

DATE: February 12, 2021
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: **February 17, 2021 Regular Meeting**

Transmitted with this memo are items for your review prior to the Wednesday, February 17 regular board meeting.

Due to increased COVID-19 infection rates in Salina and Saline County the meeting will be held via a GoToMeeting video and audio link. Public access to the Salina Airport Authority's administrative offices is restricted at this time. 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, www.salinaairport.com
2. Post the Airport Authority's meeting notice, agenda, agenda packet and other meeting documents on the Airport Authority's website, www.salinaairport.com
3. Post the meeting minutes to the Airport Authority's website, www.salinaairport.com 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/735372173>

You can also dial in using your phone.

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

United States: +1 (312) 757-3121

- One-touch: <tel:+13127573121,735372173#>

Access Code: 735-372-173

New to GoToMeeting? Get the app now and be ready when your first meeting starts:
<https://global.gotomeeting.com/install/735372173>

The board meeting will focus on the following 2021 Airport Authority priorities.

- Schilling Project Remedial Design and Remedial Action implementation.
- Support the growth and development plans of other Salina Airport Industrial Center organizations.
- Support the growth of business aviation.
- Complete GA aircraft storage hangar design and bidding.

Please note the following agenda comments.

Agenda Item #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 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.
- g. Executive session procedures will be as follows:
 - i. Visitors and nonessential attendees will be asked to leave the VTC.
 - ii. After visitors and nonessential staff have been dismissed, access to the VTC will be locked.

At the end of the executive session and when the open meeting resumes, the VTC will be unlocked and visitors will be able to again login to the meeting.

Agenda Item #6 – Review of Airport Activity and Financial Reports for the Month Ending January 31, 2021 (Rogers and Swanson)

Airport Activity – Air Traffic (Rogers)

The January 2021 air traffic count of 3,996 was 28% higher than the 3,109 operations recorded during January 2020. The increase in ATCT operations is due to increased K-State Poly professional flight training.

Airport Activity – Fuel Flowage (Rogers)

January 2021 fuel flowage was 118,268 gallons, which was a 0% change as compared to the January 2020 total of 118,337 gallons. K-State flight operations accounted for 4.5% of total fuel flowage during January 2021.

Airport Activity – Passenger Counts (Rogers)

United/SkyWest enplaned 338 passengers, which was a 68% decrease as compared to the January 2020 total of 1,232 passengers. The airline's total passenger count was 863 which was a 65% decrease as compared to the January 2020 total of 2,497.

Financial Reports – Comments and Notes (Swanson)

Highlights from the preliminary year ended January 31, 2021 financials include:

- There were no distributions from bond proceeds during January 2021.
- Unrestricted cash in bank at \$1,279,197.
- Total income came within \$250 of budget projections and beat YOY by 7%.
- Total operating expenses came in 1% over budget and 3.5% more than 2020.
- Net operating income before depreciation equaled \$1,768.

During the month of January, staff continued fiscal year end activities and have finished uploading approximately 80% of the documents required for the single-audit field work. Our third-party auditors, Adams Brown, have launched a new web-based file transfer site which will allow us to transfer large documents and keep the documents better organized. If all continues as planned, with much of the work and file sharing being conducted electronically, the auditors are planning just one day, March 9, for on-site field work.

Financial Reports – January 2020 Significant Expenditures/Payables Report Enclosed

Financial Reports – Accounts Receivable Past Due 30 days or More as of February 12, 2021 (Swanson)

Account	Amount	Days	Comments
Federal Aviation Administration	\$2,720	>90	Bldg. Rent
Max Gebhardt	\$371	31-90	Storage Igloo Rent
Hertz Corporation	\$334	31-60	Property Taxes
Kansas Military Board	\$988	31-60	Bldg. Rent
Kenny's Body Shop	\$289	31-60	Storage Igloo Rent
Learjet, Inc.	\$500	61-90	Airfield Use Fee
Professional Graphics, Inc.	\$107	61-90	Finance Charges

Agenda Item #7 – Consideration and Approval of the Amended Consent Agreement and Final Order with the Kansas Department of Health and Environment. (Rogers and Bengtson)

Enclosed is a copy of the amended Consent and Final Order (CAFO) with the Kansas Department of Health and Environment (KDHE). The agreement was negotiated by the SPE's environmental attorney Andy Davis with input from the Schilling Project's Executive Group. The agreement amends the November 2012 KDHE CAFO that provided for the successful completion of the Schilling Project Remedial Investigation (RI), Feasibility Study (FS) and Corrective Action Decision (CAD) phases of work. The amended CAFO provides for the completion of the Schilling Project's Remedial Design (RD) and Remedial Action (RA) phases of work. The RD and RA work is funded by the proceeds of the \$65.9M settlement reached with the United States. The amendment provides that, to the extent possible, the SPE's

will start substantial continuous physical on-site corrective action within 180-days of KDHE approval of the final RD/RA Work Plan and RD/RA Schedule. The RD/RA Work Plan and RD/RA schedule will be completed by Dragun Corporation with input from the Executive Group.

Paragraph 8 of the amended CAFO applies specifically to the Airport Authority. Paragraph 8 provides for the application of land-use controls “if deemed necessary to protect human health and the environment.” The use of land-use controls is a RA alternative outlined in the 2019 CAD. The CAD specified the use of land-use controls for Plume J (Landfill #1) located within OU3 which comprises the west side of the Salina Airport. Plume J (Landfill #1) inside the airport’s perimeter fencing, will never be used for an airport building, aircraft parking apron, taxiway or runway and is not accessible by the public. The adoption of land-use controls for Plume J (Landfill #1) by the Airport Authority, if needed, would not be a hardship.

CAFO termination is provided for in Paragraph 72, **Termination of this CAFO**, November 2012 CAFO agreement. KDHE can terminate the agreement with 30-days’ notice. The SPEs can apply for termination of the CAFO within 90-days after the conclusion of RA activities and meeting all CAFO requirements. The termination provisions come into play after years of operation of the ground water treatment system and achieving sampling results that are below all applicable federal and state regulatory limits.

Recommendation: Approval of the proposed Kansas Department of Health and Environment amended Consent and Final Order providing for Remedial Design and Remedial Action work at the Former Schilling AFB site and authorize executive director Rogers to sign the agreement.

Agenda Item #8 – Salina Area Technical College Campus Development Overview Presentation by SATC president Greg Nichols. (Rogers)

Salina Area Technical College (SATC) president Greg Nichols will present an overview of the educational programs, service area, campus development plan and review of new program options. President Nichols’ presentation will highlight the college’s need for additional property to meet campus growth.

Agenda Item #9 – Approval of a Land Lease with Central States Enterprises, LLC for the Existing Salina Aircraft Services Corporate Hangar Located at 3148 Arnold Ave., Salina Regional Airport. (Rogers and Swanson)

In mid-December 2020, Doug Bradley owner of Salina Aircraft Services (SAS), notified the Authority of his intention to sell his aircraft and the SAS hangar located on the Salina Regional Airport. Bradley has leased the land underlying the hangar from the Authority since June 9, 1993.

Bradley has an interested party in Roger Sanborn, Central States Leasing, and the two parties have entered into a contract for the purchase of the SAS hangar and improvements with a desire to close on the hangar transfer on or before March 6, 2021.

Although the 1993 Lease provides for the Authority’s first right of refusal to purchase the hangar and fixtures on the land, staff believes it is in the best interest to waive this option and recommends offering approval for SAS to proceed with the sale to Roger Sanborn, Central States Leasing. Mr. Sanborn will establish his corporate flight department at the hangar.

Since the 1993 Lease Agreement has several outdated clauses, in lieu of assigning the 1993 Lease, the Authority has proposed a new Lease to Central States Leasing that is enclosed in your agenda packet. The

basic terms and conditions of the proposed Lease are as follows:

Term: Primary Term of 20 years with one 20-year option
Effective date: March 1, 2021
Premises: .796 acres of land
Rental: \$250 / month with biennial CPI adjustments
Taxes and Fuel Flowage Fee of \$.0815/Gallon

Recommendation: Termination of the 1993 Lease Agreement between the Authority and Bradley and approval of the Lease to Central States Enterprises, LLC for .796 acres of land. Authorize chair Eichelberger to sign the Central States lease agreement.

Agenda Item #10 – Consideration of a Multi-year Lease with the State of Kansas for Building B394 Located at 2941 Centennial Rd. (Swanson)

On Aug. 31, 2020, the Authority entered into a six-month lease agreement with the Kansas Department of Revenue (KDOR) for Bldg. 394 located at the northeast corner of Schilling and Centennial Rd. along with a tract of ground on the north ramp. The leased property is for the office of the Salina DMV and CDL course for testing and training. This short-term agreement was to take care of an immediate need at the request of KDOR until such time when they could work through their process necessary for a multi-year lease, which is what is before you now in this agenda item.

In this packet you will find the proposed First Amendment to Lease between the Authority and KDOR that provides for the following key terms and conditions:

Term: Five years (This lease does have the typical State of Kansas lease form “*Termination for Fiscal Necessity*” clause which provides for the early termination of the lease if the Legislature fails to appropriate funds for the lease.)

Effective date: March 1, 2021

Premises: **Tract 1-** Bldg. 394 – 3,951.29 sq. ft. of office, located on Lot 9, Block 1, Schilling Subdivision No. 5 containing 1.27 acres of land. (*DMV Office Bldg.*)

Tract 2 – Lot 8, Block 1, Schilling Subdivision No. 5 containing 36,944 sq. ft. or .85 acres of land. (*Employee and CDL written test parking*)

Tract 3- A port of Lot 6, Block 1, Schilling Subdivision No. 4 containing 25,000 sq. ft. or .57 acres of land. (*CDL training and testing*)

Rental: **Tract 1** - \$1,766.62/month - \$5.365/sq. ft./year
Tract 2 - \$249/month - \$.0809/sq. ft./year
Tract 3 - \$581.31/month - \$.279/sq. ft./year
Combined All Tracts - \$2,596.94/month

CPI: 3.545% fixed increase in Years 3 and 5

Type: **Modified Gross** – Tenant responsible for utilities, janitorial
Authority responsible for all maintenance and insurance

Improvements: The Authority would construct a sidewalk from Lot 8 to Lot 9 and would provide additional security to the IT room in Bldg. 394 by closing off the exterior door providing interior access.

Systems 4 (Sidewalk)	\$ 5,146
Hutton (Secure IT Room)	\$11,317

The Authority would construct a 3” mill and asphalt paving inlay on Tract 3.
APAC \$67,388

Recommendation: Approval of the First Amendment to Lease Agreement with the Kansas Department of Revenue for their September 10, 2020 Lease and authorization for improvements in an amount not to exceed \$84,000 to construct the sidewalk, IT room security and rehabilitate the CDL course for the Salina Division of Motor Vehicle Office and driver training and testing course. Authorize chair Eichelberger to sign the addendum.

Agenda Item #11 – Approval of the Expenditure of \$18,935 at Hangar H724 to Remodel Restrooms.
(Bieker)

Hangar 724, located at 1910 Beechcraft Rd. has been leased to various short-term lessors since mid-2020, including Vestas American Wind Technology, Inc. (storage and light maintenance of windmill generators) and K-State Polytechnic (storage of tables/chairs). In the last twelve months, this facility has generated nearly \$30,000 in short-term lease revenue and we have two new prospects interested in leasing space in H724. The facility’s high bay and large overhead doors make it an attractive warehouse and light manufacturing facility. The one amenity needed is working restroom facilities, which have not been in operation since the facility was occupied by Hawker Beechcraft in 2012. Kenny prepared a plan and sought proposals to bring the restrooms back into service which includes a new water service line and replacing all fixtures for both men’s and women’s facilities. The lowest responsive proposal was received from Systems 4 in an amount of \$18,935.

Recommendation: Approval of the proposal from Systems 4 in an amount of \$18,935.

Agenda Item #12 – Runway 17/35 Rehabilitation Grant Funding Update (Rogers and Swanson)

The FAA Central Region Airports Division has requested that the Airport Authority complete the Runway 17/35 rehabilitation design and obtain construction bids by April 30, 2021. With construction bids in hand, the SAA will submit a project application by May 1, 2021 in anticipation of a grant award by June/July 2021. The construction work will be scheduled for Spring/Summer 2022.

Securing a multi-year Airport Improvement Program (AIP) grant this calendar year will enable the time needed to plan for Spring/Summer 2022 construction work. An AIP grant issued in FY 2021 also has the benefit of 100% FAA grant funding. This means that the \$4.32M project can be completed without a SAA 10% match of \$480,000.

Agenda Item #13 – COVID19 Financial Relief and Assistance – (Rogers and Swanson)

With the passage of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) the Airport Authority became eligible for additional COVID 19 financial aid. CRRSAA grant funding is in addition to previous CARES Act funding.

CRRSAA financial aid is available for two separate and distinct uses. First, the SAA has been awarded \$1,005,444 to fund airport operating and equipment expenses. An application for these grant funds has been signed and returned to the FAA. Staff recommends the continued use of CRRSA grant funds for operating and equipment expenses. At the time that \$1,005,444 CRRSA grant agreement is presented for approval the board will also receive a budget providing for the use of \$355,444 for operating expenses and \$650,000 for airfield equipment and repairs.

Second, CRRSAA financial aid is available for concessions' relief. The SAA has been awarded \$3,432 for concessions' relief. Acceptance of the funds commits the SAA to relieving rent and minimum annual guarantees. Shelli and I are reviewing the guidance for the use of the \$3,432. A separate grant application has also been signed and returned to the FAA. At the time we present that grant agreement to the board for approval we will be able to review the use plan for the \$3,432 grant.

Agenda Item #14 – Aircraft Storage Hangar Construction – (Bieker)

At the meeting Kenny Bieker will review the 60% design of a new five-unit, aircraft storage hangar and the design of a T-hangar area public restroom building. Hutton architects are on schedule to be able to present construction bids at the March 17 board meeting.

Agenda Item #15 – Hertz Car Rental Update (Rogers)

Dodge City auto dealer Brad Lewis (Lewis Automotive) has reached agreement with Hertz Corporation to purchase the assets and lease for the Hertz Salina location. Lewis Automotive is a Kansas based family business that operates car dealerships in Hays, Liberal, Dodge City and Garden City. The agreement is subject to bankruptcy court approval (Court approval is pending). The Lewis agreement with Hertz includes acquisition of Hertz corporate locations in Lawrence, Manhattan, and Hays. Lewis already operates Hertz locations in Dodge City, Garden City and Liberal.

The Lewis Automotive and Hertz closing is scheduled for mid-March. Lewis Automotive will reopen the Salina Airport location immediately after the closing and I expect that customer service will significantly improve.

