

**DATE:** March 9, 2015  
**TO:** SAA Board of Directors  
**FROM:** Tim Rogers and Shelli Swanson  
**SUBJECT:** **March 13, 2015 – SAA Special Board Meeting**

Enclosed is a copy of the proposed lease with C&M Tire, Inc. d/b/a Cross-Midwest Tire Company. The company has decided to lease Units F & G in the Salina Development Center located at 2775 Arnold Avenue.

In the Salina area, Cross-Midwest is making the transition to focus on servicing commercial and industrial customers. The service and support for industrial and commercial customers is done at the customer's location not at a fixed location such as a repair shop. Units F & G will be used for administrative offices, warehousing and service vehicle storage. Service vehicles and crews will dispatch daily from Units F & G.

Occasionally, a customer's vehicle will be serviced at Units F & G. In order to accommodate this activity, Cross-Midwest will need to obtain an I-1 conditional use permit from the City of Salina. The Airport Authority will assist Cross-Midwest with the application process.

The proposed lease is a short term lease effective April 1, 2015 and is subject to an option to renew for four additional terms of one year each. The one year lease with options provides Cross-Midwest flexibility as it completes the business model transition.

The proposed lease terms are as follows:

<b>Leased premises:</b>	<b>Units F &amp; G in the Salina Development Center – 5,409 SF</b>
<b>Lease term:</b>	One (1) year
<b>Options:</b>	Four (4) additional terms of (1) year each
<b>Rental:</b>	\$2,485 per month \$29,820 per year \$5.51 per SF per year

The Airport Authority and Cross-Midwest will share the cost to install a personnel door in a non-load bearing wall to provide access between the Units F&G shop areas.

**Recommendation:** Approval of the proposed lease agreement with C & M Tire, Inc. d/b/a Cross-Midwest Tire Company.

Please contact me if you have questions or comments.

**SALINA AIRPORT AUTHORITY SPECIAL BOARD MEETING  
M.J. KENNEDY AIR TERMINAL CONFERENCE ROOM  
MARCH 13, 2015 – 8:00 A.M.**

**AGENDA**

**Chairman Maes**

1. Call to order and determine a quorum is present. (Maes)
2. Recognition of guests. (Maes)
3. Additions to the agenda. (Rogers)
4. Oath of office and acceptance of appointment by newly appointed board members Katie Platten and Troy Vancil. (Maes)
5. Consideration of a lease agreement with C & M Tire, Inc. for Units F & G in the Salina Development Center (Rogers & Swanson)

