

DATE: May 4, 2020
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: **May 6, 2020 Special Board Meeting**

Transmitted with this memo are items for your review prior to Wednesday's meeting.

Due to the declared COVID-19 national and state emergency the meeting will be held via a GoToMeeting video and audio link. Public access to the Salina Airport Authority's administrative offices is restricted during the COVID-19 national emergency. Restricted public access to the SAA's administrative offices is the reason that the meeting will be held solely by means of interactive communications. All board meeting documents (agenda, agenda memo, financial statements, etc.) and written information to be discussed at the meeting can be viewed at the following board meeting packet link:

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

To aid in transparency, the Airport Authority will take the following steps:

1. The meeting's video and audio will be recorded and be posted on the Airport Authority's website, <https://www.salinaairport.com/public-information/board-meeting-recordings.aspx>
2. Post the Airport Authority's meeting notice, agenda, agenda packet and other meeting documents on the Airport Authority's website, <https://www.salinaairport.com/public-information.aspx>
3. Post the May 6, 2020 meeting minutes to the Airport Authority's website, <https://www.salinaairport.com/public-information/board-meeting-minutes.aspx> as soon as possible after the meeting.

Members of the public may login to the meeting to listen, observe and/or participate in the board meeting. The login can be accomplished by telephone, smartphone, tablet or computer. Meeting login instructions are:

Join meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/298121685>

You can also dial in using your phone.

(For supported devices, tap a one-touch number below to join instantly.)

United States: +1 (571) 317-3122

- One-touch: <tel:+15713173122,,298121685#>

Access Code: 298-121-685

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<https://global.gotomeeting.com/install/298121685>

Please note the following agenda comments.

Agenda Item #6 – Consideration of a \$1,836,078 CARES Act Grant Offer (Rogers and Swanson)

Enclosed is a copy of the CARES Act Grant Offer and Agreement received from the Federal Aviation Administration. Acceptance the \$1,836,078 grant offer will enable the Salina Airport Authority to offset declines Salina Regional Airport revenues arising from diminished airport operations and activities because of the COVID-19 public health emergency. The amount of CARES Act funding offered to the Salina Airport Authority was determined by legislative formula. CARES Act grants are 100% federal – no local match is required.

The Airport Authority may use the grant funds for any purpose for which airport revenues can be lawfully used. The legislative intent is that the grant funds be used for airport operating expenses. Airport sponsors can submit grant reimbursement requests for airport operating expenses dating back to January 20, 2020.

If accepted by the Airport Authority board of directors, the Airport Authority's first request for reimbursement will be for approximately \$472,000 in airport operating expense for the period on January 20, 2020 through April 30, 2020. A complete statement of airport operating expenses for the January 20, 2020 through April 30, 2020 will be presented to the board of directors at the May 6 meeting.

Recommendation: Acceptance of a \$1,836,078 CARES Act Grant Offer and Agreement and authorize Chairman Alan Eichelberger and Attorney Greg Bengtson to sign the agreement on behalf of the Salina Airport Authority.

Agenda Item #7 – Approval of three (3) year Food and Beverage Concessionaire Lease Agreement with JOMAST, Inc. d/b/a/ MAHASKA Snack Salina (Swanson)

Enclosed is a copy of the proposed agreement with MAHASKA Snack Salina for the M.J. Kennedy Air Terminal food and beverage concession. MAHASKA was selected as the preferred vendor following a RFP process earlier this calendar year. MAHASKA submitted the more competitive proposal that provides the Airport Authority the opportunity for increased food and beverage commission revenue.

The current food and beverage concession was installed in 2006 at a zero commission rate. In 2006 the Airport Authority had to provide a minimum revenue guarantee to attract a food and beverage vendor. The growth in passengers on United/SkyWest flights enable the Airport Authority to obtain competitive proposals for continued food and beverage service in the terminal building. The MAHASKA proposal offered the higher commissions and expands the service into the gate area of the terminal building.

The concession agreement terms are as follows:

- **Lease term** – Three (3) years effective June 1, 2020
- **Space rental** - \$200 annually
- **Commissions schedule (based on gross sales)** –
 - Soft drinks priced up to \$1.49 20% commission
 - Soft drinks priced between \$1.50- \$1.74 25% commission
 - Soft drinks priced greater than \$1.74 30% commission
 - Energy drinks 15% commission

- Water 15% commission
- Candy bars/Candy 15% commission
- Chips 15% commission
- Pastries 15% commission
- Cold/Frozen Food 10% commission
- Tea/Juice/Milk 15% commission
- Misc. – all other 15% commission

Recommendation: Approval of the proposed MAHASKA Food and Beverage Concession Agreement and authorize Chairman Alan Eichelberger and Secretary Troy Vancil to sign the agreement on behalf of the Salina Airport Authority.

