

DATE: September 19, 2022
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: **September 21, 2022, SAA Regular Board Meeting**

Wednesday's meeting will feature discussion concerning the following 2022 Airport Authority operating plan priorities.

Enclosed are items for your review prior to the Wednesday, September 21, 2022, regular board meeting. Please note that the meeting will be held at the Salina Regional Airport's fire station training room, 2040 Beechcraft Rd. Directions to the Airport fire station are enclosed. Remote access to the meeting will only be via a telephone call conference bridge. The dial instructions are:

Conference Bridge number: 1-866-970-7872 (toll free)

Participant ID: 637258

Wednesday's meeting will feature discussion concerning the following 2022 and 2023 Airport Authority operating plan priorities.

- Hangar H626 rehabilitation design phase.
- New long-term leasing of available SAA office and warehouse space.
- Review of 2022, year-to-date, building and hangar leasing activity and 2023 facility leasing priorities.

Please note the following agenda comments.

Agenda Item #5 – Review of Airport Activity and Financial Reports for the Month Ending August 31, 2022(Rogers)

Airport Activity – Air Traffic (Rogers)

The Salina air traffic control tower (ATCT) recorded 4,040 operations during August 2022 which was a 35% decrease as compared to the August 2021 total of 6,181. For the year-to-date, a total of 43,117 operations have occurred at the Salina Airport which is 19% less than the August 2021 YTD total of 53,535. The decrease in aircraft operations is due to the closure on Runway 17/35 for resurfacing. The Runway 17/35 project was completed on August 26.

Airport Activity – Fuel Flowage (Rogers)

The July 2022 fuel flowage came in at 103,932 gallons which was 54% less than the August 2021 total of 226,367 gallons. For the year-to-date, a total of 1,438,737 gallons have been delivered which is 3% more than the August 2021 YTD total of 1,394,313 gallons. The September 12 – 22 Jaded Thunder exercise will result in an increase in September fuel sales.

Airport Activity – Passenger Enplanements (Rogers)

During August 2022 SkyWest enplaned 1,109 passengers, which was a 40% decrease over the August 2021

total of 1,859 passengers. The August 2022 total passenger count was 2,277 which was a 31% decrease over the August 2021 YTD total of 3,888. For the year-to-date, a total of 13,436 passengers have enplaned United Express flights which is 28% more than the August 2021 YTD total of 10,505 enplaned passengers. The August 2022 decrease in passenger enplanement reflects the negative impact of the current SLN schedule and tag with Hays. The implementation of a new “optimized” SLN schedule that breaks the HYS tag has slipped to later this year and possibly early 2023.

Financial Reports – Comments and Notes (Swanson)

Highlights from the August 2022 financials include:

- Unrestricted cash in bank at \$1,860,521
- Total YTD income came in \$157,216 over the same period in 2021 (8%) and is tracking over (8%, \$153,955) the 2022 budget projections.
- Total operating expenses came in \$3,858 under budget and are running 2.27% more than 2021 or \$42,493.
- Net operating income before depreciation equaled \$177,287 YTD at the end of August.

At the end of August, the SAA remitted the 2nd and final 2022 bond payments to the State Treasurer’s office in the amount of \$1,952,940 (\$1,670,000 principal, \$282,940 interest).

The disbursements from the 2021-1 and 2022-1 GO Temporary Note project funds account during August are now included as a separate report in the enclosed financial statements.

Financial Reports – Accounts Receivable Past Due 31 days or more as of September 19, 2022

(Swanson)

Account	Amount	Days	Comments
108 th Aviation Regiment	\$8,250	31-60	Hangar rent
54 th Helicopter Squadron	\$2,485	61-90	Hangar rent
AGCO Corporation	\$1,632	31-90	Utilities and Finance charges
Shane Brown	\$530	31-90	Storage Igloo
Bill Carr	\$164	31-90	Storage Igloo
Max Alan Hale	\$80	31-60	Finance charges
Kansas Military Board	\$2,166	31-60	Bldg. rent

FEMA Projects

During the last week of August, the SAA completed all essential elements of information required for 4 of the 7 projects for which grant funds are being sought for repairs to facilities that were damaged from the December 15, 2021, windstorm. The last 3 project submittals will be completed in September and the SAA anticipates the funds to be obligated by the end of the year.

2023 Property/Liability Insurance Renewals-

During late August and early September, the SAA has been working with our insurance broker, Lockton, to complete all necessary property/liability insurance applications and update all statements of values. Staff is preparing to have insurance premium proposals in hand before the Thanksgiving holiday. In early October, SAA will meet with Lockton staff to review the market and discuss strategies for the placement of the policies for 2023.

2022 Property Tax Levy to Fund the 2023 Budget

Following the September 14, hearing and special board meeting, SAA staff made all filings with the County Clerk for the SAA’s 2022 mill levy to fund the GO Bond Debt Service and federal and state grant

matching funds for 2023.

Short-term Leasing Activity

In August, the SAA leased a bay in Hangar 703 to 1 Vision for the purpose of aircraft maintenance and painting. This short-term rental will generate \$4,252 in hangar rental. Additionally, an area in Hangar 606 was also leased to 1 Vision during the month for 18 days and generated \$3,034 in hangar rental.

Agenda Item #6 - Consideration of an Architectural and Engineering Agreement with Hutton Corporation for the Design of the Hangar H626 Rehabilitation Project. (Rogers and Swanson)

Enclosed is the proposed architectural agreement with Hutton Corporation for the design of a \$3,500,000 hangar H626 rehabilitation project. The design will not include provisions for aircraft paint operations. The design will include the following:

- A new north hangar door
- A new south end wall
- Fire suppression and alarm system
- New hangar bay heating and ventilation
- New hangar bay lighting
- New siding in areas not replaced by the FEMA grant funding contractor

At the August 17, 2022, regular board meeting the change in project scope from a paint hangar to a conventional MRO rehabilitation project was discussed. The board's consensus was to renegotiate the scope of work, estimated cost of construction and fee with Hutton. As noted above the scope of work has been changed to delete paint hangar design components. The H626 rehabilitation construction budget has been estimated to be \$3,500,000. A \$3.5M rehabilitation project will make the hangar ready for short-term and long-term leasing for MRO, military, or federal agency use.

Hutton initially proposed a \$400,000 design fee for a H626 rehabilitation project. Following review of the project's scope of work and other factors, the revised Hutton design fee is \$246,000 which is 7% of the estimated \$3.5M construction cost. The proposed \$246,000 design fee is an appropriate amount for a \$3.5M project and includes the cost of project design, bidding, and construction administration.

Recommendation: Approval of the proposed Hutton Corporation architectural agreement in the amount of \$246,000 for the H626 rehabilitation project and authorize the executive director to sign the agreement.

Agenda Item #7 – Consideration of a Lease Agreement with Flotation Technology, LLC for Unit A in the Salina Development Center Located at 2775 Arnold Ave., Salina Airport Industrial Center. (Rogers)

The Salina Development Center (SDC) was constructed to provide space to new and emerging businesses. Flotation Technology, LLC is a new and emerging company that is developing equipment that can be used in the treatment of contaminated ground water. The company is partnering with AeroMod of Manhattan, KS to develop components that can be included in future AeroMod water and wastewater treatment plants. Flotation's proprietary technology has been developed with Kansas State University participation.

Flotation is a Jay Vanier, Rex Vanier, and Brett Johnson venture. The company's Salina location will initially create approximately five new jobs and salaries of more than \$50,000 per year. The proposed

Unit A, SDC lease terms are:

Salina Development Center, Unit A

- Flotation Technology, LLC
- 5,350 SF
- Five (5) years effective October 1, 2022, with options for one (1) additional term of one (1) year
- Biennial CPI adjustments
- \$2,565 per month
- **\$30,780 per year**
- \$5.75 per SF per year

Recommendation: Approval of the proposed Unit A, Salina Development Center lease with Flotation Technologies, LLC and authorize Chair Buer to sign the lease agreement.

Agenda Item #8 – Consideration of a Lease Agreement with Hentzen Coatings, Inc. for Unit A of Building B595, 2761 Berschel, Salina Airport Industrial Center. (Swanson)

The construction of the rehabilitation of the SAA's Bldg. B595 warehouse located at 2761 Berschel will be completed on October 1, 2022. On that same day, Hentzen Coatings, Inc. will be ready to take occupancy. Hentzen, based out of Milwaukee, WI, has been in business for over 100 years and is an industry leader in liquid and powder coating technologies. As a supplier of paint for agriculture equipment, their desire is to have a location close to one of their Salina customers, Great Plains Manufacturing. Unit A meets their needs for a climate control and fire suppression equipped facility. The proposed lease terms are as follows:

- Hentzen Coatings, Inc.
- 9,175 SF
- One (1) year effective Oct. 1, 2022, with options for four (4) additional terms of one (1) year each
- Biennial CPI adjustments
- \$4,100 per month
- \$49,200 per year
- \$5.35 per SF per year

Recommendation: Approval of the proposed Unit A, Bldg. 595 Lease Agreement with Hentzen Coatings, Inc., and authorize Chair Buer to sign the Lease Agreement.

Agenda Item #9 – Review of the SAA's 2022 (Year-To-Date) Building and Hangar Leasing Activity and Review of the SAA's 2023 Leasing Plan. (Rogers and Swanson)

Enclosed are copies of the following:

- The November 1, 2022, update of the SAA's building and hangar leasing "Scorecard." As of November 1, the Airport Authority's vacancy rate is 11% as compared to a 42% vacancy rate during April 2014.
- A copy of the SAA's building and leasing plan for CY 2023. The 2023 priority will be to secure

long-term tenants for hangars H509, H600 and H626. The three hangars combined have a potential new lease revenue of more than \$900,000.

