 generating an estimated \$2,456,055. The projected 2022 mill levy rate is 5.091 that would generate an estimated \$3,129,470. A notice of intent also sets a date for a public hearing to provide for an opportunity for public comment concerning the SAA's 2023 mill levy budget. The Salina Airport Authority uses mill levy funds for general obligation bond (G.O.) debt service and for federal and state grant matching funds.

Director Carlin moved to approve the Notice of Revenue Neutral Intent certification to be submitted to the Saline County Clerk and authorize Chair Buer to sign the notice. Director Gunn seconded the motion. Motion carried 5-0.

**SAA Resolution No. 22-07**

Director of Administration and Finance Shelli Swanson presented Resolution 22-07 designating the Bennington State Bank as the depository for the SAA's general obligation temporary notes, Series 2022-1, project funds in the amount of \$1,000,000, and designating the individuals authorized to sign checks on the account. Director Carlin moved to approve SAA Resolution No. 22-07 and authorize Chair Buer to sign the resolution, Director Gunn seconded the motion. Motion passed unanimously.

**Consideration of bids received for the storm damage repair to Bldg. 655 and Hangars 606 and 626.**

Director of Facilities and Construction Cunningham stated that only one bid was received for the project. Cheney Construction's total bid for all three structures was \$254,118. The cost of the repairs is eligible for FEMA financial assistance. FEMA requires two costs, first the pre-disaster construction costs, second for mitigation construction costs. Swanson is confident of FEMA assistance, estimating FEMA's share will be no less than 90% of the repair costs.

Director Gunn moved to accept the Cheney Construction bid for windstorm damage repairs for building B655, hangars H606 and H626, and authorize the executive director to sign a contract with Cheney in an amount not to exceed \$254,118. Director Carlin seconded the motion. Motion carried 5-0.

Upon a motion duly made, the meeting adjourned at 9:40 A.M.

Minutes approved at the August 17, 2022, board meeting.

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Alan Eichelberger, Secretary

(SEAL)

**SALINA AIRPORT AUTHORITY  
AIRPORT ACTIVITY REPORT  
2022**

**AIR TRAFFIC/ATCT**

July, 2022	4,613 Operations 602 Instrument Operations 450 Peak Day
July, 2021	7,230 Operations 800 Instrument Operations 441 Peak Day
January 2022 - July 2022	39,077 Operations
January 2021 - July 2021	47,354 Operations
January 2020 - July 2020	27,701 Operations

**FUEL FLOWAGE**

July, 2022	104,328 Gallons
July, 2021	233,652 Gallons
January 2022 - July 2022	1,334,805 Gallons
January 2021 - July 2021	1,165,146 Gallons
January 2020 - July 2020	979,842 Gallons

KSU-S	Avflight Salina	Avflight	
		Military/Gov't Portion	Self-fuel Station Portion
10,239	94,088	11,542	466
8,000	225,652	100,118	554
72,840	1,261,965	399,158	2,480
70,595	1,094,551	238,440	2,909
37,799	942,043	189,411	1,446

**SkyWest Airlines**

	<b>ENPLANEMENTS</b>	<b>DEPLANEMENTS</b>	<b>TOTAL</b>
July, 2022	2,157 Passengers	2259 Passengers	4,416
July, 2021	2,379 Passengers	2275 Passengers	4,654
January 2022 - July 2022	12,327 Passengers		
January 2021 - July 2021	8,646 Passengers		
January 2020 - July 2020	4,995 Passengers		

**ENPLANEMENTS - Charter Flights**

July, 2022	0 Passengers
July, 2021	0 Passengers
January 2022 - July 2022	2,198 Passengers
January 2021 - July 2021	862 Passengers
January 2020 - July 2020	4,059 Passengers

**TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights**

July, 2022	2,157 Passengers
July, 2021	2,379 Passengers
January 2022 - July 2022	14,525 Passengers
January 2021 - July 2021	9,508 Passengers
January 2020 - July 2020	9,054 Passengers

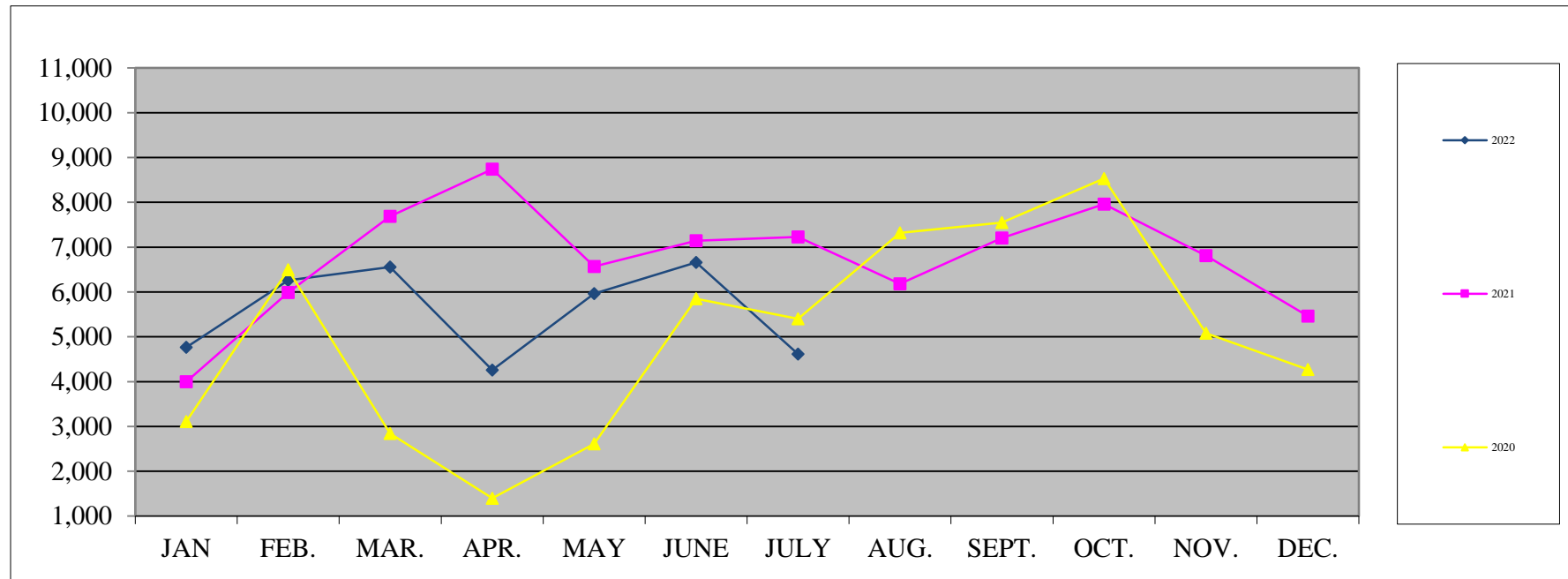
**AIRPORT TRAFFIC RECORD**  
**2021 - 2022**

	ITINERANT					LOCAL			Total Operations
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	
<b>2022</b>									
January, 22	124	1,618	610	156	2,508	2,062	194	2,256	4,764
February, 22	128	2,269	680	151	3,228	2,974	58	3,032	6,260
March, 22	131	2,009	722	329	3,191	3,188	178	3,366	6,557
April, 22	176	1,876	616	151	2,819	1,381	58	1,439	4,258
May, 22	186	1,617	711	176	2,690	3,093	182	3,275	5,965
June, 22	178	1,782	749	450	3,159	3,209	292	3,501	6,660
July, 22	148	1,508	773	88	2,517	2,040	56	2,096	4,613
August, 22									
September, 22									
October, 22									
November, 22									
December, 22									
<b>Totals January - July</b>	<b>1,071</b>	<b>12,679</b>	<b>4,861</b>	<b>1,501</b>	<b>20,112</b>	<b>17,947</b>	<b>1,018</b>	<b>18,965</b>	<b>39,077</b>
<b>2021</b>									
January, 21	131	1,074	540	161	1,906	1,968	122	2,090	3,996
February, 21	109	1,966	533	218	2,826	2,863	300	3,163	5,989
March, 21	113	2,286	743	340	3,482	3,804	402	4,206	7,688
April, 21	120	2,534	743	196	3,593	4,966	180	5,146	8,739
May, 21	132	1,767	847	272	3,018	3,274	278	3,552	6,570
June, 21	141	2,327	876	154	3,498	3,522	122	3,644	7,142
July, 21	129	2,063	845	189	3,226	3,874	130	4,004	7,230
August, 21									
September, 21									
October, 21									
November, 21									
December, 21									
<b>Totals January - July</b>	<b>875</b>	<b>14,017</b>	<b>5,127</b>	<b>1,530</b>	<b>21,549</b>	<b>24,271</b>	<b>1,534</b>	<b>25,805</b>	<b>47,354</b>
<b>Difference</b>	<b>196</b>	<b>-1,338</b>	<b>-266</b>	<b>-29</b>	<b>-1,437</b>	<b>-6,324</b>	<b>-516</b>	<b>-6,840</b>	<b>-8,277</b>
<b>YTD % Change</b>	<b>22%</b>	<b>-10%</b>	<b>-5%</b>	<b>-2%</b>	<b>-7%</b>	<b>-26%</b>	<b>-34%</b>	<b>-27%</b>	<b>-17%</b>
<b>Legend:</b>	<b>AC: Air Carrier</b>			<b>AT: Air Taxi</b>					
	<b>GA: General Aviation</b>			<b>MI: Military</b>					



## AIR TRAFFIC

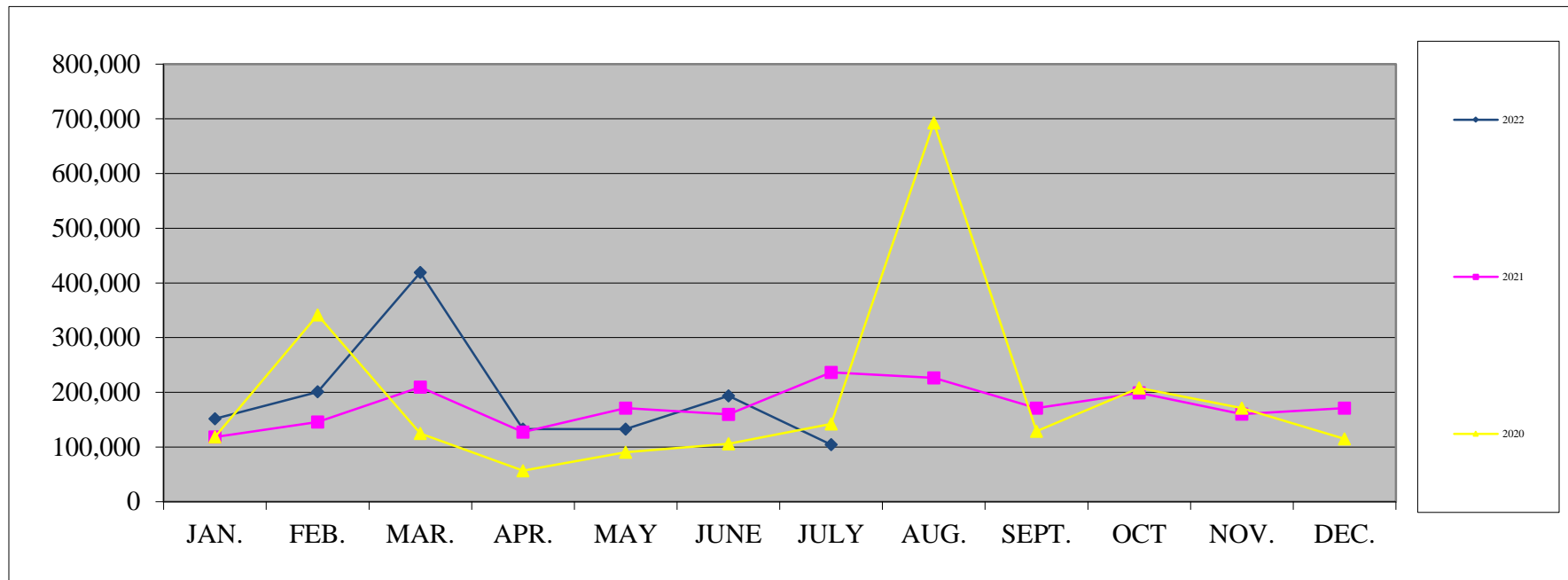
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
<b>2022</b>	4,764	6,260	6,557	4,258	5,965	6,660	<b>4,613</b>						<b>39,077</b>
<b>2021</b>	3,996	5,989	7,688	8,739	6,570	7,142	7,230	6,181	7,206	7,958	6,808	5,463	80,970
<b>2020</b>	3,109	6,494	2,841	1,398	2,614	5,846	5,399	7,318	7,550	8,532	5,078	4,269	60,448
<b>2019</b>	3,102	4,852	6,848	8,225	6,328	8,541	8,051	5,520	7,187	7,240	6,072	4,587	76,553
<b>2018</b>	3,418	4,601	6,312	5,510	5,094	6,865	6,865	4,910	6,336	9,974	5,317	4,091	69,293
<b>2017</b>	3,539	6,598	5,329	5,340	4,253	4,338	3,613	4,717	7,081	6,177	6,062	4,094	61,141
<b>2016</b>	4,422	7,789	7,962	7,312	6,898	8,011	5,877	4,789	7,593	6,052	5,458	4,948	77,111
<b>2015</b>	6,918	7,133	8,557	8,870	8,022	7,268	8,089	5,426	8,846	11,367	8,753	7,101	96,350
<b>2014</b>	6,511	6,887	7,143	8,426	8,365	7,234	7,423	5,756	9,035	10,496	8,316	5,509	91,101
<b>2013</b>	5,341	7,146	7,440	7,349	7,336	8,291	6,696	6,694	8,755	10,136	7,946	7,001	90,131
<b>2012</b>	4,642	6,700	8,189	8,002	11,819	7,532	7,635	7,802	10,478	10,292	8,838	5,409	97,338



