

DATE: March 5, 2021
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: **March 10, 2021 Special Board Meeting**

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

Wednesday's meeting will be an "in person" meeting with the option of joining the meeting via a GoToMeeting video/audio link. To accommodate social distancing recommendations, the meeting will be held in Room 100 at Hangar 600, 2720 Arnold Ct. Room 100 provides space for the recommended distancing of board members, staff, and visitors. All "in person" attendees will be asked to wear a face covering.

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

- Support the Schwans Food Co. expansion of the Salina Tony's Pizza plant.
- Support the growth and development plans of other Salina Airport Industrial Center organizations
- Provide quality rental car services for United/SkyWest passengers and transient GA pilots.
- Complete the design and bidding for new GA aircraft storage hangars and a T-Hangar area public restroom.

Please note the following agenda comments.

Agenda Item #4 – Acceptance of Appointment and Oath of Office for Kristin Gunn and Tod Roberg (Rogers)

Enclosed is a copy of the Acceptance of Appointment and Oath of Office for reappointed Airport Authority board member, Kristin Gunn and newly appointed board member, Tod Roberg. Kristin Gunn is a retired USD 305 science instructor. Her previous civic service includes chairing the former Schilling AFB Restoration Advisory Board, citizen liaison to the Schilling Project settlement negotiating team, the Salina Housing Authority, Salina Planning Commission, and the Salina City Commission. As a city commissioner Kristen served as Salina's mayor three times – 1998, 2002 and 2003.

Tod Roberg is the owner of T & R Construction and is a private pilot with four airplanes based at the Salina Regional Airport. His daughter, Jill, is an airline pilot with Republic Airlines, and his son, Russell is also a pilot.

Agenda Item #5 – Consideration of a Right-Of-Way Release Agreement with Evergy Kansas Central, Inc. (Rogers and Bengtson)

Enclosed is the proposed Release Agreement with Evergy that would release Airport Authority claims to property needed by Evergy for the construction of new, overhead electrical service lines for the Schwans expansion project. Evergy intends to use abandoned railroad property for the transmission lines. The three (3) acre area involved has a history of undetermined ownership. Evergy's best option is either obtain

releases from potential owners or complete a quit title/condemnation process. The best option for the Airport Authority is to “release, relinquish and surrender” all rights, title and interest in the abandoned railroad property. The Release Agreement does not provide for any compensation from Evergy since the Airport Authority never “owned” the property in question.

The property to be used by Evergy is not contiguous to any other Airport Authority parcel of land. It is due to an incomplete railroad abandonment process that the Airport Authority may have any property interest in the property. Enclosed is an aerial view of the area east of Centennial Rd that Evergy will build on.

Recommendation: Approval of the proposed Release Agreement with Evergy Kansas Central, Inc. and authorize the executive director to sign the agreement.

Agenda Item #6 – Consideration of a Lease Agreement with LAG Rentals of Garden City, KS for Rental Car Space at the M.J. Kennedy Air Terminal. (Swanson)

Recently Lewis Automotive Group (LAG) of Garden City, KS purchased the assets of the Hertz corporate car rental operations located at Lawrence, Manhattan, Salina, and Hays. Lewis will continue to operate all the locations as a Hertz franchisee.

LAG is a Kansas based family business that operates car dealerships in Hays, Liberal, Dodge City and Garden City. LAG already operates Hertz locations at the Dodge City, Garden City and Liberal airports. The Lewis family understands the significance of providing a level of customer service that compliments United/SkyWest regional jet service. LAG will staff the Hertz desk at SLN during all inbound and out bound flights.

Instead of assuming the current Hertz corporate lease LAG has agreed to a new lease agreement. The new lease agreement replaces the outdated Hertz corporate lease. The LAG lease terms are as follows.

Lease Term:	Five (5) years
Effective Date:	April 1, 2021
Option to Renew:	One (1) additional term of five (5) years
Basic Rent:	\$545 per month \$6,540 per year
Additional Rental:	4% of gross car rental revenues
Taxes:	All applicable property tax

The proposed lease agreement contains all insurance requirements for on-airport car rental agency operations (see Section 5. **Insurance**). The agreement also contains the Airport Authority’s updated Section 7. **Environmental Concerns** that reflects the positive impact of the Schilling Project settlement.

Finally, LAG will not owe any past due rental because of the Hertz bankruptcy. Salina was one of the few Hertz corporate locations that was not past due on rental.

Recommendation: Approval of the proposed LAG Rentals, LLC lease for office space at the M.J. Kennedy Air Terminal and authorize chair Eichelberger to sign the agreement.

Agenda Item #7 – Consideration of a Federal Aviation Administration Grant Offer and Agreement for Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Financial Assistance (Rogers and Swanson)

I am waiting for two CRRSAA grant agreements to arrive. The first is a grant agreement in the amount of \$1,005,444 to be used by the Airport Authority for costs related to operations, personnel, and equipment. The funding will be 100% federal and does not require local matching funds. At the meeting we will present a budget detailing the use of the grant funds.

The second grant agreement will be in the amount of \$3,432 to be used to provide relief from rent and minimum annual guarantees to on-airport car rental concessions. We will be able to immediately offer LAG Rentals financial assistance for the restart of Hertz rental car service at the M.J. Kennedy Air Terminal. The grant funding is 100% federal.

Enclosed are copies of the applications for the \$1,005,444 grant and the \$3,432 grant.

Recommendation: Approval of Coronavirus Response and Relief Supplemental Appropriations Act grant agreements and authorize chair Eichelberger and board attorney Bengtson to sign the agreements.

Agenda Item #8 – Review and Discussion of the Airport Authority's Options for a Response to the Salina Area Technical College (SATC) Request to Acquire Salina Airport Authority Property Located Adjacent to the SATC Campus. (Rogers)

As you may recall, the Salina Area Technical College Board of Trustees requested that the Salina Airport Authority donate two SAA owned lots located adjacent to the SATC campus. Of interest are Lots 8 (1.57 acres) and 9 (1.72 acres), Block 4, Subdivision No. 5, Schilling Subdivision. At the board's February 17 meeting SATC president and CEO Greg Nichols reviewed the college's plans for new programs and buildings. President Nichols did an excellent job detailing SATC's commitment to meeting the workforce training needs of Salina and Saline County. The acquisition of the SAA's two lots totaling 3.29 acres would permit SATC to proceed with fund raising efforts to construct a new education building for health care and childcare education/training programs.

The following are options that the SAA board of directors may want to consider and discuss before responding to the SATC request.

Option #1 – Sell Lots 8 and 9 to SATC at fair market value. Lot 6, Block 4, Subdivision No. 5 (.92 acres) was sold to Patrick Mikesell in November 2014 for \$49,000. The Mikesell lot is located on Berschel Ave 200 feet to the south of Lots 8 and 9. Based on the Mikesell sale, Lots 8 and 9 have a fair market value of \$53,361 per acre or \$175,557.

