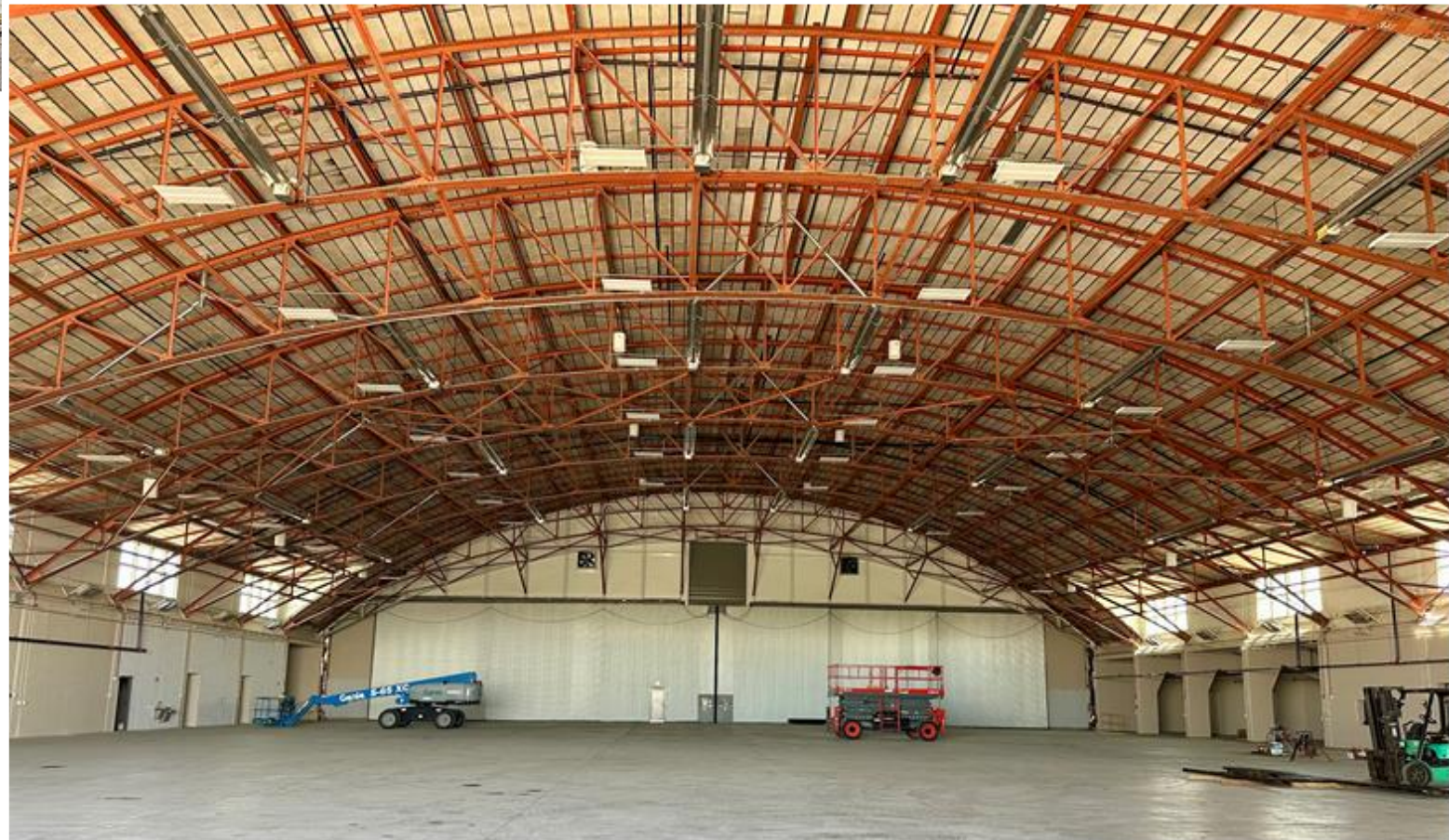


Salina Airport Authority Board of Directors Special Meeting

April 24, 2024



Call to Order.