**FUEL FLOWAGE**

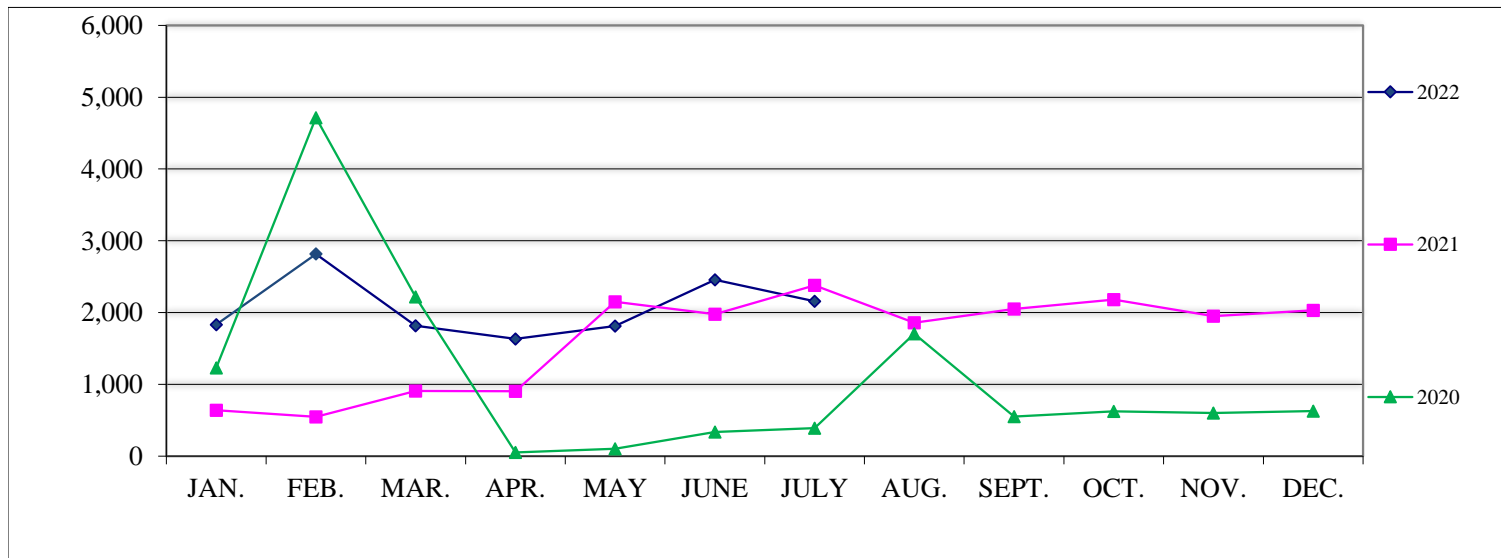
Gallons of Fuel Sold at SLN

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
<b>2022</b>	151,697	200,550	418,947	132,791	132,881	193,611	<b>104,328</b>						<b>1,334,805</b>
<b>2021</b>	118,269	145,726	209,376	127,107	171,289	159,725	236,452	226,367	171,259	199,197	160,279	171,150	2,096,198
<b>2020</b>	118,337	341,329	124,865	56,765	90,326	105,987	142,234	692,613	128,710	208,081	170,893	114,869	2,295,009
<b>2019</b>	156,531	183,334	150,881	119,745	172,835	157,376	111,147	645,834	161,888	223,382	108,525	87,182	2,278,659
<b>2018</b>	74,807	186,507	172,561	154,513	131,941	367,663	288,977	303,273	348,454	161,563	125,129	99,437	2,414,825
<b>2017</b>	115,075	588,072	203,387	149,134	143,801	211,351	160,134	126,751	418,616	172,614	200,050	133,173	2,622,158
<b>2016</b>	80,221	136,763	130,990	94,673	153,410	132,964	208,846	375,330	137,906	126,983	100,764	182,062	1,860,912
<b>2015</b>	176,746	188,406	290,470	132,543	128,100	126,428	237,782	108,581	143,816	717,601	147,853	89,277	2,487,603
<b>2014</b>	115,573	135,651	112,694	95,549	110,387	282,468	103,108	83,757	91,423	652,207	90,948	97,295	1,971,061
<b>2013</b>	139,227	165,167	138,056	121,295	120,083	282,743	134,677	137,840	126,523	134,024	151,427	106,917	1,757,981
<b>2012</b>	136,995	163,253	303,472	142,770	307,541	365,938	162,584	169,534	163,515	149,404	287,619	241,424	2,594,049



## ENPLANEMENTS

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
<b>2022</b>	1,833	2,815	1,815	1,634	1,813	2,458	<b>2,157</b>	1,859	2,050	2,182	1,949	2,032	<b>14,525</b>
<b>2021</b>	638	548	909	904	2,151	1,979	2,379	1,859	2,050	2,182	1,949	2,032	19,580
<b>2020</b>	1,232	4,716	2,219	52	105	338	392	1,705	552	624	602	628	13,165
<b>2019</b>	996	1,659	1,698	1,548	1,865	1,727	2,065	2,556	1,540	1,958	1,703	1,874	21,189
<b>2018</b>	414	715	370	783	1,387	1,751	1,623	5,553	2,095	2,230	1,756	1,622	20,299
<b>2017</b>	720	1,344	731	756	761	852	793	746	3,874	946	1,229	1,207	13,959
<b>2016</b>	36	0	0	0	0	104	372	910	637	558	574	692	3,883
<b>2015</b>	528	107	4,550	531	122	88	77	79	61	3,574	592	80	10,389
<b>2014</b>	145	109	140	135	175	403	282	223	178	431	157	178	2,556
<b>2013</b>	166	191	205	214	243	218	202	205	161	178	212	243	2,438
<b>2012</b>	237	249	247	216	287	213	174	198	151	187	229	335	2,723



\*\*Adjustment based on Nonscheduled/On-Demand Air Carrier Filings FAA Form 1800-31

# *SALINA Airport*

*Authority*



JULY 2022

FINANCIAL STATEMENTS

**Salina Airport Authority**  
**Statement of Net Assets Prev Year Comparison**

08/11/2022

As of July 31, 2022

	Jul 31, 22	Jun 30, 22	\$ Change	Jul 31, 21	\$ Change	% Change
<b>ASSETS</b>						
<b>Current Assets</b>						
<b>Checking/Savings</b>						
Cash in Bank-Bond Funds	2,530,711	1,576,916	953,795	52,173	2,478,538	4,751%
Cash in bank-Operating Funds	1,934,560	1,887,234	47,326	2,011,887	-77,327	-4%
Cash in Bank - Mill Levy	2,667,828	2,668,051	-223	2,344,452	323,376	14%
<b>Total Checking/Savings</b>	<b>7,133,099</b>	<b>6,132,201</b>	<b>1,000,898</b>	<b>4,408,512</b>	<b>2,724,587</b>	<b>62%</b>
<b>Accounts Receivable</b>						
Accounts Receivable	64,908	224,177	-159,269	114,332	-49,424	-43%
<b>Total Accounts Receivable</b>	<b>64,908</b>	<b>224,177</b>	<b>-159,269</b>	<b>114,332</b>	<b>-49,424</b>	<b>-43%</b>
<b>Other Current Assets</b>						
Agri Land Receivable	66,760	66,760	0	66,760	0	0%
Mill Levy receivable	281,658	281,658	0	196,494	85,164	43%
Other current assets	167,766	184,163	-16,397	164,360	3,406	2%
Undeposited Funds	6,850	9,800	-2,950	19,298	-12,448	-65%
<b>Total Other Current Assets</b>	<b>523,034</b>	<b>542,381</b>	<b>-19,347</b>	<b>446,912</b>	<b>76,122</b>	<b>17%</b>
<b>Total Current Assets</b>	<b>7,721,041</b>	<b>6,898,759</b>	<b>822,282</b>	<b>4,969,756</b>	<b>2,751,285</b>	<b>55%</b>
<b>Fixed Assets</b>						
Fixed assets at cost	95,721,703	95,575,239	146,464	94,258,057	1,463,646	2%
Less accumulated depreciation	-51,696,839	-51,454,752	-242,087	-52,105,683	408,844	1%
<b>Total Fixed Assets</b>	<b>44,024,864</b>	<b>44,120,487</b>	<b>-95,623</b>	<b>42,152,374</b>	<b>1,872,490</b>	<b>4%</b>
<b>Other Assets</b>						
Deferred Outflow of Resources	1,085,654	1,085,654	0	1,232,712	-147,058	-12%
<b>Total Other Assets</b>	<b>1,085,654</b>	<b>1,085,654</b>	<b>0</b>	<b>1,232,712</b>	<b>-147,058</b>	<b>-12%</b>
<b>TOTAL ASSETS</b>	<b>52,831,559</b>	<b>52,104,900</b>	<b>726,659</b>	<b>48,354,842</b>	<b>4,476,717</b>	<b>9%</b>
<b>LIABILITIES &amp; EQUITY</b>						
<b>Liabilities</b>						
<b>Current Liabilities</b>						
<b>Accounts Payable</b>						
Accounts payable	175,510	173,045	2,465	485,097	-309,587	-64%
<b>Total Accounts Payable</b>	<b>175,510</b>	<b>173,045</b>	<b>2,465</b>	<b>485,097</b>	<b>-309,587</b>	<b>-64%</b>
<b>Total Credit Cards</b>	<b>104</b>	<b>-111</b>	<b>215</b>	<b>-1,302</b>	<b>1,406</b>	<b>108%</b>
<b>Other Current Liabilities</b>						
Accrued debt interest payable	227,860	187,413	40,447	264,135	-36,275	-14%
Debt, current portion	1,710,800	1,710,800	0	3,772,397	-2,061,597	-55%
Deferred Agri Land Revenue	27,817	33,380	-5,563	27,817	0	0%
Deferred Mill Levy revenue	1,023,356	1,228,028	-204,672	1,056,112	-32,756	-3%
Other current liabilities	252,853	221,767	31,086	245,966	6,887	3%
<b>Total Other Current Liabilities</b>	<b>3,242,686</b>	<b>3,381,388</b>	<b>-138,702</b>	<b>5,366,427</b>	<b>-2,123,741</b>	<b>-40%</b>
<b>Total Current Liabilities</b>	<b>3,418,300</b>	<b>3,554,322</b>	<b>-136,022</b>	<b>5,850,222</b>	<b>-2,431,922</b>	<b>-42%</b>
<b>Long Term Liabilities</b>						
Debt - Long Term	26,597,207	25,617,773	979,434	23,551,148	3,046,059	13%
Deferred Inflows of Resources	229,504	229,504	0	66,426	163,078	246%
Less current portion	-1,710,800	-1,710,800	0	-3,772,397	2,061,597	55%
Net OPEB Liability (KPERs)	13,911	13,911	0	13,924	-13	-0%
Net Pension Liability	509,789	509,789	0	715,670	-205,881	-29%
Security Deposits Returnable	94,064	94,064	0	91,151	2,913	3%
<b>Total Long Term Liabilities</b>	<b>25,733,675</b>	<b>24,754,241</b>	<b>979,434</b>	<b>20,665,922</b>	<b>5,067,753</b>	<b>25%</b>
<b>Total Liabilities</b>	<b>29,151,975</b>	<b>28,308,563</b>	<b>843,412</b>	<b>26,516,144</b>	<b>2,635,831</b>	<b>10%</b>
<b>Equity</b>						
Invested in Capital Assets net	17,427,657	18,470,167	-1,042,510	18,568,472	-1,140,815	-6%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	5,316,974	4,274,464	1,042,510	2,538,711	2,778,263	109%
Net Income	844,954	961,706	-116,752	641,517	203,437	32%
<b>Total Equity</b>	<b>23,679,585</b>	<b>23,796,337</b>	<b>-116,752</b>	<b>21,838,700</b>	<b>1,840,885</b>	<b>8%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>52,831,560</b>	<b>52,104,900</b>	<b>726,660</b>	<b>48,354,844</b>	<b>4,476,716</b>	<b>9%</b>

Salina Airport Authority  
**Profit & Loss Budget Performance**  
 July 2022

9:08 PM  
 08/11/2022  
 Accrual Basis

	<u>Jul 22</u>	<u>Jan - Jul 22</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
<b>Airfield revenue</b>						
Fuel Flowage Fees	10,503	120,516	105,000	15,516	115%	180,000
Hangar rent	52,344	567,337	475,417	91,920	119%	815,000
Landing fees	2,280	27,329	17,763	9,566	154%	30,450
Ramp rent	5,435	39,145	37,917	1,228	103%	65,000
<b>Total Airfield revenue</b>	<b>70,562</b>	<b>754,327</b>	<b>636,097</b>	<b>118,230</b>	<b>119%</b>	<b>1,090,450</b>
<b>Building and land rent</b>						
Agri land rent	5,563	39,443	39,083	360	101%	67,000
<b>Building rents - Long Term</b>						
Short-term leasing	39,619	268,643	310,596	-41,953	86%	532,450
Building rents - Long Term - Other	77,146	541,301	476,904	64,397	114%	817,550
<b>Total Building rents - Long Term</b>	<b>116,765</b>	<b>809,944</b>	<b>787,500</b>	<b>22,444</b>	<b>103%</b>	<b>1,350,000</b>
<b>Land rent</b>						
Basic Land Rent	11,374	96,251	94,834	1,417	101%	162,573
Property tax - tenant share	8,952	62,665	62,666	-1	100%	107,427
<b>Total Land rent</b>	<b>20,326</b>	<b>158,916</b>	<b>157,500</b>	<b>1,416</b>	<b>101%</b>	<b>270,000</b>
Tank rent	1,220	8,540	8,190	350	104%	14,040
<b>Total Building and land rent</b>	<b>143,874</b>	<b>1,016,843</b>	<b>992,273</b>	<b>24,570</b>	<b>102%</b>	<b>1,701,040</b>
<b>Other revenue</b>						
Airport Marketing	20,000	20,000	14,583	5,417	137%	25,000
ARFF Training	0	0	0	0	0%	0
Commissions	2,260	14,589	11,083	3,506	132%	19,000
Other income	591	57,701	43,167	14,534	134%	74,000
<b>Total Other revenue</b>	<b>22,851</b>	<b>92,290</b>	<b>68,833</b>	<b>23,457</b>	<b>134%</b>	<b>118,000</b>
<b>Total Income</b>	<b>237,287</b>	<b>1,863,460</b>	<b>1,697,203</b>	<b>166,257</b>	<b>110%</b>	<b>2,909,490</b>
<b>Gross Income</b>	<b>237,287</b>	<b>1,863,460</b>	<b>1,697,203</b>	<b>166,257</b>	<b>110%</b>	<b>2,909,490</b>
<b>Expense</b>						
<b>Administrative expenses</b>						
A/E, consultants, brokers	713	4,844	19,833	-14,989	24%	34,000
Airport promotion	25,484	145,121	142,917	2,204	102%	245,000
Bad Debt Expense	0	0	2,917	-2,917	0%	5,000
Computer/Network Admin.	4,311	21,747	16,625	5,122	131%	28,500
Dues and subscriptions	2,384	18,121	16,042	2,079	113%	27,500
Employee retirement	8,434	50,022	46,718	3,304	107%	80,088
FICA and medicare tax expense	6,488	41,750	39,175	2,575	107%	67,157
Industrial development	4,792	33,542	35,000	-1,458	96%	60,000
Insurance , property	19,167	135,081	134,167	914	101%	230,000
Insurance, medical	16,322	113,983	128,333	-14,350	89%	220,000
Kansas unemployment tax	252	461	583	-122	79%	1,000
Legal and accounting	22,600	40,827	26,775	14,052	152%	45,900
Office salaries	56,975	321,969	320,833	1,136	100%	550,000
Office Supplies	245	5,737	4,757	980	121%	8,155
Other administrative expense	1,538	7,553	10,500	-2,947	72%	18,000
Postage	400	1,077	1,190	-113	91%	2,040
Property tax expense	12,047	84,330	84,330	0	100%	144,565
Special Events	0	1,004	875	129	115%	1,500
Telephone	2,271	11,934	14,583	-2,649	82%	25,000
Training	0	1,545	5,833	-4,288	26%	10,000
Travel and meetings	1,084	9,926	5,833	4,093	170%	10,000
<b>Total Administrative expenses</b>	<b>185,507</b>	<b>1,050,574</b>	<b>1,057,819</b>	<b>-7,245</b>	<b>99%</b>	<b>1,813,405</b>