Option #2 – Lease Lots 8 and 9 to SATC. The SAA routinely leases property to public and private entities. SATC can be offered a long-term land lease with multiple renewal options. The appropriate rental rates are:

- Lot 8, Blk. 4, Sub. 5 – 1.57 acres, Mkt. rent - \$.04/SF/Year or \$2,967/Year
- Lot 9, Blk. 4, Sub 5 – 1.72 acres, Mkt rent - \$.08/SF/Year or \$5,882/Year

Option #3 – Sell Lots 8 and 9 to SATC at a price that recovers the SAA’s costs allocated to the lots since September 1966. Lots 8 and 9 were acquired by the Airport Authority for \$1.00 via Quit Claim Deed dated September 9, 1966. Since 1966 the SAA has allocated pro rata costs associated with street construction and the Schilling Project settlement negotiations to Lots 8 and 9. A total of \$16,571 has been allocated to Lot 8. A total of \$18,162 has been allocated to Lot 9. The total for lots 8 and 9 is \$34,733.

Option #4 – Donate Lots 8 and 9 to SATC at no cost. Such as donation would recognize the critical role that SATC plays in workforce education and training. Salina and Saline County are experiencing significant shortages in trained health care and childcare workers.

Option #5 – Decline to donate, sell or lease Lots 8 and 9 to SATC in favor of holding onto the lots for future commercial/industrial development.

In the event the SAA either donates, sells, or leases Lots 8 and 9 the contract should provide that SATC pays for all legal and administrative costs.

Agenda Item #9 – Aircraft Storage Hangar Construction Update (Bieker)

The bid opening for the project has been scheduled for Wednesday, March 31. A Notice to Bidders will be issued early next week. A March 31 bid opening will give interested contractors sufficient time to prepare a responsive bid. A March 31 bid opening also means that I will not be able to present contractor bids at our March 17 board meeting. To keep the project moving forward I would like to schedule a special board meeting for **8:00 AM, Wednesday, April 7** to review bids received.

Bids will be received for three separate project components.

1. One (1) 12,000 SF, 50 ft. x 250 ft. five (5) unit, aircraft storage hangar
2. Taxi lane grading, drainage and paving for the five (5) unit aircraft storage hangar
3. One (1) public restroom to serve all aircraft storage hangar tenants

The taxi lane and public restroom would be common use improvements and funded 100% by SAA funds. The five (5) unit aircraft storage hangar would be finance using leasehold revenue bonds that will be repaid by lease revenue from the new hangar.

Please contact me if you have any questions or comments.

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

March 10, 2021 – 8:00 AM

AGENDA

Action Items

1. Call to order, determine that a quorum is present and confirm that the meeting notice has been published. (Eichelberger)
2. Recognition of guests. (Eichelberger)
3. Additions to the agenda and agenda overview. (Rogers)
4. Acceptance of Appointment and Oath and Office by Kristin Gunn and Tod Roberg. (Rogers)
5. Consideration of a right-of-way Release Agreement with Evergy Kansas Central, Inc. (Rogers and Bengtson)
6. Consideration of a Lease Agreement with LAG Rentals of Garden City, KS for rental car space at the M.J. Kennedy Air Terminal. (Swanson)
7. Consideration of a Federal Aviation Administration Grant Offer and Agreement for Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) financial assistance. (Rogers and Swanson)
8. Review and discussion of the Airport Authority's options for a response to the Salina Area Technical College (SATC) request to acquire Salina Airport Authority property located adjacent to the SATC campus. (Rogers)

Directors' Forum (Eichelberger)

Visitor's Questions and Comments (Eichelberger)

Staff Reports (Rogers)

9. Review of the bidding schedule for the construction of aircraft storage hangars and a public restroom. (Bieker)
10. Review of primary commercial airport funding associated with the pending American Rescue Plan Act. (Rogers)

Announcements (Windhorst)

Adjournment (Eichelberger)



ACCEPTANCE OF APPOINTMENT

The Undersigned hereby certifies that she is qualified to accept the appointment and does hereby accept her appointment as a member of the Board of Directors of the Salina Airport Authority of the City of Salina, Kansas, for a term of Three (3) years commencing on the 10th day of March, 2021 and ending on the 28th day of February, 2024 in accordance with and subject to the policies and standards governing the qualifications, appointments and conduct of the members of the aforesaid Board of Directors of the Salina Airport Authority of the City of Salina, Saline County, Kansas, all as provided for by the Ordinance of the City of Salina, Kansas, and the General Statutes of Kansas.

WITNESS my hand this 10th day of March, 2021.

Kristin Gunn

OATH OF OFFICE

STATE OF KANSAS, SALINE COUNTY, ss:

I do solemnly swear (or I do solemnly, sincerely and truly declare and affirm) that I will support the Constitution of the United States and the Constitution of the State of Kansas and faithfully discharge the duties as a member of the Board of Directors of the Salina Airport Authority. So help me God (or, and this I do under the pains and penalties of perjury).

Kristin Gunn

Subscribed and sworn (affirmed) to before me this 10th day of March, 2021.

Notary Public

My Appointment expires _____.

Filed with me this _____ day of _____, A.D., 2021.

City Clerk

ACCEPTANCE OF APPOINTMENT

The Undersigned hereby certifies that he is qualified to accept the appointment and does hereby accept his appointment as a member of the Board of Directors of the Salina Airport Authority of the City of Salina, Kansas, for a term of three (3) years commencing on the 10th day of March, 2021 and ending on the 28th day of February, 2024 in accordance with and subject to the policies and standards governing the qualifications, appointments and conduct of the members of the aforesaid Board of Directors of the Salina Airport Authority of the City of Salina, Saline County, Kansas, all as provided for by the Ordinance of the City of Salina, Kansas, and the General Statutes of Kansas.

WITNESS my hand this 10th day of March, 2021.

Tod Roberg

OATH OF OFFICE

STATE OF KANSAS, SALINE COUNTY, ss:

I do solemnly swear (or I do solemnly, sincerely and truly declare and affirm) that I will support the Constitution of the United States and the Constitution of the State of Kansas and faithfully discharge the duties as a member of the Board of Directors of the Salina Airport Authority. So help me God (or, and this I do under the pains and penalties of perjury).

Tod Roberg

Subscribed and sworn (affirmed) to before me this 10th day of March, 2021.

Notary Public

My Appointment expires _____.

Filed with me this _____ day of _____, A.D., 2021.

City Clerk

Blk. 13, Schilling Sub. No. 5
NW/4, S2-T15S-R3W

RELEASE

KNOW ALL MEN BY THESE PRESENTS, that **Salina Airport Authority, a Kansas municipal authority**, does hereby release, relinquish and surrender all its right, title and interest in and to property that lies within the following:

All that part of Lots 2, 3, and 4, all in Block 13, "SCHILLING SUBDIVISION NO. 5", a recorded plat in Saline County, Kansas, and being part of the Northwest Quarter of Section Two (2), Township Fifteen (15) South, Range Three (3) West of the 6th P.M., and being more particularly described as follows: Beginning at the Northeast corner of said Lot 2; thence S00°20'14"E along the East property lines of said Lots 2, 3, and 4, a distance of 1854.48 feet to the Southeast corner of said Lot 4; thence leaving said East property line S89°39'29"W along the South property line of said Lot 4, a distance of 133.72 feet to a point on the West line of said Northwest Quarter; thence leaving said South property line N00°19'13"W along said West line, a distance of 105.00 feet; thence leaving said West line N89°39'29"E a distance of 63.69 feet; thence N00°20'14"W a distance of 1063.27 feet; thence S89°39'29"W a distance of 63.38 feet to a point on said West line; thence N00°19'13"W along said West line, a distance of 50.00 feet; thence leaving said West line N89°39'29"E a distance of 63.36 feet; thence N00°20'14"W a distance of 636.10 feet, to a point on the North property line of said Lot 2; thence N89°34'02"E along said North property line, a distance of 70.00 feet to the Point of Beginning, being depicted in Exhibit "A" attached hereto and made part of this instrument by reference.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

WITNESS the hand of the Grantor this _____ day of _____, 20____.