Agenda Item #8 – Review of preliminary plans to expand building B1021 located 3600 Airport Rd for Kansas Erosion, LLC. (Rogers and Swanson)

At the meeting staff will review the preliminary plans for a 30,000 SF addition to building B1021 to accommodate Kansas Erosion business growth. Both the building expansion and project financing plans will be reviewed with the board of directors.

Please contact me if you have any questions or comments.

SALINA AIRPORT AUTHORITY SPECIAL BOARD MEETING
Online Via: GoToMeeting Video and Audio Link

May 6, 2020 – 8:00 AM

AGENDA

Action Items

1. Call to order. (Eichelberger)
 - a. Roll call and determine that a quorum is present. (Windhorst)
 - b. Confirm that the meeting notice has been published. (Windhorst)

2. Meeting procedures. (Rogers)
 - a. Mute all participant microphones, phones or other electronic devices.
 - b. SAA board members, staff and presenters are required to state the individual's name each time the individual begins to speak or vote.
 - c. The **Visitor's Forum** that follows the **Directors' Forum** is the time for public comment.
 - d. Each board motion will be clearly stated before a board vote.
 - e. All motions will identify the SAA board officer(s) and/or staff member authorized to sign a legally binding document for the Airport Authority.
 - f. A roll call vote will be used for all motions.
 - g. The results of the vote on a board motion will be announced.
 - h. The meeting will be recorded (video and audio) and posted to the Airport Authority's web site, www.salinaairport.com

3. Recognition of guests. (Rogers)

4. Additions to the agenda and agenda review. (Rogers)

5. Approval of the minutes of the April 15, 2020 board meeting. (Eichelberger)

6. Consideration of a \$1,836,078 CARES Act Grant Offer received from the Federal Aviation Administration. (Rogers and Swanson)

7. Consideration of a M.J. Kennedy Air Terminal food and beverage concession agreement with JOMAST, Inc. d/b/a MAHASKA Snack Salina. (Swanson)

8. Review of preliminary plans to expand building B1021 located at 3600 Airport Rd. for Kansas Erosion, LLC. (Rogers and Swanson)

Directors' Forum (Eichelberger)

Visitor's Forum (Eichelberger)

Staff Reports (Rogers)

Announcements (Windhorst)

Adjournment (Eichelberger)



**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
APRIL 15, 2020
VIA GOTO MEETING VIDEO AND AUDIO LINK**

Call to Order

The meeting was called to order at 8:00 AM by Chairman Alan Eichelberger. Business and Communications Manager Kasey Windhorst completed roll call and confirmed that a quorum was present. Windhorst noted the board meeting notice was published and distributed on Thursday, April 9th. The news release was distributed to the media on Monday, April 13th and the board meeting slide deck was published and distributed on Tuesday, April 14th.

Meeting Procedures

Executive Director Rogers reviewed the following meeting procedures (K.A.R. 16-20-1 concerning open meetings during an emergency declaration).

- a. Mute all participant microphones, phones or other electronic devices.
- b. SAA board members, staff and presenters are required to state the individual's name each time the individual begins to speak or vote.
- c. The **Visitor's Forum** that follows the **Directors' Forum** is the time for public comment.
- d. Each board motion will be clearly stated before a board vote and the results of the vote will be announced.
- e. All motions will identify the SAA board officer and/or staff member authorized to sign a legally binding document for the Airport Authority.
- f. The meeting will be recorded (video and audio) and posted to the Airport Authority's web site.

Attendance

Roll call attendance was taken. Chairman Eichelberger was present. Directors Buer, Gunn, Vancil and Weisel attended via video conference. Also present were Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker and Business and Communications Manager Kasey Windhorst. Attorney Greg Bengtson; Mitch Robinson, Salina Community Economic Development Organization; Melissa Hodges, Salina City Commissioner; Eric Brown, Salina Area Chamber of Commerce; Jay Hatchett, SLN ATCT; Julie Yager-Zuker, Avflight Salina and Michael Bunn, T-hangar tenant were guests via video conference.

Additions to the Agenda

Chairman Eichelberger asked if there were any additions. Executive Director Rogers stated there were no additions.

Minutes

Chairman Eichelberger asked if the board members had additions or corrections to the minutes of the March 18, 2020 annual board meeting. Director Gunn moved, seconded by Director Weisel to approve the minutes of the March 18, 2020 annual board meeting.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye, Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

Airport Activity and Financial Reports

Executive Director Rogers reported on airport activity for the month of March 2020. The Salina Air Traffic Control Tower (ATCT) recorded 2,841 operations during March 2020 which was a 58% decrease as compared to the March 2019 total of 6,848. Year-to-date total operations are tracking 15% less than the same period last year. Rogers noted the decrease is due to the suspension of K-State Aviation professional pilot training program flights and FOL cancellations due to COVID-19. Fuel Flowage for March 2020 came in at 124,865 gallons which was a decrease of 17% compared to the March 2019 total of 150,881. SkyWest enplaned a total of 1,874 passengers in March 2020 which is a 10% increase compared to the March 2019 total of 1,698 passengers. Rogers reviewed the advanced bookings reports and noted the decrease in passengers due to the reduced flight schedules. The economic impact of COVID-19 is reflected in operations, fuel flowage and enplanements.