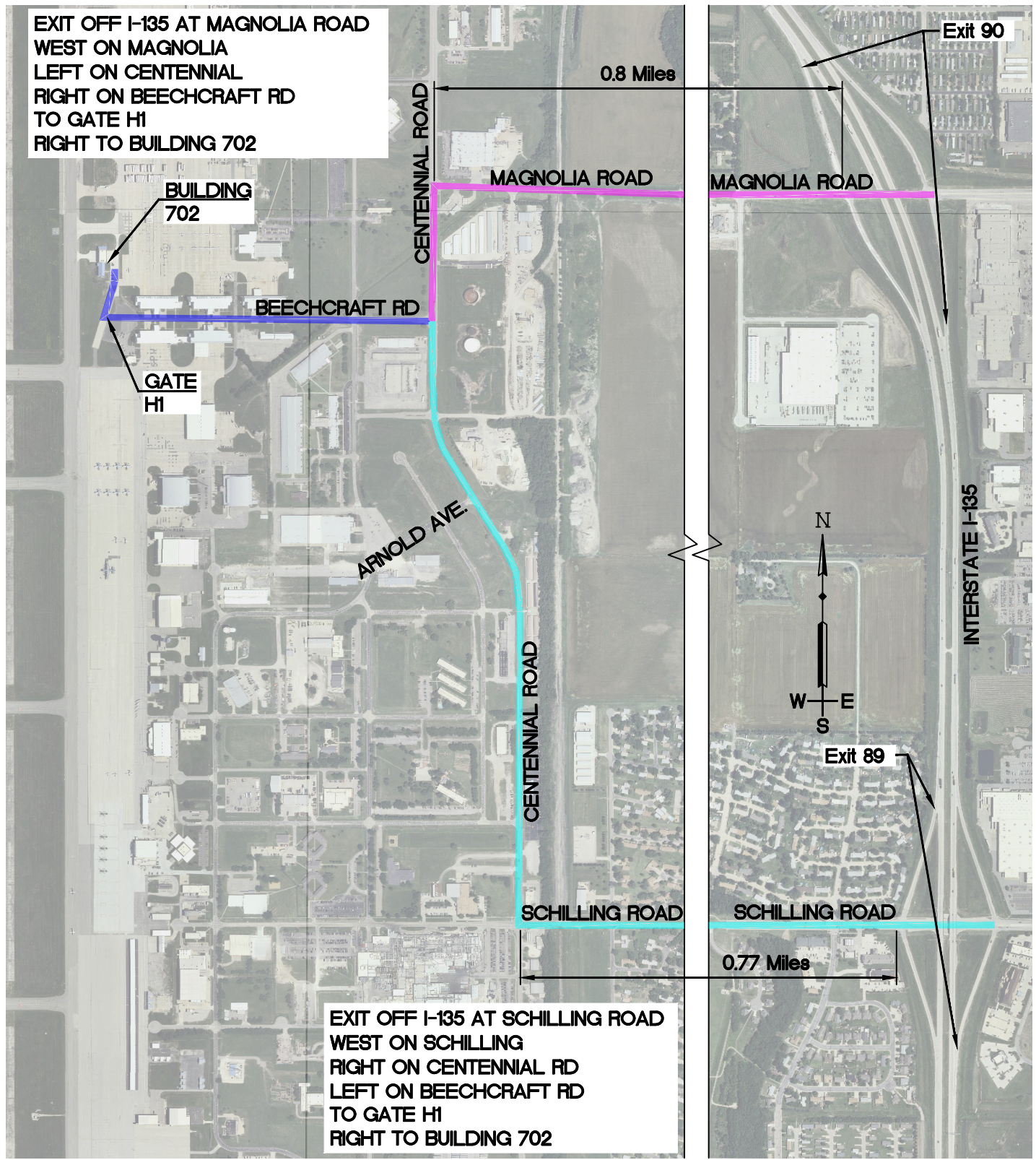
Shelli and I will review both the scorecard and the 2023 leasing plan at the board meeting.

Staff Reports

The most recent windstorm resulted in roof damage at another SAA building. Building B673 has been vacant for several years and was in poor condition. The building was last used as a dock high warehouse. The north half of the roof was blown off by high winds. On Wednesday you will be provided with a preliminary damage assessment and options for the building.

Please let me know if you have questions that you would like me to prepare for prior to the board meeting.

**DIRECTIONS TO BUILDING 702, SALINA AIRPORT AUTHORITY
AIRCRAFT RESCUE AND FIREFIGHTING (ARFF) STATION (2040 BEECHCRAFT RD)**



DATE: September 16, 2022
TO: Tim Rogers, SAA Board of Directors
FROM: Maynard Cunningham
SUBJECT: **September 21, 2022, SAA Regular Board Meeting**

Facilities and Construction Notes

New Projects

- **H959 (1 Vision Aviation) –**
 - A water main break occurred Friday, September 9, 2022, north of Hangar 959. City of Salina Water Dept. personnel responded to get the water valves turned off, then repaired another water valve in the area (unrelated to this water main break) so water service could be restored to the hangar. The break in the water main is isolated and remains to be repaired by the City, or a contractor selected by the City.
 - Johnson Controls Inc. continues to diagnose trouble alarms on the fire alarm control panel that were identified during the quarterly fire sprinkler system inspection in late July. When aircraft are moved from an area and space is made available, diagnosis requires the use of a telescoping boom lift to gain access to the communication cables, junction boxes and heat detectors mounted 70' above the hangar floor.
- **PH305 (SLN Fuel Farm) –** A contractor is scheduled to arrive Thursday, September 22, 2022 to replace a fuel flow meter on tank #2. SAA has the replacement components for the contractor to install. The flow meter has the meter register mounted on it that indicates the amount of fuel pumped out of the tank. The meter will require calibration at the time of the replacement installation.

Current Projects

- **H626 Boiler Room Demolition –** Associated Insulation, Manhattan, KS, will begin the project for removal of asbestos containing insulation in the boiler room on the west side of Hangar 626 this week. Demolition and removal of the equipment will follow. The room can then be utilized in the overall design of the aircraft hangar.
- **H600(K-State) Roof Repairs –** Webcon Inc, was selected from bids received for repairs of the standing seam metal roof at Hangar 600. Roof repairs are scheduled to begin after September 26, 2022. The repairs include seam sealing, sealing around protrusions, and partial roof coating in repair areas.
- **PH305 (SLN Fuel Facility) AIP-047 –** SAA, Aviation, and Roundtable personnel conducted a design kick-off meeting for the SLN Fuel Facility September 14, 2022. A site visit followed the meeting.

- **Runway 12/30 AIP-048** – SAA received Runway 12/30 design project initiation notification from the FAA September 9, 2022. Pavement investigation was performed in the Fall 2021. From the pavement investigation report, the type of rehabilitation was determined and proposed by Jviation. Jviation is finalizing the Scope of Work and Design Fee Proposal for the runway rehabilitation project for SAA review.
- **B595 (Hentzen Coatings-Unit A, 1 Vision Aviation-Unit B) Renovation** - Cheney Construction began work on the B595 renovation project the first week of March 2022. Notable items to be completed in the final two weeks of the project include the fire suppression system, interior metal panels, ceiling grids in offices and restrooms, HVAC duct and units, and restroom fixtures. Parking lot and driveway concrete is in process and scheduled to be complete September 21, 2022. Building renovations are scheduled to be completed by October 1, 2022.
- **B120 Terminal Building** –
 - Exterior cameras arrived and have been installed around the SLN Terminal Building. SAA personnel met with Nex-Tech personnel at the Terminal Building on July 29, 2022 to discuss exterior camera views. Nex-Tech proposed a plan to SAA personnel September 15, 2022 to relocate the exterior cameras to optimize viewing area.

Special Projects

- **December 15, 2021, Windstorm** - Multiple properties were damaged in the windstorm. Roofing, siding, and other mitigation repairs have been completed at multiple sites to protect from weather. Bids are still being solicited for repairs from the windstorm.
 - **D Hangars** – An estimate from a contractor for pre-storm condition repair costs was received by SAA. SAA personnel are uploading data to the FEMA portal as part of the process to determine possible funding.
 - **Multiple Locations** – FEMA has received the reports from the site visit Thursday, May 21, 2022, to multiple SAA buildings as part of the process to determine available funding for debris removal, temporary and emergency protective measures, permanent repairs, and mitigation, etc. SAA personnel continue to upload data to the FEMA portal for review.
 - **H606, B655(Stryten), H626(Schwann's)** – Cheney Construction has been selected from bids received to complete storm damage repair to the west interior wall of Hangar 606, the southwest exterior wall of Building 655, and the exterior siding of Hangar 626.
- **AIT and CTX Devices at SLN** - TSA approval has been received for AIT and CTX devices at the airport terminal building to improve passenger and bag screening. A TSA Site Survey Team was at SLN Monday, September 19, 2022 to review the location and accommodations prepared for the CTX device.

Completed Projects

- **Runway 17/35 South 7500 ft.** – Bettis Asphalt, the contractor performing the rehabilitation of the south 7500 ft. of Runway 17/35, began milling and paving the first phase of runway construction on July 14, 2022 and completed paving operations August 24, 2022. Runway and taxiway temporary pavement markings were completed August 26, 2022. The runway was reopened August 26, 2022. After allowing time for the pavement to cure, final pavement markings are scheduled to be completed the week of October 24, 2022.
- **B412 (Century Business Systems)** – Webcon Inc., completed roofing replacement at B412 September 8, 2022.
- **B520(Development Center) Roof Repairs** – Webcon Inc, completed repairs of the standing seam metal roof at Building 520 September 9, 2022.



BUSINESS AND COMMUNICATIONS MANAGER

3237 Arnold Ave.

Salina, Kansas 67401

Telephone (785) 827-3914 • FAX (785) 827-2221 • E-Mail kaseyw@salinaairport.com

DATE: September 14, 2022

TO: Salina Airport Authority Board of Directors

FROM: Kasey L. Windhorst

SUBJECT: September Board Meeting Update

Short-term Letter of Agreements (LOA)

Enel Green Power North America, Inc. has requested a new LOA for temporary storage of approximately 1,952 SF of space at Bldg. 808 (2328 Hein Avenue). Enel will continue to utilize the space for temporary storage of a damaged wind turbine nacelle and components. The term is for one-year, effective September 1, 2022 and will terminate no later than August 31, 2023. This agreement will generate \$410/month or \$4,920 per year in revenue.

Employee Training

SAA Maintenance, Operations and Aircraft Rescue and Fire Fighting (ARFF) personnel completed two FAR Part 139 training requirements during the month of August. On August 3rd, staff participated in the annual wildlife training. The wildlife training is provided by Loomacres Wildlife Management. The course instructs airport personnel on proper identification and management of wildlife on the airport. The training also includes an annual review of the SAA Wildlife Hazard Management Plan (WHMP). The WHMP is a document created to provide the strategy for reducing the risk that wildlife poses to safe airport operations. On August 10th, SAA staff completed the required Red Cross First Aid training.

Upcoming Events

SAA staff is working with International Aerobatic Club (IAC) to host a public event during the upcoming 2022 U.S. National Aerobatic Championships at Salina Regional Airport from October 2-7, 2022. The public is invited to attend the final event which is 4-minute free-style flights that will include smoke on Friday, October 7, 2022 at 1:00 p.m. The viewing area will be setup north of the SAA maintenance shop, B614 (2560 Arnold Court).

Announcements

As a reminder, the following special and regular board meetings are scheduled for the remainder of CY 2022.

Wednesday, October 19, 2022, 8:00 a.m.	Regular Board Meeting
Wednesday, November 2, 2022, 4:00 p.m.	Special Board Meeting
Wednesday, November 16, 2022, 8:00 a.m.	Regular Board Meeting
Wednesday, December 21, 2022, 8:00 a.m.	Regular Board Meeting

SALINA AIRPORT AUTHORITY REGULAR BOARD MEETING
Salina Regional Airport Fire Station Training Room
2040 Beechcraft Road

September 21, 2022 – 8:00 AM

AGENDA

Call to Order: (Buer)

1. Call to order, determine that a quorum is present and confirm that the meeting notice has been published. (Buer)
2. Recognition of guests. (Buer)
3. Additions to the agenda and agenda overview. (Rogers)
4. Approval of the minutes of the August 17, 2022, regular board meeting, August 31, 2022, special board meeting and the September 14, 2022, special board meeting. (Buer)
5. Review of airport activity and financial reports for the month ending August 31, 2022. (Rogers and Swanson)
6. Consideration of an architectural and engineering agreement with Hutton Corporation for the design of the hangar H626 rehabilitation project. (Rogers)
7. Consideration of a Lease Agreement with Flotation Technology, LLC for Unit A in the Salina Development Center located at 2775 Arnold Ave., Salina Airport Industrial Center. (Rogers)
8. Consideration of a Lease Agreement with Hentzen Coatings, Inc. for Unit A of Building B595, 2761 Berschel, Salina Airport Industrial Center. (Swanson)
9. Review of the SAA's building and hangar leasing plan for 2022 and 2023. (Rogers and Swanson)

Directors' Forum: (Buer)

Visitor's Questions and Comments: (Buer)

Staff Reports: (Rogers)

Announcements: (Windhorst)

Adjournment: (Buer)



**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
AUGUST 17, 2022
HANGAR 600, ROOM 100**

Call to Order

The meeting was called to order at 8:00 A.M. by Chair Kent Buer. Chair Buer confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst confirmed that the notice and packet were published and distributed Friday, August 12, 2022.