Agenda Item #16 – Consideration of SAA Resolution 21-01 Recognizing Troy Vancil for Nine Years of Service as a Member of the Salina Airport Authority Board of Directors – (Eichelberger)

Director Vancil has served a total of nine years as a member of the SAA board of directors. Troy will complete his third, three-year term on February 28, 2021 and he is not eligible for reappointment. His first three-year term on the board was March 1, 2008 through February 28, 2011. After a brief break Troy was again appointed to the SAA board for a three year-term starting on March 1, 2015. He was reappointed for his current three-year term that started on March 1, 2018.

Completing nine years as a member of the SAA board of directors puts Troy in elite company. He joins former SAA board members Bill Horton and Ben Vidricksen as the three of the longest serving directors.

Horton and Vidricksen served a total of 12-years each.

Troy has experienced several unique times in the Airport Authority's history. He has guided the SAA through economic recession, the loss of a major tenant (Beechcraft), multiple Jaded Thunder exercises and now the COVID 19 pandemic. Troy's advice, guidance and calm leadership has been appreciated by his fellow board members and staff.

Recommendation: Approval of SAA Resolution 21-01 expressing gratitude and appreciation to Troy Vancil for his service rendered to the City of Salina and its citizens. Authorize chair Eichelberger and vice-chair Gunn to sign the resolution.

Please contact me if you have any questions or comments.

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

February 17, 2021 – 8:00 AM

AGENDA

Action Items

1. Call to order. (Eichelberger)
 - a. Roll call and determine that a quorum is present.
 - b. Confirm that the meeting notice has been published.
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 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.
 - g. Executive session procedures will be as follows:
 - i. Visitors and nonessential attendees will be asked to leave the VTC.
 - ii. After visitors and nonessential staff have been dismissed, access to the VTC will be locked.
 - iii. At the end of the executive session and when the open meeting resumes, the VTC will be unlocked and visitors will be able to again login to the meeting.
3. Recognition of guests. (Eichelberger)
4. Additions to the agenda and agenda overview. (Rogers)
5. Approval of the minutes of the January 20, 2021 regular board meeting. (Eichelberger)
6. Review of airport activity and financial reports for the month ending January 31, 2021. (Rogers & Swanson)
7. Consideration and approval of the amended Consent Agreement and Final Order with the Kansas Department of Health and Environment. (Rogers and Bengtson)
8. Salina Area Technical College campus development overview presentation by SATC president Greg Nichols. (Rogers)



9. Approval of a land lease with Central States Enterprises, LLC for the existing Salina Aircraft Services corporate hangar located at 3148 Arnold Ave., Salina Regional Airport. (Rogers and Swanson)
10. Consideration of a multi-year lease with the State of Kansas for building B394 located at 2941 Centennial Rd. (Swanson)
11. Approval of the expenditure of \$18,935 at hangar H724 to remodel restrooms. (Bieker)

Staff Reports

12. Update on the FAA's Airport Improvement Program grant funding for the Runway 17/35 rehabilitation project (Rogers and Swanson)
13. Update on COVID19 financial assistance available through the FAA's Airport Coronavirus Response Grant Program. (Rogers and Swanson)
14. Review of the 60% design for the construction of new aircraft storage hangars. (Bieker)
15. Hertz rental car operations at the M.J. Kennedy Air Terminal update. (Rogers)

Directors' Forum

16. Consideration of SAA Resolution 21-01 recognizing Troy Vancil for nine years of service as a member of the Salina Airport Authority board of directors. (Eichelberger)

Visitor's Questions and Comments

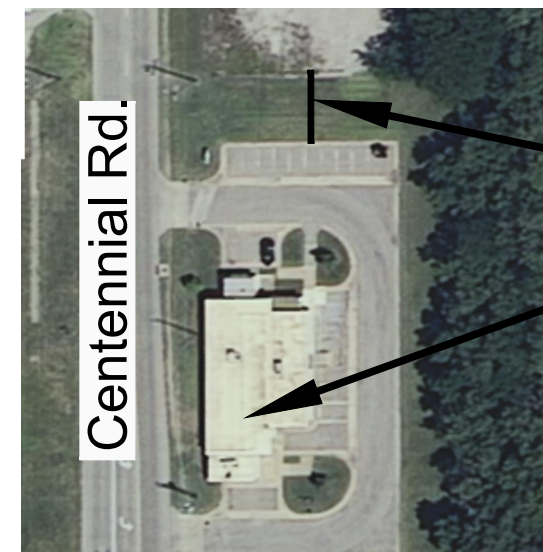
Announcements

Adjournment (Eichelberger)





Mill & Inlay CDL
Testing Course



8' Sidewalk

New Door

KDOR Facility Repairs & CDL Testing Course

Salina Area Technical College Land Request

Runway 17-35 Rehabilitation

Bradley Hangar Sale to Central States

Every Right of Access Easement



Terminal
Building

Bradley Hangar Sale to Central States

Drawing Number 2910-02-21



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

None : REVISIONS

KRB : DESIGNED BY

KRB : DRAWN BY

1" = 2000' : SCALE

2/17/21, 08:11 : DATE



**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
JANUARY 20, 2021
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 Friday, January 15, 2021.

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 website.
- g. Executive session procedures will be as follows:
 - i. Visitors and nonessential attendees will be asked to leave the VTC.
 - ii. After visitors and nonessential staff have been dismissed, access to the VTC will be locked.
 - iii. At the end of the executive session and when the open meeting resumes, the VTC will be unlocked and visitors will be able to again login to the meeting.

Attendance

Roll call attendance was taken. Chairman Eichelberger, Directors Buer, Gunn, Vancil and Weisel attended via video conference. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker; Business and Communications Manager Kasey Windhorst and Attorney Greg Bengtson attended via video conference. Gary Foss, The ArkStar Group; Eric Brown, Salina Area Chamber of Commerce; Renee Duxler, Salina Area Chamber of Commerce; Mitch Robinson, Salina Community Economic Development Organization; Melissa Hodges, City of Salina Mayor; Bob Vidricksen, Saline County Commissioner; 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 to the agenda. 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 December 16, 2020 regular board meeting. Director Vancil moved, seconded by Director Gunn, to approve the minutes of the December 16, 2020 regular 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 that the Salina Air Traffic Control Tower (ATCT) recorded 4,269 operations during December 2020, which was a 7% decrease compared to the December 2019 total of 4,587. A total of 60,448 operations have occurred year-to-date which is 21% less than the December 2019 year-to-date total of 76,553. December fuel flowage came in at 114,869 gallons which was a 32% increase compared to December 2019 total of 87,182 gallons. A total of 2,295,009 gallons have been delivered on the airport during 2020 which is a slight increase compared to the 2019 total of 2,278,659. United/SkyWest flights enplaned 628 passengers, which was a 66% decrease as compared to the December 2019 total of 1,874 enplaned passengers. The airline's total passenger count was 1,168 which was a 68% decrease as compared to the December 2019 total of 3,629. For CY 2020 a total of 7,877 passengers enplaned United/SkyWest flights as compared to the CY 2019 total of 19,710 passenger enplanements. The 60% decrease is consistent with the national decline in air travel during COVID19.

Director of Administration and Finance, Shelli Swanson reported on the preliminary year-end financial statements for 2020. Highlights from the preliminary year-end December 31, 2020 financials include:

- Unrestricted cash in bank at \$1,545,361
- Total income exceeded budget by \$166,202 and beat YOY by 9.23%
- Total operating expenses came in just slightly over budget (\$11,907) and 3.3% more than 2019
- Net operating income for the year came in at \$224,386, exceeding 2019's NIBD by \$146,856

Swanson reported that while the increase in leasing activity resulted in income exceeding budget by 7%, the SAA was able to hold operating costs to just \$11,907 over budget.

Swanson commented on a short-term lease agreement with Central Plains Agronomy for temporary storage at Bldg. 1080 (2,227 SF). This four-month agreement will generate \$950/month or \$3,800. Chairman Eichelberger directed staff to file the financials for audit.

Salina Area Chamber of Commerce Economic Development Update

Executive Director Rogers introduced Salina Area Chamber of Commerce president and CEO Eric Brown and Renee Duxler, economic and workforce development director to the board. Brown provided an overview to the board and updated unemployment stats for Saline County. Duxler presented the *Imagine Salina* campaign and highlighted on website and marketing improvements, organic social media/ internal engagement, testimonial videos, recruiting

material, community tours, and quarterly priorities to attract workers to businesses located at the Salina Airport and the Airport Industrial Center.

Salina Regional Airport Air Service Development Annual Review

Executive Director Rogers introduced Gary Foss, managing partner for The ArkStar Group. Foss presented the annual review of Salina's scheduled air service and highlighted on air service history, passenger and seat growth prior to pandemic, advanced booking comparisons, key performance indicators, completion schedules and total enplanements. Foss noted four majoring leverage points to generate airline traffic include schedules, air fares, market awareness and corporate penetration. Between August 2020 and November 2020 passengers returned to Salina United/SkyWest flights at a faster rate than the national average. Salina's late 2020 recovery is a good indicator that 2021 will be a better year for passenger enplanements.

Runway 17/35 Rehabilitation Project

Rogers provided an overview of the Runway 17/35 rehabilitation project and funding summary through federal fiscal year 2023. The current estimated cost for the project is \$4.8M. FAA AIP grant funds will cover 90% of project costs or approximately \$4.32M. The Airport Authority's mill levy for federal grant matching funds will fund the SAA's 10% local share of \$480K. The multi-year grant can be issued as early as May 2021. The project design can be completed during CY21, construction bids obtained in CY21 and construction completed during the Spring/Summer of CY22. A May 2021 multi-year AIP grant agreement will reimburse the Airport Authority for 90% of the cost to design, bid and construct the project. Rogers recommends approval of a maximum expenditure of \$454,378 with Aviation for the completion of Runway 17/35 rehabilitation design and bidding and submit a multi-year FAA AIP grant application for Runway 17/35 design and construction. Director Gunn moved, seconded by Weisel.

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

Salina Area Technical College Request for the Acquisition of SAA Property

Rogers updated the board on a request from the Board of Trustees for the Salina Area Technical College (SATC) for the acquisition of Salina Airport Authority property. The college is interested in acquiring two lots totaling 3.2 acres located at the Northwest end of Berschell Rd. The properties would be used for future expansion of the SATC campus as part of SATC board or trustees plans to expand the college's capabilities to meet local and area workforce education and training needs. A high SATC priority is the construction of a new health science building that may be good fit on the SAA's 3.2 acres. SATC president Greg Nichols will present details about the campus vision and enhanced education programs at the Feb. 17 board meeting.

Staff Reports

COVID 19 Financial Assistant

Rogers commented on the COVID19 financial assistance available through the FAA's Airport Coronavirus Response Grant Program for commercial service airports. With additional COVID19 grant funding available the Airport Authority will be able to continue to

reimbursement airport operating expenses and purchase needed airfield equipment. The next equipment priorities are a replacement for our 30-year-old front end loader and a brush chipper.

Aircraft Storage Hangar Construction Design and Bidding Schedule

Salina Airport Authority staff meet with Hutton architects on Monday, January 4. The scope of work for the hangars was firmed up and added the design of a stand-alone, public restroom to the project. A stand alone, public restroom building will be situated to benefit all GA hangar tenants and be available for use 24-hours per day. Director of Facilities and Construction, Kenny Bieker reviewed the project schedule.

A motion was made to adjourn the meeting.

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

The meeting adjourned at 9:45 A.M.

Minutes approved at the February 17, 2021 Board Meeting.

Secretary

(SEAL)

**SALINA AIRPORT AUTHORITY
AIRPORT ACTIVITY REPORT
2021**

AIR TRAFFIC/ATCT

January, 2021	3,996 Operations 535 Instrument Operations 438 Peak Day
January, 2020	3,109 Operations 587 Instrument Operations 367 Peak Day
January 2021 - January 2021	3,996 Operations
January 2020 - January 2020	3,109 Operations
January 2019 - January 2019	3,102 Operations

FUEL FLOWAGE

January, 2021	118,268 Gallons
January, 2020	118,337 Gallons
January 2021 - January 2021	118,268 Gallons
January 2020 - January 2020	118,337 Gallons
January 2019 - January 2019	156,531 Gallons

KSU-S	Avflight Salina	Avflight	
		Military/Gov't Portion	Self-fuel Station Portion
5,403	112,865	12,171	207
2,979	115,358	39,667	0
5,403	112,865	12,171	207
2,979	115,358	39,667	0
3,438	153,093	72,504	422

SkyWest Airlines

ENPLANEMENTS

DEPLANEMENTS

TOTAL

January, 2021	388 Passengers	475 Passengers	863
January, 2020	1,232 Passengers	1265 Passengers	2,497
January 2021 - January 2021	388 Passengers		
January 2020 - January 2020	1,232 Passengers		
January 2019 - January 2019	996 Passengers		

ENPLANEMENTS - Charter Flights

January, 2021	250 Passengers
January, 2020	0 Passengers
January 2021 - January 2021	250 Passengers
January 2020 - January 2020	0 Passengers
January 2019 - January 2019	0 Passengers

TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights

January, 2021	638 Passengers
January, 2020	1,232 Passengers
January 2021 - January 2021	638 Passengers
January 2020 - January 2020	1,232 Passengers
January 2019 - January 2019	996 Passengers