Director of Administration and Finance Swanson reported on the financials for the 1st quarter of 2020. Total operating income exceeded budget projects by 2% and is tracking at \$34,331 which is 5% ahead of the first quarter 2019. Total administrative expenses arrived at 10% under budget and total maintenance expenses came in at 1% under budget. Net operating income before depreciation arrived at nearly \$73,000 at the end of the 1st quarter 2020. Swanson commented on the short-term leasing activity which included a short-term lease with Wynn Jet Charter for aircraft storage at Hangar H606. The short-term lease will generate \$2,625 per week and is anticipated for 6-8 weeks. Chairman Eichelberger directed staff to file the financials for audit.

2019 CAFR update

Swanson commented on the preparation of the Airport Authority's 2019/2018 Comprehensive Annual Financial Report (CAFR). The CAFR is prepared to the standards prescribed by GFOA and in compliant with GASB pronouncements. Swanson noted the SAA audit was completed by Adams, Brown, Beran & Ball, Chartered (ABBB) and is in the process of finalizing the 2019 CAFR.

Coronavirus Aid, Relief and Economic Security (CARES) Act

Executive Director Rogers updated the board on the impact of the COVID-19 national emergency on the Airport Authority's operating budget. Rogers reviewed the fiscal impact summary that was provided to the board noting an estimated revenue lost of \$106,146 due to FOL cancellations, reduced fuel flowage fees and decrease in commission revenue. SAA staff have reduced operating expenses by \$152,248 resulting in a net spread of \$46,102. Rogers stated the FAA calculated the CARES Act financial aid to commercial service airports and awarded \$1,836,078 to the Salina Regional Airport. The grant will be used for staff salaries, benefits, airport safety and airfield maintenance in compliance with federal requirements.

Project Rise Provisional Fund Memorandum

Rogers reviewed the proposed Provisional Fund Memorandum with the Greater Salina Community Foundation (GSCF). The provisional fund will be used for the purpose of accepting

donations for the purchase of the former K-State Polytechnic gymnasium and associated 5.04-acre lot in the amount \$200,100. Approval of the Provisional Fund Memorandum enables the GSCF to accept donations to be distributed to the Airport Authority for the purchase of the gym. Rogers recommended approval of the Project Rise Provisional Fund Memorandum. Director Gunn moved, seconded by Director Weisel to approve the Greater Salina Community Foundation Provisional Fund Memorandum and authorized Executive Director Rogers and Chairman Eichelberger to sign the agreement.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye, Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

Advanced Remote Sensing, Inc Lease Agreement

Swanson commented on the proposed lease agreement with Advanced Remote Sensing, Inc (ARSI). ARSI is engaged in research and development projects associated with remote sensing analytics of earth observation satellite (EOS) data. The proposed lease provides ARSI access to the roof of Hangar H959 and the top of Tank No. 784 for the placement of satellite calibration targets. Swanson reviewed the below lease terms.

Lease term:	Two (2) years
Effective date:	June 1, 2020
Basic rent:	\$1,903 per month \$22,836 per year

Director Gunn moved to approve the lease agreement with Advanced Remote Sensing, Inc for the use of a portion of Hangar H959 and Tank No. 784 and authorized Chairman Eichelberger and Director Vancil to sign the agreement, seconded by Director Weisel.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye, Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

MJ Kennedy Air Terminal Space Requirements and Expansion

Rogers presented options provided by Coffman Associates for the M.J. Kennedy Air Terminal space requirements and parking expansion in order to meet requirements for future passenger growth. The preferred options include expansion of the existing terminal building and parking lot. Cost estimates for the project will be provided by Coffman Associates.

Visitor's Forum

SAA T-hangar tenant Michael Bunn questioned the status of the new T-hangar construction project. Rogers stated the plan is to construct 48 T-hangars and 4 box hangars for a total of 52 units. The recent cost estimate for the project came in at \$6 million. SAA staff is working on several funding options and will offer pre-lease options to existing tenants. Bunn questioned the north-ramp location. Rogers stated alternative locations will be considered.

Staff Reports

Rogers reported that Runway 17/35 at the Salina Regional Airport will be closed from Thursday, April 16 until Tuesday, May 5 for needed heavy maintenance and repairs. The scope of work

includes an asphalt mill and overlay involving the south 800 feet of the runway, repairs to runway lighting and guidance signage, and repainting runway surface markings.

Upon a motion duly made, the meeting adjourned at 9:07 A.M.

Roll call vote: Director Buer – Aye, Chairman Eichelberger – Aye, Director Gunn – Aye, Director Vancil - Aye and Director Weisel - Aye. Motion passed unanimously.

Minutes approved at the May 6, 2020 Board Meeting.