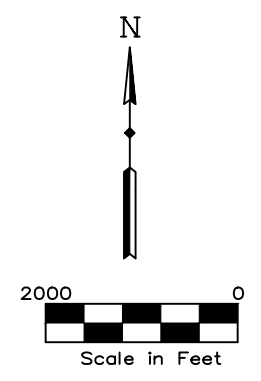
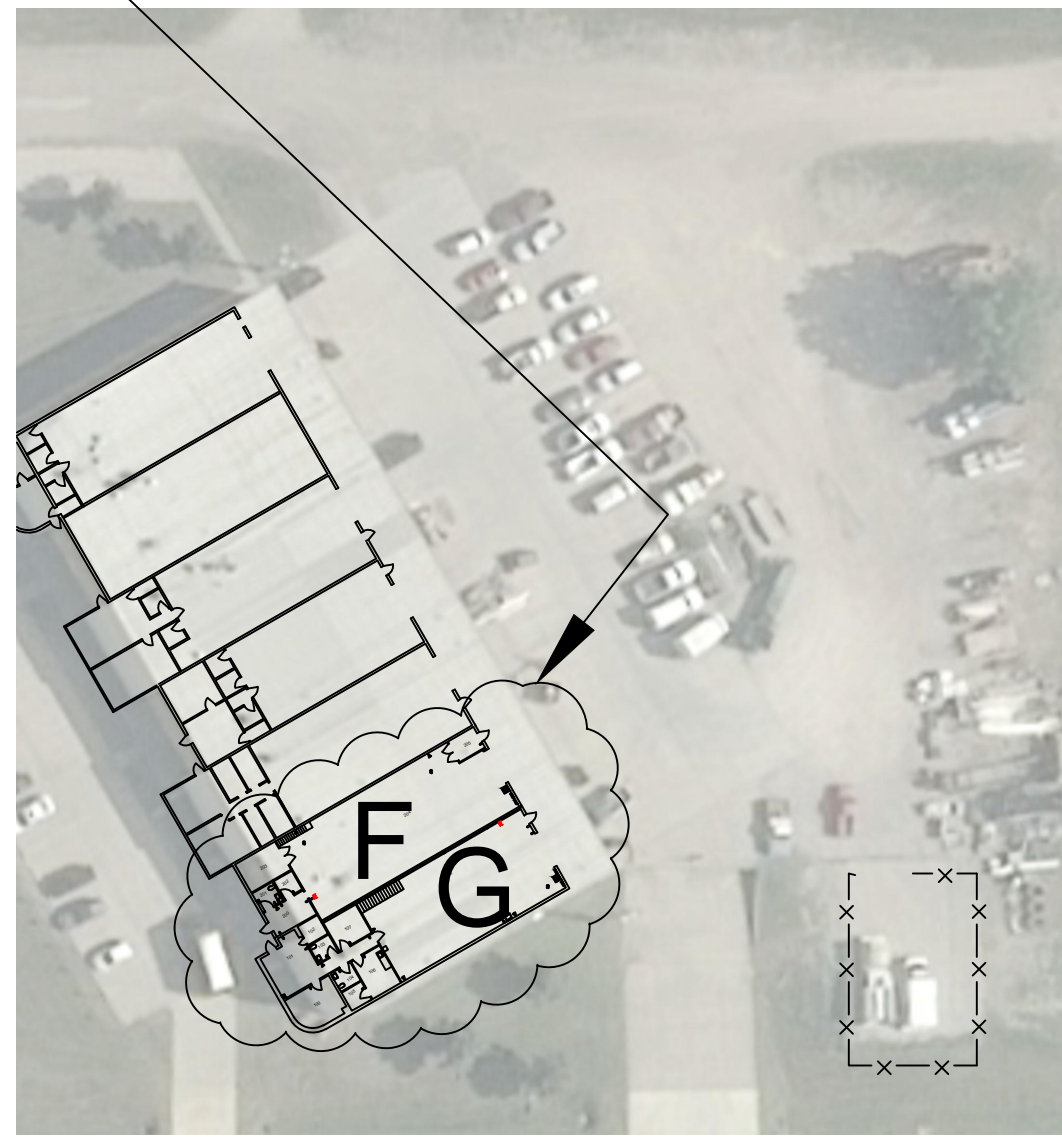
**Adjournment**







# Building 520, Units F & G



Drawing Number 1979-03-15



3237 ARNOLD, SALINA, KS 67401  
 (785-827-3914 FAX: 785-827-2221)  
**None** : REVISIONS  
**KRB** : DESIGNED BY  
**KRB** : DRAWN BY  
**1" = 2000'** : SCALE  
**3/13/15** : DATE

F:\Public\Facility\_Master\BoardEvents\150313BoardLocationMap.dwg



## LEASE AGREEMENT

This Lease Agreement (the "Lease") is made and entered into this \_\_\_\_\_ day of March, 2015, by and between the **SALINA AIRPORT AUTHORITY**, a Kansas public corporation, of Salina, Saline County, Kansas, (the "Authority"), and **C & M TIRE INC., d/b/a CROSS-MIDWEST TIRE COMPANY**, a Kansas corporation, authorized to do business in Kansas, with principal offices located at 401 South 42<sup>nd</sup> Street, Kansas City, KS 66106, ("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:

Units F & G, in the Salina Development Center (herein "SDC") located at 2775 Arnold Ave., located on Block 4, Lot 6 of the Schilling Subdivision No. 5 to the City of Salina, Saline County, Kansas.

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 April 1, 2015 ("Effective Date"), and terminating on March 31, 2016 ("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 3.1 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. 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 (1) 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, ninety (90) days prior to the expiration of the then current term. The Basic Rent for option periods shall be as follows:

- 3.1. Basic Rent for option period one shall remain the same as the Primary Term. The Basic Rent for option periods two and four shall be determined by increasing the Basic Rent of 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 prior 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 all 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 Labor Statistics. The difference between such index nearest to the first day of the prior 24-month and the latest 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 in the Basic Rent or that the Basic Rent will remain the same as the prior 24-month period, as provided above.

4. Early Termination Option. If, during the first ninety (90) days commencing from the date of occupancy during the Primary Term of this Lease, the Lessee determines that compliance with any federal, state or local governmental laws, rules and regulations applicable to Lessee's tenancy, creates an undue economic hardship, the Lessee has the option to terminate this Lease by providing thirty (30) days advance notice in writing to the Authority of the reason for the hardship and the Lessee's intent to terminate as provided for in this section.