Salina Airport Authority, a Kansas municipal authority

By: _____
Timothy F. Rogers, A.A.E.
Executive Director

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)
) SS:
COUNTY OF _____)

I, the undersigned Notary Public, do hereby certify that **Timothy F. Rogers, as the Executive Director of Salina Airport Authority, a Kansas municipal authority**, and did say that said instrument was signed and delivered in the name and on behalf of said entity and acknowledge said instrument to be the free and voluntary act and deed of said entity.

GIVEN under my hand and seal this _____ day of _____, 20____.

Signature
Notary Public

Print Name

My appointment expires:

EXHIBIT 'A'
SHEET 1 OF 3

TRACT: 20197-SAD-005

PERMANENT EASEMENT DESCRIPTION #1 (Private Property Area):

All that part of Lots 2, 3, and 4, all in Block 13, "SCHILLING SUBDIVISION NO. 5", a recorded plat in Saline County, Kansas, and being part of the Northwest Quarter of Section Two (2), Township Fifteen (15) South, Range Three (3) West of the 6th P.M., and being more particularly described as follows:

Beginning at the Northeast corner of said Lot 2; thence S00°20'14"E along the East property lines of said Lots 2, 3, and 4, a distance of 1854.48 feet to the Southeast corner of said Lot 4; thence leaving said East property line S89°39'29"W along the South property line of said Lot 4, a distance of 133.72 feet to a point on the West line of said Northwest Quarter; thence leaving said South property line N00°19'13"W along said West line, a distance of 105.00 feet; thence leaving said West line N89°39'29"E a distance of 63.69 feet; thence N00°20'14"W a distance of 1063.27 feet; thence S89°39'29"W a distance of 63.38 feet to a point on said West line; thence N00°19'13"W along said West line, a distance of 50.00 feet; thence leaving said West line N89°39'29"E a distance of 63.36 feet; thence N00°20'14"W a distance of 636.10 to a point on the North property line of said Lot 2; thence N89°34'02"E along said North property line, a distance of 70.00 feet to the **Point of Beginning**;

Said tract contains 3.21 acres, more or less.

PERMANENT EASEMENT DESCRIPTION #2 (Public R/W Area):

It being the intent of this instrument to extend the easement to include that land now lying in the road, alley or railroad right of way which would revert in case of vacation or abandonment thereof, said land being more particularly described as:

All that part of the Northwest Quarter of Section Two (2), Township Fifteen (15) South, Range Three (3) West of the 6th P.M., lying in existing road right of way area of Schilling Road, per said "SCHILLING SUBDIVISION NO. 5" plat, and being more particularly described as follows:

Beginning at the Northeast corner of said Lot 2; thence S89°34'02"W along the North property line of said Lot 2, a distance of 70.00 feet; thence leaving said North property line, N00°20'14"W a distance of 50.12 feet to a point on the center line of said Schilling Road right of way; thence along said center line, N89°39'46"E a distance of 70.00 feet to a point on a projected line, being the East line of said Lot 2; thence leaving said center line, S00°20'14"E along said projected line, a distance of 50.00 feet to the **Point of Beginning**;

Said tract contains 0.08 acres, more or less.



WILSON & COMPANY 800 EAST 101ST TERRACE, SUITE 200 KANSAS CITY, MO. 64131 816-701-3100	PROJECT TITLE: SMOKY HILL TO SCHILLING				PROJECT NO. 20-197	DATE 2/08/2021
	DRAWN BY: TRZ	CHECKED BY: JAP	APPROVED BY: JAP	COUNTY: SALINE	PROPERTY OWNER: 20197-SAD-005	
REV.	DESCRIPTION			BY	DATE	

EXHIBIT 'A'