Attendance

Attendance was taken. Chair Buer, Directors Roberg (via GTM), Gunn, Carlin, and Eichelberger (via GTM) were present. Executive Director Tim Rogers (via GTM); Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Maynard Cunningham; Business and Communications Manager Kasey Windhorst; Administration Specialist Michelle Moon; and Attorney Greg Bengtson (via GTM) attended. Guests were Michael Bunn, based pilot and Kendrick Calfee, Salina Journal reporter.

Additions to the Agenda

Chair Buer asked if there were any additions to the agenda. Executive Director Rogers stated there were no additions to the agenda. Rogers rescheduled agenda item No. 9, Review of the SAA's 2023 capital budget projects and expenditures funding, to the August 31, 2022 meeting. Rogers provided an overview of the agenda.

Minutes

Chair Buer asked if the board members had additions or corrections to the minutes. Director Gunn moved to approve the minutes of the July 20, 2022 regular board meeting; Director Carlin seconded the motion. Motion carried 5-0.

Airport Activity

Executive Director Rogers reviewed the airport activity during the month of July 2022. The Salina air traffic control tower (ATCT) recorded 4,613 operations during July 2022 which was a 36% decrease as compared to the July 2021 total of 7,230. The decrease in aircraft operations is due to the closure on Runway 17/35 for resurfacing. July 2022 fuel flowage came in at 104,328 gallons which was 55% less than the July 2021 total of 233,652 gallons. The decrease is a result of the Runway 17/35 closure for construction. SkyWest enplaned 2,157 passengers during July 2022, which was a 9% decrease over the July 2021 total of 2,379 passengers. Total passenger count was 4,416 which was a 5% decrease over the July 2021 year-to-date total of 4,654. The decrease in passenger enplanement reflects the negative impact of the routing and scheduling tag with Hays, dropping below 2019. SkyWest continues to maintain daily service with the available pilots and crews.

Financial Reports

Director of Administration and Finance Swanson reviewed the financials ending July 31, 2022. Unrestricted cash in the bank is at \$1,934,560. Total year-to-date income came in \$230,718 over the same period in 2021 (14%) and is tracking 10% over the 2022 budget projections. Total operating expenses came in 1% over budget and is running 2.15% more than 2021 or \$35,869. Net operating income before depreciation equaled \$161,309 year-to-date at the end of July.

The SAA closed on the \$1,000,000, 2022-1 General Obligation Temporary Notes on July 7 which resulted in the increase of bond funds on deposit and long-term liabilities as compared to June 2022. Swanson reviewed significant capital expenditures for July and commented on disbursements from the 2021-1 and 2022-1 GO Temp note project funds.

On August 11, 2022, the SAA entered an 18-day lease for Hangars 509, 600, and 606 with the US Special Operations Command (USSOCOM) to conduct the multi-force military training exercise known as Jaded Thunder. Jaded Thunder 22.2 will be the seventh time USSOCOM has based this exercise at Salina over the last nine years. This short-term rental will generate approximately \$140,000 in hangar, equipment, and fuel flowage fees during the month of September.

Consideration of a lease agreement with Garmin International, Inc. for office and computer lab space at hangar H600, 2720 Arnold Ct.

Swanson noted that Garmin International, specializing in GPS technology for automotive, aviation, marine, outdoor and sport activities, had initially leased 1,131 SF of office/classroom space in hangar H600 to be close to the K-State Salina aerospace and unmanned systems programs. The transition from a month-to-month initial lease is a significant step toward growing Garmin's Salina operations. The lease term is for a period of one (1) year, beginning October 1, 2022, with an option to renew every year for the next four (4) additional years. The Basic rent is \$1,185 per month and the CPI adjustment will be every two (2) years.

Director Eichelberger moved to approve the proposed office/classroom lease with Garmin International, Director Gunn seconded the motion. The motion carried unanimously.

Consideration of a lease agreement with Avflight Salina Corporation for space at building B207.

Swanson reported that since June 1, 2017, Avflight has leased 2,778 SF at B207 for use as a vehicle and equipment maintenance shop, servicing mobile aircraft refueling trucks and ground service equipment. The new lease will be effective September 1, 2022, for a five (5) year initial term. Avflight will have an option to renew the lease for one (1) additional term of five (5) years. The new rental rate will be \$700 per month, \$8,400 per year. The rental rate is subject to a CPI adjustment every two (2) years.

Director Gunn moved to approve the proposed B207 lease with Avflight Salina for vehicle and equipment maintenance shop space. Director Roberg seconded. The vote was 5-0 and the motion carried.

Calendar year 2023 airport improvement project priorities and available FAA grant funding.

Rogers provided an update on the priority projects and reviewed the summary of funding for Airport Capital Improvement projects and allocation of anticipated 2023 mill levy receipts for local match. Below are the 2023 priorities:

1. Design and construction of a new 202,000-gallon fuel farm. - Rogers anticipates that the grant funding will be offered in September. For the design and construction, the project's estimated total is \$5,555,749. The grant will be for \$5,000,174 (90%) with local match of \$555,575 (10%). Construction may start during calendar year 2023.

2. Runway 12/30 rehabilitation design - The scope of work is approved. The design work will progress in calendar year 2023 with construction slated for calendar year 2024. Total estimated project cost is \$5,877,499. The federal share would be \$5,289,749 (90%) while the SAA local share would be \$587,750 (10%) of the total project cost.
3. Terminal building expansion design - When the project application is submitted this year, the grant request amount will be for \$10,573,200 (90%) of the total project cost and SAA matching funds required will be \$1,174,800 (10%). Total project cost is estimated to be \$11,748,000.

Rogers will be recommending at a future board meeting the approval of a 1 mill property tax to raise \$485,340 in matching funds for calendar year 2023 airport improvement projects.

Review of the changes in the scope of work for the design of Hangar 626 improvements.

Rogers stated that the prospective tenant for hangar H626 has decided to make other plans for aircraft paint operations due to the immediate demand by customers. Rogers noted that there is still a need to proceed with the rehabilitation of hangar H626. Remodeling the hangar will provide more opportunities for both short term and long-term leasing. Completing the core H626 improvements will enable the Airport Authority to offer a 45,000 SF hangar to prospective MRO companies, federal agencies, and the military. The cost of the rehabilitation of the core components of H626 will be less than converting the hangar to an aircraft paint hangar. An updated H626 site plan and floor plan were discussed.

The board approved Rogers renegotiating the scope of work and fee for the Hutton, H626 architectural design agreement. The renegotiated scope of work, design fee and estimated construction cost will be presented to the board for final approval.

Visitor's Questions and Comments

Director Buer asked if visitors had any questions or comments. Michael Bunn asked for an update on the T-Hangar construction. Rogers responded that construction is pending the results of the FEMA determination. SAA staff continue to provide FEMA with the required information. Rogers stated that the FEMA reports are public records and are available on the SAA website.

Staff Reports

Director of Facilities and Construction Cunningham stated that the Runway 17/35 paving would be completed this week. The subcontractor for the paint markings will follow and then the inspection will be completed prior to opening the runway.

Upon a motion duly made, the meeting adjourned at 9:05 A.M.

Minutes approved at the September 21, 2022, board meeting.

Alan Eichelberger, Secretary

(SEAL)

**MINUTES OF THE SPECIAL MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
AUGUST 31, 2022
HANGAR 600, ROOM 100**

Call to Order

The meeting was called to order at 4:00 P.M. by Chair Kent Buer. Chair Buer confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst stated that the meeting notice was published Friday, August 26, 2022. Distribution of the full board packet was published on Monday, August 29, 2022.

Attendance

Attendance was taken. Chair Buer (via GTM), Directors Roberg, Gunn (via GTM), Carlin, and Eichelberger (via GTM) were present. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Maynard Cunningham; Business and Communications Manager Kasey Windhorst; Administration Specialist Michelle Moon; and Attorney Greg Bengtson attended. Guests were David Arteberry, Financial Advisor, Stiefel, Michael Bunn, based pilot, and community member Jennifer Briggs.

Additions to the Agenda

Chair Buer asked if there were any additions to the agenda. Executive Director Rogers stated there were no additions to the agenda. Rogers did propose, however, that the board consider rescheduling the September 7, 2022 special board meeting regarding the RNR public hearing, offering September 14, 2022 as the new date. Rogers completed an overview of the agenda.

Public Hearing

The Public Hearing was opened by Chair Buer. Rogers explained the process of the public hearing, stating that preliminary 2023 budget information would be presented followed by public comments.

Director of Administration and Finance Swanson reviewed the 2023 preliminary budget. The summary indicated an anticipated 3% increase in airfield revenue with the total operating revenue of \$3,003,110 (an increase of 3.2% over 2022). The report has a slight decrease in operating expenses. The NIBD is \$33,755. Rogers stated that the report did not project any new leases; Swanson remarked that 2023 also will not include NASA or Jaded Thunder special events.

Rogers reviewed the Salina Airport Authority bond issues and processes. Director Eichelberger requested a quick identification of the projects funded by the outstanding temporary notes listed on page 1 of the Stifel report provided to the board. Swanson reviewed the construction projects funded by each Salina Airport Authority bond issue.

David Arteberry, financial advisor, Stiefel, commented on the debt service schedule. Arteberry explained the assumptions noted on the Bond Issue Overview and the Bond and Interest Fund Mill Levy Projection reports. Rogers noted that the operating revenue projection for 2024 – 2043 is anticipated to be applied to reduce the debt service payments. Arteberry further presented the Estimated Debt Service Schedule report but confirmed that the board may consider other approaches to this projection.

Rogers presented the Summary of Funding for Airport Capital Improvement Projects and Allocation of Anticipated 2023 Mill Levy Receipts for Local Match. Rogers stated that the 5% increase from 4.838 mill levy (calendar year 2022) to 5.901 (calendar year 2023) is equal to the required local match value (4.901 GO Bond Debt Service, 1.00 Grant Match) for the three current projects: Fuel Farm Construction (MAP Grant); 12/30 Runway Rehabilitation (BIL and Entitlement Grant); and Terminal Building Expansion (BIL Grant).

Chair Buer opened the meeting to Public Comments.

Ms. Briggs asked a series of questions regarding how the Airport Authority analyzed the need for remodeling Hangar 606. Rogers explained that the airport has a federal obligation to return former aviation hangars to airport use. Ms. Briggs stated that she was opposed to the increase at this time due to the economic recession.

Following Ms. Briggs' questions, Director Buer requested a report updating the board on the number of buildings leased and the current vacancy rate. Rogers stated that the vacancy rate improved from 42% in April of 2018 to 18% as of December 2021. Airport staff will provide a scorecard update at the next board meeting.

Mr. Bunn questioned the coupons on the existing bonds. Arteberry responded with the Bond interest rates on all SAA bonds and stated that the assumed rate for the 2023-A series would be approximately 5% based on today's market.

Bunn asked about the status of the GA hangar construction project. Rogers responded that the GA hangar is a priority to be funded by cash reserves and the pending FEMA storm damage mitigation settlement. Bunn asked for an estimated occupation ready time frame. Rogers expects FEMA to issue a notice of determination by the end of 2022 and further details to be provided as available.

No further question or comments were directed to the board.

Director Eichelberger's online connection was lost at approximately 5:00 p.m.

Director Rogers stated that the board packet contained a copy of Resolution 22-08 for review. Since the Revenue Neutral rate process is new for the Airport Authority, Rogers recommended that the Public Hearing be continued. Chair Buer asked if there was a motion to continue.