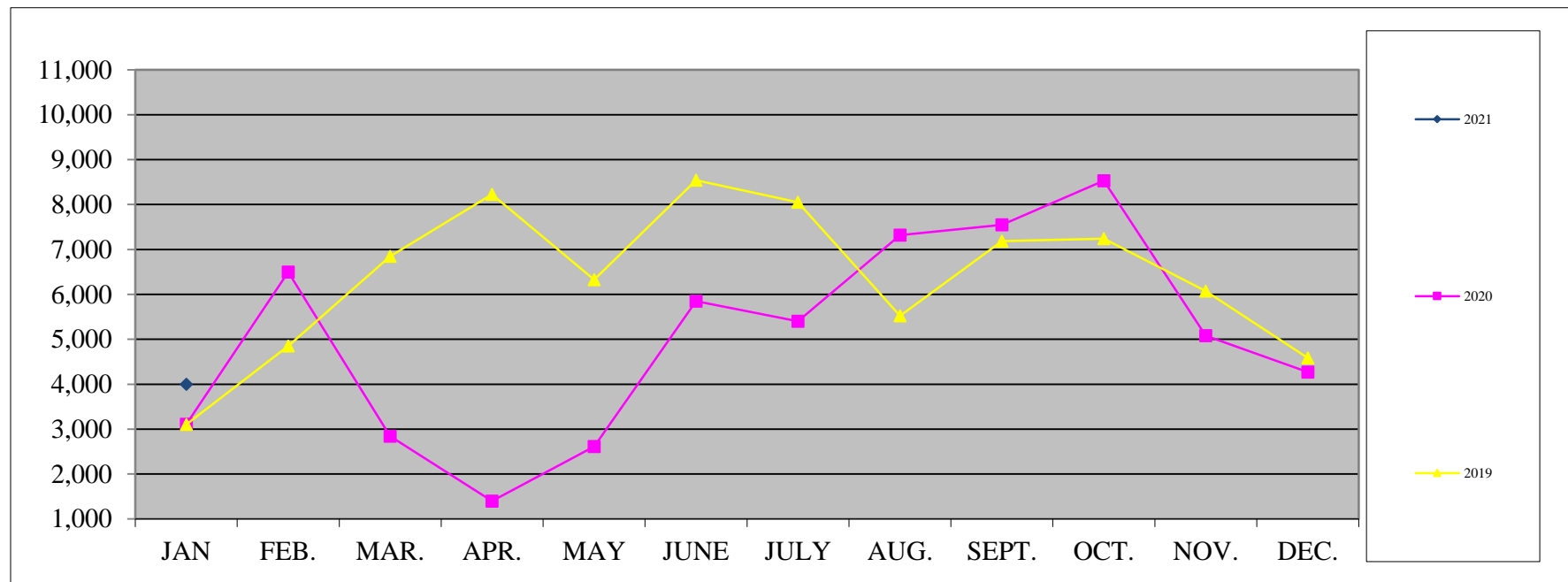
AIRPORT TRAFFIC RECORD

2020 - 2021

	ITINERANT					LOCAL			
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	Total Operations
2021									
January, 21	131	1,074	540	161	1,906	1,968	122	2,090	3,996
February, 21									
March, 21									
April, 21									
May, 21									
June, 21									
July, 21									
August, 21									
September, 21									
October, 21									
November, 21									
December, 21									
Totals January - January	131	1,074	540	161	1,906	1,968	122	2,090	3,996
2020									
January, 20	134	675	488	252	1,549	1,192	368	1,560	3,109
February, 20									
March, 20									
April, 20									
May, 20									
June, 20									
July, 20									
August, 20									
September, 20									
October, 20									
November, 20									
December, 20									
Totals January - January	134	675	488	252	1,549	1,192	368	1,560	3,109
Difference	-3	399	52	-91	357	776	-246	530	887
YTD % Change	-2%	59%	11%	-36%	23%	65%	-67%	34%	29%
Legend:	AC: Air Carrier		AT: Air Taxi						
	GA: General Aviation		MI: Military						

AIR TRAFFIC

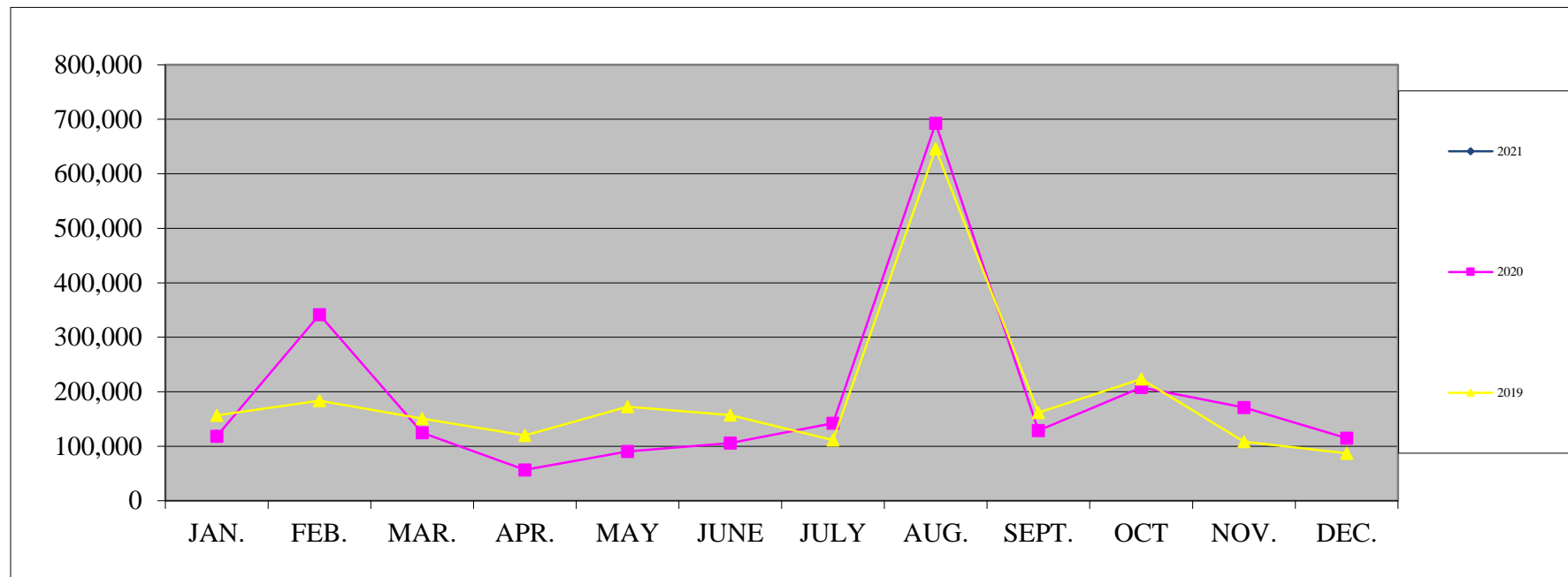
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2021	<u>3,996</u>												<u>3,996</u>
2020	3,109	6,494	2,841	1,398	2,614	5,846	5,399	7,318	7,550	8,532	5,078	4,269	60,448
2019	3,102	4,852	6,848	8,225	6,328	8,541	8,051	5,520	7,187	7,240	6,072	4,587	76,553
2018	3,418	4,601	6,312	5,510	5,094	6,865	6,865	4,910	6,336	9,974	5,317	4,091	69,293
2017	3,539	6,598	5,329	5,340	4,253	4,338	3,613	4,717	7,081	6,177	6,062	4,094	61,141
2016	4,422	7,789	7,962	7,312	6,898	8,011	5,877	4,789	7,593	6,052	5,458	4,948	77,111
2015	6,918	7,133	8,557	8,870	8,022	7,268	8,089	5,426	8,846	11,367	8,753	7,101	96,350
2014	6,511	6,887	7,143	8,426	8,365	7,234	7,423	5,756	9,035	10,496	8,316	5,509	91,101
2013	5,341	7,146	7,440	7,349	7,336	8,291	6,696	6,694	8,755	10,136	7,946	7,001	90,131
2012	4,642	6,700	8,189	8,002	11,819	7,532	7,635	7,802	10,478	10,292	8,838	5,409	97,338
2011	3,088	3,880	4,632	5,671	5,418	6,379	5,639	4,804	9,355	9,249	6,138	4,954	69,207



FUEL FLOWAGE

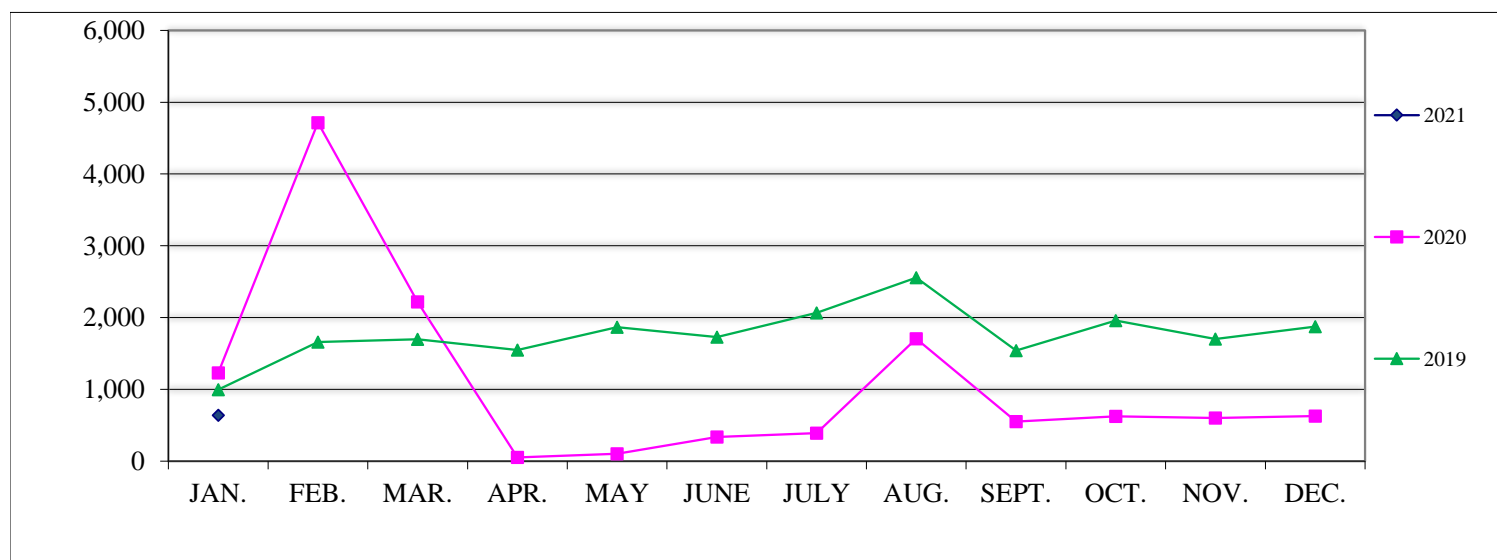
Gallons of Fuel Sold at SLN

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2021	<u>118,268</u>												<u>118,268</u>
2020	118,337	341,329	124,865	56,765	90,326	105,987	142,234	692,613	128,710	208,081	170,893	114,869	2,295,009
2019	156,531	183,334	150,881	119,745	172,835	157,376	111,147	645,834	161,888	223,382	108,525	87,182	2,278,659
2018	74,807	186,507	172,561	154,513	131,941	367,663	288,977	303,273	348,454	161,563	125,129	99,437	2,414,825
2017	115,075	588,072	203,387	149,134	143,801	211,351	160,134	126,751	418,616	172,614	200,050	133,173	2,622,158
2016	80,221	136,763	130,990	94,673	153,410	132,964	208,846	375,330	137,906	126,983	100,764	182,062	1,860,912
2015	176,746	188,406	290,470	132,543	128,100	126,428	237,782	108,581	143,816	717,601	147,853	89,277	2,487,603
2014	115,573	135,651	112,694	95,549	110,387	282,468	103,108	83,757	91,423	652,207	90,948	97,295	1,971,061
2013	139,227	165,167	138,056	121,295	120,083	282,743	134,677	137,840	126,523	134,024	151,427	106,917	1,757,981
2012	136,995	163,253	303,472	142,770	307,541	365,938	162,584	169,534	163,515	149,404	287,619	241,424	2,594,049
2011	158,199	175,703	311,254	168,490	141,986	261,097	246,687	202,390	178,133	172,586	203,684	166,461	2,386,670



ENPLANEMENTS

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2021	<u>638</u>												<u>638</u>
2020	1,232	4,716	2,219	52	105	338	392	1,705	552	624	602	628	13,165
2019	996	1,659	1,698	1,548	1,865	1,727	2,065	2,556	1,540	1,958	1,703	1,874	21,189
2018	414	715	370	783	1,387	1,751	1,623	5,553	2,095	2,230	1,756	1,622	20,299
2017	720	1,344	731	756	761	852	793	746	3,874	946	1,229	1,207	13,959
2016	36	0	0	0	0	104	372	910	637	558	574	692	3,883
2015	528	107	4,550	531	122	88	77	79	61	3,574	592	80	10,389
2014	145	109	140	135	175	403	282	223	178	431	157	178	2,556
2013	166	191	205	214	243	218	202	205	161	178	212	243	2,438
2012	237	249	247	216	287	213	174	198	151	187	229	335	2,723
2011	146	156	205	181	254	258	261	234	225	287	264	234	2,705



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

Salina Airport Authority
Statement of Net Assets Prev Year Comparison
As of January 31, 2021

02/12/2021

	Jan 31, 21	Dec 31, 20	\$ Change	Jan 31, 20	\$ Change	% Change
ASSETS						
Current Assets						
Checking/Savings						
Cash in Bank-Bond Funds	149,385	149,377	8	240,869	-91,484	-38%
Cash in bank-Operating Funds	1,279,197	1,545,361	-266,164	176,659	1,102,538	624%
Cash in Bank - Mill Levy	1,783,424	517,741	1,265,683	1,621,624	161,800	10%
LPA - B824 Project Fund	31,786	31,786	0	0	31,786	100%
Total Checking/Savings	1 3,243,792	2,244,265	999,527	2,039,152	1,204,640	59%
Accounts Receivable						
Accounts Receivable	63,031	176,987	-113,956	74,283	-11,252	-15%
Total Accounts Receivable	63,031	176,987	-113,956	74,283	-11,252	-15%
Other Current Assets						
Agri Land Receivable	66,760	0	66,760	56,000	10,760	19%
Mill Levy receivable	1,269,043	0	1,269,043	1,296,188	-27,145	-2%
Other current assets	194,272	15,700	178,572	215,471	-21,199	-10%
Undeposited Funds	13,875	11,615	2,260	40,949	-27,074	-66%
Total Other Current Assets	1,543,950	27,315	1,516,635	1,608,608	-64,658	-4%
Total Current Assets	4,850,773	2,448,567	2,402,206	3,722,043	1,128,730	30%
Fixed Assets						
Fixed assets at cost	92,786,391	92,709,516	76,875	91,647,055	1,139,336	1%
Less accumulated depreciation	-50,457,612	-50,220,272	-237,340	-47,660,721	-2,796,891	-6%
Total Fixed Assets	42,328,779	42,489,244	-160,465	43,986,334	-1,657,555	-4%
Other Assets						
Deferred Outflow of Resources	1,149,964	1,149,964	0	1,276,204	-126,240	-10%
Total Other Assets	1,149,964	1,149,964	0	1,276,204	-126,240	-10%
TOTAL ASSETS	2 48,329,516	46,087,775	2,241,741	48,984,581	-655,065	-1%
LIABILITIES & EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts payable	88,528	127,487	-38,959	355,273	-266,745	-75%
Total Accounts Payable	88,528	127,487	-38,959	355,273	-266,745	-75%
Total Credit Cards	0	4,569	-4,569	-20	20	100%
Other Current Liabilities						
Accrued debt interest payable	257,723	211,244	46,479	280,156	-22,433	-8%
Debt, current portion	3,772,397	3,772,397	0	1,427,350	2,345,047	164%
Deferred Agri Land Revenue	61,197	0	61,197	51,333	9,864	19%
Deferred Mill Levy revenue	2,323,447	0	2,323,447	2,445,216	-121,769	-5%
Other current liabilities	148,174	196,093	-47,919	241,369	-93,195	-39%
Total Other Current Liabilities	6,562,938	4,179,734	2,383,204	4,445,424	2,117,514	48%
Total Current Liabilities	6,651,466	4,311,790	2,339,676	4,800,677	1,850,789	39%
Long Term Liabilities						
Debt - Long Term	23,523,853	23,543,891	-20,038	22,412,102	1,111,751	5%
Deferred Inflows of Resources	41,412	41,412	0	41,412	0	0%
Less current portion	-3,772,397	-3,772,397	0	-1,427,350	-2,345,047	-164%
Net OPEB Liability (KPERs)	13,338	13,338	0	13,338	0	0%
Net Pension Liability	632,856	632,856	0	632,856	0	0%
Security Deposits Returnable	83,989	83,989	0	60,787	23,202	38%
Total Long Term Liabilities	20,523,051	20,543,089	-20,038	21,733,145	-1,210,094	-6%
Total Liabilities	27,174,517	24,854,879	2,319,638	26,533,822	640,695	2%
Equity						
Invested in Capital Assets net	18,804,926	18,935,971	-131,045	21,540,065	-2,735,139	-13%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	2,337,970	3,476,815	-1,138,845	872,720	1,465,250	168%
Net Income	-77,897	-1,269,890	1,191,993	-52,027	-25,870	-50%
Total Equity	21,154,999	21,232,896	-77,897	22,450,758	-1,295,759	-6%
TOTAL LIABILITIES & EQUITY	3 48,329,516	46,087,775	2,241,741	48,984,580	-655,064	-1%