5. Rent.

- 5.1. Basic Rent. Lessee agrees to pay the Authority a Basic Rent for the leasing of the Premises the sum of Two thousand four hundred and eighty-five dollars and no/100 (\$2,485) per month, the first of which shall be due on April 1, 2015. The

rental shall be payable monthly in advance and shall be due on the first day of each month for that month.

5.2. 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:

5.2.1. Taxes. Lessee agrees to pay all real estate taxes, which may be levied against the currently exempt 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.

5.2.2. 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.

5.2.3. Security Deposit. Upon Lessee's execution and delivery of this Lease, Lessee agrees to pay a Security Deposit in the amount equal to the Basic Rent (\$2,485). The Security Deposit shall be held by the Authority without liability for interest, as security for the performance by Lessee of Lessee's covenants and obligations under this Lease; it being expressly understood that the Security Deposit shall not be considered an advance payment of rent or a measure of the Authority's damages in case of default by Lessee. The Authority may commingle the Security Deposit with the Authority's other funds. The Authority may, from time to time, without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of Lessee hereunder. Following any such application of the Security Deposit, Lessee shall pay to the Authority on demand the amount so applied in order to restore the Security Deposit to its original amount. If Lessee is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any such application shall be returned by the Authority to Lessee.

5.2.4. 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.

5.3. 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.

6. Insurance.

6.1. 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.

- 6.1.1. Claims under workers' compensation, disability benefit and other similar employee benefit acts, which are applicable to Lessee's operations;
- 6.1.2. Claims for damages because of bodily injury, occupational sickness or disease, or death of Lessee's employees;
- 6.1.3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Lessee's employees;
- 6.1.4. Claims for damages insured by usual personal injury liability coverage;
- 6.1.5. Claims for damages, other than the leased property, because of injury to or destruction of tangible property, including loss of use resulting there from;
- 6.1.6. 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;
- 6.1.7. Claims for bodily injury or property damage arising out of products liability and/or completed operations; and

6.1.8. Claims involving contractual liability insurance applicable to Lessee's obligations under Section 18.1 of this Lease.

6.2. The insurance required by Section 6.1 and Section 6.2 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.

6.2.1. 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.

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

6.2.3. Workers' Compensation with statutory limits.

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

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



- 6.2.5. Commercial Umbrella / Excess Liability providing excess coverage with limits no less than \$5,000,000 each occurrence / \$5,000,000 annual aggregate.
- 6.2.6. such other coverage as is appropriate to the operations of Lessee's business, e.g., hangarkeeper's legal liability, pollution liability, etc.
- 6.3. 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 4 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.
- 6.4. 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.
- 6.5. 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.
- 6.6. 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.
- 6.7. 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.
- 6.8. Claims Made Insurance
- 6.8.1. 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.

6.9. Authority's Liability Insurance

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

6.10. Property Insurance

6.10.1. The Authority shall purchase and maintain commercial property insurance covering the Premises with a company or companies lawfully authorized to do business in the State of Kansas.

6.10.1.1. All loss payments made under the property insurance for loss to the building shall be payable to the Authority.

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

6.10.2.1. 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.

6.10.2.2. 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.

7. Use of Premises. Lessee agrees to use the Premises for the sole purpose of warehouse, fleet storage, administrative offices and dispatch activity associated with operating a tire service repair station for commercial vehicles and other activities normally associated therewith.

7.1. 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.

- 7.2. Lessee also agrees to comply with all storm water and waste collection requirements of any federal, state or local governmental laws, rules and regulations.
8. Use of Common Areas. As part of the consideration paid by Lessee for the Premises, the Lessee shall be entitled to use the common areas shown on Exhibit A, subject, however, to the following conditions:
- 8.1. Rules and Regulations. Authority reserves the right to adopt, and from time to time amend, reasonable rules and regulations regarding the use of the common areas, which rules and regulations are made a part of this lease by reference. A copy of the current rules and regulations will at all times be on file in the office of the Executive Director of the Authority and said rules as filed with the Director shall govern the use of the common areas.
- 8.2. Front Parking Area. Lessee shall have the right in common with all other occupants of the SDC to use the parking area located in the front of the SDC as parking for its visitors and customers. Lessee's designated parking for visitors and guests is depicted on the attached Exhibit A.
- 8.3. Rear Access Road. Lessee shall have the right in common with all other occupants of the SDC to use the rear access road located behind the SDC for ingress and egress purposes only.
- 8.4. Employee Parking Area. Lessee shall have the right in common with all other occupants of the SDC to use the employee parking area as shown on Exhibit "A" for parking for its employees.
- 8.5. Loading Dock. Lessee shall have the right in common with other occupants of the SDC to use the loading docks as shown on Exhibit "A" to load and unload in connection with its business needs.
- 8.6. Trash Receptacles. Lessee shall have the right in common with all other occupants of the SDC to use trash receptacles, contracted for by the Lessee, located on common areas for disposal of all its normal waste products; provided, however, use is limited to such waste products as will be accepted by the City land fill. Any waste materials which cannot be disposed of at the City land fill must be disposed of by Lessee.
9. 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:

- 9.1. Any improvements on the Premises shall be restricted to commercial, industrial or warehouse use.
- 9.2. All construction shall conform to the applicable Building Code.
- 9.3. The Authority agrees to install a one-hour fire rated door providing an opening of approximately 8' x 8' between units F and G. The Authority shall complete the improvements on or before April 15, 2015 which shall adhere to all applicable zoning restrictions and building regulations. Upon completion of the work, presentation of an invoice and documentation of the cost of the door and materials, the Lessee agrees to reimburse the Authority in an amount equal to 50%, not to exceed \$1,500, of the cost of the door and materials within 30 days of the date of the invoice.
10. 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.
11. 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.
12. Default.
- 12.1. Lessee shall be in default of this Lease if it:
- 12.1.1. 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;
- 12.1.2. Abandons or surrenders the Premises or the leasehold estate;
- 12.1.3. Attempts to assign or sublease the Premises other than in accordance with the terms of the Lease;



12.1.4. 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

12.1.5. Violates any of the other terms and conditions of this Lease.

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

12.2.1. Terminate the Lease;

12.2.2. Reenter and repossess the Premises;

12.2.3. Relet the Premises or any part thereof;

12.2.4. Accelerate and collect rentals remaining to be paid under the Lease;

12.2.5. Seize and hold Lessee's onsite property for the satisfaction of the deficiency;

12.2.6. Bring a suit for damages against Lessee; or

12.2.7. Pursue any other remedy available to the Authority under Kansas law.

13. Waiver. 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.

13.1. 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.

14. 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. The Authority will provide for the common area maintenance, landscaping, mowing and snow removal at SDC. 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.

14.1. 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 maintain the semi-annual maintenance contract at all times 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.

14.2. 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 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 condition. 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. The Lessee shall be responsible for maintaining the outside storage yard, including fencing.

15. 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, including the cost of maintenance and operation of the HVAC system for the Premises.

16. 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.

17. 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.

18. Indemnification and Hold Harmless.

18.1. 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.

18.2. In claims against any person or entity indemnified under this Section 18 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 18.1 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.

19. 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.

20. 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>	C&M Tire Inc., d/b/a Cross-Midwest Tire Company 401 South 42 <sup>nd</sup> Street Kansas City, KS 66106
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21. Damage by Casualty.

21.1. 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

21.2. 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.

## 22. General Clauses.

22.1. 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.

22.2. 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.

22.3. 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.

22.4. 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 unless specifically stated in this Lease

22.5. 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.

22.6. 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.

- 22.7. No materials, supplies or equipment shall be stored or be permitted to remain on any part of the property outside of the buildings or designated equipment storage yard.
- 22.8. 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.
- 22.9. 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.
- 22.10. 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.
- 22.11. 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.
- 22.12. 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.
- 22.13. 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.
- 22.14. 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.

22.15. 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.

22.16. 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.

23. Nondiscrimination Assurances.

23.1. 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.

23.2. 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.

23.3. 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.

23.4. 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.

23.5. 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.

24. Additional Temporary Storage. The Authority agrees to provide Lessee with additional storage for a period of 90 days, beginning from the Effective Date, rent free. The additional storage will consist of one of three buildings the Authority owns that are currently vacant.

25. 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.