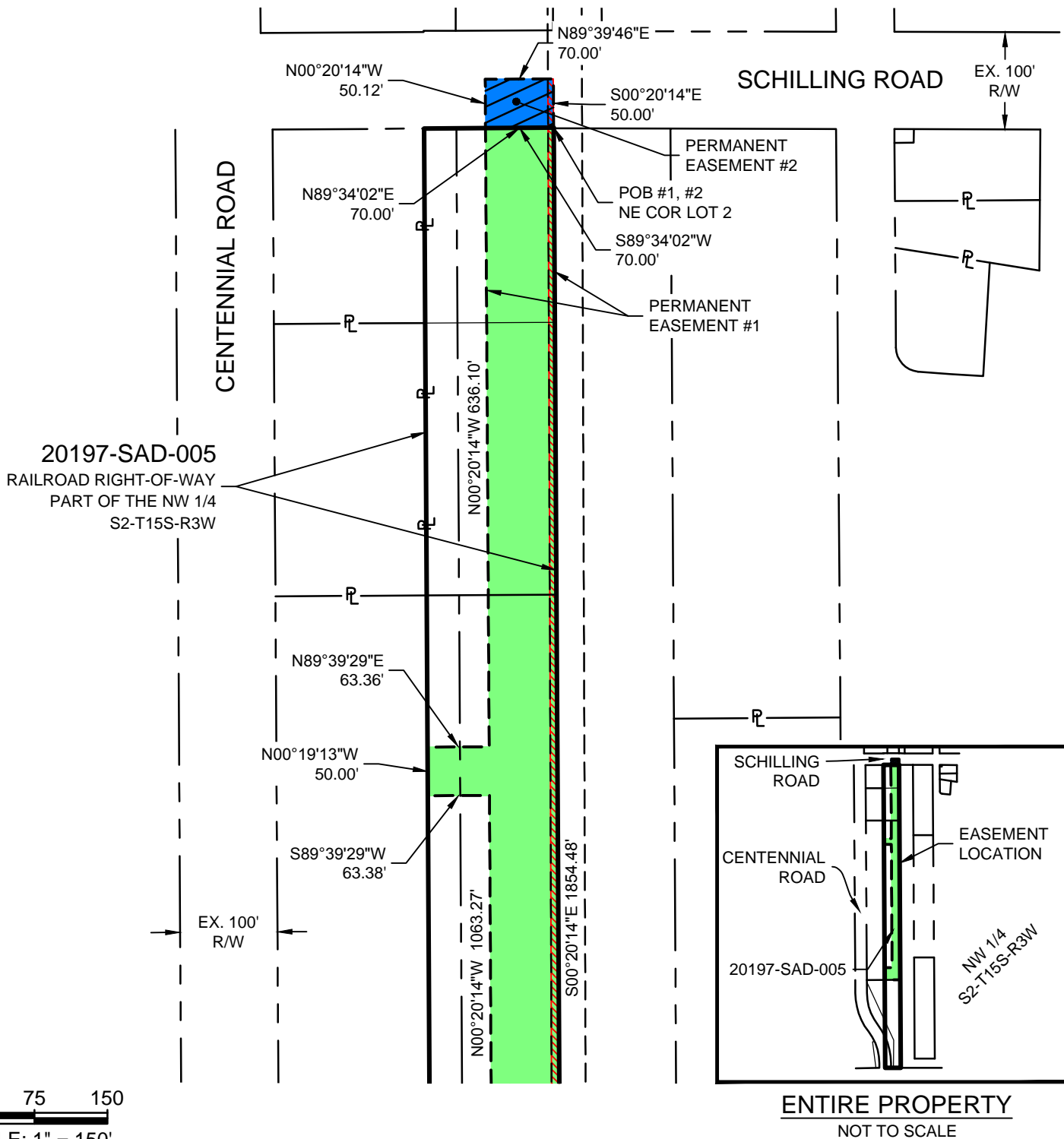
SHEET 2 OF 3

LEGEND

- = EASEMENT BOUNDARY LINE
- = RIGHT OF WAY LINE
- = PROPERTY LINE
- = PERMANENT EASEMENT ON PRIVATE PROPERTY
- = PERMANENT EASEMENT IN PUBLIC R/W
- = EXISTING EVERGY EASEMENT

POB = POINT OF BEGINNING
R/W = RIGHT OF WAY

3.21 ACRES ± = #1 EASEMENT ON PRIVATE PROPERTY
0.08 ACRES ± = #2 EASEMENT IN PUBLIC R/W
3.29 ACRES ± = TOTAL EASEMENT AREA
0.34 ACRES ± = EXISTING EVERGY EASEMENT



WILSON & COMPANY
800 EAST 101ST TERRACE, SUITE 200
KANSAS CITY, MO. 64131
816-701-3100

PROJECT TITLE: SMOKY HILL TO SCHILLING			
DRAWN BY: TRZ	CHECKED BY: JAP	APPROVED BY: JAP	COUNTY: SALINE
REV.	DESCRIPTION		DATE

PROJECT NO. 20-197	DATE 2/08/2021
PROPERTY OWNER: 20197-SAD-005	

EXHIBIT 'A'

SHEET 3 OF 3

LEGEND



- = EASEMENT BOUNDARY LINE
- - - = RIGHT OF WAY LINE
- = PROPERTY LINE
- ▨ = PERMANENT EASEMENT ON PRIVATE PROPERTY
- ▨ = EXISTING EVERGY EASEMENT

R/W = RIGHT OF WAY

3.21 ACRES ± = #1 EASEMENT ON PRIVATE PROPERTY
 0.08 ACRES ± = #2 EASEMENT IN PUBLIC R/W
 3.29 ACRES ± = TOTAL EASEMENT AREA
 0.34 ACRES ± = EXISTING EVERGY EASEMENT

Plot Date: 2/8/2021 8:51 AM By: Netter, David E.

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20197-SAD-005
 RAILROAD RIGHT-OF-WAY
 PART OF THE NW 1/4
 S2-T15S-R3W

CENTENNIAL ROAD

EX. 100'
 R/W

PERMANENT
 EASEMENT #1

N89°39'29"E
 63.69'

N00°19'13"W
 105.00'

S89°39'29"W
 133.72'

N00°20'14"W 1063.27'

S00°20'14"E 1854.48'

0 75 150
 SCALE: 1" = 150'

WILSON & COMPANY
 800 EAST 101ST TERRACE, SUITE 200
 KANSAS CITY, MO. 64131
 816-701-3100

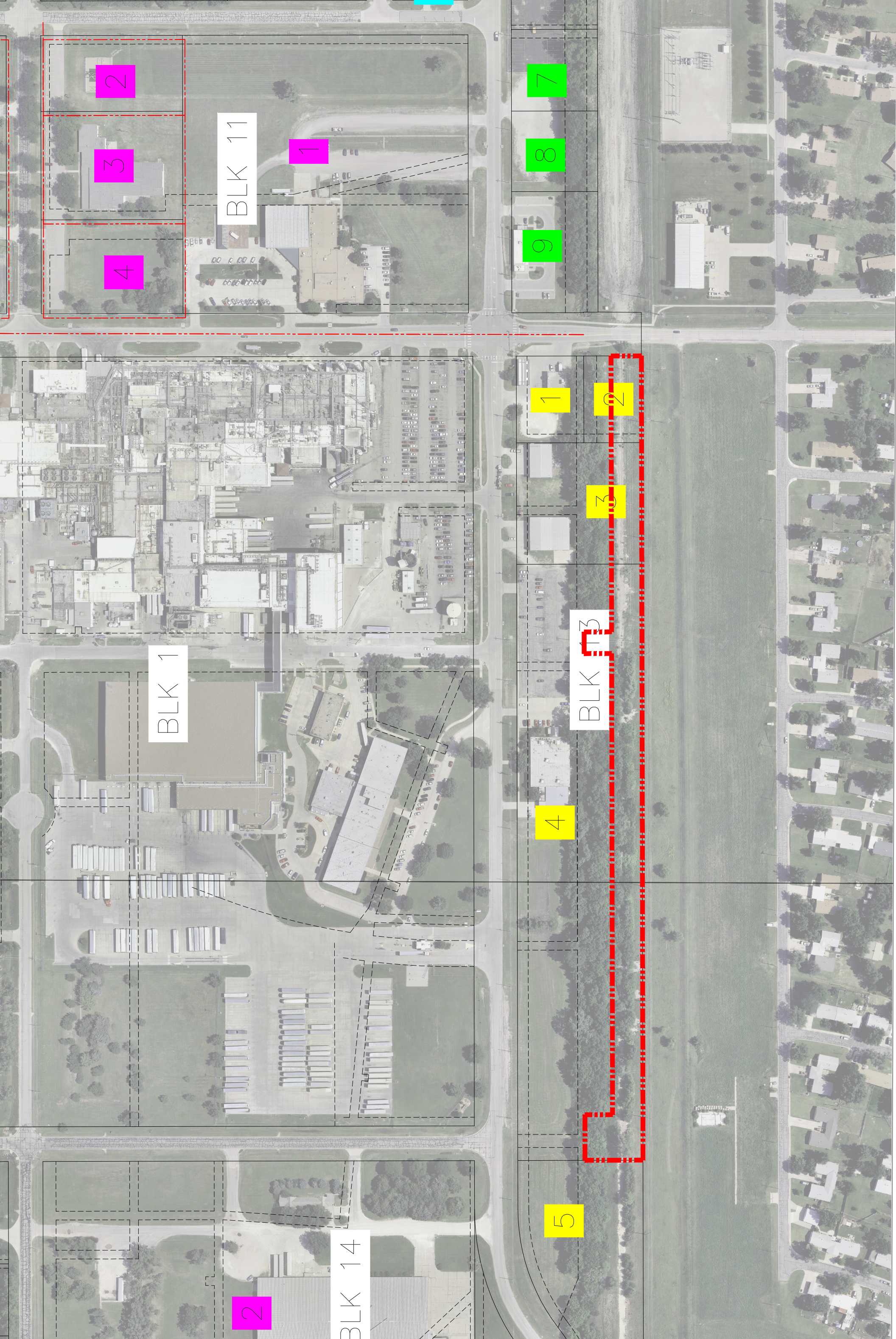
PROJECT TITLE: SMOKY HILL TO SCHILLING

DRAWN BY: TRZ CHECKED BY: JAP APPROVED BY: JAP COUNTY: SALINE

REV. DESCRIPTION BY DATE

PROJECT NO. 20-197 DATE 2/08/2021
 PROPERTY OWNER:

20197-SAD-005



2

3

4

BLK 11

1

7

8

9

1

2

3

BLK 13

4

5

BLK 1

2

BLK 14

LEASE AGREEMENT

This Lease Agreement (the "Lease") is 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 **LAG Rentals, LLC**, a limited liability company, authorized to do business in Kansas, with principal offices located at 1221 Lareu Rd., Garden City, KS 67846 ("Lessee")

1. Property Description.

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

1.1.1. Parcel #1: Five Hundred Forty-nine (549) sq. ft. of office space located in the Airport Terminal Bldg. #120, located on Lot 2, Block 15, as indicated in yellow on the Exhibit "A" attached hereto. In addition to the space in Bldg. #120, the Lessee shall be entitled to 35 designated parking spaces for rental and employee vehicles on the east side of the Terminal Building; and

1.1.2. Parcel #2: A tract of land south of the Airport Terminal Building #120, to be used by Lessee as the site of its metal storage structure utilized for vehicle storage, the exact location of which is indicated on Exhibit "A" attached hereto; and

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

2. Term, Effective Date and Holdover.

2.1. Term and Effective Date of Lease. This Lease shall be for a term of five (5) years commencing effective April 1, 2021 ("Effective Date") and terminating on March 31, 2026 ("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 five (5) years at the expiration of the Primary Term. In the event the Lessee elects to exercise its option hereunder, it must notify the Authority in writing six (6) months prior to the expiration of the then current term. The Basic Rent for option period shall be as follows:

4. Rent.

- 4.1. Basic Rent. Lessee agrees to pay the Authority a Basic Rent for the leasing of the Premises the sum of Five hundred and forty-five dollars and no/100 (\$545) per month, the first of which shall be due on April 1, 2021. The rental shall be payable monthly in advance and shall be due on the first day of each month for that month.

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

period will determine either the percentage of increase, or that the Basic Rent will remain the same as the prior 24-month period, as provided above.

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

4.2.1. Airport Rental Fee. The Lessee agrees to pay the Authority an airport rental fee equal to 4% percent of its gross revenues derived from all of its vehicle rental operations conducted on the Premises, subject to the adjustments herein provided. (For the purposes of the lease the term "gross revenues" shall be defined as time, mileage, and drop fees charged on all vehicles rented at the Salina Regional Airport.)

4.2.1.1. The Lessee shall deliver to the Authority within fifteen (15) days of signing this Agreement a copy of the Lessee's customer rental agreement form which shall specifically identify the airport rental fee. The customer rental form shall indicate the total customer charge plus the charge for the airport rental fee.

4.2.1.2. The additional airport rental fee shall be due and payable on or before the fifteenth day after the end of each month. Lessee agrees that it will provide the Authority a monthly accounting of its gross revenues from customer airport rental agreements and the books of the Lessee shall be available for inspection by the Authority at all reasonable times.

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

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

4.2.4. Security Deposit. Upon Lessee's execution and delivery of this Lease, Lessee agrees to pay a Security Deposit in the amount equal to the Basic

Rent (\$545.00). The Security Deposit shall be held by the Authority without liability for interest, as security for the performance by Lessee of Lessee's covenants and obligations under this Lease; it being expressly understood that the Security Deposit shall not be considered an advance payment of rent or a measure of the Authority's damages in case of default by Lessee. The Authority may commingle the Security Deposit with the Authority's other funds. The Authority may, from time to time, without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of Lessee hereunder. Following any such application of the Security Deposit, Lessee shall pay to the Authority on demand the amount so applied in order to restore the Security Deposit to its original amount. If Lessee is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any such application shall be returned by the Authority to Lessee.

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

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

5. Insurance.

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

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

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

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

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

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

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

5.2.3. Workers' Compensation with statutory limits.

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

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

5.2.5. Commercial Umbrella / Excess Liability providing excess coverage with limits no less than \$5,000,000 each occurrence / \$5,000,000 annual aggregate.

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

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

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

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

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

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

5.8. Claims Made Insurance

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

5.9. Authority's Liability Insurance

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

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

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

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

- 5.9.3. Prior to the commencement of this lease agreement, Lessee shall file with the Authority copy of the property insurance policy that includes insurance coverages required by this Section 5.10. Said policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this lease agreement. The policy shall contain a provision that the policy will not be cancelled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Authority.
- 5.9.4. Waivers of Subrogation. The Authority and Lessee waive all rights against each other, for damages caused by fire or other causes of loss to the extent covered by property insurance required pursuant to this Section 5.10 or other property insurance applicable to the leased Premises, except such rights as they have to the proceeds of such insurance held by Lessee as fiduciary. The 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.
- 5.9.5. Any loss to the Leasehold covered by the property policy required in this Section 5.10 shall be adjusted by Lessee as fiduciary and made payable to the Authority.
- 5.9.6. Payment of Premiums. In the event of a failure by Lessee to secure such insurance or to pay the premiums thereon, the Authority shall have the right and privilege to secure such insurance or pay the premiums thereon, which amount shall be deemed so much additional rental and shall be due and payable with the next installment of rent thereafter.
6. Use of Premises. Lessee agrees to use the Premises for the sole purpose of operating a car rental agency and other activities normally associated therewith. All activities will comply with SLN Airport Rules and Regulations and all other applicable law or regulations.
- 6.1. Levels of Service
- 6.2. Lessee agrees that the Premises shall not be used or occupied for any purpose that constitutes a nuisance or may be objectionable to adjacent property; that it will not allow the escape from the Premises of any fumes, odors, smoke, obnoxious gas, gases or other substances which are offensive or which constitute a nuisance or interfere with the conduct of other business in the area. Lessee will provide adequate devices to control excessive noise, vibrations or electromagnetic emissions.

7. Environmental Concerns.

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

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

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

7.2. Authority’s Responsibility. The Authority is party to a settlement reached with the United States of America to complete the cleanup of environmental contamination caused by the Department of Defense at the Salina Regional Airport and Airport Industrial Center, formerly the Schilling Air Force Base. The Authority shall be responsible for the cleanup and removal of any Hazardous Substances which are determined to have been present on the Premises prior to April 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 April 1, 2021.

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

7.3. Lessee Responsibility. The Lessee shall be responsible for the cleanup and removal of any Hazardous Substances, petroleum products, and petroleum additives released on the Premises at any time Lessee occupies the Premises from and after April 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 April 1, 2021.