Salina Airport Authority
Profit & Loss Budget Performance
January 2021

8:31 AM
02/12/2021
Accrual Basis

	Jan 21	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense					
Income					
Airfield revenue					
Fuel Flowage Fees	9,639	15,417	-5,778	63%	185,000
Hangar rent	46,809	55,000	-8,191	85%	660,000
Landing fees	2,809	2,500	309	112%	30,000
Ramp rent	5,098	4,778	320	107%	57,335
Total Airfield revenue	64,355	77,695	-13,340	83%	932,335
Building and land rent					
Agri land rent	5,563	5,563	0	100%	66,760
Building rents - Long Term					
Short-term leasing	37,032	25,350	11,682	146%	304,200
Building rents - Long Term - Other	74,367	68,129	6,238	109%	817,550
Total Building rents - Long Term	111,399	93,479	17,920	119%	1,121,750
Land rent					
Basic Land Rent	13,490	10,716	2,774	126%	128,586
Property tax - tenant share	9,452	9,452	0	100%	113,424
Total Land rent	22,942	20,168	2,774	114%	242,010
Tank rent	1,167	1,125	42	104%	13,500
Total Building and land rent	141,071	120,335	20,736	117%	1,444,020
Other revenue					
Airport Marketing	0	2,083	-2,083	0%	25,000
Commissions	0	1,755	-1,755	0%	21,060
Other income	2,610	6,417	-3,807	41%	77,000
Total Other revenue	2,610	10,255	-7,645	25%	123,060
Total Income	208,036	208,285	-249	100%	2,499,415
Gross Income	4 208,036	208,285	-249	100%	2,499,415
Expense					
Administrative expenses					
A/E, consultants, brokers	10,460	2,667	7,793	392%	32,000
Airport promotion	11,158	8,333	2,825	134%	100,000
Bad Debt Expense	0	417	-417	0%	5,000
Computer/Network Admin.	2,109	2,500	-391	84%	30,000
Dues and subscriptions	2,152	2,083	69	103%	25,000
Employee retirement	6,038	7,112	-1,074	85%	85,345
FICA and medicare tax expense	4,706	5,487	-781	86%	65,840
Industrial development	2,375	3,625	-1,250	66%	43,500
Insurance , property	17,083	17,917	-834	95%	215,000
Insurance, medical	16,442	17,083	-641	96%	205,000
Kansas unemployment tax	0	83	-83	0%	1,000
Legal and accounting	2,924	3,083	-159	95%	37,000
Office salaries	37,271	43,005	-5,734	87%	516,062
Office Supplies	1,054	542	512	194%	6,500
Other administrative expense	1,104	1,250	-146	88%	15,000
Postage	58	208	-150	28%	2,500
Property tax expense	14,238	14,238	0	100%	170,854
Special Events	0	83	-83	0%	1,000
Telephone	1,964	1,333	631	147%	16,000
Training	0	417	-417	0%	5,000
Travel and meetings	0	833	-833	0%	10,000
Total Administrative expenses	5 131,136	132,299	-1,163	99%	1,587,601

	Jan 21	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Maintenance expenses					
Airfield maintenance	5,379	4,167	1,212	129%	50,000
Airport Security	65	208	-143	31%	2,500
Building maintenance	17,061	6,250	10,811	273%	75,000
Equipment fuel and repairs	4,034	5,000	-966	81%	60,000
Fire Services	0	2,125	-2,125	0%	25,500
Grounds maintenance	256	625	-369	41%	7,500
Maintenance salaries	25,686	31,682	-5,996	81%	380,187
Other maintenance expenses	1,873	2,083	-210	90%	25,000
Snow removal expense	0	1,667	-1,667	0%	20,000
Utilities	20,779	18,333	2,446	113%	220,000
Total Maintenance expenses	75,133	72,140	2,993	104%	865,687
Total Expense	206,269	204,439	1,830	101%	2,453,288
Net Ordinary Income	1,767	3,846	-2,079	46%	46,127
Other Income/Expense					
Other Income					
Capital contributed	0	43,750	-43,750	0%	525,000
Gain on sale of assets	0	1,667	-1,667	0%	20,000
Interest income					
Interest income on deposits	58	125	-67	46%	1,500
Total Interest income	58	125	-67	46%	1,500
Mill levy income	211,222	211,222	0	100%	2,534,669
Total Other Income	211,280	256,764	-45,484	82%	3,081,169
Other Expense					
Debt interest expense net					
Bond issue cost	0	3,750	-3,750	0%	45,000
Interest Expense on Debt	53,605	53,604	1	100%	643,250
Total Debt interest expense net	53,605	57,354	-3,749	93%	688,250
Depreciation expense	237,340	237,340	0	100%	2,848,082
Total Other Expense	290,945	294,694	-3,749	99%	3,536,332
Net Other Income	-79,665	-37,930	-41,735	210%	-455,163
Net Income	-77,898	-34,084	-43,814	229%	-409,036

Salina Airport Authority
Profit & Loss Prev Year Comparison
January 2021

8:36 AM
02/12/2021
Accrual Basis

	Jan 21	Jan 20	\$ Change	% Change
Ordinary Income/Expense				
Income				
Airfield revenue				
Fuel Flowage Fees	9,638.87	9,644.42	-5.55	-0.06%
Hangar rent	46,809.43	39,274.00	7,535.43	19.19%
Landing fees	2,808.75	2,463.60	345.15	14.01%
Ramp rent	5,098.00	4,760.00	338.00	7.1%
Total Airfield revenue	64,355.05	56,142.02	8,213.03	14.63%
Building and land rent				
Agri land rent	5,563.33	4,666.67	896.66	19.21%
Building rents - Long Term				
Short-term leasing	37,032.01	25,350.00	11,682.01	46.08%
Building rents - Long Term - Other	74,367.19	68,332.28	6,034.91	8.83%
Total Building rents - Long Term	111,399.20	93,682.28	17,716.92	18.91%
Land rent				
Basic Land Rent	13,490.32	10,025.53	3,464.79	34.56%
Property tax - tenant share	9,452.00	10,324.92	-872.92	-8.45%
Total Land rent	22,942.32	20,350.45	2,591.87	12.74%
Tank rent	1,167.00	1,161.00	6.00	0.52%
Total Building and land rent	141,071.85	119,860.40	21,211.45	17.7%
Other revenue				
Airport Marketing	0.00	14,371.92	-14,371.92	-100.0%
Commissions	0.00	1,512.01	-1,512.01	-100.0%
Other income	2,610.00	2,555.00	55.00	2.15%
Total Other revenue	2,610.00	18,438.93	-15,828.93	-85.85%
Total Income	208,036.90	194,441.35	13,595.55	6.99%
Gross Profit	208,036.90	194,441.35	13,595.55	6.99%
Expense				
Administrative expenses				
A/E, consultants, brokers	10,460.00	0.00	10,460.00	100.0%
Airport promotion				
Air Serv. Mktg - City	0.00	3,150.00	-3,150.00	-100.0%
Air Serv. Mktg - County	0.00	1,821.92	-1,821.92	-100.0%
Air Serv. Mktg - SAA	11,158.00	4,904.76	6,253.24	127.49%
Airport promotion - Other	0.00	1,596.92	-1,596.92	-100.0%
Total Airport promotion	11,158.00	11,473.60	-315.60	-2.75%
Bad Debt Expense	0.00	0.00	0.00	0.0%
Computer/Network Admin.	2,109.22	2,822.84	-713.62	-25.28%
Dues and subscriptions	2,151.68	2,533.06	-381.38	-15.06%
Employee retirement	6,038.10	5,854.63	183.47	3.13%
FICA and medicare tax expense	4,706.26	5,319.74	-613.48	-11.53%
Industrial development	2,375.00	7,000.00	-4,625.00	-66.07%
Insurance , property	17,083.33	15,497.92	1,585.41	10.23%
Insurance, medical	16,441.68	15,750.98	690.70	4.39%
Legal and accounting	2,923.60	2,406.20	517.40	21.5%
Office salaries	37,270.86	36,786.28	484.58	1.32%
Office Supplies	1,054.40	505.05	549.35	108.77%
Other administrative expense				
Merchant Processing Fees	978.71	946.38	32.33	3.42%
Other administrative expense - Other	125.22	85.00	40.22	47.32%
Total Other administrative expense	1,103.93	1,031.38	72.55	7.03%
Postage	58.22	71.76	-13.54	-18.87%
Property tax expense	14,237.83	13,823.17	414.66	3.0%
Telephone	1,964.02	1,620.55	343.47	21.2%
Travel and meetings	0.00	3,149.77	-3,149.77	-100.0%
Total Administrative expenses	131,136.13	125,646.93	5,489.20	4.37%

	Jan 21	Jan 20	\$ Change	% Change
Maintenance expenses				
Airfield maintenance	5,379.44	0.00	5,379.44	100.0%
Airport Security	64.95	47.95	17.00	35.45%
Building maintenance	17,061.12	8,671.50	8,389.62	96.75%
Equipment fuel and repairs	4,034.32	12,282.55	-8,248.23	-67.15%
Fire Services	0.00	798.13	-798.13	-100.0%
Grounds maintenance	255.92	0.00	255.92	100.0%
Maintenance salaries				
COVID-19 Compensation	343.00	0.00	343.00	100.0%
Maintenance salaries - Other	25,342.91	24,539.81	803.10	3.27%
Total Maintenance salaries	25,685.91	24,539.81	1,146.10	4.67%
Other maintenance expenses	1,872.92	838.43	1,034.49	123.38%
Snow removal expense	0.00	2,413.14	-2,413.14	-100.0%
Utilities	20,778.55	24,058.47	-3,279.92	-13.63%
Total Maintenance expenses	75,133.13	73,649.98	1,483.15	2.01%
Uncategorized Expenses	0.00	0.00	0.00	0.0%
Total Expense	206,269.26	199,296.91	6,972.35	3.5%
Net Ordinary Income	1,767.64	-4,855.56	6,623.20	136.4%
Other Income/Expense				
Other Income				
Capital contributed	0.00	14,623.00	-14,623.00	-100.0%
Interest income				
Interest income on deposits	58.19	322.88	-264.69	-81.98%
Total Interest income	58.19	322.88	-264.69	-81.98%
Mill levy income	211,222.42	223,581.06	-12,358.64	-5.53%
Total Other Income	211,280.61	238,526.94	-27,246.33	-11.42%
Other Expense				
Debt interest expense net				
Interest Expense on Debt	53,605.00	53,011.80	593.20	1.12%
Total Debt interest expense net	53,605.00	53,011.80	593.20	1.12%
Depreciation expense	237,340.17	232,686.45	4,653.72	2.0%
Total Other Expense	290,945.17	285,698.25	5,246.92	1.84%
Net Other Income	-79,664.56	-47,171.31	-32,493.25	-68.88%
Net Income	-77,896.92	-52,026.87	-25,870.05	-49.72%

Salina Airport Authority
Capital Additions Budget vs. Actual
As of January 31, 2021

9:10 AM
02/12/2021
Accrual Basis

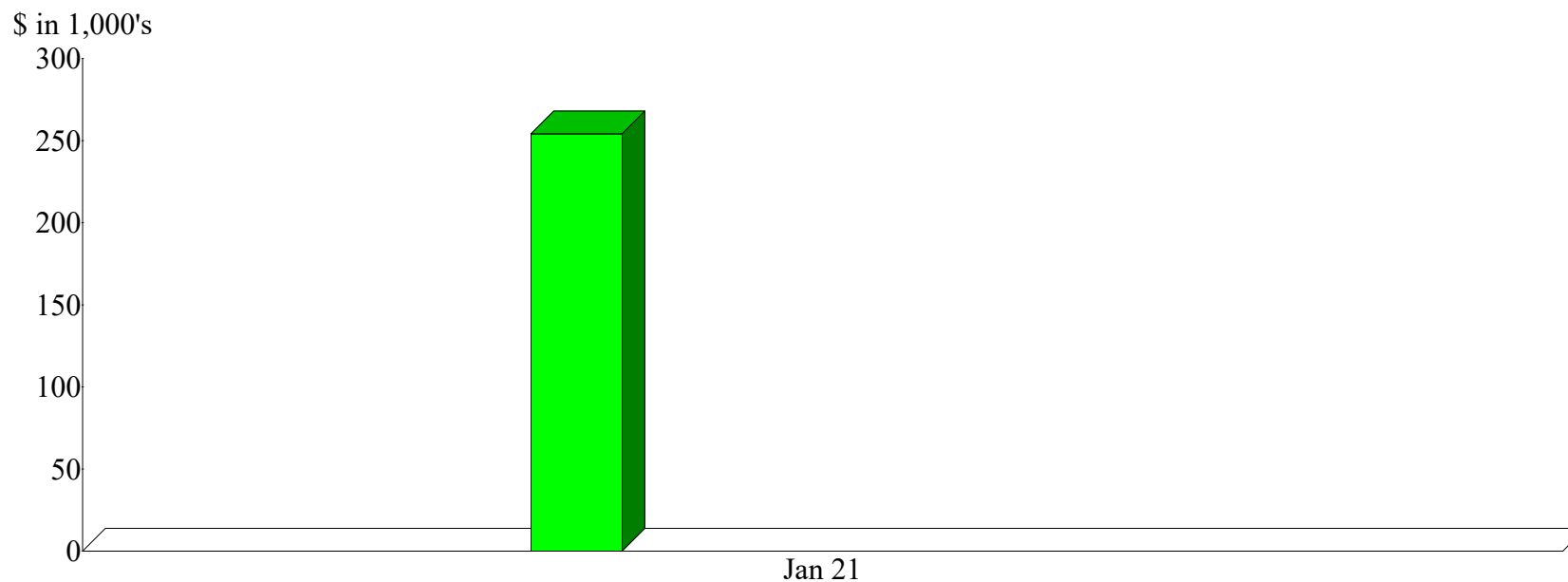
	Jan 21	Annual Budget	+/- Annual Budget	% of Annual Budget
ASSETS				
Fixed Assets				
Fixed assets at cost				
Airfield				
AIP-42 Rwy 17/35 Rehab	0	470,000	-470,000	0%
Airfield Improvements	0	145,000	-145,000	0%
Total Airfield	0	615,000	-615,000	0%
Buildings & Improvements				
Building improvements				
Bldg. 394 Improvements	0	15,000	-15,000	0%
Bldg. Imps. Other	0	30,000	-30,000	0%
Hangar Imps. Other	0	40,000	-40,000	0%
Total Building improvements	0	85,000	-85,000	0%
Total Buildings & Improvements	0	85,000	-85,000	0%
Equipment				
ARFF equipment	0	10,000	-10,000	0%
Communications equipment	0	10,000	-10,000	0%
Computer equipment	0	15,000	-15,000	0%
Office equipment	0	10,000	-10,000	0%
Other Equipment	0	175,150	-175,150	0%
Shop equipment	76,875	225,220	-148,345	34%
Total Equipment	76,875	445,370	-368,495	17%
Land				
Airport Indust. Cent. Imps.	0	15,000	-15,000	0%
Rail Spur Imps.	0	10,000	-10,000	0%
Total Land	0	25,000	-25,000	0%
Total Fixed assets at cost	76,875	1,170,370	-1,093,495	7%