Secretary

(SEAL)

**SALINA AIRPORT AUTHORITY
FOOD AND BEVERAGE CONCESSIONAIRE LEASE AGREEMENT**

This Lease Agreement (the "Lease") is made and entered into this 13 day of April, 2020 by and between the **SALINA AIRPORT AUTHORITY, a Kansas public corporation**, of Salina, Saline County, Kansas, (the "Authority"), and **JOMAST, INC., DBA MAHASKA SNACK SALINA**, a corporation authorized to do business in Kansas, with principal offices located at 604 N 9th St., Salina, Kansas 67401, ("Lessee")

RECITALS

WHEREAS the Authority is owner and operator of the Salina Regional Airport ("Airport") and has the power to grant rights and privileges with respect thereto; and

WHEREAS the Authority seeks to lease floor space located within the terminal at the Airport, as specifically delineated in Exhibit A for purposes of food and beverage services to Airport passengers and the public; and

WHEREAS the Authority issued a Request for Proposals for lease of the floor space described above and in this Lease Agreement, and Lessee submitted a qualifying Proposal, dated January 24, 2020 in response to that Request for Proposals; and

WHEREAS Lessee is desirous of entering into a lease for the Premises to Lessee for purposes of operating and managing food and beverage micro-market services and the Authority is desirous of entering into a lease with Lessee to operate micro-market services in the Terminal.

THEREFORE, the Authority and Lessee agree, in consideration of the mutual covenants and obligations herein expressed, as follows:

1. TERM OF LEASE

The lease shall be a lease for term of three years, commencing on June 1, 2020 and terminating at midnight on May 31, 2023. The term of this lease may be extended for automatic one (1) year renewal terms subject to an annual business review resulting in the satisfaction of both parties.

2. PREMISES

The leased property, hereinafter referred to as the "Premises", is delineated on the attached Exhibit A, and incorporated herein by this reference.

3. RENT

Lessee agrees to the following rental rates payable to the Authority:

A. Space Rental. Lessee shall pay the Authority **\$200 annually** for the leased Premises. Such payments shall be made in advance and without demand by the first (1st) day of June each year delivered to the Salina Airport Authority administrative offices, currently at 3237 Arnold Ave., Salina, KS 67401.

B. Percentage of Gross and Reporting. As consideration therefore, Lessee shall pay the Authority a percent (%) of Lessee’s gross sales, less applicable taxes, derived from the aggregate gross selling price of all goods and services transactions in quarterly installments on or before the 20th day of each month following the end of the previous calendar quarter, for the term of this Lease Agreement as provided herein. A report must accompany payment which will include the month and dollar amount derived from Airport generated business. The gross sales fee shall be for each individual service.

- Soft drinks priced up to \$1.49 20% commission
- Soft drinks priced between \$1.50- \$1.74 25% commission
- Soft drinks priced greater than \$1.74 30% commission
- Energy drinks 15% commission
- Water 15% commission
- Candy bars/Candy 15% commission
- Chips 15% commission
- Pastries 15% commission
- Cold/Frozen Food 0% commission
- Tea/Juice/Milk 15% commission
- Misc. – all other 15% commission

C. For any mutually agreed renewal term, rent and gross receipts *amounts will be* re- negotiated.

4. USE OF PREMISES

Lessee shall use the Premises only for the operation of micro-market services concession and such other uses directly related to the provision of food and beverage preparation and service. Lessee shall maintain a menu serving hot and cold food items suitable for children and adults. Lessee shall not use the Premises for any other purpose.

5. HOURS OF OPERATION

Lessee shall operate his business seven (7) per week as described in Concessionaire’s proposal.

6. INDEMNIFICATION

Lessee agrees to indemnify and hold harmless, the Authority, its elected officials, officers, employees, and insurers from and against all liability, costs, damages, claims, attorneys fees, or

other expenses incurred on account of any injury, loss or damage, of any kind whatsoever, which arise out of or are in any manner connected with this Agreement or Lessee's operations on the Airport, if such injury, loss, or damage is caused in whole or in part by, or is claimed to be caused in whole or in part by, any act, omission, negligence, or other fault of the Lessee, any subcontractor of the Lessee, or any elected official, officer, employee, representative, or agent of the Lessee or of any subcontractor of the Lessee.

Lessee agrees to defend against, any such liability, claims or demands, or at the option of the Authority, agrees to pay the Authority or reimburse the Authority for the Lessee's costs incurred by the Authority in connection with, any such liability, claims, or demands. The obligation of this Section shall not extend to any injury, loss or damage caused by the act, omission, negligence, or other fault of the Authority, its elected officials, officers or employees.

7. INSURANCE

The Lessee agrees to procure and maintain during the term of this lease, at its own cost, a policy or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by the Lessee. Such insurance shall be in addition to any other insurance requirements imposed by this Agreement or by law. The Lessee shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Agreement or by reason of Lessee's failure to procure or maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amount, duration, or type. Lessee's liability to the Authority pursuant to this Agreement shall not be limited or reduced in any way by the amount of Lessee's insurance coverage required herein.