	<u>Jul 22</u>	<u>Jan - Jul 22</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
<b>Maintenance expenses</b>						
Airfield maintenance	3,801	25,026	29,167	-4,141	86%	50,000
Airport Security	0	382	4,667	-4,285	8%	8,000
Building maintenance	10,599	134,161	87,500	46,661	153%	150,000
Equipment fuel and repairs	8,330	51,070	52,500	-1,430	97%	90,000
Fire Services	0	4,753	18,521	-13,768	26%	31,750
Grounds maintenance	465	17,253	8,750	8,503	197%	15,000
Maintenance salaries	28,557	229,151	222,906	6,245	103%	382,124
Other maintenance expenses	2,619	9,551	11,667	-2,116	82%	20,000
Snow removal expense	0	8,740	11,667	-2,927	75%	20,000
Utilities	20,910	171,490	175,000	-3,510	98%	300,000
<b>Total Maintenance expenses</b>	<b>75,281</b>	<b>651,577</b>	<b>622,345</b>	<b>29,232</b>	<b>105%</b>	<b>1,066,874</b>
<b>Total Expense</b>	<b>260,788</b>	<b>1,702,151</b>	<b>1,680,164</b>	<b>21,987</b>	<b>101%</b>	<b>2,880,279</b>
<b>Net Ordinary Income</b>	<b>-23,501</b>	<b>161,309</b>	<b>17,039</b>	<b>144,270</b>	<b>947%</b>	<b>29,211</b>
<b>Other Income/Expense</b>						
<b>Other Income</b>						
Capital contributed	0	1,282,830	3,607,119	-2,324,289	36%	6,183,632
Gain on sale of assets	0	0	10,000	-10,000	0%	20,000
<b>Interest income</b>						
Interest income on deposits	1,106	3,378	875	2,503	386%	1,500
<b>Total Interest income</b>	<b>1,106</b>	<b>3,378</b>	<b>875</b>	<b>2,503</b>	<b>386%</b>	<b>1,500</b>
<b>Mill levy income</b>	<b>204,671</b>	<b>1,432,699</b>	<b>1,432,699</b>	<b>0</b>	<b>100%</b>	<b>2,456,055</b>
<b>Total Other Income</b>	<b>205,777</b>	<b>2,718,907</b>	<b>5,050,693</b>	<b>-2,331,786</b>	<b>54%</b>	<b>8,661,187</b>
<b>Other Expense</b>						
<b>Debt interest expense net</b>						
Bond issue cost	9,900	11,344	45,000	-33,656	25%	45,000
Interest Expense on Debt	47,044	329,309	329,309	0	100%	564,530
<b>Total Debt interest expense net</b>	<b>56,944</b>	<b>340,653</b>	<b>374,309</b>	<b>-33,656</b>	<b>91%</b>	<b>609,530</b>
<b>Depreciation expense</b>	<b>242,087</b>	<b>1,694,609</b>	<b>1,694,609</b>	<b>0</b>	<b>100%</b>	<b>2,905,044</b>
<b>Total Other Expense</b>	<b>299,031</b>	<b>2,035,262</b>	<b>2,068,918</b>	<b>-33,656</b>	<b>98%</b>	<b>3,514,574</b>
<b>Net Other Income</b>	<b>-93,254</b>	<b>683,645</b>	<b>2,981,775</b>	<b>-2,298,130</b>	<b>23%</b>	<b>5,146,613</b>
<b>Net Income</b>	<b>-116,755</b>	<b>844,954</b>	<b>2,998,814</b>	<b>-2,153,860</b>	<b>28%</b>	<b>5,175,824</b>

Salina Airport Authority  
**Profit & Loss Prev Year Comparison**  
 January through July 2022

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 08/11/2022  
 Accrual Basis

	Jan - Jul 22	Jan - Jul 21	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Airfield revenue</b>				
Fuel Flowage Fees	120,516.18	99,008.64	21,507.54	21.72%
Hangar rent	567,336.51	446,804.65	120,531.86	26.98%
Landing fees	27,328.71	16,738.85	10,589.86	63.27%
Ramp rent	39,145.00	37,291.00	1,854.00	4.97%
<b>Total Airfield revenue</b>	<b>754,326.40</b>	<b>599,843.14</b>	<b>154,483.26</b>	<b>25.75%</b>
<b>Building and land rent</b>				
Agri land rent	39,443.31	38,943.31	500.00	1.28%
<b>Building rents - Long Term</b>				
Short-term leasing	268,643.00	239,510.47	29,132.53	12.16%
Building rents - Long Term - Other	541,300.65	539,673.56	1,627.09	0.3%
<b>Total Building rents - Long Term</b>	<b>809,943.65</b>	<b>779,184.03</b>	<b>30,759.62</b>	<b>3.95%</b>
<b>Land rent</b>				
Basic Land Rent	96,251.39	93,714.51	2,536.88	2.71%
Property tax - tenant share	62,665.47	66,164.00	-3,498.53	-5.29%
<b>Total Land rent</b>	<b>158,916.86</b>	<b>159,878.51</b>	<b>-961.65</b>	<b>-0.6%</b>
Tank rent	8,540.00	8,169.00	371.00	4.54%
<b>Total Building and land rent</b>	<b>1,016,843.82</b>	<b>986,174.85</b>	<b>30,668.97</b>	<b>3.11%</b>
<b>Other revenue</b>				
Airport Marketing	20,000.00	0.00	20,000.00	100.0%
Commissions	14,589.19	9,475.86	5,113.33	53.96%
Other income	57,700.95	37,248.53	20,452.42	54.91%
<b>Total Other revenue</b>	<b>92,290.14</b>	<b>46,724.39</b>	<b>45,565.75</b>	<b>97.52%</b>
<b>Total Income</b>	<b>1,863,460.36</b>	<b>1,632,742.38</b>	<b>230,717.98</b>	<b>14.13%</b>
<b>Gross Income</b>	<b>1,863,460.36</b>	<b>1,632,742.38</b>	<b>230,717.98</b>	<b>14.13%</b>
<b>Expense</b>				
<b>Administrative expenses</b>				
A/E, consultants, brokers	4,844.40	21,402.80	-16,558.40	-77.37%
<b>Airport promotion</b>				
Air Serv. Mktg - SAA	140,472.13	122,830.83	17,641.30	14.36%
Airport promotion - Other	4,648.42	2,627.08	2,021.34	76.94%
<b>Total Airport promotion</b>	<b>145,120.55</b>	<b>125,457.91</b>	<b>19,662.64</b>	<b>15.67%</b>
Bad Debt Expense	0.00	107.00	-107.00	-100.0%
Computer/Network Admin.	21,746.97	16,123.31	5,623.66	34.88%
Dues and subscriptions	18,120.64	16,585.06	1,535.58	9.26%
Employee retirement	50,021.64	45,891.77	4,129.87	9.0%
FICA and medicare tax expense	41,750.19	35,095.33	6,654.86	18.96%
Industrial development	33,541.69	16,625.00	16,916.69	101.76%
Insurance , property	135,081.49	119,583.31	15,498.18	12.96%
Insurance, medical	113,982.66	117,202.72	-3,220.06	-2.75%
Kansas unemployment tax	460.95	4,220.38	-3,759.43	-89.08%
Legal and accounting	40,826.70	49,320.60	-8,493.90	-17.22%
<b>Office salaries</b>				
Covid-19 Compensation	333.45	0.00	333.45	100.0%
Office salaries - Other	321,635.71	282,918.67	38,717.04	13.69%
<b>Total Office salaries</b>	<b>321,969.16</b>	<b>282,918.67</b>	<b>39,050.49</b>	<b>13.8%</b>
Office Supplies	5,737.15	4,648.44	1,088.71	23.42%
<b>Other administrative expense</b>				
Merchant Processing Fees	4,430.19	6,609.60	-2,179.41	-32.97%
Other administrative expense - Other	3,122.68	2,685.27	437.41	16.29%
<b>Total Other administrative expense</b>	<b>7,552.87</b>	<b>9,294.87</b>	<b>-1,742.00</b>	<b>-18.74%</b>
Postage	1,076.64	1,064.34	12.30	1.16%
Property tax expense	84,329.56	99,664.81	-15,335.25	-15.39%
Special Events	1,004.36	0.00	1,004.36	100.0%
Telephone	11,933.65	13,554.82	-1,621.17	-11.96%
Training	1,545.00	334.95	1,210.05	361.26%
Travel and meetings	9,926.41	3,148.86	6,777.55	215.24%
<b>Total Administrative expenses</b>	<b>1,050,572.68</b>	<b>982,244.95</b>	<b>68,327.73</b>	<b>6.96%</b>



	Jan - Jul 22	Jan - Jul 21	\$ Change	% Change
<b>Maintenance expenses</b>				
Airfield maintenance	25,026.44	29,728.64	-4,702.20	-15.82%
Airport Security	382.36	4,071.57	-3,689.21	-90.61%
Building maintenance	134,160.89	85,187.48	48,973.41	57.49%
Equipment fuel and repairs	51,070.34	57,893.46	-6,823.12	-11.79%
Fire Services	4,752.50	9,898.07	-5,145.57	-51.99%
Grounds maintenance	17,252.55	10,039.76	7,212.79	71.84%
<b>Maintenance salaries</b>				
COVID-19 Compensation	0.00	343.00	-343.00	-100.0%
Maintenance salaries - Other	229,150.66	193,973.39	35,177.27	18.14%
<b>Total Maintenance salaries</b>	229,150.66	194,316.39	34,834.27	17.93%
Other maintenance expenses	9,551.18	9,953.49	-402.31	-4.04%
Snow removal expense	8,740.00	2,684.74	6,055.26	225.54%
Utilities	171,490.46	280,262.94	-108,772.48	-38.81%
<b>Total Maintenance expenses</b>	651,577.38	684,036.54	-32,459.16	-4.75%
<b>Total Expense</b>	1,702,150.06	1,666,281.49	35,868.57	2.15%
<b>Net Ordinary Income</b>	161,310.30	-33,539.11	194,849.41	580.96%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
<b>Capital contributed</b>				
ARPA Grant No. 45 - Equipment	0.00	0.00	0.00	0.0%
ARPA Grant No. 45 - Operating	75,271.79	0.00	75,271.79	100.0%
CARES Grant No. 41 - Operating	0.00	183,669.53	-183,669.53	-100.0%
CRRSAA Grant No. 43 - Equipment	0.00	270,402.57	-270,402.57	-100.0%
CRRSAA Grant No. 43 - Operating	0.00	512,128.65	-512,128.65	-100.0%
<b>Capital contributed - Other</b>	1,207,557.72	75,110.27	1,132,447.45	1,507.71%
<b>Total Capital contributed</b>	1,282,829.51	1,041,311.02	241,518.49	23.19%
Gain on sale of assets	0.00	193,240.00	-193,240.00	-100.0%
<b>Interest income</b>				
Interest income on deposits	3,377.69	629.62	2,748.07	436.47%
<b>Total Interest income</b>	3,377.69	629.62	2,748.07	436.47%
Mill levy income	1,432,698.75	1,478,556.94	-45,858.19	-3.1%
<b>Total Other Income</b>	2,718,905.95	2,713,737.58	5,168.37	0.19%
<b>Other Expense</b>				
<b>Debt interest expense net</b>				
Bond issue cost	11,344.00	2,065.42	9,278.58	449.24%
Interest Expense on Debt	329,309.40	375,235.00	-45,925.60	-12.24%
<b>Total Debt interest expense net</b>	340,653.40	377,300.42	-36,647.02	-9.71%
Depreciation expense	1,694,608.72	1,661,381.19	33,227.53	2.0%
<b>Total Other Expense</b>	2,035,262.12	2,038,681.61	-3,419.49	-0.17%
<b>Net Other Income</b>	683,643.83	675,055.97	8,587.86	1.27%
<b>Net Income</b>	<b>844,954.13</b>	<b>641,516.86</b>	<b>203,437.27</b>	<b>31.71%</b>

Salina Airport Authority  
**Capital Additions Budget vs. Actual**  
As of July 31, 2022

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Accrual Basis

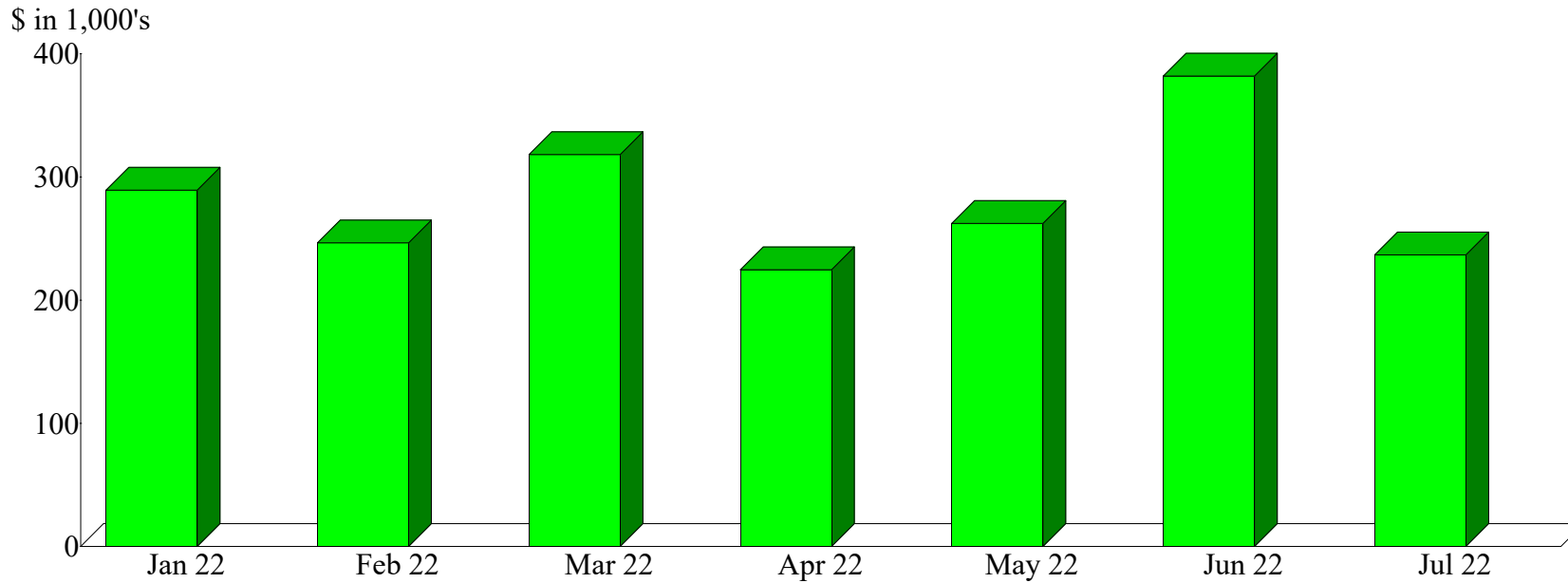
	Jul 22	Jan - Jul 22	Annual Budget	+/- Annual Budget	% of Annual Budget
<b>ASSETS</b>					
<b>Fixed Assets</b>					
<b>Fixed assets at cost</b>					
<b>Airfield</b>					
AIP-42 Rwy 17/35 Rehab		13,069	3,872,315	-3,859,246	0%
AIP-47 Pumphouse 305		20,449	380,957	-360,508	5%
AIP-48 Terminal Parking Lot Reh		2,490	562,500	-560,010	0%
AIP-XX Rwy 12/30 Rehab Design		43,213	285,250	-242,037	15%
AIP-XX Terminal Bldg. Expansion		10,064	1,393,302	-1,383,238	1%
Airfield Improvements	7,344	27,344	50,000	-22,656	55%
GA Hangar Construction		0	730,000	-730,000	0%
GA Hangar taxilane		0	113,172	-113,172	0%
GA Hangars Design		0	17,694	-17,694	0%
KAIP-2022 Rwy 17/35 N 4,800ft.		1,561,448	1,691,185	-129,737	92%
North Ramp Development		13,098	7,500	5,598	175%
Rwys 17/35 - 12/30 LED Lighting	14,321	59,444	175,000	-115,556	34%
<b>Total Airfield</b>	<b>21,665</b>	<b>1,750,619</b>	<b>9,278,875</b>	<b>-7,528,256</b>	<b>19%</b>
<b>Buildings &amp; Improvements</b>					
<b>Bldg. 120 Terminal building</b>					
Concourse Imps.	9,240	311,023	393,107	-82,084	79%
South overflow parking lot A/E		18,500	18,500	0	100%
South overflow parking lt const	5,577	6,828	155,170	-148,342	4%
Terminal Bldg. Other		0	15,000	-15,000	0%
<b>Total Bldg. 120 Terminal building</b>	<b>14,817</b>	<b>336,351</b>	<b>581,777</b>	<b>-245,426</b>	<b>58%</b>
<b>Building improvements</b>					
2021-12-15 Storm Damage	85,274	199,983	1,000,000	-800,017	20%
Bldg. #1021 Facility Imps.	2,400	90,579	151,891	-61,312	60%
Bldg. 394 Parking Lot Imps.		0	50,000	-50,000	0%
Bldg. 412 Imps.		24,300	35,000	-10,700	69%
Bldg. 520 Imps.		63,217	50,000	13,217	126%
Bldg. 595 Improvements Const.		417,205	1,664,000	-1,246,795	25%
Bldg. 595 Improvements Design		99,700	99,700	0	100%
Bldg. 655 Improvements		29,253	40,000	-10,747	73%
Bldg. Imps. Other		42,541	45,000	-2,459	95%
Hangar #509 Imps.		0	20,000	-20,000	0%
Hangar 600 Improvements	16,490	31,585	16,490	15,095	192%
Hangar 959 Rehabilitation	3,968	61,485	32,725	28,760	188%
<b>Total Building improvements</b>	<b>108,132</b>	<b>1,059,848</b>	<b>3,204,806</b>	<b>-2,144,958</b>	<b>33%</b>
<b>FBO Improvements</b>					
Bldg. 700 Imps. Avflight North		23,331	45,000	-21,669	52%
Hangar 409-1 Imps Avflight So.		0	10,000	-10,000	0%
<b>Total FBO Improvements</b>	<b>0</b>	<b>23,331</b>	<b>55,000</b>	<b>-31,669</b>	<b>42%</b>
<b>Total Buildings &amp; Improvements</b>	<b>122,949</b>	<b>1,419,530</b>	<b>3,841,583</b>	<b>-2,422,053</b>	<b>37%</b>
<b>Equipment</b>					
Airfield Equipment		0	15,000	-15,000	0%
ARFF equipment		-17,413	25,000	-42,413	-70%
Communications equipment		4,299	20,000	-15,701	21%
Computer equipment	1,850	3,334	25,000	-21,666	13%
Industrial center equipment		0	15,000	-15,000	0%
Office equipment		0	7,500	-7,500	0%
Other Equipment		0	5,000	-5,000	0%
Shop equipment		3,585	20,000	-16,415	18%
Terminal bldg equipment		0	10,000	-10,000	0%
Vehicles		0	25,000	-25,000	0%
<b>Total Equipment</b>	<b>1,850</b>	<b>-6,195</b>	<b>167,500</b>	<b>-173,695</b>	<b>-4%</b>
<b>Land</b>					
<b>Airport Indust. Cent. Imps.</b>					
AIC-City-Wide Storage Tract Imp		0	15,000	-15,000	0%
Airport Indust. Cent. Imps. - Other		0	3,000	-3,000	0%
<b>Total Airport Indust. Cent. Imps.</b>	<b>0</b>	<b>0</b>	<b>18,000</b>	<b>-18,000</b>	<b>0%</b>
Rail Spur Imps.		0	20,000	-20,000	0%
<b>Total Land</b>	<b>0</b>	<b>0</b>	<b>38,000</b>	<b>-38,000</b>	<b>0%</b>
<b>Total Fixed assets at cost</b>	<b>146,464</b>	<b>3,163,954</b>	<b>13,325,958</b>	<b>-10,162,004</b>	<b>24%</b>