*(The remainder of this page intentionally left blank)*

**SALINA AIRPORT AUTHORITY**

Date \_\_\_\_\_

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

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

Board of Directors

ATTEST

Date \_\_\_\_\_

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

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

Board of Directors

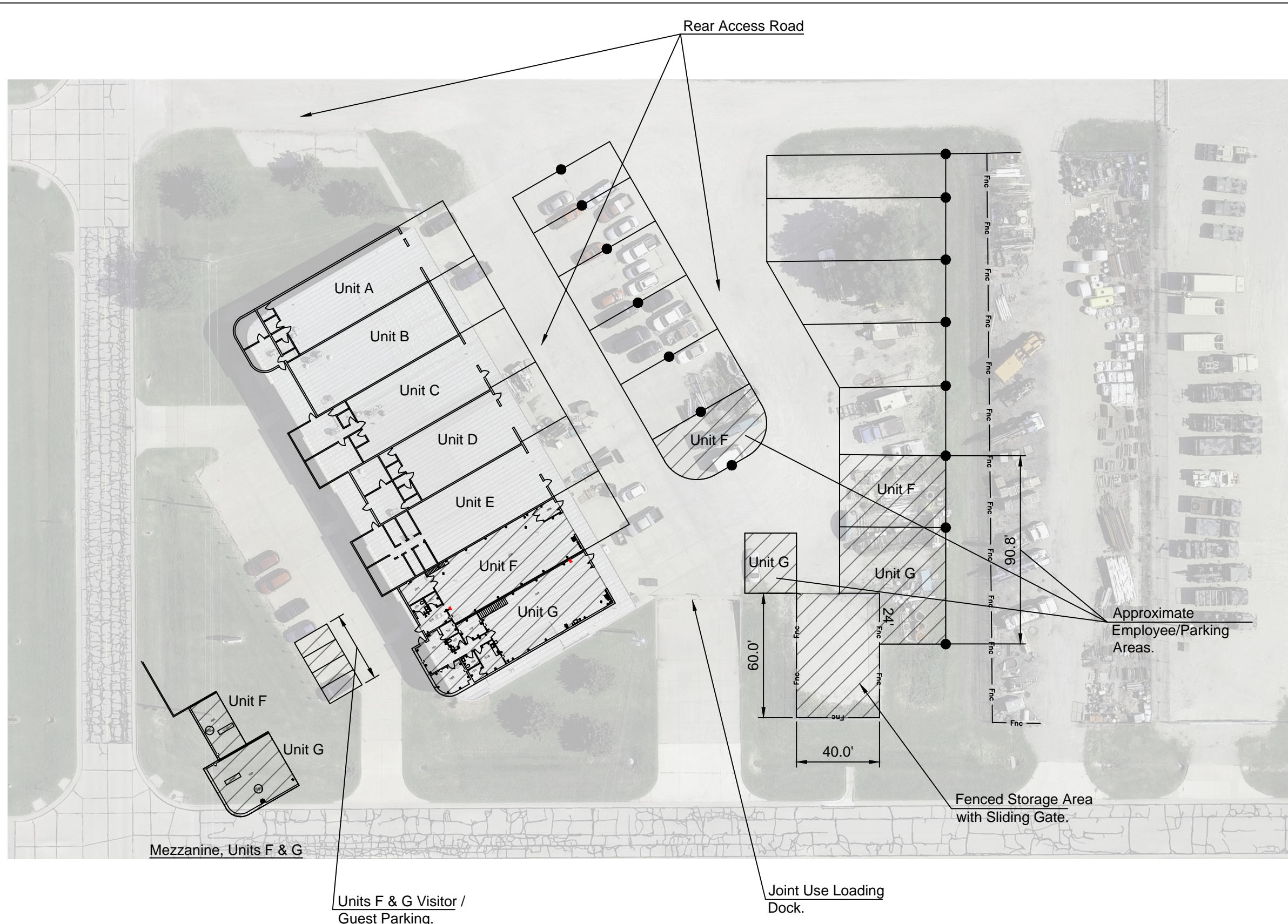
**C & M TIRE INC., d/b/a CROSS-MIDWEST TIRE COMPANY**

Date \_\_\_\_\_

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

L. Spencer Martin, VP & CFO





Total Areas, Unit G  
 Warehouse = 1,773 S.F.  
 Offices = 1,096 S.F.

Total Warehouse/Office = 2,869 S.F.

Mezzanine = 1,054 S.F.  
 Max. Live Load - 75 PSI

Power - 400Amp Service (480V/208V/120 3 Phase)  
 Gas - 1" Service  
 Water - 1" Service

Total Areas, Unit F  
 Warehouse = 2,124 S.F.  
 Offices = 416 S.F.

Total Warehouse/Office = 2,540 S.F.

Mezzanine = 457 S.F.  
 Max Live Load - 75 PSI

Power - 400Amp Service (480V/208V/120 3 Phase)  
 Gas - 1" Service  
 Water - 1" Service

Combined F & G Areas  
 Warehouse = 3,897 S.F.  
 Office = 1,512 S.F.  
 Total = 5,409 S.F.

Total Mezzanine = 1,511 S.F.

Drawing Number 1971-02-15



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

None : REVISIONS  
 KRB : DESIGNED BY  
 KRB : DRAWN BY  
 1" = 50' : SCALE  
 2/18/15 : DATE