- 7.3.1. Lessee agrees to comply with all storm water and waste collection requirements of any federal, state, or local governmental laws, rules and regulations.
 - 7.3.2. Lessee agrees that it will comply with all federal, state, and local regulations regarding the handling, storage, and dispensing of Hazardous Substances, including petroleum products, on the Premises.
 - 7.3.3. Lessee agrees that it will immediately notify the Authority in the event of any spills or leaks of Hazardous Substances, including any liquid hydrocarbon materials, on the Premises, and to clean up the affected area in accordance with Kansas Department of Health and Environment standards.
- 7.4. Non-waiver. Any acknowledgement or undertaking of responsibility by either party to this 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.
- 7.5. Lessee also agrees to comply with all storm water and waste collection requirements of any federal, state or local governmental laws, rules and regulations.
8. Improvements to Premises. Lessee may, with the written consent of the Authority, which consent shall not be unreasonably withheld, build and construct improvements on the Premises; provided, however, that prior to commencement of any such work the Lessee shall submit construction and site plans thereof to the Authority for its approval and secure the necessary building permits from the City of Salina. Any repairs, improvements or new construction shall conform to the following:
 - 8.1. Any improvements on the Premises shall be restricted to commercial, industrial or warehouse use.
 - 8.2. All construction shall conform to the applicable Building Code.
9. Ownership of Fixtures. It is understood and agreed by and between the parties hereto that any fixtures attached to the Premises or placed on or about Premises by Lessee shall be considered personal property and shall remain the property of the Lessee, who shall have the right to remove the same from the Premises upon the expiration of this Lease so long as such removal does not impair the structural feature of the improvements presently on the Premises. Provided, however, in the event of termination of this Lease due to a breach of covenant by the Lessee, then all fixtures and improvements shall become the property of the Authority and may not be removed from the Premises.
10. Removal of Fixtures. On or before the date of expiration or termination of this Lease, or any extension thereof, the Lessee shall vacate the Premises, remove its personal

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

11. Default.

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

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

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

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

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

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

13. Repairs to Improvements on Premises. During the term of the Lease, Authority will keep roof and exterior of the Premises in a good state of repair. Lessee covenants that during the term of this Lease it will properly care for the demised Premises and appurtenances and suffer no waste or injury, make all interior repairs in and about the demised Premises and fixtures and appurtenances, necessary to preserve the same in good order and condition, which repairs shall be in a class equal to the original work.
14. Utilities and HVAC System. The Authority shall, at its own expense, obtain and pay for all electricity, water, gas, and sewer use fees used by Lessee during the term of this Lease, including the cost of maintenance and operation of the HVAC system for the Premises.
15. Liens. The Lessee shall pay, satisfy and discharge all liens and obligations of any nature and kind whatsoever created by or the obligations of the Lessee which shall attach to or be imposed upon the Premises and shall indemnify, save and hold harmless the Authority from such payment and from all resulting damages and expenses.
16. Assignment of Lease. The Lessee shall not assign this Lease or any interest therein and shall not sublet the Premises or any part thereof, or allow any person to occupy or use the Premises or any portion thereof, without the prior written consent of the Authority. A consent to one assignment or subletting for use by any other person shall not be deemed to be a consent to any subsequent assignment.
17. Indemnification and Hold Harmless.
 - 17.1. To the fullest extent permitted by law, the Lessee shall indemnify and hold harmless the Authority, its affiliates and its officers, directors, employees, agents, representatives, guests and invitees ("Authority Indemnitees") from and against all claims, damages, losses, liabilities, fines, penalties, costs, and expenses (including attorney's fees, consultant costs, environmental investigation, remedial or removal costs and natural resource damages) arising out of, relating to or resulting from (i) Lessee's occupancy and or use of the Premises; (ii) any breach of this Lease by the Lessee; (iii) any leak, spill or other release or disposal of or exposure to (A) any goods while being transported or delivered by Lessee or (B) any other materials, substances or chemicals that Lessee or any of its independent contractors bring onto the Premises; and/or (iv) the acts, omissions, negligence or willful misconduct of any persons used or employed directly or indirectly by the Lessee or any independent contractor. The indemnification obligations under this Subparagraph shall not be limited in any way by the limits of any insurance coverage or limitations on the amount or type of damages, compensation or benefits payable by, for or to the Lessee, any independent contractor, or any other person under any insurance policy, worker's compensation acts, disability acts or other employee benefit acts.

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

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

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

Authority	Salina Airport Authority Salina Airport Terminal Building 3237 Arnold Salina, KS 67401
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Lessee	LAG Rentals, LLC 1221 Lareu Rd. Garden City, KS 67846
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20. Damage by Casualty.

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

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

21. General Clauses.

- 21.1. The Lessee shall comply with all applicable laws, ordinances and regulations of the state, county and municipality in which the Premises are located with regard to construction, sanitation, licenses or permits to do business and all other matters.
- 21.2. The Lessee shall pay to the proper governmental agencies and as they become due and payable, all taxes, assessments, and similar charges, which at any time during the term of this Lease may be taxed, except those which the Authority has in this Lease agreed to pay.
- 21.3. Any property of the Authority damaged or destroyed by the Lessee, incident to the Lessee's use and occupation of the Premises, shall be promptly repaired or replaced by the Lessee to the satisfaction of the Authority or in lieu of repair or replacement, the Lessee shall, if so required by the Authority, pay to the Authority money in the amount sufficient to compensate for the loss sustained by the Authority by reason of damage or destruction of the property.
- 21.4. The Lessee acknowledges that it has inspected and knows the condition of the Premises and it is understood that the Premises is leased without any representation or warranty by the Authority whatsoever and without obligation on the part of the Authority to make any alterations, repairs, or additions to the Premises.
- 21.5. The Lessee shall not use, or permit to be used, any portion of the Premises under its control for signs, billboards, or displays, other than those connected with its own operations on the Premises. Advertising signs must be located on the buildings on the Premises and shall not contain more than 120 square feet in the area. Flashing or illuminated signs in which the light is not maintained constant and stationary in intensity and color are prohibited.
- 21.6. All loading docks for buildings or warehouses located on the Premises shall be maintained only on the side or rear of the building or warehouse.
- 21.7. The Lessee shall not be the agent of the Authority in making repairs or other improvements to the Premises and no materialman's liens or claims thereunder shall be valid against the Authority or against the interest of the Authority in the Premises.
- 21.8. All materials, supplies, or equipment stored outside of the buildings located on the Premises shall be stored in an orderly manner so as not to create a nuisance or fire hazard and shall be in compliance with all applicable governmental regulations.

- 21.9. The Lessee must at all times keep the Premises and buildings in a safe, clean, wholesome condition and comply in all respects with all government, health, and police requirements. The Lessee will remove at its own expense any rubbish which may accumulate on the property.
- 21.10. The Authority shall be responsible for snow removal in the Terminal Parking lot and shall keep unpaved areas grassed and landscaped to present a pleasing appearance. Lessee shall be responsible for any hand work snow removal in and about the Premises.
- 21.11. The Authority reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the Airport and all publicly-owned air navigational facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.
- 21.12. The Authority reserves the right to further develop or improve the landing area and all publicly-owned air navigation facilities of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance.
- 21.13. The Authority reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Airport which in the opinion of the Authority would limit the usefulness of the Airport or constitute a hazard to aircraft.
- 21.14. During time of war or national emergency the Authority shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities, and/or other area or facilities of the Airport. If any such agreement is executed, the provisions of this Lease, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
- 21.15. It is understood and agreed that the rights granted by this Lease will not be exercised in such a way to interfere with or adversely affect the use, operation, maintenance, or development of the Airport.
- 21.16. There is hereby reserved to the Authority, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Premises together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using the airspace or landing at, taking off from, or operating on or about the Airport.