Salina Airport Authority
Significant Capital Expenditures Detail
January 2021

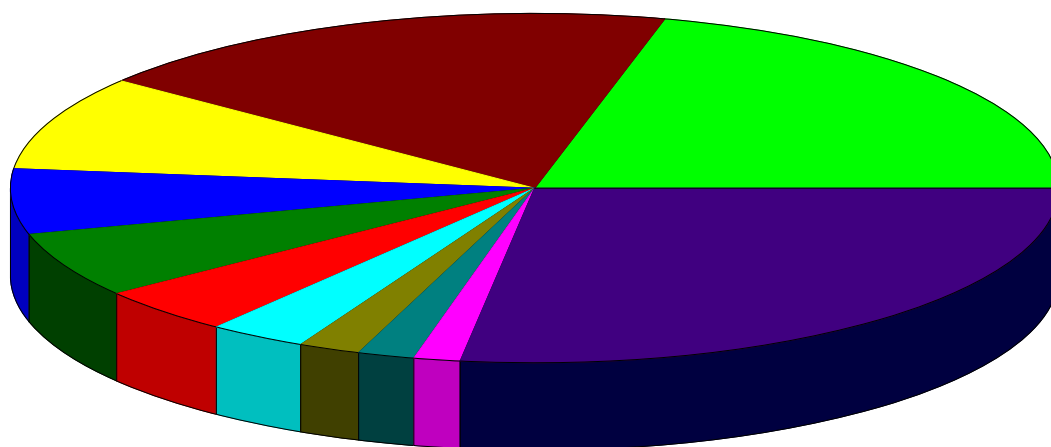
Type	Date	Name	Memo	Amount	Balance
Fixed assets at cost					
Equipment					
Shop equipment					
Bill	01/05/2021	Keystone Engineering	2' Flatner bump gridning attachment	43,949.40	43,949.40
Bill	01/06/2021	Bobcat of Salina, Inc.	Nitrogen Breaker	5,592.78	49,542.18
Bill	01/19/2021	Lang Diesel Inc.	2020 Rhino Rotary Cutter Mowers (qty - 2)	24,600.00	74,142.18
Bill	01/25/2021	Bobcat of Salina, Inc.	Snow pusher, 10 ft. attachment	2,732.96	76,875.14
Total Shop equipment				76,875.14	76,875.14
Total Equipment				76,875.14	76,875.14
Total Fixed assets at cost				76,875.14	76,875.14
TOTAL				76,875.14	76,875.14

Sales by Month
January 2021

 Dollar Sales



Sales Summary
January 2021

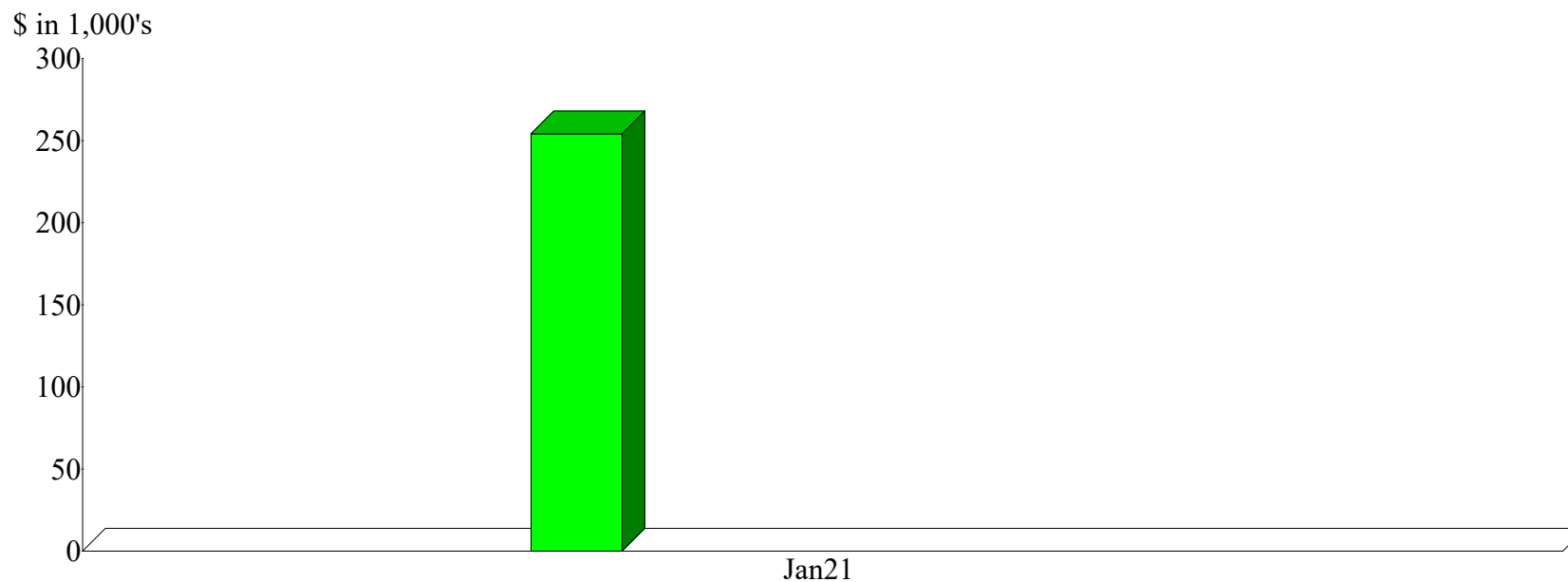


 Kansas Erosion Products, LLC.	21.15%
 1 Vision Aviation, PLLC	18.55
 Avflight Salina	8.91
 SFC Global Supply Chain	6.19
 Universal Forest Products (UFP)	6.08
 Stryten Salina, LLC	4.45
 Kansas State Polytechnic - Salina	3.15
 Durham School Service, L.P.	2.04
 AGCO Corporation	1.77
 Federal Aviation Adminis.	1.52
 Other	26.19
Total	\$254,180.09

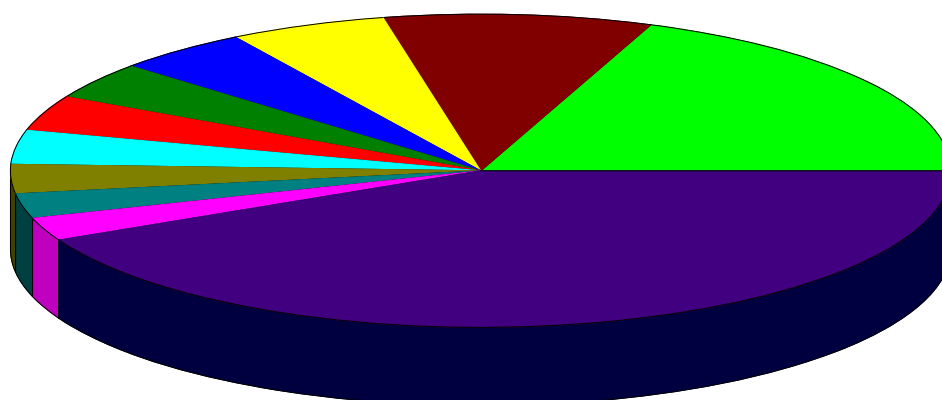
By Customer

Sales by Month
January 2021

Dollar Sales



Sales Summary
January 2021



Insurance(CP) (Insurance Reimbursement)	19.20%
H-00959-1 (Hangar Facility H959 - 2044 S	9.26
B-01021 (Building #1021 located at 3600	5.43
Utility Reimbursement (Utility Reimburse	4.76
B-00655-3 (Bldg. #655 (56,961 SF) - 2656	3.92
B-00620-1 (Building #620 (30,000 SF) an	3.75
FFF-Avflight Salina (Fuel Flowage Fee @	3.62
B-00626-1 (Manufacturing facility #626 (3.18
B-00655-4 (Bldg. #655 (33,992 SF) - 2656	2.56
H-0600-4 (Hangar 600 - 2720 Arnold Court	2.53
Other	41.78
Total	\$254,180.09

By Item

**STATE OF KANSAS
DEPARTMENT OF HEALTH AND ENVIRONMENT**

In the Matter of:)	
)	
)	
Environmental Contamination at the)	
Former Schilling Air Force Base)	Case No. 12-E-21 BER
)	
City of Salina, Kansas,)	
The Salina Airport Authority,)	
USD No. 305 of Saline County, Kansas,)	
Kansas State University,)	

Respondents

**AMENDMENT TO THE CONSENT AGREEMENT AND FINAL ORDER
("Amendment")**

Now on this ____ day of _____, 2021, ("Date of this Amendment to the Consent Agreement and Final Order") the Secretary of the Kansas Department of Health and Environment ("KDHE"), and the City of Salina, Kansas, the Salina Airport Authority, USD No. 305 of Saline County, Kansas, and Kansas State University (including the Kansas Board of Regents) ("Respondents"), (collectively, "Parties"), mutually agree to amend the Consent Agreement and Final Order ("CAFO"), entered into by the Parties on November 15, 2012. The Respondents and KDHE now find that it is in the best interest of the Parties to amend the CAFO to include the

responsibilities for and the preparation and implementation of remedial design/remedial action (“RD/RA”) activities at the Site.

The CAFO is fully incorporated herein, excluding any provisions of the CAFO that are expressly deleted by this Amendment or are expressly replaced by the terms of this Amendment, and all terms and orders of the CAFO apply to the Respondents. In the event of a conflict between the CAFO and the Amendment, the Amendment shall control.

DEFINITIONS

1. Terms used in this Amended CAFO, if defined in state statutes or the associated regulations, shall have the meanings assigned to them in the statute or the regulations. To the extent not inconsistent with the meanings assigned to them in statute or regulation, the terms listed below, if used in this Amended CAFO or in attached or incorporated documents, shall have the following meanings.

- a. “Day” shall mean a calendar day unless expressly stated to be a working day.
- b. “RSK Manual” shall mean the KDHE Risk-Based Standards for Kansas Manual 5th Version (October 2010) and any subsequent updates.
- c. “Site” shall include all areas and media from which hazardous substances and any other contamination or pollution connected with this facility have been released and/or have migrated or emanated therefrom.
- d. “Working day” shall mean a day other than a Saturday, Sunday, or State of Kansas holiday. In computing any period of time under this Amended CAFO where the last day would fall on a Saturday, Sunday or holiday recognized by

the State of Kansas the period shall run until the end of the next working day.

FINDINGS OF FACT

2. All Findings of Fact set out in the CAFO are incorporated as though fully set out herein.

EXHIBITS

3. The following documents shall be incorporated herein:
- a. RD/RA Scope of Work (Exhibit 9).
 - b. RD/RA Work Plans (incorporated upon KDHE approval) (Exhibit 10).
 - c. RD/RA Schedule (incorporated upon KDHE approval) (Exhibit 11).

The Parties agree that documents comprising the RD/RA Scope of Work, RD/RA Work Plans, and/or RD/RA Schedule, may be submitted, approved, and accepted in phases reflecting specific remedial activities under the Remedial Design and Remedial Action.

ORDER

4. **KDHE Approval of Work and Documents.** All activity contemplated or performed pursuant to this Amendment shall be conducted subject to the approval of KDHE, which approval shall not be unreasonably withheld, in accordance with the terms of this Amendment and consistent with the standards, specifications and schedules approved by KDHE as contained in the exhibits to this Amendment.
- a. All documents submitted to KDHE pursuant to this Amendment shall be considered draft documents until approved and accepted as final by KDHE.

- b. Any documents, reports, plans, specifications, schedules and/or attachments required by this Amendment, upon acceptance and/or approval by KDHE, shall be deemed incorporated into this Amendment by reference.
 - c. Upon KDHE approval, Respondents shall implement the tasks detailed in the subject work plan in accord with the corresponding implementation schedule.
- 5. **Task Specific Schedules.** The Amendment shall be implemented in accordance with the RD/RA Schedule found at Exhibit 11. All Work Plans required pursuant to this Amendment shall establish task specific dates and timeframes for related implementation, construction and reporting activities. Each schedule shall specifically include Respondents' proposed milestone dates for start and completion of implementation as well as construction activities and submittal of a draft report. All requests for schedule extensions must be submitted in advance by Respondents to KDHE for approval.
- 6. **RD/RA Activities.**
 - a. **Submission of Draft RD/RA Work Plan and RD/RA Schedule.** Within one hundred and twenty (120) days from the Date of this Amendment, Respondents shall submit a draft RD/RA Work Plan and RD/RA Schedule for KDHE approval which is consistent with the Final CAD (Exhibit 5) and the RD/RA Scope of Work (Exhibit 9). The draft RD/RA Work Plan and RD/RA Schedule shall facilitate, to the extent possible, commencement of substantial continuous physical on-site corrective action within one hundred and eighty (180) days of KDHE approval of the RD/RA Work Plan and RD/RA Schedule.

- b. **Implementation.** Upon KDHE approval, Respondents shall implement the tasks detailed in the RD/RA Work Plan and RD/RA Schedule.