**Salina Airport Authority**  
**Significant Capital Expenditures Detail**  
**July 2022**

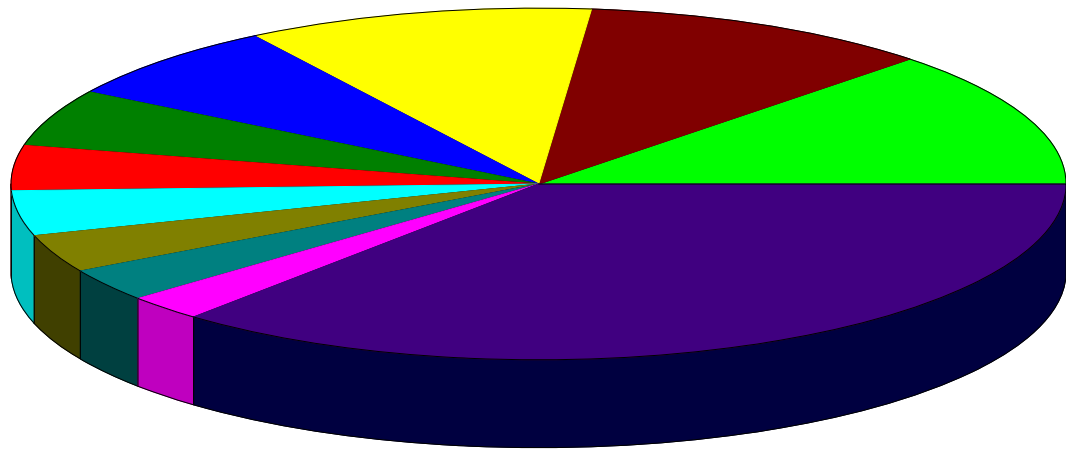
Type	Date	Name	Memo	Amount	Balance
<b>Fixed assets at cost</b>					
<b>Airfield</b>					
<b>Airfield Improvements</b>					
Bill	07/18/2022	APAC-Kansas, Inc., Shears Div.	Rwy 17/35 emergency heave repairs	7,344.00	7,344.00
Total Airfield Improvements				7,344.00	7,344.00
<b>Rwys 17/35 - 12/30 LED Lighting</b>					
Bill	07/18/2022	AGM Airfield Guidancesign Manu...	L-861(L) Clear/Clear; L-861(L) Clear/Yellow; L-861E(L) Red/Green	14,320.80	14,320.80
Total Rwys 17/35 - 12/30 LED Lighting				14,320.80	14,320.80
Total Airfield				21,664.80	21,664.80
<b>Buildings &amp; Improvements</b>					
<b>Bldg. 120 Terminal building</b>					
<b>Concourse Imps.</b>					
Bill	07/13/2022	Accurate Electric Inc	Labor and Materials to install power to two occupancy sensors in new c...	500.00	500.00
Bill	07/14/2022	Midwest Siding	Term. Building - Soffit & column wraps at west end; polystyrene board ...	8,740.00	9,240.00
Total Concourse Imps.				9,240.00	9,240.00
<b>South overflow parking lt const</b>					
Bill	07/19/2022	SI Precast	6 ft bumper blocks for terminal building south overflow parking lot impr...	5,577.00	5,577.00
Total South overflow parking lt const				5,577.00	5,577.00
Total Bldg. 120 Terminal building				14,817.00	14,817.00
<b>Building improvements</b>					
<b>2021-12-15 Storm Damage</b>					
Bill	07/05/2022	Geisler Roofing	B517 Roof repairs	18,974.88	18,974.88
Bill	07/12/2022	Webcon, Inc.	B939 roof repairs - Final pymnt	15,648.70	34,623.58
Bill	07/14/2022	Hutton Corporation	H504 Siding Replacement	38,000.00	72,623.58
Bill	07/15/2022	Webcon, Inc.	B939 roof repairs - Final pymnt	12,650.00	85,273.58
Total 2021-12-15 Storm Damage				85,273.58	85,273.58
<b>Bldg. #1021 Facility Imps.</b>					
Bill	07/24/2022	Ryan Roofing, Inc.	BLDG 1021, room 100 roof repairs	2,400.00	2,400.00
Total Bldg. #1021 Facility Imps.				2,400.00	2,400.00
<b>Hangar 600 Improvements</b>					
Bill	07/14/2022	Hutton Corporation	H600, Room 1 Alterations	16,490.00	16,490.00
Total Hangar 600 Improvements				16,490.00	16,490.00
<b>Hangar 959 Rehabilitation</b>					
Bill	07/14/2022	Helm Electric, LLC	B959 - Electrical Work - finish outlets and switches. Labor and Parts	3,968.00	3,968.00
Total Hangar 959 Rehabilitation				3,968.00	3,968.00
Total Building improvements				108,131.58	108,131.58
Total Buildings & Improvements				122,948.58	122,948.58
<b>Equipment</b>					
<b>Computer equipment</b>					
Bill	07/15/2022	Nex-Tech Communications Inc	ARFF Station - install Lenovo ThinkCentre M80s Desktop computer	1,850.17	1,850.17
Total Computer equipment				1,850.17	1,850.17
Total Equipment				1,850.17	1,850.17
Total Fixed assets at cost				146,463.55	146,463.55
<b>TOTAL</b>				<b>146,463.55</b>	<b>146,463.55</b>

Sales by Month  
January through July 2022

Dollar Sales



Sales Summary  
January through July 2022

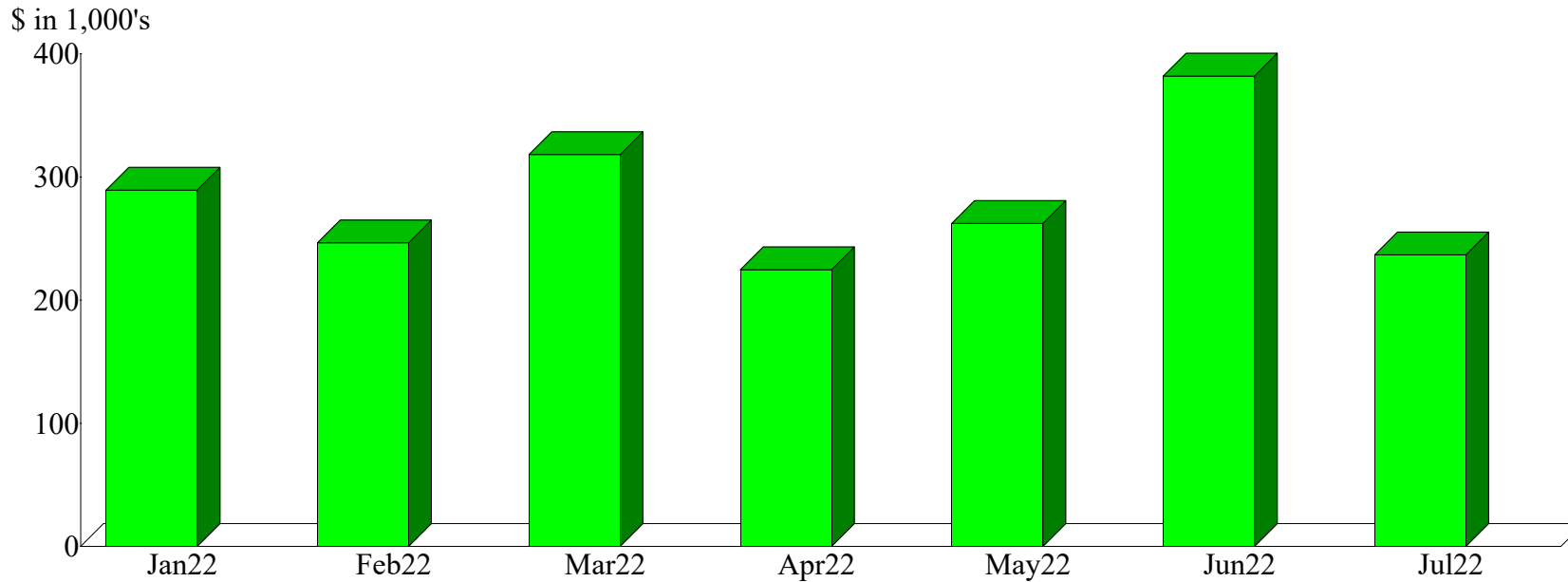


Kansas Erosion Products, LLC.	12.72%
Avflight Salina	10.85
1 Vision Aviation, PLLC	10.71
Stryten Salina, LLC	7.25
NASA	5.32
Marine Forces Reserve MAG-49	4.19
SFC Global Supply Chain	4.14
Universal Forest Products (UFP)	3.58
K-State Salina	3.07
108th Aviation Regiment	2.52
Other	35.64
<b>Total</b>	<b>\$1,959,661.34</b>

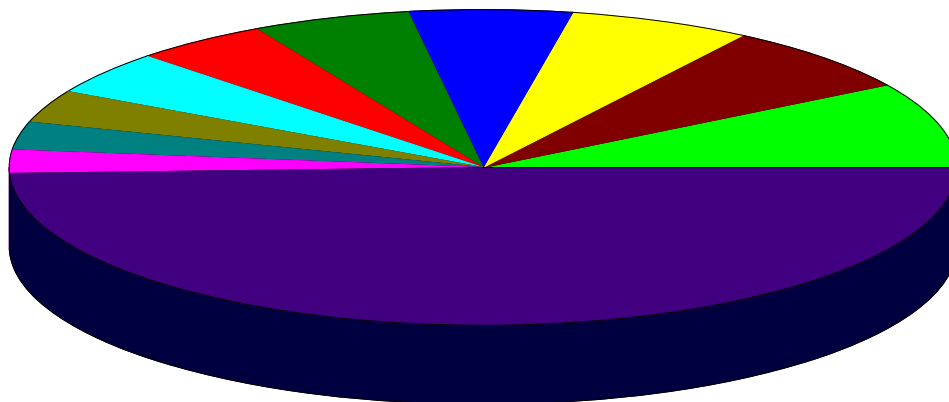
By Customer

Sales by Month  
January through July 2022

Dollar Sales



Sales Summary  
January through July 2022



H-00959-1 (Hangar Facility H959 - 2044 S	8.75%
B-01021 (Building #1021 located at 3600	7.05
B-00655-3 (Bldg. #655 (96,611 SF) - 2656	6.28
FFF-Avflight Salina (Fuel Flowage Fee @	5.58
Utility Reimbursement (Utility Reimburse	5.47
H-0606-1 (Hangar 606 - 2630 Arnold Ct.	4.72
H-0600-1 (Hangar 600 - 20,217 sq. ft.)	4.60
B-00620-1 (Building #620 (30,000 SF) an	3.41
B-00626-1 (Manufacturing facility #626 (	2.89
Insurance(CP) (Insurance Reimbursement)	2.50
Other	48.76
<b>Total</b>	<b>\$1,959,661.34</b>

By Item

## LEASE AGREEMENT

This Lease Agreement (the “Lease”) is made and entered into this \_\_\_\_ day of August, 2022, by and between the **SALINA AIRPORT AUTHORITY, a Kansas public corporation**, of Salina, Saline County, Kansas, (the “Authority”), and **GARMIN INTERNATIONAL, INC.**, a Kansas corporation, with principal offices located at 1200 E. 151<sup>st</sup> St., Olathe, KS 66062, (“Lessee”)

### 1. Property Description.

1.1. Legal Description of Leased Tract. The Authority, in consideration of the rents, covenants, agreements, and conditions hereinafter agreed to be paid and performed by the Lessee, leases unto the Lessee the following described real estate:

Rooms 224 and 225 located in Hangar 600 (containing approximately 1,131 SF of office space) located at the Salina Regional Airport, Salina, Saline County, Kansas (commonly known as 2720 Arnold Ct.),

together with any improvements constructed or to be constructed thereon and the appurtenances thereunto belonging, as depicted on the attached Exhibit A (the “Premises”).

### 2. Term, Effective Date and Holdover.

2.1. Term and Effective Date of Lease. This Lease shall be for a term of one (1) year commencing effective October 1, 2022 (“Effective Date”) and terminating on September 30, 2023 (“Primary Term”), subject to the option for renewal and extension hereinafter set forth.