Director Roberg moved that the Salina Airport Authority's Revenue Neutral Rate public hearing be continued to 4:00 P.M. on Wednesday, September 14, 2022 at the Salina Regional Airport's airport fire station training room, 2040 Beechcraft Rd., and that the notice of continued hearing be published in the Salina Journal and on the SAA website. Director Carlin second the motion. Motion carried 4-0.

Consideration of a lease agreement with 1 Vision Aviation Salina for Hangar H606

Rogers presented the proposed lease agreement with 1 Vision Aviation Salina for Hangar 606, effective November 1, 2022. The long-term agreement allows 1 Vision Aviation Salina to operate a second aircraft maintenance and repair (MRO) hangar, facilitating their growing business. The hangar H606 lease terms are:

- 49,222 SF
- Initial Term: twenty (20) months effective November 1, 2022, with options for three (3) additional terms of five (5) years each
- Biennial CPI adjustments
- \$23,170 per month
- **\$278,040 per year**
- \$5.65 per SF per year

Director Gunn moved to approve the proposed lease with 1 Vision Aviation Salina for hangar H606 and authorize Chair Buer to sign the Lease Agreement, Director Carlin seconded. Motion carried 4-0.

Consideration of a lease agreement with 1 Vision Aviation Salina for Warehouse B595-B

Rogers presented the proposed lease agreement with 1 Vision Aviation Salina for Building B595, Unit. 1 Vision Aviation Salina will use the space as an aircraft parts warehouse and interiors shop facility. The B595-B lease terms are:

- 10,790 SF
- Ten-years effective October 1, 2022, with options for three (3) additional terms of five (5) years each
- Biennial CPI adjustments
- \$3,690 per month
- **\$44,280 per year**
- \$4.10 per SF per year

Director Roberg moved that the board approve the proposed lease with 1 Vision Aviation Salina for warehouse B595-B and authorize Chair Buer to sign the Lease Agreement. Director Gunn seconded the motion. The motion carried on a 4-0 vote.

Announcements

Executive Director Rogers stated that staff will issue a cancelation of the September 7, 2022 Special Board Meeting and issue the notice for the September 14, 2022 Special Board Meeting continuing the Public Hearing. Council confirmed that the continuation was properly announced. Business and Communications Manager Windhorst confirmed that the Regular Board Meeting on September 21, 2022 will be held at the airport fire Station; the announcement will provide directions as well as remote access instructions.

Upon a motion duly made by Director Gunn and seconded by Director Roberg, the meeting adjourned at 5:23 P.M.

Minutes approved at the September 21, 2022, board meeting.

Alan Eichelberger, Secretary

(SEAL)

**MINUTES OF THE SPECIAL MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
SEPTEMBER 14, 2022
AIRCRAFT RESCUE AND FIREFIGHTING (ARFF) STATION,
2040 BEECHCRAFT ROAD, SALINA, KANSAS**

Call to Order

The meeting was called to order at 4:00 P.M. by Chair Kent Buer. Chair Buer confirmed that a quorum was present. Business and Communications Manager Kasey Windhorst stated that the meeting notice and board packet was published and distributed on Friday, September 9, 2022.

Attendance

Attendance was taken. Chair Buer, Directors Roberg, Gunn, Carlin, and Eichelberger (via telephone call conference bridge) were present. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Maynard Cunningham; Business and Communications Manager Kasey Windhorst; Administration Specialist Michelle Moon; and Attorney Greg Bengtson attended. No guests were present or attending via telephone.

Additions to the Agenda

Chair Buer asked if there were any additions to the agenda. Executive Director Rogers stated there were no additions to the agenda. Rogers provided an overview of the agenda.

Revenue Neutral Rate Public Hearing Continuation

The Public Hearing, started at the August 31, 2022 special board meeting, was continued by Chair Buer. Chair Buer asked for further public comments. Chair Buer confirmed that no guests were attending via the telephone conference call bridge. There were no members of the public in attendance. No further public comments were received. Chair Buer closed the public hearing.

Consideration of SAA Resolution No. 22-08, A Resolution of the Salina Airport Authority, Salina, Kansas to Exceed the Revenue Neutral Rate in its Property Tax Levy for the Tax Year of 2022

Executive Director Rogers presented SAA Resolution 22-08. A resolution of the Salina Airport Authority, Salina, Kansas to exceed the revenue Neutral Rate in its property tax levy for the tax year of 2022.

Director Gunn moved to approve SAA Resolution No. 22-08 and authorize Chair Buer and Secretary Eichelberger to sign SAA Resolution No. 22-08, seconded by Director Carlin.

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

Consideration of SAA Resolution No. 22-09 setting the Airport Authority's 2022 mill levy for the purpose of paying general obligation bond debt principal and interest in calendar year 2023

Rogers reviewed SAA Resolution No. 22-09 setting the 2022 mill levy rate at 4.084 mills (\$1,982,031) for the purpose of paying general obligation bond debt principal and interest in calendar year 2023.

Director Carlin moved for the approval of SAA Resolution No. 22-09 and authorize Chair Buer and Secretary Eichelberger to sign SAA Resolution No. 22-09. Director Gunn seconded. Motion carried 5-0.

Consideration of SAA Resolution No. 22-10 setting the Airport Authority's 2022 mill levy for matching funds required to qualify for certain state and federal grants for improvements relating to the development, improvement, operation, or maintenance of the Salina Regional Airport during calendar year 2023

Rogers reviewed the resolution to set the Airport Authority's 2022 mill levy for state and federal airport improvement grant matching funds at 1.000 mill (\$485,340). The property tax funds raised will be matched by an estimated \$3,965,548 in federal Airport Improvement Program grant funds.

Director Roberg moved to approve SAA Resolution No. 22-10 and authorize Chair Buer and Secretary Eichelberger to sign SAA Resolution No. 22-10. Director Gunn seconded the motion. The motion carried 5-0.

Consideration and Acceptance of a \$300,000 FAA Airport Improvement Program (AIP) Grant Agreement for the Design of a New Salina Regional Airport Fuel Farm

Executive Director Rogers presented the draft grant offer and agreement provided by the FAA for the federal share of the cost to design a new Salina Regional Airport fuel farm. The total cost for project design is \$378,056. The grant offer is for a federal share of \$300,000. The SAA's local share would be \$78,056. The receipt of the FAA's Grant Offer and Agreement was delayed due to a delay in final project approval by the Office of the Secretary of Transportation (OST). Rogers reviewed the revised grant amount, grant conditions, special conditions and grant assurances and recommends the board accept the Grant Offer and Agreement for FAA Project No. 3-20-0072-047-2022.

Director Eichelberger moved that the board accept the FAA Grant Offer and Agreement for FAA AIP Project No. 3-20-0072-047-2022 in the amount of \$300,000 and authorize Chair Buer to sign the Grant Offer and Agreement by electronic signature. Director Gunn seconded the motion. Motion carried 5-0.

Announcements

Business and Communications Manager Windhorst reminded the board that the September regular board meeting will be held at the airport fire station, 2040 Beechcraft Road on September 21, 2022 at 8:00 a.m.

Director Eichelberger exited the meeting via conference call.

Motion for Clarification

Director Gunn noted that SAA Resolutions No. 22-08, No. 22-09 and No. 22-10 required that a SAA board officer attest Chair Buer's signature. Since Secretary Eichelberger had been attending remotely, unavailable to sign the documents following the meeting, then a motion to authorize SAA board Vice-Chair Tod Roberg to attest would be in order.

Director Gunn moved that the board authorize Vice-Chair Roberg to attest Chair Buer's signature on Resolutions No. 22-08, No. 22-09 and No. 22-10. Director Carlin seconded the motion. Motion carried 4-0.

Salina Regional Airport Flight line Tour

At approximately 4:30 P.M., Executive Director Rogers escorted the board members on a flight line tour, returning to the fire station's training room at 5:09 P.M.

On a motion duly made and seconded, the meeting adjourned at 5:10 P.M.

Minutes approved at the September 21, 2022, board meeting.

Alan Eichelberger, Secretary

(SEAL)

SALINA AIRPORT AUTHORITY
AIRPORT ACTIVITY REPORT
2022

AIR TRAFFIC/ATCT

August, 2022	4,040 Operations 526 Instrument Operations 282 Peak Day
August, 2021	6,181 Operations 840 Instrument Operations 430 Peak Day
January 2022 - August 2022	43,117 Operations
January 2021 - August 2021	53,535 Operations
January 2020 - August 2020	35,019 Operations

FUEL FLOWAGE

August, 2022	103,932 Gallons
August, 2021	226,367 Gallons
January 2022 - August 2022	1,438,737 Gallons
January 2021 - August 2021	1,394,313 Gallons
January 2020 - August 2020	1,672,456 Gallons

KSU-S	Avflight Salina	Avflight	
		Military/Gov't Portion	Self-fuel Station Portion
7,981	95,951	13,472	337
10,606	215,761	65,186	656
80,821	1,357,916	412,630	2,817
84,001	1,310,312	303,626	3,565
48,132	1,624,324	737,106	2,129

SkyWest Airlines

ENPLANEMENTS

August, 2022	1,109 Passengers
August, 2021	1,859 Passengers
January 2022 - August 2022	13,436 Passengers
January 2021 - August 2021	10,505 Passengers
January 2020 - August 2020	5,471 Passengers

DEPLANEMENTS

TOTAL

1,168 Passengers	2,277
2,029 Passengers	3,888

ENPLANEMENTS - Charter Flights

August, 2022	0 Passengers
August, 2021	0 Passengers
January 2022 - August 2022	2,198 Passengers
January 2021 - August 2021	862 Passengers
January 2020 - August 2020	5,288 Passengers

TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights

August, 2022	1,109 Passengers
August, 2021	1,859 Passengers
January 2022 - August 2022	15,634 Passengers
January 2021 - August 2021	11,367 Passengers
January 2020 - August 2020	10,759 Passengers