Stephanie Carlin, Chair



Determine a quorum is present



Confirm the meeting notice has been published



Recognition of guests





Consideration and Approval of a Lease Agreement

with 1 Vision Aviation for Hangar H626

Shelli Swanson, C.M.



- ★ Safety
- ★ Trust
- ★ Adaptability
- ★ [Rooted in Community](#)
- ★ Success



LEASE AGREEMENT

This Lease Agreement (the "Lease") is made and entered into this ____ day of _____, 2024, by and between the **SALINA AIRPORT AUTHORITY, a Kansas public corporation**, of Salina, Saline County, Kansas, (the "Authority"), and **1 VISION AVIATION, PLLC**, a Professional Limited Liability Company, authorized to do business in Kansas, with principal offices located at 2500 Keokuk Ave., Sioux City, IA 51111, ("Lessee")

Recitals

- A. Lessee has operated at the Salina Regional Airport in Hangar 959 as a Federal Aviation Administration (FAA) certificated aircraft maintenance repair station (14 C.F.R. Part 145) since September 1, 2019.
- B. Since 2019, Lessee's business has grown substantially creating emerging opportunities to expand its customer offerings.
- C. Lessee desires to operate an aircraft MRO center for air carrier, corporate, and general aviation aircraft at the Salina Regional Airport.
- D. The Authority has available a large bay aircraft hangar known as Hangar 626 (the "Hangar") suitable for MRO work that includes avionics installations and service, and interior refurbishment.
- E. The \$6 million rehabilitation of the Hangar that began in 2022 is scheduled for completion in June 2024 and the facility will be ready for Lessee occupancy by July 1, 2024.
- F. A portion of the Hangar will be designated as the home of the Authority's educational and training initiative known as the Aviation Innovation and Maintenance Center of Excellence (the "AIM Center").
- G. The Lessee desires to lease the Hangar from the Authority and is willing to collaborate with the AIM Center to occupy the space and conduct aircraft modifications alongside the educational activities in the designated areas and as further described herein and on the attached "Exhibit A".

NOW THEREFORE, the parties covenant and agree:

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:

Hangar No. 626 (containing approximately 42,940 SF of space comprised of 42,180 SF of hangar bay and 800 SF of office space) located at the Salina Regional Airport, Salina, Saline County, Kansas (commonly known as 2625 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").

- 1.2. Hangar Access and Ramp Use. For the term of this Lease, the Authority grants Lessee a non-exclusive license to utilize the area depicted and identified on the attached Exhibit A as "Non-exclusive Use Aircraft Movement Area" for the purposes of (a) aircraft ingress and egress to and from the Premises and (b) parking of Lessee owned or customer aircraft, subject to SLN Airport Rules and Regulations and all other applicable law or regulations. Lessee agrees to maintain adequate ingress and egress for the occupants of Hangar 606 while utilizing the Aircraft Movement Area between the Premises and Hangar 606.

- 1.3. Employee Parking. For the term of this Lease, the Authority grants Lessee a non-exclusive license to utilize the area depicted and identified on the attached Exhibit A as "1 Vision Aviation Employee Parking" for the purposes of Lessee's employee, customer, and visitor parking. The Lessee acknowledges that the parking lot is a shared facility designated for AIM Center vehicle parking.

2. Term, Preoccupancy Activities, 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 July 1, 2024 ("Effective Date") and terminating on June 30, 2029 ("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 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 two (2) additional terms of five (5) years 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 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 twenty-four thousand eight hundred and seventy dollars and no/100 (\$24,870) per month, the first of which shall be due on the Effective Date. The rental shall be payable monthly in advance and shall be due on the first day of each subsequent month, for that month.

- 4.1.1. On the second (2nd) 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 for the option period 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

Signatures

 Chair

Kasey Windhorst