21.17. This Lease shall be subordinate to provisions of any existing or future agreement between the Authority and the United States of America or any agency thereof relative to the operation, development or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

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

22. Nondiscrimination Assurances.

22.1. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenant's and agrees as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Premises, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities or benefits and services in compliance with all other requirements imposed pursuant to 49 CFR, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as the regulations may be amended.

22.2. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenants and agrees as a covenant running with the land that (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the facilities; (ii) that in construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (iii) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, and as the regulations may be amended.

22.3. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participation in any employment activities covered in 14 CFR, Part 152, Subpart

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

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

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

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

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

SALINA AIRPORT AUTHORITY

Date _____

By: _____
Chairman of Board of Directors

ATTEST

Date _____

By: _____
Secretary of the Board of Directors

LESSEE

Date _____

By: Brad Lewis
BRAD LEWIS [Name]

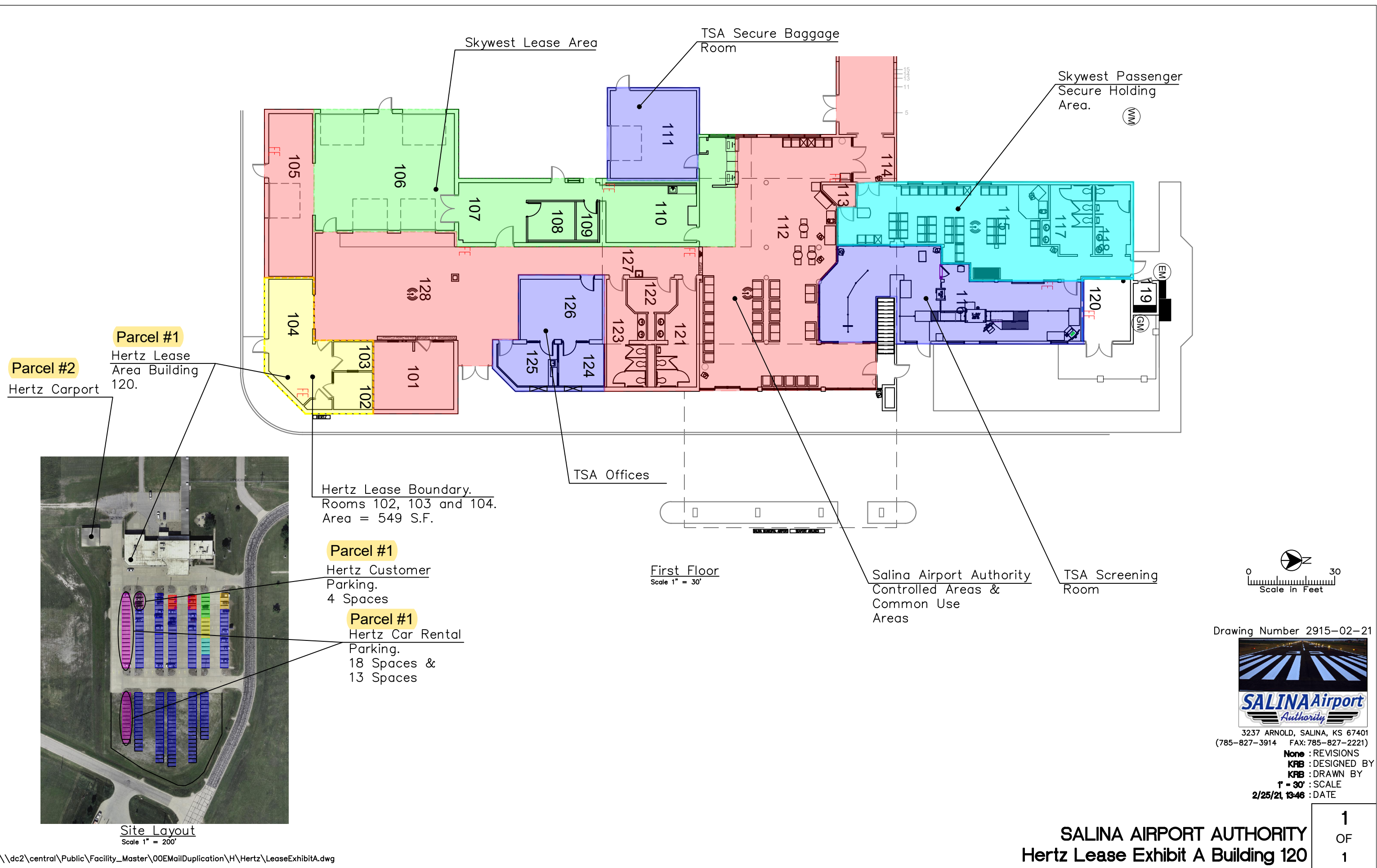
Owner [Title]

ATTEST

Date _____

By: _____
[Name]

_____ [Title]



Application for Federal Assistance SF-424

*1. Type of Submission:

☐ Preapplication

☒ Application

☐ Changed/Corrected Application

*2. Type of Application

☒ New

☐ Continuation

☐ Revision

* If Revision, select appropriate letter(s):

*Other (Specify)

*3. Date Received:

NA

4. Applicant Identifier:

SLN (Salina Regional) Salina, KS

*5b. Federal Entity Identifier:

20-0072

*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: Salina Airport Authority

*b. Employer/Taxpayer Identification Number (EIN/TIN):

48-0727448

*c. Organizational DUNS:

15-634-6900

d. Address:

*Street 1: M.J. Kennedy Air Terminal 3237 Arnold Avenue

Street 2:

*City: Salina

County/Parish:

*State: KS

Province:

*Country: USA: United States

*Zip / Postal Code 67401

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr.

*First Name: Timothy

Middle Name:

*Last Name: Rogers

Suffix:

Title: Executive Director

Organizational Affiliation:

*Telephone Number: (785) 827-3914

Fax Number:

*Email: trogers@salair.org

Application for Federal Assistance SF-424

***9. Type of Applicant 1: Select Applicant Type:**

X. Airport Sponsor

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10. Name of Federal Agency:**

Federal Aviation Administration

11. Catalog of Federal Domestic Assistance Number:

20.106

CFDA Title:

Airport Improvement Program

***12. Funding Opportunity Number:**

NA

*Title:

NA

13. Competition Identification Number:

NA

Title:

NA

14. Areas Affected by Project (Cities, Counties, States, etc.):

***15. Descriptive Title of Applicant's Project:**

\$1,005,444 for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments.

Attach supporting documents as specified in agency instructions.