Lessee shall procure and maintain the minimum insurance coverages listed below. Lessee shall require any subcontractor of the Lessee to procure and maintain the general liability coverages provided below. With specific regard to worker's compensation coverage, subcontractors of the Lessee must comply with the statutory requirements of the State of Kansas. All insurance coverage shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by the Lessee pursuant to this Agreement.

A. Worker's Compensation insurance to cover obligations imposed by applicable State laws. Lessee fully understands that Lessee and Lessee's employees and subcontractors are not employees of the Airport or of the Authority. Nothing in this Agreement shall be interpreted or construed as establishing anything other than a commercial landlord / tenant relationship under the terms specified in this lease between the Authority and Lessee.

B. Commercial General Liability insurance with minimum combined single limits of one million dollars (\$1,000,000) each occurrence and two million dollars (\$2,000,000) aggregate.

C. Comprehensive Automobile Liability Insurance, This insurance shall protect the Authority against any and all claims arising from injuries to members of the public or damage to property of others arising from the use of automobiles and trucks in connection with the performance of work under this Lease, and shall cover the operation on or off the

site of the work of all motor vehicles licensed for highway use, whether they are owned, non-owned, or hired by the Lessor. Liability limits for automobile insurance coverage under this policy shall not be less than \$1,000,000 each occurrence combined single limit for bodily injury and property damage.

D. Property Insurance. The Lessee shall maintain adequate insurance at all times to cover its property, product and equipment on the Premises.

These policies shall be applicable to all Premises and operations, including but not limited to food and drink preparation, service and sales.

The Commercial General Liability insurance policy required hereunder shall include coverage for bodily injury and death, broad form property damage, personal injury (including coverage for contractual and employee acts), independent contractors and premise operations. The policy shall also contain a severability of interests provision, and be endorsed to include the Authority as an additional insured.

With respect to an act, omission, negligence, or other fault of Lessee, every policy required above shall be primary insurance and any insurance carried by the Airport or the Authority, its elected officials, officers or its employees, shall be excess and not contributory insurance to that provided by Lessee. No additional insured endorsement to any policy shall contain any exclusion for bodily injury or property damage arising from completed operations. The Lessee shall be solely responsible for any deductible losses under any policy. Any insurance policy required hereunder shall have a maximum deductible amount of no greater than \$10,000.00.

A certificate of insurance shall be provided to the Authority, to be completed by the Lessee's insurance agent, as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect. The certificate shall be reviewed and approved by the Authority prior to occupation of the Premises. The certificate shall identify this contract and shall provide that the coverages afforded under the policies shall not be canceled, terminated or materially changed without prior written notice to the Authority.

Failure on the part of the Lessee to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a material breach of this Lease Agreement. At its discretion, the Authority may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the Authority shall be repaid by Lessee to the Authority upon demand. The Authority reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

The parties hereto understand and agree that the Authority is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations (presently \$500,000 per occurrence) or any other rights, immunities, and protections provided by the Kansas Tort Claims Act as from time to time amended, or otherwise available to the Authority, its elected officials, officers or its employees.

8. ALTERATIONS OR IMPROVEMENTS

Lessee agrees to make no permanent alterations in the Premises without the prior written consent of the Airport. If any improvements or alterations to the Premises are made with the written consent of the Authority, all such improvements or alterations shall be deemed fixtures and shall become the property of the Authority upon termination of this Lease Agreement. Lessee shall keep the Premises and any improvements constructed or placed thereon free and clear of all liens and encumbrances. Lessee shall indemnify and hold harmless the Authority, its elected officials, officers, employees, and insures from any liens or encumbrances arising out of work performed or materials furnished on the Premises by or at the direction of Lessee. In the event Lessee fails to pay any such lien or claim when due, then the Authority shall have the right to expend all sums necessary to discharge the lien or claim, and lessee shall pay as additional Rent, when the next rental payment is due, all sums expended by the Authority in discharging any such lien or claim, including reasonable attorney's fees and costs, and interest at twelve percent (12%) per annum on the sums expended by the Authority from the date of expenditure to the date of payment by Lessee.

9. DUTIES OF THE AUTHORITY

The Authority agrees to, in addition to other duties as specifically set forth within this Agreement, perform the following:

- A.** Operate and maintain the Airport in a prudent manner and in accordance with the rules, regulations and orders of any Federal or State agency having jurisdiction with respect thereto.
- B.** Provide utilities in the form of electricity, gas water, internet (hardline/ethernet) connection, necessary and sufficient for Lessee to perform its obligations under this Agreement. In its sole discretion, the Authority reserves the right to approve or deny any high energy use appliances requiring power in excess of 110V, supplied by Lessee, and to negotiate additional fees which shall be paid by Lessee to offset additional energy costs. Lessee shall obtain the Authority's written approval prior to installation.

Except as provided in Paragraph C of the Duties of Lessee section below, provide all janitorial and maintenance service to the terminal public area.