7. Paragraph 47 of the CAFO is hereby amended to read as follows:

a. For KDHE:

James Hayes
Bureau of Environmental Remediation/KDHE
Curtis State Office Building
1000 SW Jackson, Suite 410
Topeka, KS 66612-1367
Office: 785-296-0969
Email: james.hayes@ks.gov

8. **Land-Use Controls.** As specified in the CAD, if deemed necessary to protect human health and the environment, Respondents agree~~s~~ that they will make an application to the KDHE-Bureau of Environmental Remediation (KDHE-BER) Environmental Use Control Program for the purpose of entering into an Environmental Use Control Agreement pursuant to K.S.A. 65-1,221 *et seq*, or other approved land use control agreement₂ to ensure the effectiveness of the remedial measures to be performed pursuant to the CAFO, as amended by this Amendment.

9. **Authority.** Each Party has full knowledge of and has consented to this Amendment, and represents and warrants that each person who executes this Amendment on its behalf is duly authorized to execute this Amendment on behalf of the respective Party and legally bind the Party represented to this Amendment.

10. **Entire Agreement.** Except as provided in this Amendment, all other provisions of the CAFO shall remain in full force and effect, shall be incorporated herein, and shall be made applicable to all matters contemplated by this Amendment.

IT IS SO ORDERED.

KANSAS DEPARTMENT OF
HEALTH AND ENVIRONMENT
By:

Lee A. Norman, M.D.
Secretary

Date

CITY OF SALINA, KANSAS

By:

Signature

Name (Typed or Printed)

Title

Date

SALINA AIRPORT AUTHORITY

By:

Signature

Name (Typed or Printed)

Title

Date

USD NO. 305 OF SALINE COUNTY, KANSAS

By:

Signature

Name (Typed or Printed)

Title

Date

KANSAS STATE UNIVERSITY

By:

Signature

Name (Typed or Printed)

Title

Date

CERTIFICATE OF MAILING

I hereby certify that on the _____ day of _____, 2021, I caused a true and correct copy of the foregoing Amended Consent Agreement and Final Order to be deposited in the United States Mail, First Class, postage prepaid and addressed as follows:

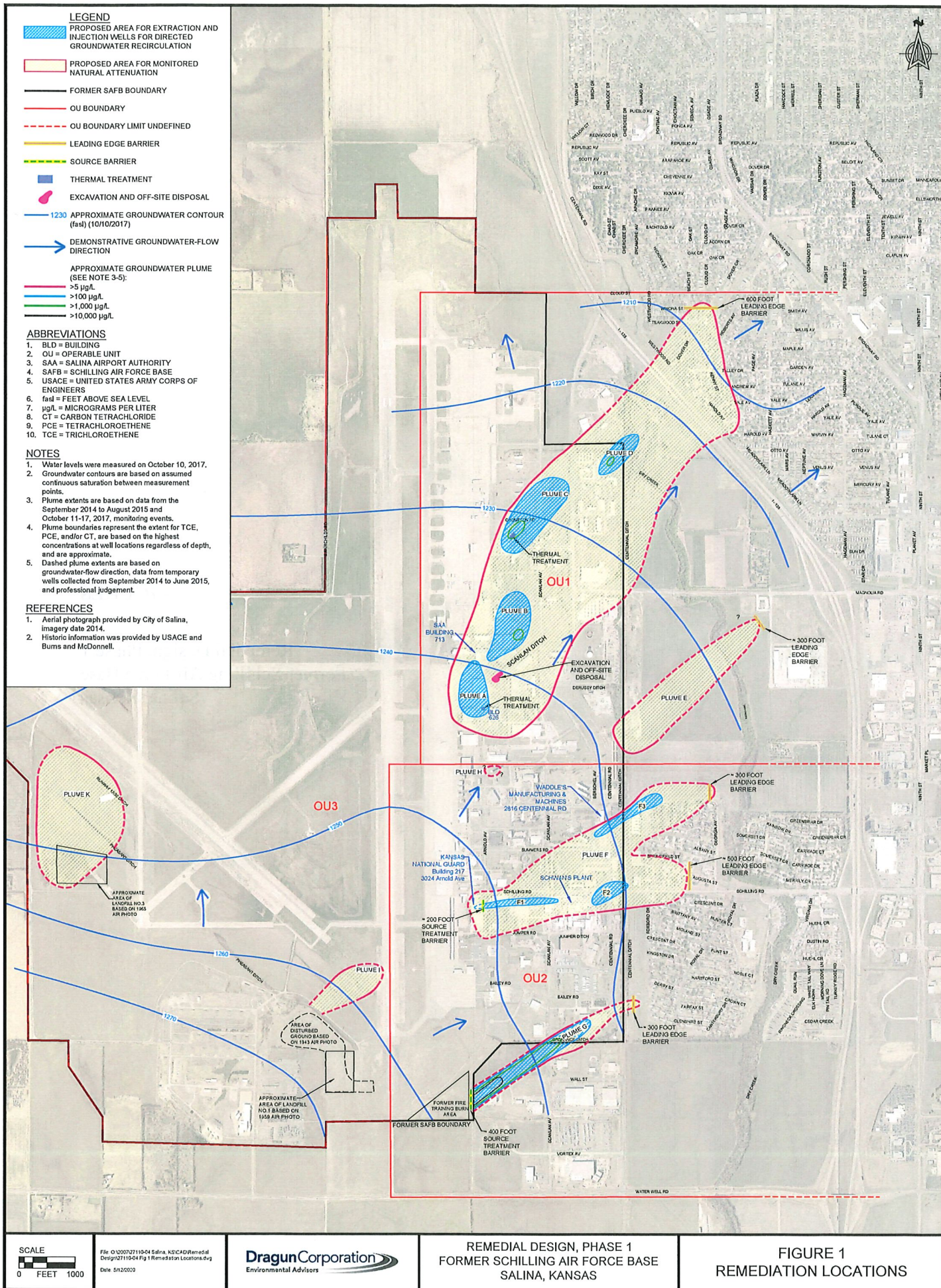
Andrew W. Davis
Stinson LLP
50 South Sixth Street, Suite 2600
Minneapolis, MN 55402
Attorney for Respondents

KDHE Staff Member

LIST OF EXHIBITS

SCOPE(S) OF WORK	---
RD/RA SCOPE OF WORK	9
WORK PLAN(S) APPROVED BY KDHE	---
RD/RA WORK PLAN ¹	10
PROJECT DELIVERABLE AND MILESTONE SCHEDULE(S)	---
RD/RA SCHEDULE ¹	11

¹ To be attached as exhibits upon KDHE approval or issuance.



LEASE AGREEMENT

This Lease Agreement (the “Lease”), made and entered into this ____ day of February 2021, by and between the **SALINA AIRPORT AUTHORITY, a Kansas public corporation**, of Salina, Saline County, Kansas, (the “Authority”), and **CENTRAL STATES ENTERPRISES, LLC**, a Kansas limited liability company with principal offices located at 1908 W Old Hwy 40, Salina, KS (“Lessee”), WITNESSETH:

Recitals

A. On March 15, 2002, the Authority consented to the assignment and assumption of a certain Lease Agreement, dated June 9, 1993 (“1993 Lease”) between the Authority and Blue Beacon International (“BBI”) to Doug and Kathleen Bradley, as Trustees of the Douglas Frances Bradley Trust dated March 16, 1998, (“Bradley”). The 1993 Lease covered certain real estate located at the Salina Regional Airport, Salina, KS on which an Aircraft Hangar had been constructed by BBI. This assignment and assumption of lease also included a waiver of the Authority’s right of first refusal provided for in the 1993 Lease to purchase the Aircraft Hangar and other associated fixtures on the real estate.

B. Since March 15, 2002, Bradley has been the owner of the Aircraft Hangar and other fixtures all located at on and adjacent to Lot 25, Block 5, Schilling Subdivision No. 5 (the “Tract”) at the Salina Regional Airport.

C. Bradley has notified the Authority of its desire to sell the Aircraft Hangar and fixtures on the Tract, including the aircraft hangar and all fixtures to Central States Enterprises, LLC, on or before March 6, 2021.

D. On February 2, 2021, the Authority provided Bradley notification of its waiver of the first right of refusal under the 1993 Agreement and thereby allowing the sale of the Aircraft Hangar and fixtures to Central States Leasing, LLC.

E. The Authority desires and Central States Enterprises, Leasing, LLC desires to enter into this new Lease Agreement for the real estate on which the Aircraft Hangar and fixtures are located.

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 premises:

Beginning at a point 18.99 feet south of a property corner along the platted property line of Lot 25, block 5, Schilling Subdivision No. 5; Thence S00°06'47"E along said platted lot a distance of 183.69 feet; Thence N89°53'41"W along said platted lot a distance of 200.00 feet; Thence N00°03'53"W along said platted lot a distance of 86.60'; Thence continuing N00°03'53"W along an existing fence line a distance of 73.43'; Thence due East along an existing fence line a distance of 74.80' to a point on said platted lot; Thence N45°29'53"E a distance of 33.49' to a property corner to said platted lot. Thence S89°53'41"E along a line separating the leased portion of lot 25 from the unleased portion of lot 25 a distance of 101.12 feet to the point of beginning. Said Lease Boundary contains 34,677.6 Square Feet or 0.796 Acres More or Less.

together with any improvements 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 and users of the Blue Beacon International Hangar and the MJ Kennedy Air Terminal Bldg. while utilizing the Aircraft Movement Area between the Premises and the other users.

2. Term, Effective Date and Holdover.

- 2.1. Term and Effective Date of Lease. This Lease shall be for a term of twenty (20) years commencing effective March 1, 2021 ("Effective Date"), and terminating on February 28, 2031 ("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 3.1.1 herein. The foregoing provisions of this Subsection are in addition

to and do not affect the right of re-entry or any right of the Authority hereunder or as otherwise provided by law and in no way shall such provisions affect any right which the Authority may have otherwise to recover damages, to the extent permissible by applicable law, from Lessee for loss or liability incurred by the Authority resulting from the failure by Lessee to surrender the Premises, or for any other reason. Nothing contained in this Subsection shall be construed as consent by Authority to any holding over by Lessee and the Authority expressly reserves the right to require Lessee to surrender possession of the Premises to Authority as provided in this Lease, and to the extent permissible by applicable law, upon the expiration of this Lease.

3. Option to Renew. The Lessee is hereby given the option to renew this Lease for one (1) additional term of twenty (20) 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. The Basic Rent for option period shall be as follows:

- 3.1. Basic Rent for each of option period 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. Rentals.

- 4.1. Basic Rental. Lessee agrees to pay the Authority a basic rental for the leasing of the Premises in the sum of Two Hundred and Fifty Dollars (**\$250.00**) per month, the first of which shall be due on the Effective Date and prorated to the end of the month. The rental shall be payable monthly in advance, due on the first of each subsequent month.
 - 4.1.1. On the second (2nd) anniversary date after the Effective Date and every two (2) years thereafter, the Basic Rent shall be determined by increasing the basic rental 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 rental for the option period shall remain the same as the basic rental 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 rental will remain the same as the prior 24-month period, as provided above.

4.2. Additional Rental. In addition to the basic rental provided for in paragraph 3.1 of this Lease, Lessee covenants and agrees that it will be responsible for:

4.2.1. Taxes. Lessee agrees to pay the proportional amount of all current and future real estate taxes, based on the total square footage, which may be levied against the Premises after the effective date of this Lease. 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 and no later than May 5 for taxes or assessments due May 10 and no later than December 15 for taxes due December 20.

4.2.2. Late Charge. If the rental 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 agreement, solely at the discretion of the Authority and not as a termination right for Lessee, in addition to recovery of the unpaid rent and the late charge.

4.2.3. Security Deposit. Waived

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

4.2.5. Fuel Flowage Fees. Lessee agrees to pay the Authority a "Fuel Flowage Fee" of \$.0815 cents per gallon on all aviation fuel sold, delivered, loaded and/or provided to aircraft at the Salina Regional Airport or used by Lessee in its own aircraft, subject however, to the biennial adjustment as herein provided. The Fuel Flowage Fee shall be paid on the 15th day of each month on aviation fuel for the previous month. The Authority shall have the right to examine or cause examination of the books and records of Lessee for the purpose of determining whether there has been compliance with the requirements of this paragraph. The Fuel Flowage Fee shall be biennially adjusted to reflect any increase in the CPI as set forth in subsection 4.2.5.1.

4.2.5.1. Fuel Flowage Fee CPI. As per the schedule for all SLN Lessees and Operators (biennially, with next scheduled adjustment effective October 2021), the fuel flowage fee shall be determined by increasing the rental 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 prior 24-month period has not shown a net increase, the Fuel Flowage Fees for the next 24-month period shall remain the same as the rental 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 Labor Statistics. The difference between such index nearest to the first day of the prior 24-month period 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, or that the Fuel Flowage Fees will remain the same as the prior 24-month period, as provided above.

4.2.6. Rental Renegotiations. Lessee acknowledges that it is aware 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 a FAA and/or DOT audit should determine that the rentals provided for herein are inadequate, the parties agree to renegotiate the rentals.

5. Insurance.

5.1. Lessee's Liability Insurance. Lessee shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of Kansas such insurance as will protect Lessee from claims set forth below which may arise out of or result from Lessee's operations and for which Lessee may be

legally liable, whether such operations be by Lessee or by its independent contractors or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

- 5.1.1. Claims under workers' compensation, disability benefit and other similar employee benefit acts, which are applicable to Lessee's operation;
 - 5.1.2. Claims for damages because of bodily injury, occupational sickness or disease, or death of the Lessee's employees;
 - 5.1.3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Lessee's employees;
 - 5.1.4. Claims for damages insured by usual personal injury liability coverage;
 - 5.1.5. Claims for damages, other than to the Premises, because of injury to or destruction of tangible property, including loss of use resulting there from;
 - 5.1.6. Claims for damages because of bodily injury, death of a person or property arising out of ownership, maintenance or use of a motor vehicle;
 - 5.1.7. Claims for bodily injury or property damage arising out of products liability and/or completed operations; and
 - 5.1.8. Claims involving contractual liability insurance applicable to Lessee's obligations under Section 16.1 of this lease agreement.
- 5.2. The insurance required by Section 4.1 and Section 4.2 shall be written for not less than 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 agreement. 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) or an insurer approved by the Authority.
- 5.2.1. Commercial General Liability, which is no more restrictive than ISO Form CG0001 1/96 or any revision thereof with minimum limits of liability of:
 - \$ 2,000,000 General Aggregate
 - \$ 2,000,000 Products-Completed Operations Aggregate
 - \$ 1,000,000 Personal & Advertising Injury
 - \$ 1,000,000 Each Occurrence
 - \$ 100,000 Fire Damage (Any one fire)
 - \$ 25,000 Medical Expense (Any one person)

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

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

5.2.3. Workers' Compensation with statutory limits.

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

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

5.2.5. Aviation/Aircraft Liability coverage on all aviation operations including non-owned and hired aircraft, if applicable. The policy shall be written with combined single limits of liability of not less than \$1,000,000, including passengers, per occurrence and coverage for owned aircraft with combined single limits of liability of not less than \$100,000 per passenger and \$1,000,000 per occurrence. This policy shall be endorsed to provide the limits required above on a "per location" basis, if applicable

5.3. Certificates of Insurance acceptable to the Authority shall be filed with the Authority prior to commencement of this Lease. These certificates and the insurance policies required by this Section 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.