Application for Federal Assistance SF-424**16. Congressional Districts Of:**

*a. Applicant: 1

*b. Program/Project: 1

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

*a. Start Date: NA

*b. End Date: NA

18. Estimated Funding (\$):

*a. Federal	\$1,005,444.
*b. Applicant	\$0
*c. State	\$0
*d. Local	\$0
*e. Other	\$0
*f. Program Income	\$0
*g. TOTAL	\$1,005,444.

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on ____.
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mr. _____ *First Name: Timothy _____

Middle Name: _____

*Last Name: Rogers _____

Suffix: _____

*Title: Executive Director

*Telephone Number: (785) 827-3914

Fax Number:

* Email: trogers@salair.org

*Signature of Authorized Representative:

*Date Signed:

Application for Federal Assistance SF-424

*1. Type of Submission:

☐ Preapplication

☒ Application

☐ Changed/Corrected Application

*2. Type of Application

☒ New

☐ Continuation

☐ Revision

* If Revision, select appropriate letter(s):

*Other (Specify)

*3. Date Received:

NA

4. Applicant Identifier:

SLN (Salina Regional) Salina, KS

*5b. Federal Entity Identifier:

20-0072

*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: Salina Airport Authority

*b. Employer/Taxpayer Identification Number (EIN/TIN):

48-0727448

*c. Organizational DUNS:

15-634-6900

d. Address:

*Street 1: M.J. Kennedy Air Terminal 3237 Arnold Avenue

Street 2:

*City: Salina

County/Parish:

*State: KS

Province:

*Country: USA: United States

*Zip / Postal Code 67401

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

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*First Name: Timothy

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Title: Executive Director

Organizational Affiliation:

*Telephone Number: (785) 827-3914

Fax Number:

*Email: trogers@salair.org

Application for Federal Assistance SF-424

***9. Type of Applicant 1: Select Applicant Type:**

X. Airport Sponsor

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10. Name of Federal Agency:**

Federal Aviation Administration

11. Catalog of Federal Domestic Assistance Number:

20.106

CFDA Title:

Airport Improvement Program

***12. Funding Opportunity Number:**

NA

*Title:

NA

13. Competition Identification Number:

NA

Title:

NA

14. Areas Affected by Project (Cities, Counties, States, etc.):

***15. Descriptive Title of Applicant's Project:**

\$3,432 To provide relief from rent and minimum annual guarantees to on-airport parking, on-airport car rental, and in-terminal airport concessions.

Attach supporting documents as specified in agency instructions.

Application for Federal Assistance SF-424**16. Congressional Districts Of:**

*a. Applicant: 1

*b. Program/Project: 1

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

*a. Start Date: NA

*b. End Date: NA

18. Estimated Funding (\$):

*a. Federal	\$3,432.
*b. Applicant	\$0
*c. State	\$0
*d. Local	\$0
*e. Other	\$0
*f. Program Income	\$0
*g. TOTAL	\$3,432.

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on ____.
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
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☒ ** I AGREE

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Authorized Representative:

Prefix: Mr. *First Name: Timothy

Middle Name: _____

*Last Name: Rogers

Suffix: _____

*Title: Executive Director

*Telephone Number: (785) 827-3914

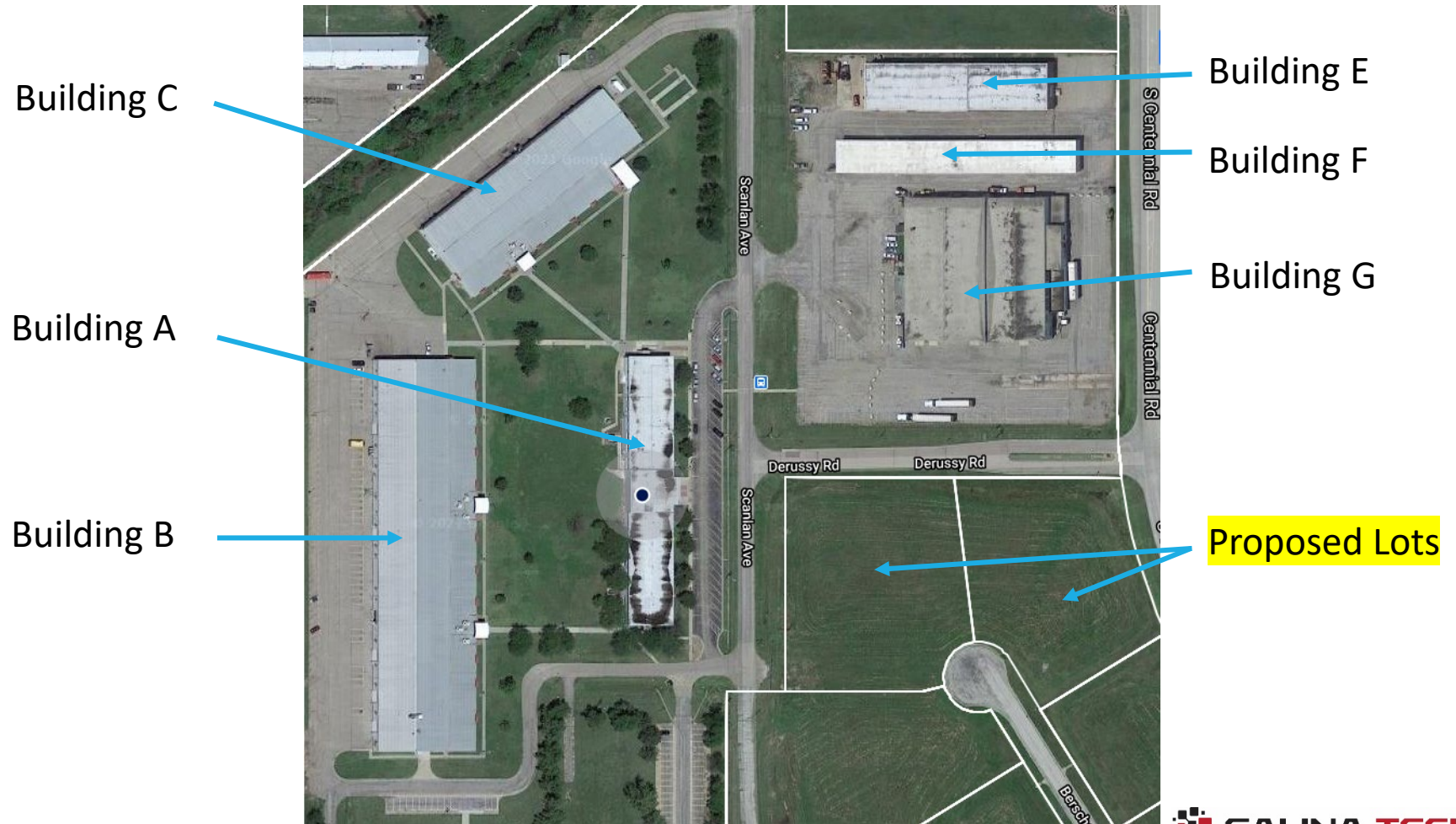
Fax Number:

* Email: trogers@salair.org

*Signature of Authorized Representative:

*Date Signed:

Campus View



Campus Vision for the Future