10. DUTIES OF THE LESSEE

Lessee agrees to, in addition to other duties as specifically set forth within this Agreement, perform the following:

- A.** Acquire all necessary permits and licenses associated with the lawful operation of its business upon the Premises; including but not limited to a license to operate a retail food establishment applicable to micro-market operations.
- B.** Comply with all Airport Minimum Standards and Regulations, all City ordinances, all State and Federal regulations, including, but not limited to all FAA or other Federal non-discrimination regulations and all state or local regulations for the provision of food or restaurant services, and all applicable sales and use tax requirements, effective at the time

of this Agreement or hereafter established or amended.

C. Keep at all times, the Premises, and all improvements thereon, including equipment and furniture, in a clean, sanitary, and orderly condition and appearance. Lessee shall be responsible to maintain in good working order all Lessee owned equipment for the provision of food and beverage micro market services.

D. Accept customer payment in the form of cash, credit and/or debit card, according to Lessee's proposal. Lessee shall have the right to establish a minimum purchase amount if such policy is permitted by the credit and/or debit card issuer and if the minimum does not exceed five dollars (\$5.00).

E. The Lessee's records shall be open to review by the Authority or Authority's authorized agent throughout the lease term and for six (6) years after the end of the termination or expiration of the Lease as necessary for purposes of enforcing any obligation under this Agreement. For such purposes, the Authority or authorized agent shall have the right to inspect, examine and audit the Lessee's records, books and accounts including the right to retain an independent certified public accountant of the Authority's choosing and at the Authority's expense to do so.

11. TERMINATION AND NOTICE

Either party may terminate this Agreement for cause for the uncured violation of any of the contractual obligations contained herein. Notice of the violation(s) must be written and either hand delivered or delivered by certified mail. Upon failure to cure the violation within sixty days, the complaining party may elect to terminate this Agreement. Failure to terminate shall not be construed as any waiver of right to terminate or waiver of any other legal remedies available. In the event any state or local government entity having appropriate jurisdiction takes action to close Lessee's food and beverage micro market service operations for sanitary related reasons and such action results in the closure of Lessee's operations, the Authority may terminate this Agreement upon written notice and without any right on the part of Lessee to cure as otherwise provided in this paragraph. In the event that any state or local government entity having appropriate jurisdiction takes any action to suspend Lessee's operations for sanitary related reasons and such action results in the suspension of Lessee's operations, the Authority may elect to terminate this Agreement following appropriate notice to and hearing before the Salina Airport Authority Board of Directors.

All other notices as required by this Agreement must be made in writing within sixty days in advance delivered as provided herein to the other party hereof, unless otherwise specified.

12. SURRENDER AND HOLDING OVER

Lessee covenants and warrants that at the expiration, termination or cancellation of the Lease, Lessee will quit and surrender said Premises in a good state and condition, reasonable wear and tear excepted.

Lessee covenants and warrants that all improvements, other than the personal property of the Lessee, installed, erected, attached, or placed by Lessee in, on or about said Premises under the

terms of this Lease shall remain on said Premises as the property of the Authority. The Authority shall have the right on such expiration, termination or cancellation to enter upon and take possession of said Premises, with or without process of law, without liability for trespass.

Should Lessee hold over or continue to occupy the Premises after the expiration, termination or cancellation of this Lease, such holding over shall be deemed a tenancy for successive monthly terms upon the same conditions as provided in this Lease. In such case, the monthly rental rate shall equal a minimum monthly payment of \$500 and with no maximum payment. Monthly minimum rent payments shall be due by the first (1st) day of the month for that month.

13. PERSONAL PROPERTY AND EQUIPMENT

It is understood and agreed that the items identified on the inventory, attached hereto as Exhibit B Lessee-provided Inventory are personal property belonging to Lessee. Lessee shall be responsible for the maintenance and repair of such items as provided herein.

14. ASSIGNABILITY

This Lease is assignable by the Lessee only upon the prior written consent of the Authority. This Lease is assignable by the Authority.

15. RIGHT OF INSPECTION

The Authority reserves and retains for its Director of Aviation or designee the right to enter the Premises at any time that may be necessary for the purpose of inspecting and protecting the Premises.

16. MISCELLANEOUS

This Agreement constitutes the entire written agreement between the Authority and Lessee and supersedes any and all preceding agreements, either written or oral between the parties. Any alterations, amendments or supplements hereto, which would change the substance, intent, obligations and duties of either party as herein stated, must be in writing and approved by both parties.

This Lease Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the Authority and the United States, relative to the development, operation, or maintenance of the Airport.

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

This Agreement shall be interpreted and governed in accordance with the laws of the State of Kansas, and venue for any legal proceeding concerning any dispute under this Agreement shall be in the District Court for Saline County, Kansas or other court in Saline County having appropriate jurisdiction.

In the provision of commercial food services pursuant to this Agreement, Lessee shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit of service.