2.2. Holdover. If the Lessee remains in possession of all or any part of the Premises after the expiration of this Lease, without the express or implied consent of the Authority, such occupancy shall be considered to be a “Holdover Tenancy” from month-to-month only, and not a renewal or extension of this Lease for any further term. In such case, the Basic Rent for such Holdover Tenancy shall be payable in the amount of 150% of the amount specified in Section 4.1 herein. Such Holdover Tenancy shall be subject to every other provision, covenant and agreement contained herein, including any applicable rental adjustments as per Section 4.1.1 herein. The foregoing provisions of this Subsection are in addition to and do not affect the right of re-entry or any right of the Authority hereunder or as otherwise provided by law and in no way shall such provisions affect any

right which the Authority may have otherwise to recover damages, to the extent permissible by applicable law, from Lessee for loss or liability incurred by the Authority resulting from the failure by Lessee to surrender the Premises, or for any other reason. Nothing contained in this Subsection shall be construed as consent by Authority to any holding over by Lessee and the Authority expressly reserves the right to require Lessee to surrender possession of the Premises to Authority as provided in this Lease, and to the extent permissible by applicable law, upon the expiration of this Lease.

3. Option to Renew. The Lessee is hereby given the option to renew this Lease for four (4) additional terms of one year each at the expiration of the Primary Term. In the event the Lessee elects to exercise its option hereunder, it must notify the Authority in writing three (3) months prior to the expiration of the then current term.

4. Rent.

4.1. Basic Rent. Lessee agrees to pay the Authority a Basic Rent for the leasing of the Premises the sum of one thousand one hundred and eighty-five dollars and no/100 (\$1,185) per month, the first of which shall be due on October 1, 2022. The rental shall be payable monthly in advance and shall be due on the first day of each month for that month.

4.1.1. On the second (2<sup>nd</sup>) anniversary date after the Effective Date and every two (2) years thereafter during the term of this Lease, the Basic Rent shall be adjusted by increasing the Basic Rent for the prior 24-month period by the same percentage as the percentage of increase in the U.S. Government Consumer Price Index (C.P.I.) over the same prior 24-month period. If the C.P.I. over the same 24-month period has not shown a net increase, the Basic Rent shall remain the same as the Basic Rent for the prior 24-month period. The C.P.I. shall be the statistical report prepared and published by the Bureau of Labor Statistics for the United States for all items for urban consumers, or such other index or report substituted therefore by the U.S. Government. The reference basis for the C.P.I. shall be 1967 equals 100 or the most current index base as established by the Bureau of Statistics. The difference between such index nearest to the first day of the prior 24-month period and the last available index to the last day of the prior 24-month period divided by such index nearest to the first day of the prior 24-month period will determine either the percentage of increase, or that the Basic Rent will remain the same as the prior 24-month period, as provided above.

4.2. Additional Rental. In addition to the Basic Rent, Lessee covenants and agrees that it will be responsible for Additional Rent, which shall include the following components:

4.2.1. Taxes. Lessee agrees to pay all real estate taxes, which may be levied against the Premises prorated to the Effective Date. Upon the Authority's

receipt of a statement for taxes or assessments, the Authority will invoice the Lessee. When applicable, the Lessee may determine whether to exercise the option to pay only the first half or the entire obligation. Lessee agrees to make payment to the Authority of the full amount due under the chosen option, no later than December 15 for taxes or assessments due December 20 and no later than May 5 for taxes or assessments due May 10.

4.2.2. Late Charge. If the rental amount due hereunder is not received by the Authority within five (5) days of due date, a late charge of six percent (6%) of the total amount due and currently owing, or Seventy-Five Dollars (\$75.00), whichever is greater, will be assessed against the Lessee. Failure to pay the rent and the late charge within twenty (20) days shall be grounds for termination of this Lease, solely at the discretion of the Authority, and not as a termination right for Lessee, in addition to recovery of the unpaid rent and the late charge.

4.2.3. Security Deposit. Not applicable

4.2.4. Keys. All keys issued to Lessee by the Authority must be returned to the Authority by 12:00 P.M., Noon, on the date this Lease expires or is terminated. If all keys are not returned or if Lessee loses a key during the term of the Lease or any extension thereof, a fee will be charged for each key lost and for each building interior and exterior lock change. The charge per key and lock change will be according to the current rates and charges schedule as adopted annually in the Authority's fiscal year budget.

4.3. Rental Renegotiations. Lessee acknowledges that as required by AAIA Section 511. (a)(9), the Authority must maintain a fee and rental structure for its facilities and services, which will make the Airport as self-sustaining as possible under the circumstances. In the event that an FAA and/or DOT audit should determine that the rentals provided for herein are inadequate, the parties agree to renegotiate the rentals.

## 5. Insurance.

5.1. Lessee's Liability Insurance. Lessee shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of Kansas such insurance as will protect Lessee from claims set forth below which may arise out of or result from Lessee's operations and for which Lessee may be legally liable, whether such operations be by Lessee or by its independent contractors or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

5.1.1. Claims under workers' compensation, disability benefit and other similar employee benefit acts, which are applicable to Lessee's operations;



- 5.1.2. Claims for damages because of bodily injury, occupational sickness or disease, or death of Lessee’s employees;
  - 5.1.3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Lessee’s employees;
  - 5.1.4. Claims for damages insured by usual personal injury liability coverage;
  - 5.1.5. Claims for damages, other than the leased property, because of injury to or destruction of tangible property, including loss of use resulting there from;
  - 5.1.6. Claims for damages because of bodily injury including death of a person, or property damage arising out of the ownership, maintenance or use of a motor vehicle;
  - 5.1.7. Claims for bodily injury or property damage arising out of products liability and/or completed operations; and
  - 5.1.8. Claims involving contractual liability insurance applicable to Lessee’s obligations under Section 17.1 of this Lease.
- 5.2. The insurance required by Section 5.1 and Section 5.2 shall be written for not less than the limits of liability specified below or as required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from date of commencement of this Lease. All insurance policies must be issued by an insurance carrier which has a Best’s general policyholder’s rating (as published in the most recent issue of Best’s Key Rating Guide, Property-Casualty) of not less than A- and a financial size category of V or greater (which equates to an adjusted policyholders’ surplus of \$4-\$25 million). Coverage from Lloyd’s of London and Industrial Risk Insurance (IRI) is also acceptable only if there is 100% reinsurance with an acceptably rated company. The reinsurance agreement must have a total value (100 percent) assumption of liability endorsement. In addition, reinsurance agreements must have at least 90-days prior notice of cancellation provisions.
- 5.2.1. Commercial General Liability, which is no more restrictive than ISO Form CG0001 1/96 or any revision thereof with minimum limits of liability of:

\$ 2,000,000	General Aggregate
\$ 2,000,000	Products-Completed Operations Aggregate
\$ 1,000,000	Personal & Advertising Injury

\$ 1,000,000	Each Occurrence
\$ 100,000	Fire Damage (Any one fire)
\$ 5,000	Medical Expense (Any one person)

The policy shall be endorsed to provide the required limits on a "per location" basis.

5.2.2. Comprehensive Auto Liability for owned, non-owned and hired vehicles with combined single limits of liability of \$1,000,000 per occurrence.

5.2.3. Workers' Compensation with statutory limits.

5.2.4. Employer's Liability coverage with limits of at least:

\$ 500,000	Each Accident
\$ 500,000	Disease-Policy Limit
\$ 500,000	Disease-Each Employee

5.2.5. Commercial Umbrella / Excess Liability – not applicable

5.2.6. such other coverage as is appropriate to the operations of Lessee's business, e.g., hangarkeeper's legal liability, pollution liability, etc.

5.3. Certificates of Insurance acceptable to the Authority shall be filed with the Authority prior to commencement of this Lease. These certificates and the insurance policies required by this Section 5 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Authority. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by Lessee with reasonable promptness in accordance with Lessee's information and belief.

5.4. Lessee agrees that its insurance policies will be amended to be primary without right of contribution from the Authority or its insurance policies, that Lessee's insurance policies will be amended to state that its insurer agrees to waive its right of subrogation against the Authority and that the above insurances will not be invalidated for the Authority by any action, inaction or negligence of the insured. All amounts of claims, losses or damages resulting from deductible clauses or self-insured retentions shall be for the account of the Lessee.

5.5. Lessee agrees that all liability policies, except workers' compensation, will be amended to name the Authority, its subsidiaries, parent, affiliates, executive officers, directors and employees as additional insureds.

5.6. All independent contractors hired by Lessee will be held to the same insurance requirements as the Lessee. The Authority will be named as an additional insured on independent contractors' policies, and Lessee will provide the Authority, upon request, with copies of such independent contractors' Certificates of Insurance.

5.7. The requirement of Lessee to purchase and maintain insurance shall not, in any manner, limit or qualify the liabilities and obligations otherwise assumed by Lessee under this Lease.

5.8. Claims Made Insurance

5.8.1. Lessee shall, to the extent reasonably possible, obtain the liability insurance required hereunder on an occurrence basis. If any insurance required herein is to be issued or renewed on a claims made basis, the retroactive date of such insurance shall be no later than the commencement date of this Lease and shall provide that in the event of cancellation or non-renewal of the insurance, the discovery period for insurance claims (tail coverage) shall be for a period of not less than two years.

5.9. Authority's Liability Insurance

5.9.1. The Authority shall be responsible for purchasing and maintaining the Authority's usual liability insurance.

5.10. Property Insurance

5.10.1. The Authority shall secure and maintain in force at all times during the term of this Lease or any extensions thereof, Commercial Property Insurance with Special Clause of Loss Perils coverage on the buildings and improvements owned by the Authority which are located on the Premises in an amount of not less than 100% of the full replacement cost of the Improvements, as determined by the Authority on an annual basis

5.10.2. Loss of Use Insurance (rent loss/business income/extra expense).

5.10.2.1. The Authority, at the Authority's option, may purchase and maintain such insurance as will insure the Authority's property due to fire or other hazards, however caused, and the cost thereof shall be paid

by the Authority. The Authority waives all rights of action against Lessee for loss of use of the Authority's property, including consequential losses due to fire, theft or other hazards however caused.

5.10.2.2. Lessee, at Lessee's option, may purchase and maintain such insurance as will insure Lessee against loss of use of the Leased Premises due to fire or other hazards, however caused, and the cost thereof shall be paid by Lessee. Lessee waives all rights of action against the Authority for loss of use of the leased Premises, including consequential losses due to fire, theft or other hazards however caused.

6. Use of Premises. Lessee agrees to use the Premises for the sole purpose of office work and other activities normally associated therewith. All activities will comply with SLN Airport Rules and Regulations and all other applicable law or regulations.

6.1. Lessee agrees that the Premises shall not be used or occupied for any purpose that constitutes a nuisance or may be objectionable to adjacent property; that it will not allow the escape from the Premises of any fumes, odors, smoke, obnoxious gas, gases or other substances which are offensive or which constitute a nuisance or interfere with the conduct of other business in the area. Lessee will provide adequate devices to control excessive noise, vibrations or electromagnetic emissions.

7. Environmental Concerns. – Not applicable.

8. Improvements to Premises. Lessee may, with the written consent of the Authority, which consent shall not be unreasonably withheld, build and construct improvements on the Premises; provided, however, that prior to commencement of any such work the Lessee shall submit construction and site plans thereof to the Authority for its approval and secure the necessary building permits from the City of Salina. Any repairs, improvements or new construction shall conform to the following:

8.1. Any improvements on the Premises shall be restricted to commercial, industrial or warehouse use.

8.2. All construction shall conform to the applicable Building Code.

9. Ownership of Fixtures. It is understood and agreed by and between the parties hereto that any fixtures attached to the Premises or placed on or about Premises by Lessee shall be considered personal property and shall remain the property of the Lessee, who shall have the right to remove the same from the Premises upon the expiration of this Lease so long as such removal does not impair the structural feature of the improvements presently on the Premises. Provided, however, in the event of termination of this Lease due to a breach of covenant by the Lessee, then all fixtures

and improvements shall become the property of the Authority and may not be removed from the Premises.

10. Removal of Fixtures. On or before the date of expiration or termination of this Lease, or any extension thereof, the Lessee shall vacate the Premises, remove its personal property and movable fixtures therefrom and restore the Premises to as good an order and condition as that existing upon the commencement of the term of this Lease, damages beyond the control of the Lessee and due to normal wear and tear excepted. If, however, the Lessee fails to remove the personal property and movable fixtures and/or to restore the Premises to substantially the same condition as existed at commencement of the Lease, then the Authority may remove the personal property and movable fixtures and restore the Premises and may retain the fixtures until such time as Lessee reimburses the Authority for all its expenses connected therewith.

11. Default.

11.1. Lessee shall be in default of this Lease if it:

- 11.1.1. Fails to pay the Basic Rent or Additional Rental when due or to comply with any substantial term, condition or covenant of this Lease within ten (10) days after written notice;
- 11.1.2. Abandons or surrenders the Premises or the leasehold estate;
- 11.1.3. Attempts to assign or sublease the Premises other than in accordance with the terms of the Lease;
- 11.1.4. Is adjudicated bankrupt or insolvent, makes a general assignment for the benefit of creditors takes the benefit of any insolvency act, or is unable to meet its obligations as they become due; or
- 11.1.5. Violates any of the other terms and conditions of this Lease.

11.2. In the event of default by Lessee, the Authority shall have the following cumulative remedies:

- 11.2.1. Terminate the Lease;
- 11.2.2. Reenter and repossess the Premises;
- 11.2.3. Relet the Premises or any part thereof;
- 11.2.4. Accelerate and collect rentals remaining to be paid under the Lease;
- 11.2.5. Seize and hold Lessee's onsite property for the satisfaction of the deficiency;
- 11.2.6. Bring a suit for damages against Lessee; or
- 11.2.7. Pursue any other remedy available to the Authority under Kansas law.

11.3. Waiver by the Authority of any breach of this Lease shall not be construed as a continuing waiver of a subsequent breach nor imply further indulgence.

12. Attorney Fees. In the event legal action must be taken because of the breach of any agreement or obligation contained in this Lease on the part of the Lessee or Authority to be kept or performed, and a breach shall be established, the prevailing party shall

be entitled to recover all expenses incurred thereof, including reasonably attorney fees.

13. Repairs to Improvements on Premises. During the term of the Lease, Authority will keep roof and exterior of the Premises in a good state of repair and make all repairs, structural or otherwise to keep the Premises in a good state of repair and in working order.
14. Utilities and HVAC System. The Authority shall obtain and pay for all electricity, water, gas, and sewer use fees for the Premises and the common use areas of the Hangar. Any other utilities needed shall be the responsibility of the Lessee. The Lessee shall be permitted to utilize the existing internet in the hangar in common with other Hangar occupants.
15. Liens. The Lessee shall pay, satisfy, and discharge all liens and obligations of any nature and kind whatsoever created by or the obligations of the Lessee which shall attach to or be imposed upon the Premises and shall indemnify, save and hold harmless the Authority from such payment and from all resulting damages and expenses.
16. Assignment of Lease. The Lessee shall not assign this Lease or any interest therein and shall not sublet the Premises or any part thereof, or allow any person to occupy or use the Premises or any portion thereof, without the prior written consent of the Authority. A consent to one assignment or subletting for use by any other person shall not be deemed to be a consent to any subsequent assignment.
17. Indemnification and Hold Harmless.
  - 17.1. To the fullest extent permitted by law, the Lessee shall indemnify and hold harmless the Authority, its affiliates and its officers, directors, employees, agents, representatives, guests and invitees (“Authority Indemnitees”) from and against all claims, damages, losses, liabilities, fines, penalties, costs, and expenses (including attorney’s fees, consultant costs, environmental investigation, remedial or removal costs and natural resource damages) arising out of, relating to or resulting from (i) Lessee’s occupancy and or use of the Premises; (ii) any breach of this Lease by the Lessee; (iii) any leak, spill or other release or disposal of or exposure to (A) any goods while being transported or delivered by Lessee or (B) any other materials, substances or chemicals that Lessee or any of its independent contractors bring onto the Premises; and/or (iv) the acts, omissions, negligence or willful misconduct of any persons used or employed directly or indirectly by the Lessee or any independent contractor. The indemnification obligations under this Subparagraph shall not be limited in any way by the limits of any insurance coverage or limitations on the amount or type of damages, compensation or benefits payable by, for or to the Lessee, any

independent contractor, or any other person under any insurance policy, worker's compensation acts, disability acts or other employee benefit acts.