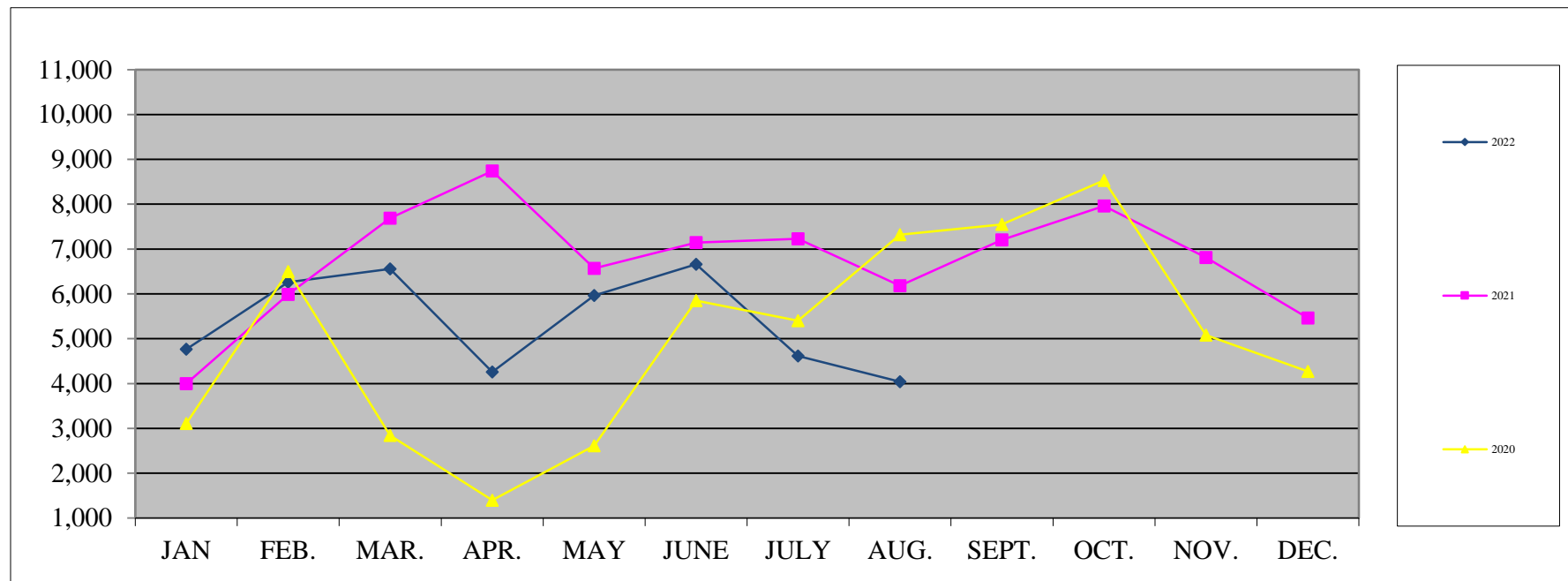
AIRPORT TRAFFIC RECORD

2021 - 2022

	ITINERANT					LOCAL			
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	Total Operations
2022									
January, 22	124	1,618	610	156	2,508	2,062	194	2,256	4,764
February, 22	128	2,269	680	151	3,228	2,974	58	3,032	6,260
March, 22	131	2,009	722	329	3,191	3,188	178	3,366	6,557
April, 22	176	1,876	616	151	2,819	1,381	58	1,439	4,258
May, 22	186	1,617	711	176	2,690	3,093	182	3,275	5,965
June, 22	178	1,782	749	450	3,159	3,209	292	3,501	6,660
July, 22	148	1,508	773	88	2,517	2,040	56	2,096	4,613
August, 22	122	1,392	644	168	2,326	1,630	84	1,714	4,040
September, 22									
October, 22									
November, 22									
December, 22									
Totals January - August	1,193	14,071	5,505	1,669	22,438	19,577	1,102	20,679	43,117
2021									
January, 21	131	1,074	540	161	1,906	1,968	122	2,090	3,996
February, 21	109	1,966	533	218	2,826	2,863	300	3,163	5,989
March, 21	113	2,286	743	340	3,482	3,804	402	4,206	7,688
April, 21	120	2,534	743	196	3,593	4,966	180	5,146	8,739
May, 21	132	1,767	847	272	3,018	3,274	278	3,552	6,570
June, 21	141	2,327	876	154	3,498	3,522	122	3,644	7,142
July, 21	129	2,063	845	189	3,226	3,874	130	4,004	7,230
August, 21	132	1,694	898	193	2,917	3,120	144	3,264	6,181
September, 21									
October, 21									
November, 21									
December, 21									
Totals January - August	1,007	15,711	6,025	1,723	24,466	27,391	1,678	29,069	53,535
Difference	186	-1,640	-520	-54	-2,028	-7,814	-576	-8,390	-10,418
YTD % Change	18%	-10%	-9%	-3%	-8%	-29%	-34%	-29%	-19%
Legend:	AC: Air Carrier		AT: Air Taxi						
	GA: General Aviation		MI: Military						

AIR TRAFFIC

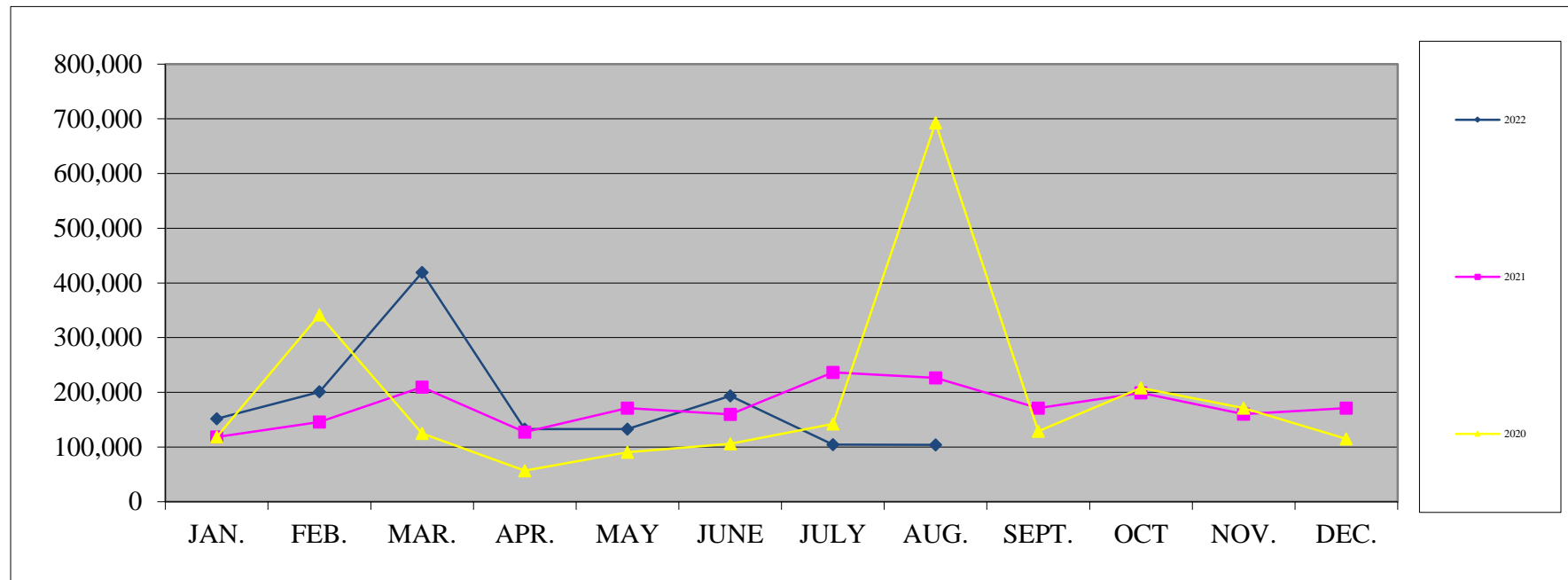
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2022	4,764	6,260	6,557	4,258	5,965	6,660	4,613	4,040					43,117
2021	3,996	5,989	7,688	8,739	6,570	7,142	7,230	6,181	7,206	7,958	6,808	5,463	80,970
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



FUEL FLOWAGE

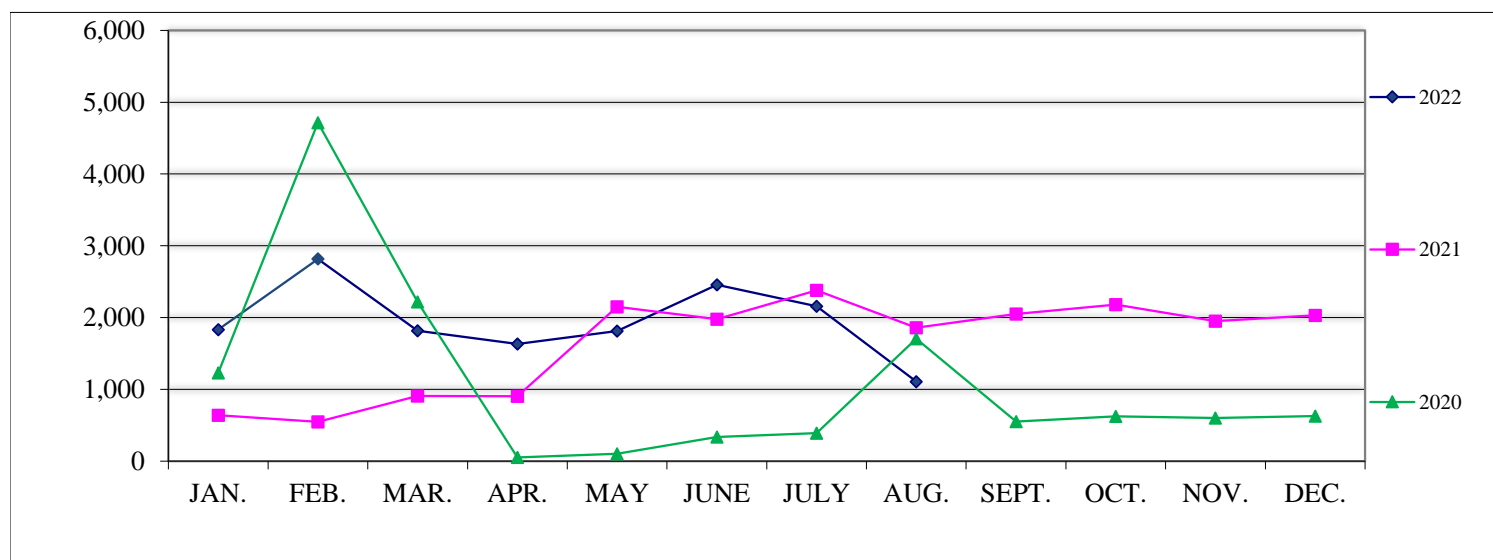
Gallons of Fuel Sold at SLN

	<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>
2022	151,697	200,550	418,947	132,791	132,881	193,611	104,328	103,932					1,438,737
2021	118,269	145,726	209,376	127,107	171,289	159,725	236,452	226,367	171,259	199,197	160,279	171,150	2,096,198
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



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>
2022	1,833	2,815	1,815	1,634	1,813	2,458	2,157	1,109					15,634
2021	638	548	909	904	2,151	1,979	2,379	1,859	2,050	2,182	1,949	2,032	19,580
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



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

***SALINA** Airport*

Authority

AUGUST 2022

FINANCIAL STATEMENTS

Salina Airport Authority
Statement of Net Position Prev Year Comparison
As of August 31, 2022