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

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

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

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

5.8. Claims Made Insurance

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

5.9. Authority's Liability Insurance

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

5.10. Property Insurance

4.10.1 Lessee or its contractor shall procure and maintain builder's risk property insurance upon the entire construction project to the full insurable value of the project, including professional fees, overtime premiums and all other expenses incurred to replace or repair the insured property. The builder's risk property insurance obtained by Lessee shall include as loss payee, the interests of the Authority, and shall insure against the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, flood, earthquake, debris removal and other perils or causes of loss included in a standard "special cause of loss" property form. The property insurance shall include physical loss or damage to the work, including materials and equipment in transit, at the site or at another location. Lessee will be responsible for all premiums, deductibles and/or self-insured retentions, including non-insured losses.

4.10.2 Lessee shall procure, and maintain for the duration of the lease term, fire and extended coverage insurance on the Premises on a full replacement cost basis in at least an amount sufficient to prevent the operation of any co-insurance clause in the policy during the term of this Lease. Lessee shall be responsible for any such insurance covering Lessee's real property, personal

property or fixtures on the Premises. The Authority shall be listed as a loss payee. Lessee will be responsible for all premiums, deductibles and/or self-insured retentions, including non-insured losses.

4.10.3. Lessee waives all rights of action against the Authority for loss or damage to any owned, leased or borrowed property due to fire, theft or other hazards however caused.

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

4.10.4.1. 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.

4.10.4.2. 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.

4.10.5. Prior to the commencement of this agreement, Authority shall file with Lessee a copy of the property insurance policies that includes insurance coverages required by this Section 4.10.

4.10.6. Waivers of Subrogation. The Authority and Lessee waive all rights against each other, for damages caused by fire or other causes of loss to property noted in this Section 4.10 or other property applicable to the leased Premises. Any applicable insurance policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though (1) that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) did not pay the insurance premium directly or indirectly, (3) and whether or not the person or entity had an insurable interest in the property damaged.

5. Use of Premises. Lessee agrees to use the Premises for the sole purpose of aircraft storage, operation of a corporate flight department, and the lawful activities normally associated therewith. All activities will comply with SLN Airport Rules and Regulations and all other applicable law or regulations.

5.1. Lessee agrees that the Premises shall not be used or occupied for any purpose that constitutes a nuisance or may be objectionable to adjacent property; that it

will not allow the escape from the Premises of any fumes, odors, smoke, obnoxious gas, gases or other substances which are offensive, or which constitute a nuisance or interfere with the conduct of other business in the area. Lessee will provide adequate devices to control excessive noise, vibrations or electromagnetic emissions.

6. Environmental Concerns.

6.1. Defined Terms. The following terms are defined in the Lease Agreement and shall mean:

6.1.3. **“Environmental Law”** means any now-existing or hereafter enacted or promulgated federal, state, local, or other law, statute, ordinance, rule, regulation or court order pertaining to (i) environmental protection, regulation, contamination or clean-up, (ii) toxic waste, (iii) underground storage tanks, (iv) asbestos or asbestos-containing materials, or (v) the handling, treatment, storage, use or disposal of Hazardous Substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act and The Resource Conservation Recovery Act, all as exist from time to time.

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

6.2. Authority’s Responsibility. The Authority is party to a settlement reached with the United States of America to complete the cleanup of environmental contamination caused by the Department of Defense at the Salina Regional Airport and Airport Industrial Center, formerly the Schilling Air Force Base. The Authority shall be responsible for the cleanup and removal of any Hazardous Substances which are determined to have been present on the Premises prior to March 1, 2021. Authority agrees to indemnify and hold Lessee harmless from and against all claims, expenses, loss, or liability arising from the presence of any such contamination which occurred prior to March 1, 2021.

6.2.3. The Authority shall be responsible for any contamination caused by or during the performance of Authority’s work as landlord, even if it occurs after March 1, 2021.

6.3. Lessee Responsibility. The Lessee shall be responsible for the cleanup and removal of any Hazardous Substances, petroleum products, and petroleum additives released on the Premises at any time Lessee occupies the Premises from

and after March 1, 2021. Lessee agrees to indemnify and hold the Authority harmless from and against all claims, expenses, loss, or liability arising from any such contamination which occurs at any time Lessee occupies the Premises from and after March 1, 2021.

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

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

6.3.5. Lessee agrees that it will immediately notify the Authority in the event of any spills or leaks of Hazardous Substances, including any liquid hydrocarbon materials, on the Premises, and to clean up the affected area in accordance with Kansas Department of Health and Environment standards.

6.4. Non-waiver. Any acknowledgement or undertaking of responsibility by either party to this Sublease in relation to the other party, as set forth above, shall not be regarded as a release or waiver of any right by the responsible party to seek recovery against or contribution from any person or entity not a party to this Sublease.

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

7. Improvements to Premises.

7.1. Lessee shall construct the New Facility and any future additions, alterations, or modifications thereto (the "Improvements"), as follows:

7.1.1. All construction shall be in a good and workmanlike manner, shall comply with all applicable building codes, and shall be constructed using only quality materials.

7.1.2. Prior to commencement of any construction work, Lessee shall submit construction and site plans to the Authority for review and approval, which approvals shall not be unreasonably withheld or delayed.

7.1.3. The construction contract for the Improvements shall provide for a performance bond and a payment bond in the amount of the contract naming the Authority as a dual obligee.

- 7.1.4. All building permits and other permits, licenses, consents and approvals required to be obtained from the City of Salina or other regulatory agency in connection with construction of the Improvements shall be obtained as required by applicable laws, ordinances, or regulations by and at the sole cost of Lessee or its representatives. Lessee shall provide to the Authority any written communications either directed to the City of Salina by Lessee or its representatives or received from the City of Salina by Lessee or its representatives in the course of the City's regulatory role in relation to construction of the Improvements.
- 7.1.5. Lessee shall proceed diligently toward completion of construction of the New Facility, shall occupy the New Facility as soon as reasonably possible, and shall maintain operations during the term of this Lease.
- 7.1.6. Upon completion of the Improvements, Lessee shall deliver to the Authority one copy of an updated record set of drawings of the Improvements and an as-built survey.
- 7.2. Ownership, Maintenance, and Repair of Improvements. The Improvements shall be the property of Lessee during the term of this Lease. Lessee shall maintain all components of the Improvements to a standard comparable to the Authority's level of maintenance of neighboring structures. Lessee shall promptly repair, replace, or reconstruct the Improvements to the same standard as original construction in the event of damage to or destruction of the Improvement.
8. Ownership and Removal 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. 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.
9. Authority's Right of First Offer. The Authority shall have the right of first offer to purchase all or any portion of Lessee's interest in this Lease or the leasehold estate created hereby. If at any time during the term of this lease, Lessee shall elect to sell its interest in this Lease (including its ownership interest in the Improvements for the term of this Lease) Lessee shall promptly deliver to the Authority a notice of such election to sell together with a statement of the terms and conditions upon which Lessee is willing to sell its interest in this Lease. The Authority may, within thirty (30) days after receipt thereof, offer to purchase the interest in the Lease on the same terms as those set forth in the notice. If the Authority agrees to meet the notice to sell, the Authority and Lessee shall promptly enter a contract for the purchase and

sale of Lessee's interest in this Lease. If the Authority either gives Lessee notice that it declines the opportunity to offer to purchase or fails to reply to Lessee's notice within the stipulated thirty (30) day period, Lessee may proceed with its election to sell, but not for less than the financial terms set forth in the notice to the Authority and subject to the terms of this Lease generally and the requirements for assignment of this Lease specifically.

10. Default.

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

10.1.1. Fails to pay the rent when due or to comply with any substantial term, condition, or covenant of this Lease within ten (10) days after written notice;

10.1.2. Abandons or surrenders the Premises or the leasehold estate;

10.1.3. Attempts to assign or sublease the Premises other than in accordance with the terms of the lease;

10.1.4. 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

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

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

10.2.1. Terminate the Lease;

10.2.2. Reenter and repossess the Premises;

10.2.3. Relet the Premises or any part thereof;

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

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

10.2.6. Bring a suit for damages against Lessee; or

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

10.3. In the event legal action must be taken because of the default of either party in relation to any agreement or obligation contained in this Lease, and a default

shall be established, the prevailing party shall be entitled to recover all expenses incurred therefor, including reasonable attorney fees.

11. 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.

11.1. 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.

12. Utilities. Lessee shall, at its own expense, obtain and pay for all electricity, water, gas, sewer use fees, or other utilities used by it during the term of this Lease or any extensions thereof, including the cost of maintenance and operation of the heating system for the Premises.

13. Liens. 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 damages and expenses attendant thereto.

14. Assignment of Lease. 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 for any purposes other than aerospace engineering, aircraft modification, flight-test operations and the lawful activities normally associated therewith. Further, no such permitted assignment or sublease shall be allowed without the prior written consent of the Authority after reasonable inquiry and review of all relevant records and documentation requested by the Authority. Consent to one assignment or subletting for use by any other person shall not be deemed to be consent to any subsequent assignment or subletting.

15. Indemnification and Hold Harmless.

15.1. To the fullest extent permitted by law, 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 Agreement by 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 leased premises; and/or (iv) the acts, omissions, negligence or willful misconduct of any persons used or employed

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

15.2. In claims against any person or entity indemnified under this Section 15 by an employee of Lessee, an independent contractor of Lessee's, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 15.1 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.

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

17. Ownership at Termination. Upon expiration or earlier termination of the Lease, Lessee shall vacate the Premises, remove its personal property and fixtures therefrom and restore the Premises. All Improvements shall then become the property of the Authority, free and clear of all claims to or against them by Lessee or any third person, and Lessee shall defend and indemnify the Authority from such claims.

18. Right of First Refusal. In the event the Lessee shall, during the term of this Lease or any of the extension or renewals thereof, desire to sell the Aircraft Hangar or fixtures constructed on the Premises, then the Lessee shall first notify the Authority of the intended sale price and the Authority shall have the right to purchase said Aircraft Hangar and fixtures at said price by payment of the said price within ninety (90) days from the date thereof. In the event the Authority does not desire to purchase said property then Lessee may sell said property to others; provided however, that the Lessee shall not sell said hangar to another party at a lessor price than first offered to and refused by the Authority.

18.1. In the event the Authority elects not to exercise its right to purchase said Aircraft Hangar and fixtures, then the Lessee shall have the right to sublease the Aircraft Hangar and fixtures or assign this lease to another responsible party.

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

Authority

Salina Airport Authority
Salina Airport Terminal Building

3237 Arnold
Salina, KS 67401

Lessee Central States Enterprises, LLC
1908 W Old Hwy 40
Salina, KS 67401

20. General Clauses.

- 20.1. Lessee shall comply with all applicable laws, ordinances and regulations of the state, county, and municipality wherein the Premises are located with regard to construction, sanitation, licenses or permits to do business and all other matters.
- 20.2. 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.
- 20.3. Any property of the Authority damaged or destroyed by the Lessee, incident to the Lessee's use and occupation of 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.
- 20.4. Lessee acknowledges that it has inspected and knows the condition of the Premises and it is understood that the same is hereby 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 thereto.
- 20.5. Lessee shall not use, or permit to be used, any portion of the property under its control for signs, billboards, or displays, other than those connected with its own operations thereon. 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 shall be prohibited.
- 20.6. All loading docks for buildings or warehouses shall be maintained on the side or rear of the buildings.
- 20.7. Lessee shall not be the agent of the Authority in making repairs or other improvements to the Premises and no mechanics liens or claims thereunder shall be valid against the Authority or against the interest of the Authority in the property.

- 20.8. All materials, supplies, or equipment stored outside of the buildings shall be done so in an orderly manner so as not to create a nuisance or fire hazard and shall be in compliance with all applicable governmental regulations.
- 20.9. The Lessee must at all times keep the Premises and buildings in a safe, clean, wholesome condition and comply in all respects to all government, health, and police requirements and the Lessee will remove at its own expense any rubbish which may accumulate on the property.
- 20.10. Open, unpaved areas shall be grassed and landscaped to present a pleasing appearance and such grass and landscaping kept reasonably mowed and trimmed.
- 20.11. 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 facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.
- 20.12. Authority reserves the right further to 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.
- 20.13. 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.
- 20.14. During time of war or national emergency Authority shall have the right to enter into an agreement with the United States Government for military or naval use of part or all 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 instrument insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
- 20.15. It is understood and agreed that the rights granted by this agreement will not be exercised in such a way to interfere with or adversely affect the use, operation, maintenance, or development of the Airport.
- 20.16. There is hereby reserved to the Salina Airport 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 herein conveyed, 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.

- 20.17. This Lease shall become 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.
- 20.18. Lessee agrees to comply with all applicable laws, ordinances, rules and regulations of the federal, state, county, and municipality wherein Premises are located, including compliance with future laws and regulations, i.e., those passed after the date of this agreement.
- 20.19. In the event the Lessee defaults in its payment of rentals 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 it with a financial statement covering its 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.

21. Nondiscrimination Assurances.

- 21.1. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease, for a purpose for which 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.
- 21.2. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree 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.

21.3. 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.

21.4. 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.

21.5. 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 Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

22. Binding Effect. This agreement shall be binding upon the heirs, beneficiaries, personal representatives, successors, and assigns of the respective parties to this agreement.

IN WITNESS WHEREOF, the respective parties have hereunto caused this instrument to be executed on its behalf by its duly authorized officers all on the date and year hereinafter shown.