17.2. In claims against any person or entity indemnified under this Section 17 by an employee of Lessee, an independent contractor of the Lessee's, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 17.1 shall not be limited by limitation or amount or type of damages, compensation or benefits payable by or for Lessee, or an independent contractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

18. Inspection of Premises. The Lessee agrees that the Authority, the Federal Aviation Administration, or its agents may, at all reasonable times, have free access to the Premises for the purpose of examining or inspecting the condition of the Premises and any improvements thereon, or exercising any right or power reserved to the Authority or Federal Aviation Administration under the terms and provisions of this agreement.

19. Notices. All notices to be given pursuant to this Lease shall be addressed to the parties as follows:

<b>Authority</b>	Salina Airport Authority Salina Airport Terminal Building 3237 Arnold Salina, KS 67401
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<b>Lessee</b>	Garmin International, Inc. 1200 E 151 <sup>st</sup> St. Olathe, KS 66062
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20. Damage by Casualty.

20.1. If the Premises are destroyed or damaged by fire or other casualty, the Lessee may, at its sole option terminate this Lease. If this Lease is so cancelled, rent shall be paid only to the date of cancellation and the Lessee shall surrender the Premises to the Authority after being allowed a reasonable time to locate a substitute site, remove its personal property and otherwise conclude its affairs at the Premises

20.2. If the Lessee does not elect to terminate this Lease in case of destruction or damage by casualty, this Lease shall continue in full force and effect and the Authority shall restore the Premises to at least its previous condition, and to Lessee's satisfaction, within a reasonable time. For that purpose, the Authority

and its agents and contractors may enter the Premises. Rent shall totally abate during the period of such restoration.

## 21. General Clauses.

- 21.1. The Lessee shall comply with all applicable laws, ordinances and regulations of the state, county and municipality in which the Premises are located with regard to construction, sanitation, licenses or permits to do business and all other matters.
- 21.2. The Lessee shall pay to the proper governmental agencies and as they become due and payable, all taxes, assessments, and similar charges, which at any time during the term of this Lease may be taxed, except those which the Authority has in this Lease agreed to pay.
- 21.3. Any property of the Authority damaged or destroyed by the Lessee, incident to the Lessee's use and occupation of the Premises, shall be promptly repaired or replaced by the Lessee to the satisfaction of the Authority or in lieu of repair or replacement, the Lessee shall, if so required by the Authority, pay to the Authority money in the amount sufficient to compensate for the loss sustained by the Authority by reason of damage or destruction of the property.
- 21.4. The Lessee acknowledges that it has inspected and knows the condition of the Premises and it is understood that the Premises is leased without any representation or warranty by the Authority whatsoever and without obligation on the part of the Authority to make any alterations, repairs, or additions to the Premises.
- 21.5. The Lessee shall not use, or permit to be used, any portion of the Premises under its control for signs, billboards, or displays.
- 21.6. Loading Docks: Not applicable.
- 21.7. The Lessee shall not be the agent of the Authority in making repairs or other improvements to the Premises and no materialman's liens or claims thereunder shall be valid against the Authority or against the interest of the Authority in the Premises.
- 21.8. Outside storage: Not applicable
- 21.9. The Lessee must at all times keep the Premises and buildings in a safe, clean, wholesome condition and comply in all respects with all government, health, and police requirements. The Lessee will remove at its own expense any rubbish which may accumulate on the property.



- 21.10. The Authority shall be responsible for snow removal on the Premises and shall keep unpaved areas grassed and landscaped to present a pleasing appearance. Such grass and landscaping shall be kept reasonably mowed and trimmed.
- 21.11. The Authority reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the Airport and all publicly-owned air navigational facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.
- 21.12. The Authority reserves the right to further develop or improve the landing area and all publicly-owned air navigation facilities of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance.
- 21.13. The Authority reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Airport which in the opinion of the Authority would limit the usefulness of the Airport or constitute a hazard to aircraft.
- 21.14. During time of war or national emergency the Authority shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities, and/or other area or facilities of the Airport. If any such agreement is executed, the provisions of this Lease, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
- 21.15. It is understood and agreed that the rights granted by this Lease will not be exercised in such a way to interfere with or adversely affect the use, operation, maintenance, or development of the Airport.
- 21.16. There is hereby reserved to the Authority, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Premises together with the right to cause in the airspace 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 the airspace or landing at, taking off from, or operating on or about the Airport.
- 21.17. This Lease shall be subordinate to provisions of any existing or future agreement between the Authority and the United States of America or any agency thereof relative to the operation, development or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

21.18. If Lessee defaults in its payment of rent or fails to substantially comply with any of the other items of this Lease then, if requested by the Authority, the Lessee agrees to provide the Authority with a financial statement covering Lessee's latest fiscal or calendar year, which financial statement shall be in such form as accurately discloses the assets, liabilities, and net worth of the Lessee. If, in the opinion of the Authority, the financial statement provided is incomplete or fails to accurately indicate the financial condition of the Lessee, the Lessee agrees to provide the Authority such further financial information as the Authority may in writing request.

## 22. Nondiscrimination Assurances.

22.1. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenant's and agrees 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 Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities or benefits 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 the regulations may be amended.

22.2. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenants and agrees as a covenant running with the land that (i) 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 the facilities; (ii) that in 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; and (iii) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, and as the regulations may be amended.

22.3. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participation in any employment activities covered in 14 CFR, Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered sub organizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from

their sub organizations, as required by 14 CFR, Part 152, Subpart E, to the same effect.

22.4. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

22.5. The Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that the Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

23. Binding Effect. This Lease shall be binding upon the heirs, beneficiaries, personal representatives, successors, and assigns of the Authority and the Lessee.

The Authority and the Lessee have each caused this Lease to be executed by its duly authorized officers on the date shown.

**SALINA AIRPORT AUTHORITY**

Date \_\_\_\_\_

By: \_\_\_\_\_

Kent Buer  
Chairman of Board of Directors

**ATTEST**

Date \_\_\_\_\_

By: \_\_\_\_\_

Alan Eichelberger  
Secretary of the Board of Directors

**LESSEE**

Date \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_[Name]

\_\_\_\_\_[Title]

**ATTEST**

Date \_\_\_\_\_

By: \_\_\_\_\_

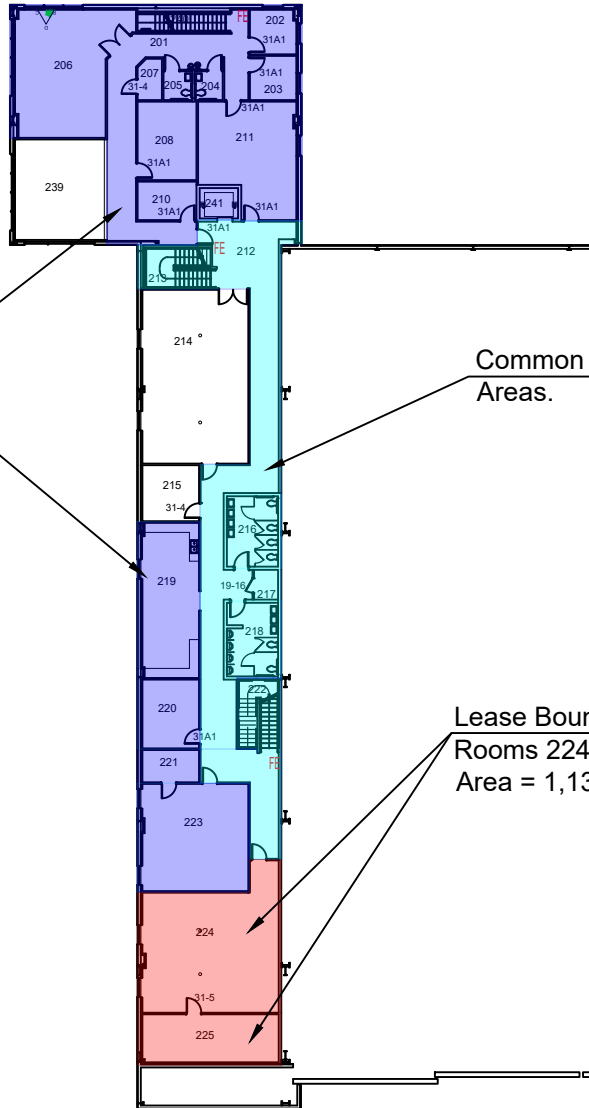
\_\_\_\_\_ [Name]

\_\_\_\_\_ [Title]

K-State Lease Areas.

Common Use Lease Areas.

Lease Boundary  
Rooms 224 & 225  
Area = 1,131 S.F.



Drawing Number 2988-08-21



3237 ARNOLD, SALINA, KS 67401  
(785-827-3914 FAX: 785-827-2221)

None : REVISIONS

KFB : DESIGNED BY

KFB : DRAWN BY

1" = 40' : SCALE

8/30/21, 13:20 : DATE

# SALINA AIRPORT AUTHORITY

## Garmin International - Hangar 600, Lease Exhibit A, October 2021

1  
OF  
1

## LEASE AGREEMENT

This Lease Agreement (the "Lease") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2022, by and between the **SALINA AIRPORT AUTHORITY, a Kansas public corporation**, of Salina, Saline County, Kansas, (the "Authority"), **AVFLIGHT SALINA CORPORATION**, a Kansas corporation, with principal offices at 47 West Ellsworth, Ann Arbor, Michigan, (the "Lessee"), WITNESSETH:

### Recitals

- A. The Lessee has been providing general and commercial aviation services as a Fixed Base Operator (FBO) at the Salina Regional Airport since January 1, 2014.
- B. The Lessee has occupied the facility whereby it can maintain its vehicle and fuel truck fleet since June 1, 2017, operating under short-term rental agreements.
- C. The facility has adequately served the intended purpose and both Lessee and Authority desire to enter into a longer-term agreement.
- D. The Authority agrees to lease to the Lessee and the Lessee agrees to lease the facility described in Section 1 according to the terms and conditions stated in this Lease.

### 1. Property Description.

- 1.1. Legal Description of Leased Tract. The Authority, in consideration of the rents, covenants, agreements, and conditions hereinafter agreed to be paid and performed by the Lessee, leases unto the Lessee the following described real estate:

Leasehold. A portion of Building No. 207 (containing 2,778 sq. ft. of vehicle maintenance, office, restroom. and shop space) all situated on Lot Sixteen (16), Block Five (5), Schilling Subdivision No. 5 to the City of Salina, Saline County, Kansas and as the area shown and described on Exhibit "A" attached hereto and identified as "Leasehold",

together with any improvements constructed or to be constructed thereon and the appurtenances thereunto belonging, as depicted on the attached Exhibit A (the "Premises").

2. Term, Effective Date and Holdover.

2.1. Term and Effective Date of Lease. This Lease shall be for a term of five (5) years commencing effective September 1, 2022 (“Effective Date”) and terminating on August 31, 2027 (“Primary Term”), subject to the option for renewal and extension hereinafter set forth.

2.2. Holdover. If the Lessee remains in possession of all or any part of the Premises after the expiration of this Lease, without the express or implied consent of the Authority, such occupancy shall be a “Holdover Tenancy” from month-to-month only, and not a renewal or extension of this Lease for any further term. In such case, the Basic Rent for such Holdover Tenancy shall be payable in the amount of 150% of the amount specified in Section 4.1 herein. Such Holdover Tenancy shall be subject to every other provision, covenant and agreement contained herein, including any applicable rental adjustments as per Section 3.1.1 herein. The foregoing provisions of this Subsection are in addition to and do not affect the right of re-entry or any right of the Authority hereunder or as otherwise provided by law and in no way shall such provisions affect any right which the Authority may have otherwise to recover damages, to the extent permissible by applicable law, from Lessee for loss or liability incurred by the Authority resulting from the failure by Lessee to surrender the Premises, or for any other reason. Nothing contained in this Subsection shall be construed as consent by Authority to any holding over by Lessee and the Authority expressly reserves the right to require Lessee to surrender possession of the Premises to Authority as provided in this Lease, and to the extent permissible by applicable law, upon the expiration of this Lease.

3. Option to Renew. The Lessee is hereby given the option to renew this Lease for one (1) additional term of five (5) years at the expiration of the Primary Term. In the event the Lessee elects to exercise its option hereunder, it must notify the Authority in writing six (6) months prior to the expiration of the then current term.

4. Rent.

4.1. Basic Rent. Lessee agrees to pay the Authority a Basic Rent for the leasing of the Premises the sum of Seven Hundred Dollars and no/100 (\$700) per month, the first of which shall be due on September 1, 2022. The rental shall be payable monthly in advance and shall be due on the first day of each month for that month.

4.1.1. On the second (2<sup>nd</sup>) anniversary date after the Effective Date and every two (2) years thereafter during the term of this Lease and any extensions or renewals thereon, the Basic Rent shall be adjusted by increasing the Basic Rent for the prior 24-month period by the same percentage as the percentage of increase in the U.S. Government Consumer Price Index (C.P.I.) over the same prior 24-month period. If the C.P.I. over the same 24-month period has not shown a net increase, the Basic Rent shall remain the same as the Basic

Rent for the prior 24-month period. The C.P.I. shall be the statistical report prepared and published by the Bureau of Labor Statistics for the United States for all items for urban consumers, or such other index or report substituted therefore by the U.S. Government. The reference basis for the C.P.I. shall be 1967 equals 100 or the most current index base as established by the Bureau of Statistics. The difference between such index nearest to the first day of the prior 24-month period and the last available index to the last day of the prior 24-month period divided by such index nearest to the first day of the prior 24-month period will determine either the percentage of increase, or that the Basic Rent will remain the same as the prior 24-month period, as provided above.

4.2. Additional Rental. In addition to the Basic Rent, Lessee covenants and agrees that it will be responsible for Additional Rent, which shall include the following components:

4.2.1. Utilities. On a monthly basis, the Authority shall invoice Lessee for the Premises utilities as contracted by the Authority to include water, electricity, and natural gas. The Authority shall provide an itemization on each monthly invoice and shall include a copy of the utility service provider's statement and/or invoice as received by the Authority.

4.2.2. Taxes. Although the Premises are currently exempt from real estate taxes and special assessments, Lessee agrees to pay all real estate taxes, which may be levied against the Premises prorated to the Effective Date. Upon the Authority's receipt of a statement for taxes or assessments, the Authority will invoice the Lessee. When applicable, the Lessee may determine whether to exercise the option to pay only the first half or the entire obligation. Lessee agrees to make payment to the Authority of the full amount due under the chosen option, no later than December 15 for taxes or assessments due December 20 and no later than May 5 for taxes or assessments due May 10.

4.2.3. Late Charge. If the rental amount due hereunder is not received by the Authority within five (5) days of due date, a late charge of six percent (6%) of the total amount due and currently owing, or Seventy-Five Dollars (\$75.00), whichever is greater, will be assessed against the Lessee. Failure to pay the rent and the late charge within twenty (20) days after written notice shall be grounds for termination of this Lease, solely at the discretion of the Authority, and not as a termination right for Lessee, in addition to recovery of the unpaid rent and the late charge.