09/16/2022

	Aug 31, 22	Jul 31, 22	\$ Change	Aug 31, 21	\$ Change	% Change
ASSETS						
Current Assets						
Checking/Savings						
Cash in Bank-Bond Funds	2,346,909	2,530,711	-183,802	51,623	2,295,286	4,446%
Cash in bank-Operating Funds	1,860,521	1,934,560	-74,039	1,550,791	309,730	20%
Cash in Bank - Mill Levy	588,296	2,667,828	-2,079,532	586,126	2,170	0%
Total Checking/Savings	4,795,726	7,133,099	-2,337,373	2,188,540	2,607,186	119%
Accounts Receivable						
Accounts Receivable	45,234	65,404	-20,170	181,381	-136,147	-75%
Total Accounts Receivable	45,234	65,404	-20,170	181,381	-136,147	-75%
Other Current Assets						
Agri Land Receivable	66,760	66,760	0	66,760	0	0%
Mill Levy receivable	281,658	281,658	0	196,494	85,164	43%
Other current assets	149,493	167,766	-18,273	153,088	-3,595	-2%
Undeposited Funds	12,653	6,850	5,803	53,934	-41,281	-77%
Total Other Current Assets	510,564	523,034	-12,470	470,276	40,288	9%
Total Current Assets	5,351,524	7,721,537	-2,370,013	2,840,197	2,511,327	88%
Fixed Assets						
Fixed assets at cost	96,303,072	95,906,652	396,420	94,429,467	1,873,605	2%
Less accumulated depreciation	-51,938,926	-51,696,839	-242,087	-52,343,023	404,097	1%
Total Fixed Assets	44,364,146	44,209,813	154,333	42,086,444	2,277,702	5%
Other Assets						
Deferred Outflow of Resources	1,085,654	1,085,654	0	1,232,712	-147,058	-12%
Total Other Assets	1,085,654	1,085,654	0	1,232,712	-147,058	-12%
TOTAL ASSETS	50,801,324	53,017,004	-2,215,680	46,159,353	4,641,971	10%
LIABILITIES & EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts payable	96,809	363,398	-266,589	212,387	-115,578	-54%
Total Accounts Payable	96,809	363,398	-266,589	212,387	-115,578	-54%
Total Credit Cards	0	-526	526	5,456	-5,456	-100%
Other Current Liabilities						
Accrued debt interest payable	-8,036	227,860	-235,896	9,779	-17,815	-182%
Debt, current portion	1,710,800	1,710,800	0	1,670,000	40,800	2%
Deferred Agri Land Revenue	22,253	27,817	-5,564	22,253	0	0%
Deferred Mill Levy revenue	818,685	1,023,356	-204,671	844,890	-26,205	-3%
Other current liabilities	285,387	252,853	32,534	265,491	19,896	7%
Total Other Current Liabilities	2,829,089	3,242,686	-413,597	2,812,413	16,676	1%
Total Current Liabilities	2,925,898	3,605,558	-679,660	3,030,256	-104,358	-3%
Long Term Liabilities						
Debt - Long Term	24,927,207	26,597,207	-1,670,000	22,100,188	2,827,019	13%
Deferred Inflows of Resources	229,504	229,504	0	66,426	163,078	246%
Less current portion	-1,710,800	-1,710,800	0	-1,670,000	-40,800	-2%
Net OPEB Liability (KPERs)	13,911	13,911	0	13,924	-13	-0%
Net Pension Liability	509,789	509,789	0	715,670	-205,881	-29%
Security Deposits Returnable	94,339	94,064	275	92,501	1,838	2%
Total Long Term Liabilities	24,063,950	25,733,675	-1,669,725	21,318,709	2,745,241	13%
Total Liabilities	26,989,848	29,339,233	-2,349,385	24,348,965	2,640,883	11%
Equity						
Invested in Capital Assets net	19,436,939	17,427,657	2,009,282	18,568,472	868,467	5%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	3,307,692	5,316,974	-2,009,282	2,538,711	768,981	30%
Net Income	976,846	843,140	133,706	613,205	363,641	59%
Total Equity	23,811,477	23,677,771	133,706	21,810,388	2,001,089	9%
TOTAL LIABILITIES & EQUITY	50,801,325	53,017,004	-2,215,679	46,159,353	4,641,972	10%

Salina Airport Authority
Profit & Loss Budget Performance
August 2022

11:57 AM
09/16/2022
Accrual Basis

	Aug 22	Jan - Aug 22	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense						
Income						
Airfield revenue						
Fuel Flowage Fees	9,648	130,164	120,000	10,164	108%	180,000
Hangar rent	63,945	631,281	543,333	87,948	116%	815,000
Landing fees	1,914	29,242	20,300	8,942	144%	30,450
Ramp rent	5,435	44,580	43,333	1,247	103%	65,000
Total Airfield revenue	80,942	835,267	726,966	108,301	115%	1,090,450
Building and land rent						
Agri land rent	5,563	45,007	44,667	340	101%	67,000
Building rents - Long Term						
Short-term leasing	39,894	308,537	354,967	-46,430	87%	532,450
Building rents - Long Term - Other	77,146	618,447	545,033	73,414	113%	817,550
Total Building rents - Long Term	117,040	926,984	900,000	26,984	103%	1,350,000
Land rent						
Basic Land Rent	9,868	106,119	108,382	-2,263	98%	162,573
Property tax - tenant share	8,952	71,618	71,618	0	100%	107,427
Total Land rent	18,820	177,737	180,000	-2,263	99%	270,000
Tank rent	1,220	9,760	9,360	400	104%	14,040
Total Building and land rent	142,643	1,159,488	1,134,027	25,461	102%	1,701,040
Other revenue						
Airport Marketing	0	20,000	16,667	3,333	120%	25,000
ARFF Training	0	0	0	0	0%	0
Commissions	1,718	16,803	12,667	4,136	133%	19,000
Other income	4,356	62,057	49,333	12,724	126%	74,000
Total Other revenue	6,074	98,860	78,667	20,193	126%	118,000
Total Income	229,659	2,093,615	1,939,660	153,955	108%	2,909,490
Gross Income	229,659	2,093,615	1,939,660	153,955	108%	2,909,490
Expense						
Administrative expenses						
A/E, consultants, brokers	0	4,844	22,667	-17,823	21%	34,000
Airport promotion	11,019	156,139	163,333	-7,194	96%	245,000
Bad Debt Expense	0	0	3,333	-3,333	0%	5,000
Computer/Network Admin.	3,787	25,534	19,000	6,534	134%	28,500
Dues and subscriptions	2,200	21,500	18,333	3,167	117%	27,500
Employee retirement	7,071	57,093	53,392	3,701	107%	80,088
FICA and medicare tax expense	5,327	47,077	44,771	2,306	105%	67,157
Industrial development	4,792	38,333	40,000	-1,667	96%	60,000
Insurance , property	19,167	154,248	153,333	915	101%	230,000
Insurance, medical	16,329	130,312	146,667	-16,355	89%	220,000
Kansas unemployment tax	0	461	667	-206	69%	1,000
Legal and accounting	1,184	42,011	30,600	11,411	137%	45,900
Office salaries	44,289	366,258	366,667	-409	100%	550,000
Office Supplies	574	6,324	5,437	887	116%	8,155
Other administrative expense	613	8,166	12,000	-3,834	68%	18,000
Postage	0	1,077	1,360	-283	79%	2,040
Property tax expense	12,047	96,377	96,377	0	100%	144,565
Special Events	0	1,004	1,000	4	100%	1,500
Telephone	1,400	13,333	16,667	-3,334	80%	25,000
Training	3,750	5,990	6,667	-677	90%	10,000
Travel and meetings	1,289	11,216	6,667	4,549	168%	10,000
Total Administrative expenses	134,838	1,187,297	1,208,938	-21,641	98%	1,813,405

	Aug 22	Jan - Aug 22	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Maintenance expenses						
Airfield maintenance	5,038	30,109	33,333	-3,224	90%	50,000
Airport Security	0	382	5,333	-4,951	7%	8,000
Building maintenance	21,503	156,146	100,000	56,146	156%	150,000
Equipment fuel and repairs	1,674	52,301	60,000	-7,699	87%	90,000
Fire Services	0	4,753	21,167	-16,414	22%	31,750
Grounds maintenance	0	17,253	10,000	7,253	173%	15,000
Maintenance salaries	27,834	256,985	254,749	2,236	101%	382,124
Other maintenance expenses	663	10,477	13,333	-2,856	79%	20,000
Snow removal expense	0	8,740	13,333	-4,593	66%	20,000
Utilities	20,318	191,885	200,000	-8,115	96%	300,000
Total Maintenance expenses	77,030	729,031	711,248	17,783	103%	1,066,874
Total Expense	211,868	1,916,328	1,920,186	-3,858	100%	2,880,279
Net Ordinary Income	17,791	177,287	19,474	157,813	910%	29,211
Other Income/Expense						
Other Income						
Capital contributed	199,169	1,481,999	4,122,421	-2,640,422	36%	6,183,632
Gain on sale of assets	0	0	10,000	-10,000	0%	20,000
Interest income						
Interest income on deposits	1,261	4,639	1,000	3,639	464%	1,500
Total Interest income	1,261	4,639	1,000	3,639	464%	1,500
Mill levy income	204,671	1,637,370	1,637,370	0	100%	2,456,055
Total Other Income	405,101	3,124,008	5,770,791	-2,646,783	54%	8,661,187
Other Expense						
Debt interest expense net						
Bond issue cost	56	11,400	45,000	-33,600	25%	45,000
Interest Expense on Debt	47,044	376,354	376,354	0	100%	564,530
Total Debt interest expense net	47,100	387,754	421,354	-33,600	92%	609,530
Depreciation expense	242,087	1,936,696	1,936,696	0	100%	2,905,044
Total Other Expense	289,187	2,324,450	2,358,050	-33,600	99%	3,514,574
Net Other Income	115,914	799,558	3,412,741	-2,613,183	23%	5,146,613
Net Income	133,705	976,845	3,432,215	-2,455,370	28%	5,175,824

Salina Airport Authority
Profit & Loss Prev Year Comparison
January through August 2022

12:00 PM
09/16/2022
Accrual Basis

	Jan - Aug 22	Jan - Aug 21	\$ Change	% Change
Ordinary Income/Expense				
Income				
Airfield revenue				
Fuel Flowage Fees	130,164.07	119,011.07	11,153.00	9.37%
Hangar rent	631,281.35	562,160.08	69,121.27	12.3%
Landing fees	29,242.41	19,268.10	9,974.31	51.77%
Ramp rent	44,580.00	42,664.00	1,916.00	4.49%
Total Airfield revenue	835,267.83	743,103.25	92,164.58	12.4%
Building and land rent				
Agri land rent	45,006.64	44,506.64	500.00	1.12%
Building rents - Long Term				
Short-term leasing	308,537.00	271,444.96	37,092.04	13.67%
Building rents - Long Term - Other	618,446.84	619,869.60	-1,422.76	-0.23%
Total Building rents - Long Term	926,983.84	891,314.56	35,669.28	4.0%
Land rent				
Basic Land Rent	106,119.14	108,829.51	-2,710.37	-2.49%
Property tax - tenant share	71,617.68	75,616.00	-3,998.32	-5.29%
Total Land rent	177,736.82	184,445.51	-6,708.69	-3.64%
Tank rent	9,760.00	9,336.00	424.00	4.54%
Total Building and land rent	1,159,487.30	1,129,602.71	29,884.59	2.65%
Other revenue				
Airport Marketing	20,000.00	0.00	20,000.00	100.0%
Commissions	16,802.56	11,807.87	4,994.69	42.3%
Other income	62,057.21	51,885.21	10,172.00	19.61%
Total Other revenue	98,859.77	63,693.08	35,166.69	55.21%
Uncategorized Income	0.00	0.00	0.00	0.0%
Total Income	2,093,614.90	1,936,399.04	157,215.86	8.12%
Gross Profit	2,093,614.90	1,936,399.04	157,215.86	8.12%
Expense				
Administrative expenses				
A/E, consultants, brokers	4,844.40	24,966.55	-20,122.15	-80.6%
Airport promotion				
Air Serv. Mktg - SAA	151,038.75	144,391.11	6,647.64	4.6%
Airport promotion - Other	5,100.62	3,057.75	2,042.87	66.81%
Total Airport promotion	156,139.37	147,448.86	8,690.51	5.89%
Bad Debt Expense	0.00	107.00	-107.00	-100.0%
Computer/Network Admin.	25,534.01	17,740.11	7,793.90	43.93%
Dues and subscriptions	21,500.01	17,933.94	3,566.07	19.88%
Employee retirement	57,092.97	51,746.97	5,346.00	10.33%
FICA and medicare tax expense	47,076.71	39,992.45	7,084.26	17.71%
Industrial development	38,333.36	19,000.00	19,333.36	101.76%
Insurance , property	154,248.16	136,666.64	17,581.52	12.87%
Insurance, medical	130,311.88	133,324.88	-3,013.00	-2.26%
Kansas unemployment tax	460.95	4,220.38	-3,759.43	-89.08%
Legal and accounting	42,010.70	50,158.50	-8,147.80	-16.24%
Office salaries	366,257.99	320,910.83	45,347.16	14.13%
Office Supplies	6,323.99	4,753.74	1,570.25	33.03%
Other administrative expense				
Merchant Processing Fees	5,043.65	7,542.19	-2,498.54	-33.13%
Other administrative expense - Other	3,122.68	4,803.05	-1,680.37	-34.99%
Total Other administrative expense	8,166.33	12,345.24	-4,178.91	-33.85%
Postage	1,076.64	1,064.34	12.30	1.16%
Property tax expense	96,376.64	113,902.64	-17,526.00	-15.39%
Special Events	1,004.36	0.00	1,004.36	100.0%
Telephone	13,333.40	16,046.20	-2,712.80	-16.91%
Training	5,990.00	334.95	5,655.05	1,688.33%
Travel and meetings	11,215.77	6,517.22	4,698.55	72.09%
Total Administrative expenses	1,187,297.64	1,119,181.44	68,116.20	6.09%