SALINA AIRPORT AUTHORITY

Date_____

By:_____
Chairman of Board of Directors

ATTEST

Date_____

By:_____
Secretary of the Board of Directors

LESSEE

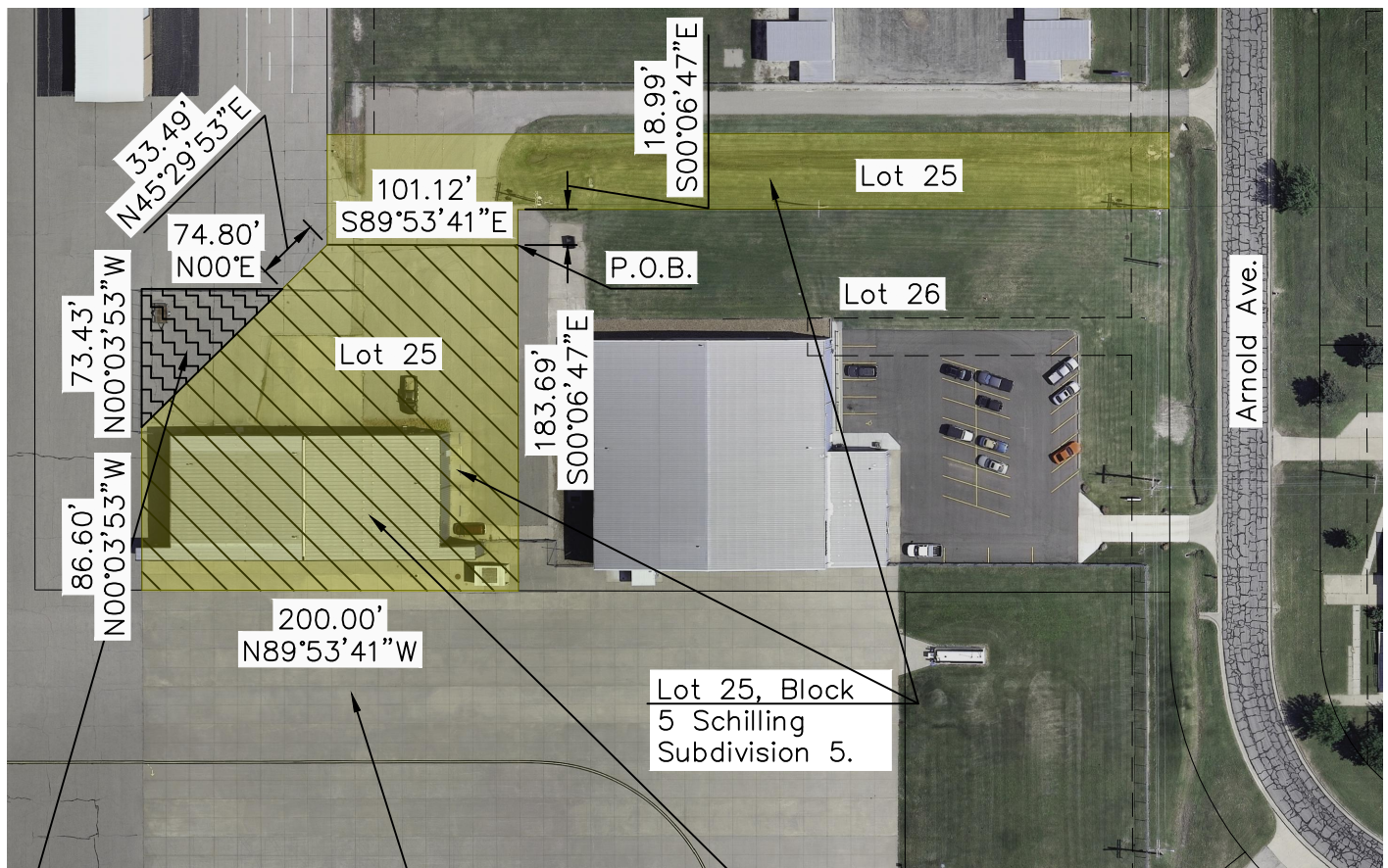
Date_____

By:_____
Roger Sanborn
_____[Title]

ATTEST

Date_____

By:_____
_____[Name]
_____[Title]



Lease Boundary 2

To include fenced area
outside said Lot 25.
Area = 2,744 S.F. or
0.063 Acres

Non-Exclusive use
aircraft movement
area.

Lease Boundary 1

A Portion of Lot 25,
Block 5 Schilling
Subdivision No. 5
Area = 31,931 S.F. or
0.733 Acres.

Beginning at a point 18.99 feet south of a property corner along the platted property line of Lot 25, block 5, Schilling Subdivision No. 5; Thence S00°06'47"E along said platted lot a distance of 183.69 feet; Thence N89°53'41"W along said platted lot a distance of 200.00 feet; Thence N00°03'53"W along said platted lot a distance of 86.60'; Thence continuing N00°03'53"W along an existing fence line a distance of 73.43'; Thence due East along an existing fence line a distance of 74.80' to a point on said platted lot; Thence N45°29'53"E a distance of 33.49' to a property corner to said platted lot. Thence S89°53'41"E along a line separating the leased portion of lot 25 from the unleased portion of lot 25 a distance of 101.12 feet to the point of beginning. Said Lease Boundary contains 34,677.6 Square Feet or 0.796 Acres More or Less.



Drawing Number 2900-02-21



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

None : REVISIONS
KRB : DESIGNED BY

KRB : DRAWN BY

1" = 100' : SCALE

2/4/21, 12:50 : DATE

SALINA AIRPORT AUTHORITY
Central States Enterprises, LLC Lease Exhibit A

1
OF
1

FIRST AMENDMENT TO LEASE

This constitutes a First Amendment (this “**Amendment**”) between Salina Airport Authority (the “**Lessor**”), and The Kansas Department of Revenue (KDOR) (the “**Lessee**”) for their current real estate lease agreement dated September 10, 2020 (the “**Lease**”). The parties mutually agree that the lease agreement for the premises located at: 2941 Centennial Rd. Salina, KS 67401 is hereby amended as follows:

Lessor and Lessee agree to the following terms:

1. Term: The current lease is scheduled to terminate on 2/28/2021. This Amendment will extend the lease end date, which will expire on 2/28/2026.
2. Additional Parking: This Amendment will allow Lessee to use Lot 8 Block 1 for parking, pictured in Exhibit A; attached hereto.
3. Improvements: At their expense, the Lessor will construct a sidewalk from Lot 8 to Lot 9 and will provide additional security to the IT room by closing off the exterior door and providing internal access, pictured in Exhibit B; attached hereto. The Lessor will construct a 3” mill and asphalt paving inlay to the CDL testing course. Lessor will be responsible for all ongoing maintenance and repairs for the CDL testing course.
4. Rent Payments: The revised payment amounts and schedule is as follows:
 - a. Years 1-2: \$2,596.94/month for building, parking, and CDL lot.
 - b. Years 3-4: \$2,688.87/month for building, parking, and CDL lot.
 - c. Year 5: \$2,784.06/month for building, parking, and CDL lot.
 - d. Payment dates: Payments will be made on a quarterly January, April, July, October schedule. The first payment will be for a single month, March 2021, with other quarterly payments calculated from the rates laid out above.

All other terms and conditions contained in the Primary Lease, as well as Exhibits and Riders to the Primary Lease shall be applicable to this amendment to the Lease. Additionally, unless specifically modified, all terms and conditions of the Primary Lease remain unchanged and in full effect.

Lessor (Salina Airport Authority)

Date

Lessee (KDOR)

Date

Attorney, Department of Administration

Date

Director of Facilities and Property Management, Department of Administration

Date

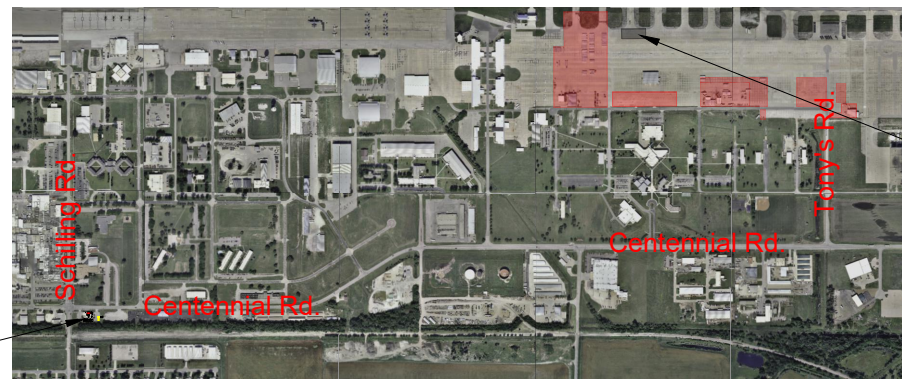
Secretary of Administration

Date



Lease Boundary
Building 394
Area = 1.27 Acres

Lease Site Boundary
Lot 9 Block 1, Schilling Subdivision No. 5



Building 394
Lot 9, Block 1,
Schilling
Subdivision no. 5

Building 394 & CDL Testing
Course Location Map

CDL Testing
Course



Lease Boundary
CDL Testing Course
Area = 0.57 Acres

Lease Site Boundary
DMV CDL Testing Location

Other leasehold
areas.



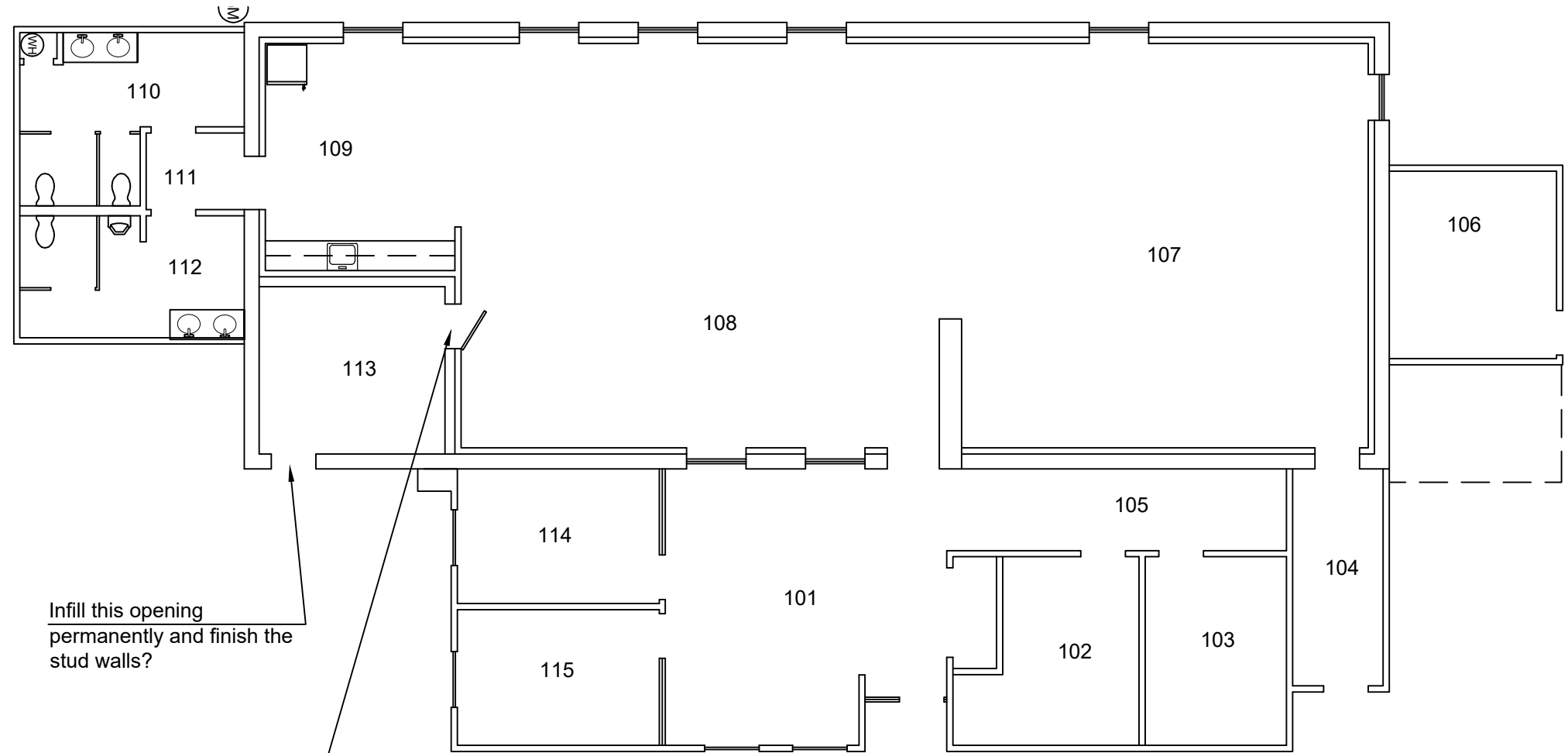
Drawing Number 2891-01-21



3237 ARNOLD, SALINA, KS 67401
(785-827-3914 FAX: 785-827-2221)
None : REVISIONS
KRB : DESIGNED BY
KRB : DRAWN BY
As Noted : SCALE
1/6/21, 09:45 : DATE

SALINA AIRPORT AUTHORITY
Kansas Department of Revenue-DMV January 2021 Lease Exhibit A

1
OF
1



Drawing Number 2885-12-20



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

None : REVISIONS

KRB : DESIGNED BY

KRB : DRAWN BY

NA : SCALE

1/28/21, 07:18 : DATE

SALINA AIRPORT AUTHORITY **Building 394 Miscellaneous Work Items**

1
OF
1

Bring new water service from existing city water line. Route new water lines to new toilets and connect existing sinks & urinals.

Install 5 gallon water heater at a location to be determined. Install a room heater in each restroom.

Install one paper towel dispenser in each restroom..

Remove & Replace toilets with new toilets. Install toilet paper dispensers.

Route water lines along walls above all fixtures and bring service down to new fixtures. Remove toilet & cap drain lines.

Tie into existing copper line that serves the sinks.

Bring new water service from existing water meter box.



Drawing Number 2879-11-20



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

None : REVISIONS
KRB : DESIGNED BY

KRB : DRAWN BY
1"=10' : SCALE

2/3/21, 10:08 : DATE

SALINA AIRPORT AUTHORITY Building 724 Restroom Upgrades

1
OF
1

**SALINA AIRPORT AUTHORITY
RESOLUTION 21-01**

**A RESOLUTION EXPRESSING GRATITUDE AND APPRECIATION TO
TROY VANCIL FOR HIS SERVICE RENDERED TO THE
CITY OF SALINA AND ITS CITIZENS**

WHEREAS, Troy Vancil, in his capacity as a member of the Board of Directors of the Salina Airport Authority, has unselfishly and with great ability served the City of Salina for a period of six (6) years (March 1, 2015 to February 28, 2021); and,

WHEREAS, because of his efforts and dedication many lasting improvements have been made to the Salina Regional Airport and the Salina Airport Industrial Center; and,

WHEREAS, the City of Salina has been made a better place to live because of his work and efforts on behalf of his community.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Salina Airport Authority:

Section 1. That the Board of Directors of the Salina Airport Authority, by the adoption of this resolution, expresses its gratitude and appreciation to Troy Vancil for his faithful and dedicated service to the citizens of Salina, Kansas, as a member of the Board of Directors for the Salina Airport Authority.

Section 2. That the Vice-chair of the Board of Directors is hereby instructed to file the contents of this resolution with the official records of the Salina Airport Authority and to forward a copy of the resolution to Troy Vancil.

Adopted by the Board of Directors of the Salina Airport Authority on this 17th day of February 2021.

Alan Eichelberger, Chairman

CERTIFICATION OF VICE-CHAIR

I, Kristin Gunn, the duly appointed, qualified, Salina Airport Authority Vice-chair, Salina, Kansas, do hereby certify that the foregoing Resolution was duly adopted, and that said Resolution has been compared by me with the original thereof on file and of record in the office of the Airport Authority, and is a true copy of the whole of said original.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Salina Airport Authority, Salina, Kansas, this 17th day of February 2021.

Kristin Gunn, Vice-chair