4.2.4. Security Deposit. Not Applicable

4.2.5. Keys. All keys issued to Lessee by the Authority must be returned to the Authority by 12:00 P.M., Noon, on the date this Lease expires or is terminated. If all keys are not returned or if Lessee loses a key during the term of the Lease or any extension thereof, a fee will be charged for each key lost and for each



building interior and exterior lock change. The charge per key and lock change will be according to the current rates and charges schedule as adopted annually in the Authority's fiscal year budget.

4.3. Rental Renegotiations. Lessee acknowledges that as required by AAIA Section 511. (a)(9), the Authority must maintain a fee and rental structure for its facilities and services, which will make the Airport as self-sustaining as possible under the circumstances. In the event that an FAA and/or DOT audit should determine that the rentals provided for herein are inadequate, the parties agree to renegotiate the rentals.

5. Insurance.

5.1. Lessee's Liability Insurance. Lessee shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of Kansas such insurance as will protect Lessee from claims set forth below which may arise out of or result from Lessee's operations and for which Lessee may be legally liable, whether such operations be by Lessee or by its independent contractors or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

- 5.1.1. Claims under workers' compensation, disability benefit and other similar employee benefit acts, which are applicable to Lessee's operations;
- 5.1.2. Claims for damages because of bodily injury, occupational sickness or disease, or death of Lessee's employees;
- 5.1.3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Lessee's employees;
- 5.1.4. Claims for damages insured by usual personal injury liability coverage;
- 5.1.5. Claims for damages, other than the leased property, because of injury to or destruction of tangible property, including loss of use resulting there from;
- 5.1.6. Claims for damages because of bodily injury including death of a person, or property damage arising out of the ownership, maintenance or use of a motor vehicle;
- 5.1.7. Claims for bodily injury or property damage arising out of products liability and/or completed operations; and
- 5.1.8. Claims involving contractual liability insurance applicable to Lessee's obligations under Section 17.1 of this Lease.

5.2. The insurance required by Section 5.1 and Section 5.2 shall be written for not less than the limits of liability specified below or as required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from date of commencement of this Lease. All insurance policies must be issued by an insurance carrier which has a Best's general policyholder's rating (as published in the most recent issue of Best's Key Rating Guide, Property-Casualty) of not less than A- and a financial size category of V or greater (which equates to an adjusted policyholders' surplus of \$4-\$25 million). Coverage from Lloyd's of London and Industrial Risk Insurance (IRI) is also acceptable only if there is 100% reinsurance with an acceptably rated company. The reinsurance agreement must have a total value (100 percent) assumption of liability endorsement. In addition, reinsurance agreements must have at least 90-days prior notice of cancellation provisions.

5.2.1. Commercial General Liability, which is no more restrictive than ISO Form CG0001 1/96 or any revision thereof with minimum limits of liability of:

\$ 2,000,000	General Aggregate
\$ 2,000,000	Products-Completed Operations Aggregate
\$ 1,000,000	Personal & Advertising Injury
\$ 1,000,000	Each Occurrence
\$ 100,000	Fire Damage (Any one fire)
\$ 5,000	Medical Expense (Any one person)

The policy shall be endorsed to provide the required limits on a "per location" basis.

5.2.2. Comprehensive Auto Liability for owned, non-owned and hired vehicles with combined single limits of liability of \$1,000,000 per occurrence.

5.2.3. Workers' Compensation with statutory limits.

5.2.4. Employer's Liability coverage with limits of at least:

\$ 500,000	Each Accident
\$ 500,000	Disease-Policy Limit
\$ 500,000	Disease-Each Employee

- 5.3. Certificates of Insurance acceptable to the Authority shall be filed with the Authority prior to commencement of this Lease. These certificates and the insurance policies required by this Section 5 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Authority. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by Lessee with reasonable promptness in accordance with Lessee's information and belief.
- 5.4. Lessee agrees that its insurance policies will be amended to be primary without right of contribution from the Authority or its insurance policies, that Lessee's insurance policies will be amended to state that its insurer agrees to waive its right of subrogation against the Authority and that the above insurances will not be invalidated for the Authority by any action, inaction or negligence of the insured. All amounts of claims, losses or damages resulting from deductible clauses or self-insured retentions shall be for the account of the Lessee.
- 5.5. Lessee agrees that all liability policies, except workers' compensation, will be amended to name the Authority, its subsidiaries, parent, affiliates, executive officers, directors and employees as additional insureds.
- 5.6. All independent contractors hired by Lessee will be held to the same insurance requirements as the Lessee. The Authority will be named as an additional insured on independent contractors' policies, and Lessee will provide the Authority, upon request, with copies of such independent contractors' Certificates of Insurance.
- 5.7. The requirement of Lessee to purchase and maintain insurance shall not, in any manner, limit or qualify the liabilities and obligations otherwise assumed by Lessee under this Lease.
- 5.8. Claims Made Insurance
- 5.8.1. Lessee shall, to the extent reasonably possible, obtain the liability insurance required hereunder on an occurrence basis. If any insurance required herein is to be issued or renewed on a claims made basis, the retroactive date of such insurance shall be no later than the commencement date of this Lease and shall provide that in the event of cancellation or non-renewal of the insurance, the discovery period for insurance claims (tail coverage) shall be for a period of not less than two years.

## 5.9. Authority's Liability Insurance

5.9.1. The Authority shall be responsible for purchasing and maintaining the Authority's usual liability insurance.

## 5.10. Property Insurance

5.10.1. The Authority shall secure and maintain in force at all times during the term of this Lease or any extensions thereof, Commercial Property Insurance with Special Clause of Loss Perils coverage on the buildings and improvements owned by the Authority which are located on the Premises in an amount of not less than 100% of the full replacement cost of the Improvements, as determined by the Authority on an annual basis, using Boeckh, Marshall/Swift or another comparable commercial building cost estimating guide.

5.10.2. Loss of Use Insurance (rent loss/business income/extra expense).

5.10.2.1. The Authority, at the Authority's option, may purchase and maintain such insurance as will insure the Authority's property due to fire or other hazards, however caused, and the cost thereof shall be paid by the Authority. The Authority waives all rights of action against Lessee for loss of use of the Authority's property, including consequential losses due to fire, theft or other hazards however caused.

5.10.2.2. Lessee, at Lessee's option, may purchase and maintain such insurance as will insure Lessee against loss of use of the Leased Premises due to fire or other hazards, however caused, and the cost thereof shall be paid by Lessee. Lessee waives all rights of action against the Authority for loss of use of the leased Premises, including consequential losses due to fire, theft or other hazards however caused.

5.10.3. Damage to Building Contents Owned by Lessee. Lessee acknowledges that it shall be fully responsible for any loss or damage to its personal property located on or about the Premises, that it shall be solely responsible for such personal property, and Lessee releases the Authority and its current and former officers, directors, employees, and agents from any liability therefore, unless such damage is caused, in whole or in part, by the willful misconduct or gross negligence of the Authority or its current or former officers, directors, employees, or agents

6. Use of Premises. Lessee agrees to use the Premises for the sole purpose of vehicle maintenance and other activities normally associated therewith. All activities will comply with SLN Airport Rules and Regulations and all other applicable law or regulations.

- 6.1. Lessee agrees that the Premises shall not be used or occupied for any purpose that constitutes a nuisance or may be objectionable to adjacent property; that it will not allow the escape from the Premises of any fumes, odors, smoke, obnoxious gas, gases or other substances which are offensive or which constitute a nuisance or interfere with the conduct of other business in the area. Lessee will provide adequate devices to control excessive noise, vibrations or electromagnetic emissions.
  - 6.2. Lessee agrees that it shall not store waste oils of any kind inside Building 207 on the Premises.
  - 6.3. Lessee agrees that any combustible or flammable liquids, in excess of 10 gallons U.S. shall be stored in an Underwrite Laboratory (UL) approved flammable safety cabinet. The storage of flammable or combustible liquids stored in drums or barrels shall be placed on top of secondary containment pallets.
  - 6.4. Utilizing the Authority provided grounding points, Lessee agrees that all vehicles stored inside shall at all times, be properly grounded.
  - 6.5. Lessee acknowledges that it is aware that the above Premises are subject to certain restrictions and limitations contained in "Application for Airport Property" dated September 3, 1965, and the deed of conveyance from the General Services Administration and that the restrictions and conditions in said application and deed are a part of this lease by reference to the same extent as if set out in full herein.
7. Environmental Concerns. The parties acknowledge that no tests have been conducted on the Premises to ascertain whether the soil may be contaminated by any hydrocarbons or other hazardous substances. If either party desires an environmental review of the Premises, then the Authority and the Lessee agree that they will jointly contract for an environmental review of the Premises to ascertain whether the soil may be contaminated by any hydrocarbon or other hazardous substances. The tests shall be conducted by a reliable and competent engineering firm mutually acceptable to both parties. The cost of the environmental soil survey shall be shared equally by the parties. A copy of the report shall be attached to the Lease and made a part of thereof by reference. Either of the parties hereto may request an environmental review of the Premises at the termination of the Lease and the cost thereof shall be shared by the parties.
- 7.1. Defined Terms. The following terms are defined in the Lease Agreement and shall mean:
    - 7.1.1. **“Environmental Law”** means any now-existing or hereafter enacted or promulgated federal, state, local, or other law, statute, ordinance, rule, regulation or court order pertaining to (i) environmental protection, regulation, contamination or clean-up, (ii) toxic waste, (iii) underground storage tanks, (iv)

asbestos or asbestos-containing materials, or (v) the handling, treatment, storage, use or disposal of Hazardous Substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act and The Resource Conservation Recovery Act, all as exist from time to time.

7.1.2. **“Hazardous Substances”** means all (i) “hazardous substances” (as defined in 42 U.S.C. §9601(14)) (ii) “chemicals” subject to regulation under Title III of the Superfund Amendments and Reauthorization Act of 1986, as amended from time to time (iii) natural gas liquids, liquefied natural gas or synthetic gas, (iv) any petroleum, petroleum-based products or crude oil or any fraction, or (v) any other hazardous or toxic substances, wastes or materials, pollutants, contaminants or any other substances or materials that are included under or regulated by any Environmental Law.

7.2. Authority’s Responsibility. The Authority is party to a settlement reached with the United States of America to complete the cleanup of environmental contamination caused by the Department of Defense at the Salina Regional Airport and Airport Industrial Center, formerly the Schilling Air Force Base. The Authority shall be responsible for the cleanup and removal of any Hazardous Substances or materials which are determined to have been present on the Premises prior to June 1, 2017, or which are present after June 1, 2017 due to no fault of Lessee. . Authority agrees to indemnify and hold Lessee harmless from and against all claims, expenses, loss or liability arising from the presence of any such contamination which occurred prior to June 1, 2017 or such contamination was not caused by Lessee, and which is identified by the environmental review contemplated by this section..

7.2.1. The Authority shall be responsible for any contamination caused by or during the performance of Authority’s work as landlord, even if it occurs after June 1, 2017.

7.3. Lessee Responsibility. The Lessee shall be responsible for the cleanup and removal of any Hazardous Substances, petroleum products, and petroleum additives released on the Premises as identified by an environmental review which are determined to have been caused by the gross negligence or willful misconduct of Lessee and have been conclusively shown to have occurred after June 1, 2017.

7.3.1. Lessee agrees to comply with all storm water and waste collection requirements of any federal, state, or local governmental laws, rules and regulations.

7.3.2. Lessee agrees that it will comply with all federal, state, and local regulations regarding the handling, storage, and dispensing of Hazardous Substances, including petroleum products, on the Premises.

7.3.3. Lessee agrees that it will immediately notify the Authority in the event of any spills or leaks of Hazardous Substances, including any liquid hydrocarbon

materials, on the Premises, and to clean up the affected area in accordance with Kansas Department of Health and Environment standards.

- 7.4. Non-waiver. Any acknowledgement or undertaking of responsibility by either party to this Lease in relation to the other party, as set forth above, shall not be regarded as a release or waiver of any right by the responsible party to seek recovery against or contribution from any person or entity not a party to this Lease.
8. Improvements to Premises. Lessee may, with the written consent of the Authority, which consent shall not be unreasonably withheld, build and construct improvements on the Premises; provided, however, that prior to commencement of any such work the Lessee shall submit construction and site plans thereof to the Authority for its approval and secure the necessary building permits from the City of Salina. Any repairs, improvements or new construction shall conform to the following:
- 8.1. Any improvements on the Premises shall be restricted to commercial, industrial or warehouse use.
- 8.2. All construction shall conform to the applicable Building Code.
9. Ownership of Fixtures. It is understood and agreed by and between the parties hereto that any fixtures attached to the Premises or placed on or about Premises by Lessee shall be considered personal property and shall remain the property of the Lessee, who shall have the right to remove the same from the Premises upon the expiration of this Lease so long as such removal does not impair the structural feature of the improvements presently on the Premises. Provided, however, in the event of termination of this Lease due to a breach of covenant by the Lessee, then all fixtures and improvements shall become the property of the Authority and may not be removed from the Premises.
10. Removal of Fixtures. On or before the date of expiration or termination of this Lease, or any extension thereof, the Lessee shall vacate the Premises, remove its personal property and movable fixtures therefrom and restore the Premises to as good an order and condition as that existing upon the commencement of the term of this Lease, damages beyond the control of the Lessee and due to normal wear and tear excepted. If, however, the Lessee fails to remove the personal property and movable fixtures and/or to restore the Premises to substantially the same condition as existed at commencement of the Lease, then the Authority may remove the personal property and movable fixtures and restore the Premises and may retain the fixtures until such time as Lessee reimburses the Authority for all its expenses connected therewith.

11. Default.

11.1. Lessee shall be in default of this Lease if it:

- 11.1.1. Fails to pay the Basic Rent or Additional Rental when due or to comply with any substantial term, condition or covenant of this Lease within ten (10) days after written notice;
- 11.1.2. Abandons or surrenders the Premises or the leasehold estate;
- 11.1.3. Attempts to assign or sublease the Premises other than in accordance with the terms of the Lease;
- 11.1.4. Is adjudicated bankrupt or insolvent, makes a general assignment for the benefit of creditors takes the benefit of any insolvency act, or is unable to meet its obligations as they become due; or
- 11.1.5. Violates any of the other terms and conditions of this Lease.

11.2. In the event of default by Lessee, the Authority shall have the following cumulative remedies:

- 11.2.1. Terminate the Lease;
- 11.2.2. Reenter and repossess the Premises;
- 11.2.3. Relet the Premises or any part thereof;
- 11.2.4. Accelerate and collect rentals remaining to be paid under the Lease;
- 11.2.5. Seize and hold Lessee's onsite property for the satisfaction of the deficiency;
- 11.2.6. Bring a suit for damages against Lessee; or
- 11.2.7. Pursue any other remedy available to the Authority under Kansas law.

11.3. Waiver by the Authority of any breach of this Lease shall not be construed as a continuing waiver of a subsequent breach nor imply further indulgence.

12. Attorney Fees. In the event legal action must be taken because of the breach of any agreement or obligation contained in this Lease on the part of the Lessee or Authority to be kept or performed, and a breach shall be established, the prevailing party shall be entitled to recover all expenses incurred thereof, including reasonably attorney fees.

13. Repairs to Improvements on Premises. During the term of the Lease, Authority will keep roof and exterior of the Premises in a good state of repair. Lessee covenants that during the term of this Lease it will properly care for the demised Premises and appurtenances and suffer no waste or injury, make all interior repairs in and about the demised Premises and fixtures and appurtenances, necessary to preserve the same in good order and condition, which repairs shall be in a class equal to the original work.