	Jan - Aug 22	Jan - Aug 21	\$ Change	% Change
Maintenance expenses				
Airfield maintenance	30,108.96	31,788.65	-1,679.69	-5.28%
Airport Security	382.36	3,969.03	-3,586.67	-90.37%
Building maintenance	156,145.52	99,294.11	56,851.41	57.26%
Equipment fuel and repairs	52,300.80	65,112.23	-12,811.43	-19.68%
Fire Services	4,752.50	13,148.88	-8,396.38	-63.86%
Grounds maintenance	17,252.55	10,039.76	7,212.79	71.84%
Maintenance salaries				
COVID-19 Compensation	0.00	343.00	-343.00	-100.0%
Maintenance salaries - Other	256,984.93	221,005.38	35,979.55	16.28%
Total Maintenance salaries	256,984.93	221,348.38	35,636.55	16.1%
Other maintenance expenses	10,477.14	11,502.78	-1,025.64	-8.92%
Snow removal expense	8,740.00	2,684.74	6,055.26	225.54%
Utilities	191,885.13	295,764.25	-103,879.12	-35.12%
Total Maintenance expenses	729,029.89	754,652.81	-25,622.92	-3.4%
Uncategorized Expenses	0.00	0.00	0.00	0.0%
Total Expense	1,916,327.53	1,873,834.25	42,493.28	2.27%
Net Ordinary Income	177,287.37	62,564.79	114,722.58	183.37%
Other Income/Expense				
Other Income				
Capital contributed				
ARPA Grant No. 45 - Equipment	0.00	0.00	0.00	0.0%
ARPA Grant No. 45 - Operating	75,271.79	0.00	75,271.79	100.0%
CARES Grant No. 41 - Operating	0.00	183,669.53	-183,669.53	-100.0%
CRRSAA Grant No. 43 - Equipment	0.00	270,402.57	-270,402.57	-100.0%
CRRSAA Grant No. 43 - Operating	0.00	512,128.65	-512,128.65	-100.0%
Capital contributed - Other	1,406,726.72	75,110.27	1,331,616.45	1,772.88%
Total Capital contributed	1,481,998.51	1,041,311.02	440,687.49	42.32%
Gain on sale of assets	0.00	193,240.00	-193,240.00	-100.0%
Interest income				
Interest income on deposits	4,639.11	703.36	3,935.75	559.56%
Total Interest income	4,639.11	703.36	3,935.75	559.56%
Mill levy income	1,637,370.00	1,689,779.36	-52,409.36	-3.1%
Total Other Income	3,124,007.62	2,925,033.74	198,973.88	6.8%
Other Expense				
Debt interest expense net				
Bond issue cost	11,399.50	46,831.82	-35,432.32	-75.66%
Interest Expense on Debt	376,353.60	428,840.00	-52,486.40	-12.24%
Total Debt interest expense net	387,753.10	475,671.82	-87,918.72	-18.48%
Depreciation expense	1,936,695.68	1,898,721.36	37,974.32	2.0%
Total Other Expense	2,324,448.78	2,374,393.18	-49,944.40	-2.1%
Net Other Income	799,558.84	550,640.56	248,918.28	45.21%
Net Income	<u>976,846.21</u>	<u>613,205.35</u>	<u>363,640.86</u>	<u>59.3%</u>

Salina Airport Authority
Capital Additions Budget vs. Actual
As of August 31, 2022

12:07 PM
09/16/2022
Accrual Basis

	Aug 31	Jan - Aug 31	Annual Budget	+/- Budget	% of Annual Budget
ASSETS					
Fixed Assets					
Fixed assets at cost					
Airfield					
AIP-42 Rwy 17/35 Rehab	199,170	212,239	3,872,315	-3,660,076	5%
AIP-47 Pumphouse 305		20,449	380,957	-360,508	5%
AIP-48 Terminal Parking Lot Reh		2,490	562,500	-560,010	0%
AIP-XX Rwy 12/30 Rehab Design		43,213	285,250	-242,037	15%
AIP-XX Terminal Bldg. Expansion		10,064	1,393,302	-1,383,238	1%
Airfield Improvements		27,344	50,000	-22,656	55%
GA Hangar Construction		0	730,000	-730,000	0%
GA Hangar taxilane		0	113,172	-113,172	0%
GA Hangars Design		0	17,694	-17,694	0%
KAIP-2022 Rwy 17/35 N 4,800ft.		1,561,448	1,691,185	-129,737	92%
North Ramp Development		13,098	7,500	5,598	175%
Rwys 17/35 - 12/30 LED Lighting		59,444	175,000	-115,556	34%
Total Airfield	199,170	1,949,789	9,278,875	-7,329,086	21%
Buildings & Improvements					
Bldg. 120 Terminal building					
Concourse Imps.		311,023	393,107	-82,084	79%
South overflow parking lot A/E		18,500	18,500	0	100%
South overflow parking lt const	141,649	148,477	155,170	-6,693	96%
Terminal Bldg. Other		0	15,000	-15,000	0%
Total Bldg. 120 Terminal building	141,649	478,000	581,777	-103,777	82%
Building improvements					
2021-12-15 Storm Damage		199,983	1,000,000	-800,017	20%
Bldg. #1021 Facility Imps.	45,045	135,624	151,891	-16,267	89%
Bldg. 394 Parking Lot Imps.		0	50,000	-50,000	0%
Bldg. 412 Imps.		24,300	35,000	-10,700	69%
Bldg. 520 Imps.		63,217	50,000	13,217	126%
Bldg. 595 Improvements Const.		602,154	1,664,000	-1,061,846	36%
Bldg. 595 Improvements Design		99,700	99,700	0	100%
Bldg. 655 Improvements		29,253	40,000	-10,747	73%
Bldg. Imps. Other	7,246	49,787	45,000	4,787	111%
Hangar #509 Imps.		0	20,000	-20,000	0%
Hangar 600 Improvements		31,585	16,490	15,095	192%
Hangar 959 Rehabilitation		61,485	32,725	28,760	188%
Total Building improvements	52,291	1,297,088	3,204,806	-1,907,718	40%
FBO Improvements					
Bldg. 700 Imps. Avflight North		23,331	45,000	-21,669	52%
Hangar 409-1 Imps Avflight So.		0	10,000	-10,000	0%
Total FBO Improvements	0	23,331	55,000	-31,669	42%
Total Buildings & Improvements	193,940	1,798,419	3,841,583	-2,043,164	47%
Equipment					
Airfield Equipment		0	15,000	-15,000	0%
ARFF equipment		-17,413	25,000	-42,413	-70%
Communications equipment	3,310	7,609	20,000	-12,391	38%
Computer equipment		3,334	25,000	-21,666	13%
Industrial center equipment		0	15,000	-15,000	0%
Office equipment		0	7,500	-7,500	0%
Other Equipment		0	5,000	-5,000	0%
Shop equipment		3,585	20,000	-16,415	18%
Terminal bldg equipment		0	10,000	-10,000	0%
Vehicles		0	25,000	-25,000	0%
Total Equipment	3,310	-2,885	167,500	-170,385	-2%
Land					
Airport Indust. Cent. Imps.					
AIC-City-Wide Storage Tract Imp		0	15,000	-15,000	0%
Airport Indust. Cent. Imps. - Other		0	3,000	-3,000	0%
Total Airport Indust. Cent. Imps.		0	18,000	-18,000	0%
Rail Spur Imps.		0	20,000	-20,000	0%
Total Land	0	0	38,000	-38,000	0%
Total Fixed assets at cost	396,420	3,745,323	13,325,958	-9,580,635	28%

Salina Airport Authority

Significant Capital Expenditures Detail

August 2022

Type	Date	Name	Memo	Amount
Fixed assets at cost				
Airfield				
AIP-42 Rwy 17/35 Rehab				
Bill	08/17/2022	Bettis Asphalt & Construction, Inc.	Rehabilitate 7,500' of Runway 17/35 Pavement and Taxiway D Subgrade D...	199,169.96
Total AIP-42 Rwy 17/35 Rehab				199,169.96
Total Airfield				199,169.96
Buildings & Improvements				
Bldg. 120 Terminal building				
South overflow parking lt const				
Bill	08/02/2022	T & R Dirt Construction Inc	Terminal Building South Overflow Parking Lot construction	141,649.46
Total South overflow parking lt const				141,649.46
Total Bldg. 120 Terminal building				141,649.46
Building improvements				
Bldg. #1021 Facility Imps.				
Bill	08/01/2022	Hutton Corporation	T & M from 2/17/22 - 8/1/22 at Bldg 1021	45,044.57
Total Bldg. #1021 Facility Imps.				45,044.57
Bldg. Imps. Other				
Bill	08/03/2022	Pestinger Heating & Air, Inc.	B614 breakroom HVAC Installed Lennox 5-TN 14 seer heat pump, thermos...	7,246.00
Total Bldg. Imps. Other				7,246.00
Total Building improvements				52,290.57
Total Buildings & Improvements				193,940.03
Equipment				
Communications equipment				
Bill	08/02/2022	Ka-Comm, Inc.	ACU100 Handset speaker module replacement, installed	3,310.00
Total Communications equipment				3,310.00
Total Equipment				3,310.00
Total Fixed assets at cost				396,419.99
TOTAL				396,419.99