17. CONTRACT SECURITY-None required

18. NOTICES

All notices required or allowed pursuant to this Agreement shall be hand delivered or mail certified mail, return receipt requested, as follows:

Authority: Director of Administration and Finance
Salina Airport Authority
3237 Arnold Ave.
Salina, KS 67401

Lessee: Route Manager
Mahaska Snack Salina
604 N. 9th St.
Salina, KS 67401

THIS AGREEMENT shall be binding upon the parties hereto, their successors, and assigns, effective the date last written below.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and this instrument has been approved by the Salina Airport Authority at a public meeting of their Board of Directors on April 15, 2020.

SALINA AIRPORT AUTHORITY

Date _____

By: _____
Chairman of Board of Directors

ATTEST

Date _____

By: _____
Secretary of the Board of Directors

JOMAST, INC., DBA MAHASKA SNACK SALES

Date 4/13/2020

By: Sean Tubal

Sean Tubal [Name]

Route Manager [Title]

ATTEST

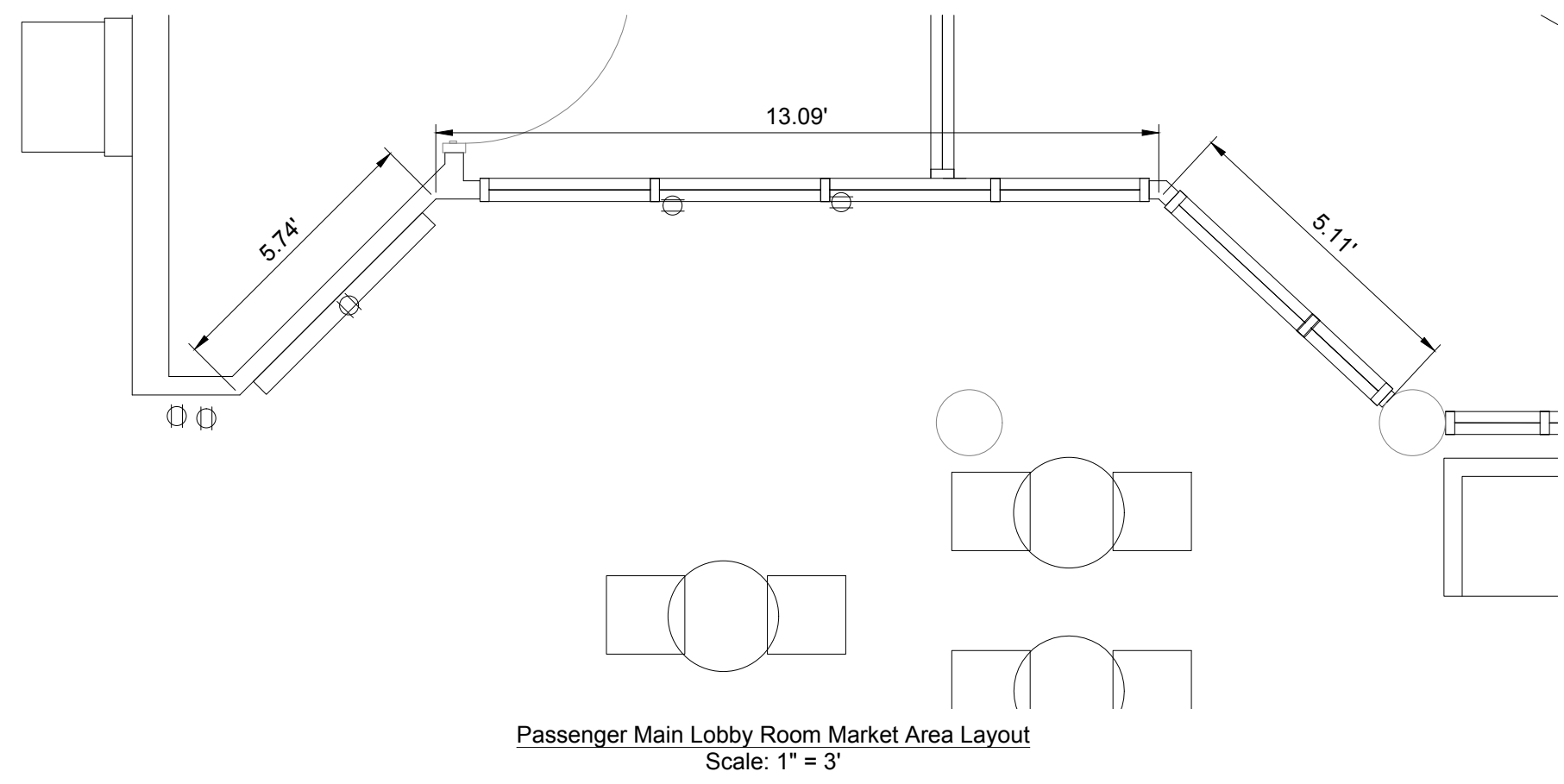
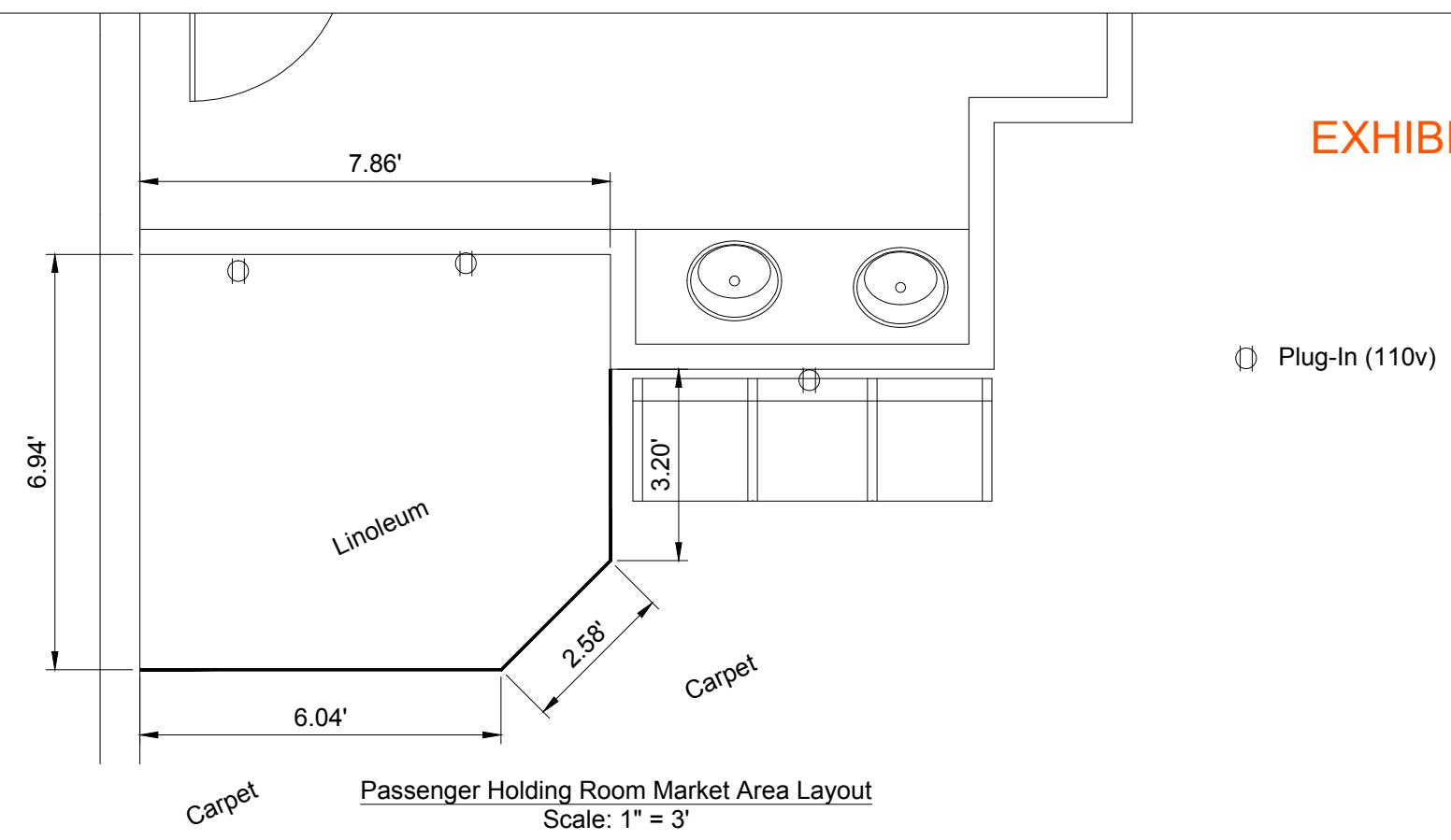
Date 4-13-2020

By: Alan Michaud

Alan Michaud [Name]

Marketing manager [Title]

EXHIBIT A



Drawing Number 2705b-12-19



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

Addendum 1 :REVISIONS
 KRB :DESIGNED BY
 KRB :DRAWN BY
 1" = 3' :SCALE
 1/16/20, 16:23 :DATE

SALINA AIRPORT AUTHORITY

MJ Kennedy Air Terminal Lobby and Passenger Gate Micro-Market Area Layouts

F:\Public\Facility_Master\BuildingConstuction\AirportBuildings\120\120Layout\Base120.dwg

Mahaska Snack Salina – Lease Exhibit B
June 20, 2020

Equipment Description	Quantity	Comment
Custom Fixture	1	Lobby
Custom Fixture	1	Gate Area
Double Door Cooler	1	Lobby
Single Door Cooler	2	1 Lobby, 1 Gate area
MZB Pod Brewers	4	1 Lobby, 1 Gate Area, 1 Office, 1 Conference Room
Kiosk	2	1 Lobby, 1 Gate area