13.1. Lessee shall be responsible for all routine maintenance and repairs necessary to keep the heating and/or cooling system, in a good state of repair and in good working condition. In addition, the Lessee shall be responsible for the first \$500.00 per year in the costs and expenses of repairing any portion of the HVAC



system. The Authority shall be responsible for the replacement of any fixtures, appliances or other portions of the heating, air conditioning which are not repairable, and which must be replaced to keep the systems in good working condition. In addition, Lessee will pay for a semi-annual maintenance contract on the HVAC system with a reputable HVAC contractor approved by the Authority during the entire term of this Lease. Should the Lessee fail to always maintain the semi-annual maintenance contract during the term of this Lease then the Lessee shall automatically be fully liable for ALL maintenance, major repair including up to replacement of the HVAC system at the sole discretion of the Authority.

13.2. Lessee shall be responsible for all routine maintenance and repairs necessary to keep the plumbing, electrical systems, and doors in a good state of repair and in good working condition. Maintenance to be performed by the Lessee includes but is not limited to janitorial services, supply and replacement of lighting fixtures including light bulb and ballast replacement, cleaning of stoppages in plumbing fixtures, drain line and septic systems, replacement of floor covering, building interior painting, repairing and replacing building and overhead door motors, chains and belts and landscaping as originally approved and installed. The Authority shall be responsible for the replacement of any fixtures, appliances or other portions of the plumbing and/or electrical systems which are not repairable, and which must be replaced to keep the systems in good working. The Authority shall provide and install the initial supply of hand fire extinguishers as required by applicable building code for the interior of the Premises and the Lessee shall maintain and replace the extinguishers as necessary to comply with applicable building code including annual inspections. Lessee is responsible for maintaining electric loads within the design capacity of the system.

13.3. In the event Lessee fails to keep said Premises in good order and repair then the Authority may perform all repairs which may be necessary in about the demised Premises and the cost of such repairs shall be and constitute additional rental.

14. Utilities and HVAC System. The Lessee shall, at its own expense, obtain and pay for all electricity, water, gas, sewer use fees, or other utilities used by Lessee during the term of this Lease or any extensions thereof, including the cost of maintenance and operation of the HVAC system for the Premises. Refer to Section 4.2.1 herein.

15. Liens. The Lessee shall pay, satisfy, and discharge all liens and obligations of any nature and kind whatsoever created by or the obligations of the Lessee which shall attach to or be imposed upon the Premises and shall indemnify, save, and hold harmless the Authority from such payment and from all resulting damages and expenses.

16. Assignment of Lease. The Lessee shall not assign this Lease or any interest therein and shall not sublet the Premises or any part thereof, or allow any person to occupy or use the Premises or any portion thereof, without the prior written consent of the Authority. A consent to one assignment or subletting for use by any other person shall not be deemed to be a consent to any subsequent assignment.

17. Indemnification and Hold Harmless.

17.1. To the fullest extent permitted by law, the Lessee shall indemnify and hold harmless the Authority, its affiliates and its officers, directors, employees, agents, representatives, guests and invitees (“Authority Indemnitees”) from and against all claims, damages, losses, liabilities, fines, penalties, costs, and expenses (including attorney’s fees, consultant costs, environmental investigation, remedial or removal costs and natural resource damages) arising out of, relating to or resulting from (i) Lessee’s occupancy and or use of the Premises; (ii) any breach of this Lease by the Lessee; (iii) any leak, spill or other release or disposal of or exposure to (A) any goods while being transported or delivered by Lessee or (B) any other materials, substances or chemicals that Lessee or any of its independent contractors bring onto the Premises; and/or (iv) the acts, omissions, negligence or willful misconduct of any persons used or employed directly or indirectly by the Lessee or any independent contractor. The indemnification obligations under this Subparagraph shall not be limited in any way by the limits of any insurance coverage or limitations on the amount or type of damages, compensation or benefits payable by, for or to the Lessee, any independent contractor, or any other person under any insurance policy, worker’s compensation acts, disability acts or other employee benefit acts.

17.2. In claims against any person or entity indemnified under this Section 17 by an employee of Lessee, an independent contractor of the Lessee’s, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 17.1 shall not be limited by limitation or amount or type of damages, compensation or benefits payable by or for Lessee, or an independent contractor under workers’ compensation acts, disability benefit acts or other employee benefit acts.

18. Inspection of Premises. The Lessee agrees that the Authority, the Federal Aviation Administration, or its agents may, at all reasonable times, have free access to the Premises for the purpose of examining or inspecting the condition of the Premises and any improvements thereon, or exercising any right or power reserved to the Authority or Federal Aviation Administration under the terms and provisions of this agreement.

19. Notices. All notices to be given pursuant to this Lease shall be addressed to the parties as follows:

**Authority**                      Salina Airport Authority  
Salina Airport Terminal Building  
3237 Arnold  
Salina, KS 67401

**Lessee**                              Avflight Salina Corporation  
47 West Ellsworth  
PO Box 1387  
Ann Arbor, MI 48106-1387

20. Damage by Casualty.

20.1. If the Premises are destroyed or damaged by fire or other casualty, the Lessee may, at its sole option terminate this Lease. If this Lease is so cancelled, rent shall be paid only to the date of cancellation and the Lessee shall surrender the Premises to the Authority after being allowed a reasonable time to locate a substitute site, remove its personal property and otherwise conclude its affairs at the Premises

20.2. If the Lessee does not elect to terminate this Lease in case of destruction or damage by casualty, this Lease shall continue in full force and effect and the Authority shall restore the Premises to at least its previous condition, and to Lessee's satisfaction, within a reasonable time. For that purpose, the Authority and its agents and contractors may enter the Premises. Rent shall totally abate during the period of such restoration. The Authority's obligation to restore the Premises shall be absolute and shall not be limited by the amount of available insurance proceeds.

21. General Clauses.

21.1. The Lessee shall comply with all applicable laws, ordinances and regulations of the state, county and municipality in which the Premises are located with regard to construction, sanitation, licenses or permits to do business and all other matters.

21.2. The Lessee shall pay to the proper governmental agencies and as they become due and payable, all taxes, assessments, and similar charges, which at any time during the term of this Lease may be taxed, except those which the Authority has in this Lease agreed to pay.

21.3. Any property of the Authority damaged or destroyed by the Lessee, incident to the Lessee's use and occupation of the Premises, shall be promptly repaired or replaced by the Lessee to the satisfaction of the Authority or in lieu of repair or

replacement, the Lessee shall, if so required by the Authority, pay to the Authority money in the amount sufficient to compensate for the loss sustained by the Authority by reason of damage or destruction of the property.

- 21.4. The Lessee acknowledges that it has inspected and knows the condition of the Premises and it is understood that the Premises is leased without any representation or warranty by the Authority whatsoever and without obligation on the part of the Authority to make any alterations, repairs, or additions to the Premises.
- 21.5. The Lessee shall not use, or permit to be used, any portion of the Premises under its control for signs, billboards, or displays, other than those connected with its own operations on the Premises. Advertising signs must be located on the buildings on the Premises and shall not contain more than 120 square feet in the area. Flashing or illuminated signs in which the light is not maintained constant and stationary in intensity and color are prohibited.
- 21.6. All loading docks for buildings or warehouses located on the Premises shall be maintained only on the side or rear of the building or warehouse.
- 21.7. The Lessee shall not be the agent of the Authority in making repairs or other improvements to the Premises and no materialman's liens or claims thereunder shall be valid against the Authority or against the interest of the Authority in the Premises.
- 21.8. All materials, supplies, or equipment stored outside of the buildings located on the Premises shall be stored in an orderly manner so as not to create a nuisance or fire hazard and shall be in compliance with all applicable governmental regulations.
- 21.9. The Lessee must at all times keep the Premises and buildings in a safe, clean, wholesome condition and comply in all respects with all government, health, and police requirements. The Lessee will remove at its own expense any rubbish which may accumulate on the property.
- 21.10. Open unpaved areas shall grassed and landscaped to present a pleasing appearance and such grass and landscaping shall be kept reasonably mowed and trimmed.
- 21.11. The Authority reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the Airport and all publicly-owned air navigational facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.
- 21.12. The Authority reserves the right to further develop or improve the landing area and all publicly-owned air navigation facilities of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance.

- 21.13. The Authority reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Airport which in the opinion of the Authority would limit the usefulness of the Airport or constitute a hazard to aircraft.
- 21.14. During time of war or national emergency the Authority shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities, and/or other area or facilities of the Airport. If any such agreement is executed, the provisions of this Lease, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
- 21.15. It is understood and agreed that the rights granted by this Lease will not be exercised in such a way to interfere with or adversely affect the use, operation, maintenance, or development of the Airport.
- 21.16. There is hereby reserved to the Authority, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Premises together with the right to cause in the airspace 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 the airspace or landing at, taking off from, or operating on or about the Airport.
- 21.17. This Lease shall be subordinate to provisions of any existing or future agreement between the Authority and the United States of America or any agency thereof relative to the operation, development or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.
- 21.18. If Lessee defaults in its payment of rent or fails to substantially comply with any of the other items of this Lease then, if requested by the Authority, the Lessee agrees to provide the Authority with a financial statement covering Lessee's latest fiscal or calendar year, which financial statement shall be in such form as accurately discloses the assets, liabilities, and net worth of the Lessee. If, in the opinion of the Authority, the financial statement provided is incomplete or fails to accurately indicate the financial condition of the Lessee, the Lessee agrees to provide the Authority such further financial information as the Authority may in writing request.

## 22. Nondiscrimination Assurances.

- 22.1. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenants and agrees 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 Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities or benefits 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 the regulations may be amended.

22.2. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenants and agrees as a covenant running with the land that (i) 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 the facilities; (ii) that in 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; and (iii) that the Lessee 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 the regulations may be amended.

22.3. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participation in any employment activities covered in 14 CFR, Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered sub organizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub organizations, as required by 14 CFR, Part 152, Subpart E, to the same effect.

22.4. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

22.5. The Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that the Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

23. Binding Effect. This Lease shall be binding upon the heirs, beneficiaries, personal representatives, successors, and assigns of the Authority and the Lessee.

The Authority and the Lessee have each caused this Lease to be executed by its duly authorized officers on the date shown.

**SALINA AIRPORT AUTHORITY**

Date \_\_\_\_\_

By: \_\_\_\_\_

Kent Buer  
Chairman of Board of Directors

**ATTEST**

Date \_\_\_\_\_

By: \_\_\_\_\_

Alan Eichelberger  
Secretary of the Board of Directors

**AVFLIGHT SALINA CORPORATION**

Date \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Title]

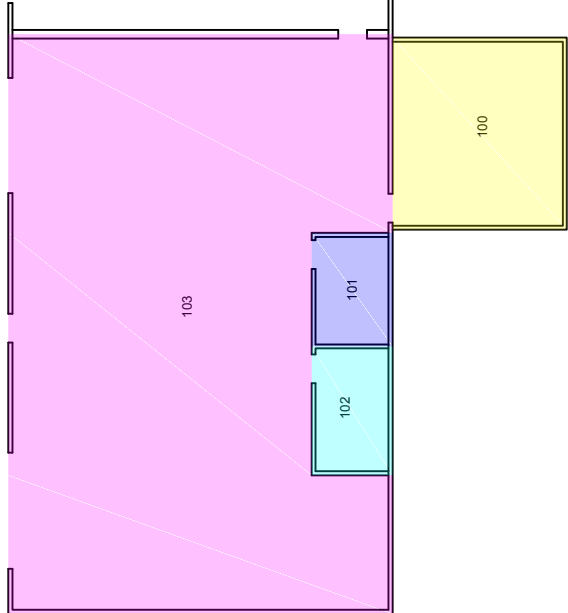
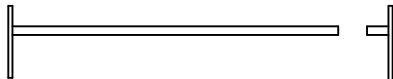
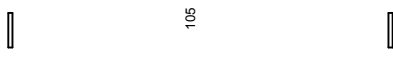
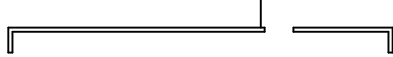
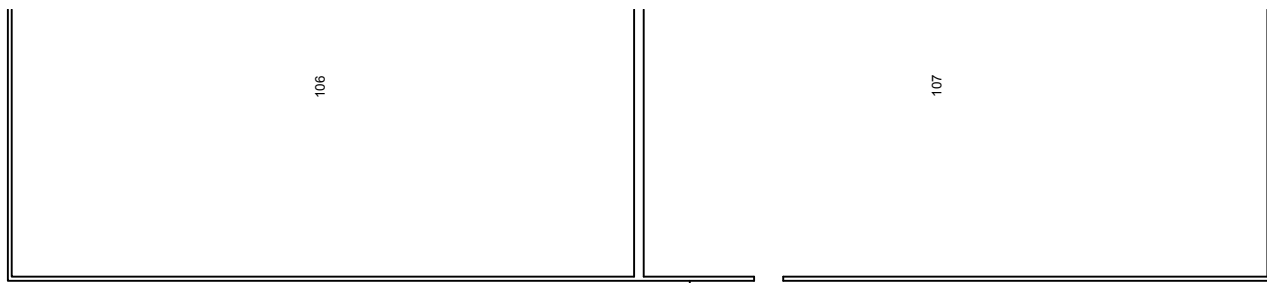
**ATTEST**

Date \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Title]



Room		Area	Occupy
100	Office	363.2	363.2
101	Office	99.5	99.5
102	Restroom	113.1	113.1
103	Shop	2202.2	2202.2
104	Shop	806.0	
105	Shop	1479.2	

2,778 S.F.



Drawing Number 2293-03-17



3237 ARNOLD, SALINA, KS 67401  
 (785-827-3914 FAX: 785-827-2221)

**None** : REVISIONS  
**KFB** : DESIGNED BY  
**KFB** : DRAWN BY  
**1" = 20'** : SCALE  
**3/22/17, 09:01** : DATE

**SALINA AIRPORT AUTHORITY**  
**Building 207 Lease Exhibit A, Avflight Salina**

<b>1</b>
OF
<b>1</b>



**Salina Airport Authority**  
 Summary of Funding for Airport Capital Improvement Projects  
 and Allocation of Anticipated 2023 Mill Levy Receipts for Local Match

	<u>Total</u>	<u>FAA</u>	<u>SAA</u>
<b><u>Fuel Farm - (MAP)</u></b>			
Design	\$ 369,757	\$ 332,781	\$ 36,976
Construction	5,185,992	4,667,393	518,599
<b>Total</b>	<b>\$ 5,555,749</b>	<b>\$ 5,000,174</b>	<b>\$ 555,575</b>

<b><u>Runway 12/30 - (BIL &amp; Entitlement)</u></b>			
Design	\$ 351,646	\$ 316,481	\$ 35,165
Construction	5,525,853	4,973,268	552,585
<b>Total</b>	<b>\$ 5,877,499</b>	<b>\$ 5,289,749</b>	<b>\$ 587,750</b>

<b><u>Terminal Bldg. Project (BIL)</u></b>			
Building Expansion			
Design	\$ 1,337,421	\$ 1,203,679	\$ 133,742
Construction	7,221,579	6,499,421	722,158
<b>Subtotal</b>	<b>8,559,000</b>	<b>7,703,100</b>	<b>855,900</b>
Parking Lot Expansion			
Design	234,000	210,600	23,400
Construction	2,955,000	2,659,500	295,500
<b>Subtotal</b>	<b>3,189,000</b>	<b>2,870,100</b>	<b>318,900</b>
<b>Total</b>	<b>\$ 11,748,000</b>	<b>\$ 10,573,200</b>	<b>\$ 1,174,800</b>

<b>Estimated 2023 Mill Levy Receipts</b>	\$ 485,340
Local match for design	\$ (229,282)
Local match available for construction in 2023	
Phase 1 of Fuel Farm Construction	(256,058)
	<u>\$ -</u>