12:33 PM

09/16/22

Accrual Basis

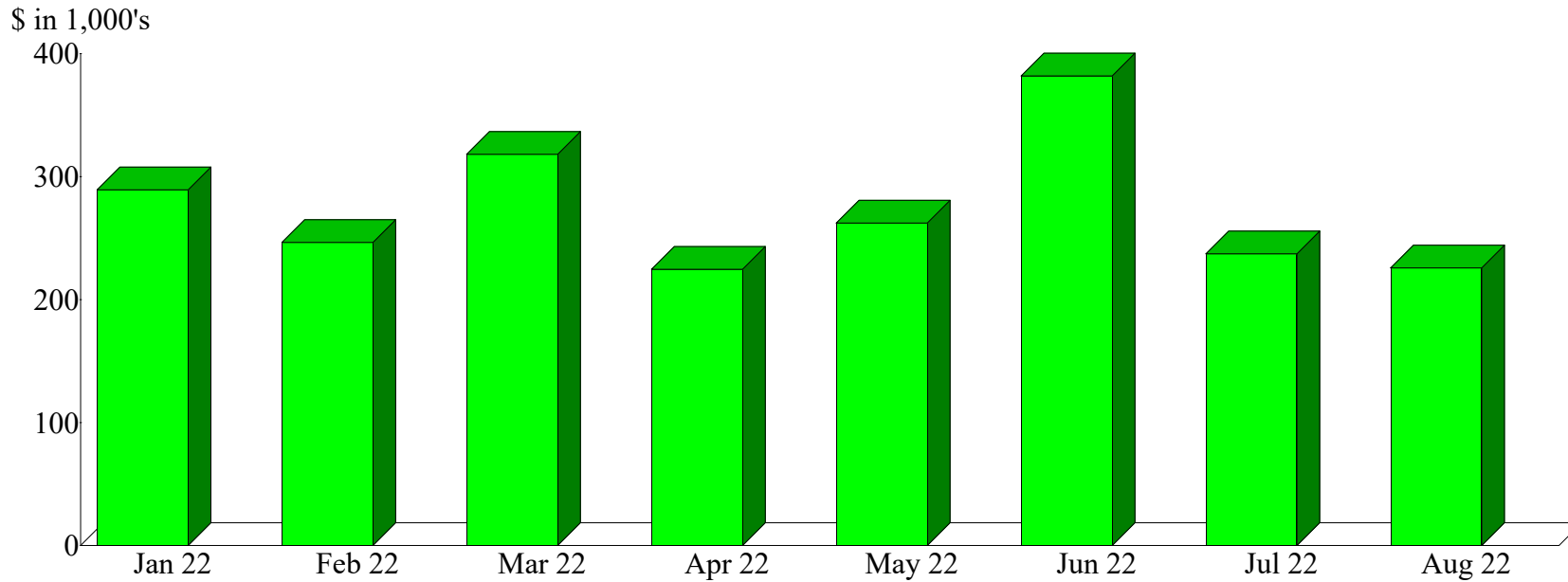
Salina Airport Authority
Distributions from the GO Temp Note Project Funds

As of August 31, 2022

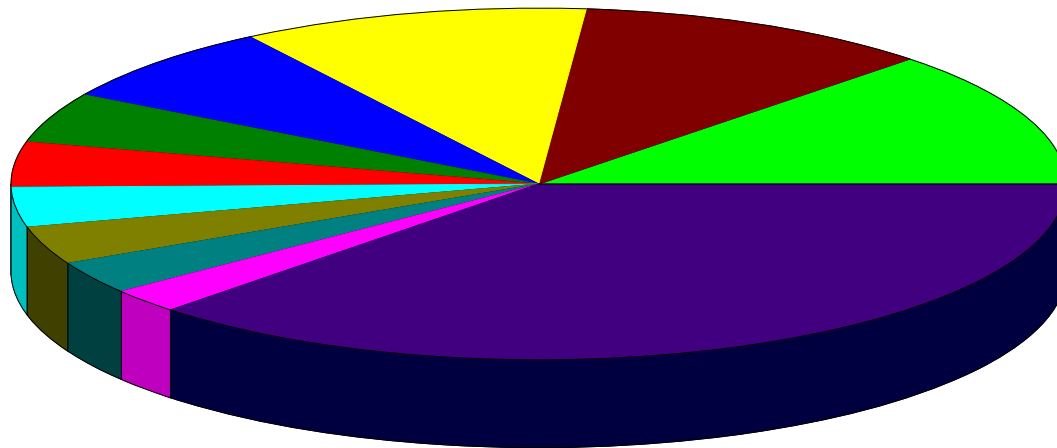
Type	Date	Name	Memo	Debit	Credit	Balance
Cash in Bank-Bond Funds						2,530,711.18
BSB 2021-1 GO Temp Note (8146)						1,568,453.51
Bill Pmt -Check	08/18/2022	Cheney Construction Inc.	SAA BLDG 595 22005 Progress Payment # 4		184,949.01	1,383,504.50
Deposit	08/31/2022		Interest	259.43		1,383,763.93
Total BSB 2021-1 GO Temp Note (8146)				259.43	184,949.01	1,383,763.93
BSB 2022-1 GO Temp Note (9668)						962,257.67
Bill Pmt -Check	08/24/2022	Clark, Mize & Linville	GAB review email re temp notes; private placement filing		55.50	962,202.17
Check	08/24/2022	Clark, Mize & Linville	VOID:	0.00		962,202.17
Deposit	08/31/2022		Interest	943.14		963,145.31
Total BSB 2022-1 GO Temp Note (9668)				943.14	55.50	963,145.31
Total Cash in Bank-Bond Funds				1,202.57	185,004.51	2,346,909.24
TOTAL				1,202.57	185,004.51	2,346,909.24

Sales by Month
January through August 2022

Dollar Sales



Sales Summary
January through August 2022

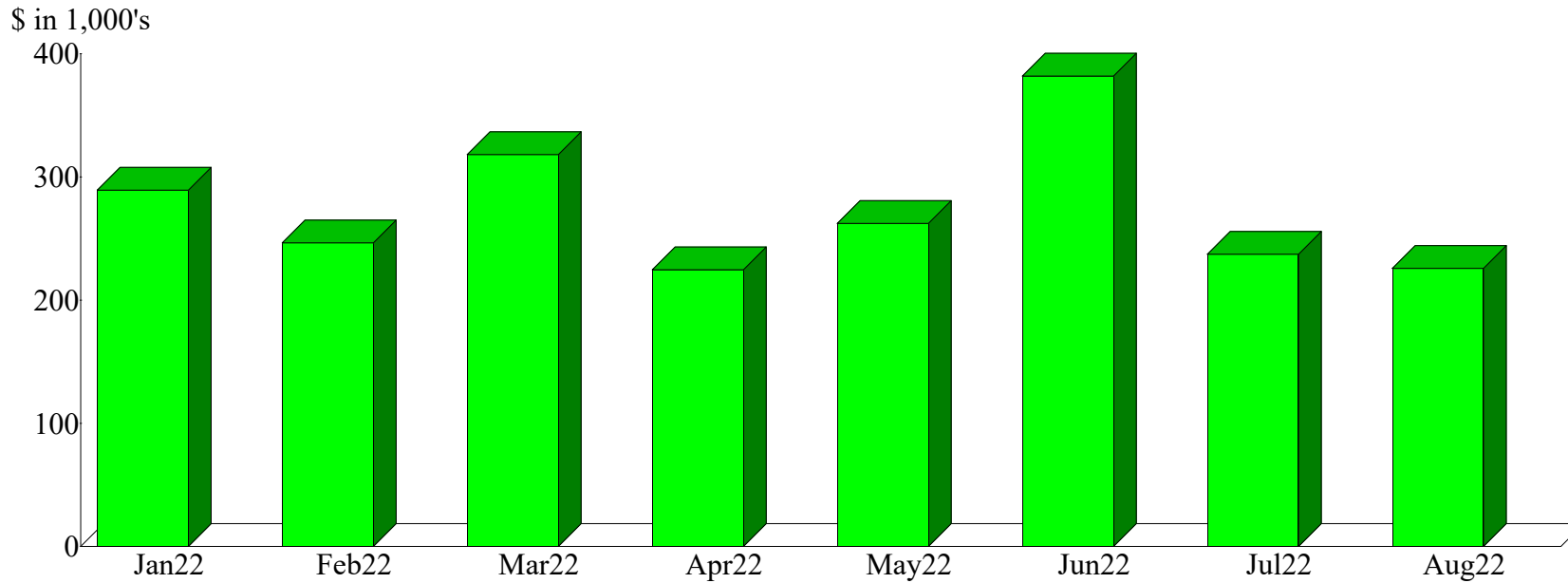


Kansas Erosion Products, LLC.	12.70%
1 Vision Aviation, PLLC	11.05
Avflight Salina	10.72
Stryten Salina, LLC	7.38
NASA	4.77
SFC Global Supply Chain	4.26
Marine Forces Reserve MAG-49	3.76
Universal Forest Products (UFP)	3.65
K-State Salina	3.15
108th Aviation Regiment	2.26
Other	36.31
Total	\$2,185,939.17

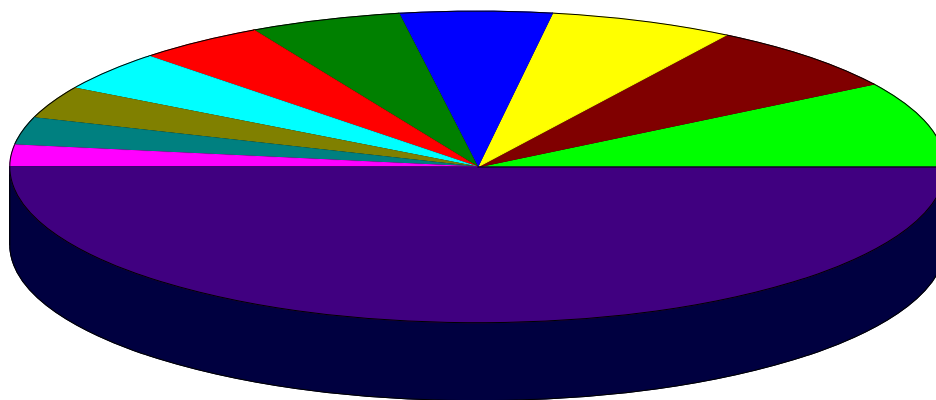
By Customer

Sales by Month
January through August 2022

Dollar Sales



Sales Summary
January through August 2022



H-00959-1 (Hangar Facility H959 - 2044 S	8.97%
B-01021 (Building #1021 located at 3600	7.22
B-00655-3 (Bldg. #655 (96,611 SF) - 2656	6.43
FFF-Avflight Salina (Fuel Flowage Fee @	5.38
Utility Reimbursement (Utility Reimburse	5.37
H-0600-1 (Hangar 600 - 20,217 sq. ft.)	4.54
H-0606-1 (Hangar 606 - 2630 Arnold Ct.	4.23
B-00620-1 (Building #620 (30,000 SF) an	3.49
B-00626-1 (Manufacturing facility #626 (2.96
H-00409-1 (FBO Hangar - 2010 Rogers Ct.)	2.36
Other	49.05
Total	\$2,185,939.17

By Item



AIA[®] Document B101[™] – 2017

Standard Form of Agreement Between Owner and Architect

AGREEMENT made as of the ninth day of August in the year two thousand twenty-two
(In words, indicate day, month and year.)

BETWEEN the Architect's client identified as the Owner:
(Name, legal status, address and other information)

Salina Airport Authority
Salina Regional Airport (KSLN)
3237 Arnold Ave.
Salina, Kansas

and the Architect:
(Name, legal status, address and other information)

Hutton Corporation
111 N. Sycamore
Wichita, KS 67203

for the following Project:
(Name, location and detailed description)

Hutton Project #DS22070

SAA Hangar 626 Remodel
-34,000sf hangar building with ~11,000sf office space (area on East/West sides).
-Located at 2625 Arnold Ct., Salina, KS 67401

The Owner and Architect agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

TABLE OF ARTICLES

1	INITIAL INFORMATION
2	ARCHITECT'S RESPONSIBILITIES
3	SCOPE OF ARCHITECT'S BASIC SERVICES
4	SUPPLEMENTAL AND ADDITIONAL SERVICES
5	OWNER'S RESPONSIBILITIES
6	COST OF THE WORK
7	COPYRIGHTS AND LICENSES
8	CLAIMS AND DISPUTES
9	TERMINATION OR SUSPENSION
10	MISCELLANEOUS PROVISIONS
11	COMPENSATION
12	SPECIAL TERMS AND CONDITIONS
13	SCOPE OF THE AGREEMENT

ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")

§ 1.1.1 The Owner's program for the Project:

(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)

The scope of work for this renovation of the existing Hangar 626 building will be limited to the following list of items as indicated by the Owner's provided program:

It is understood that the following interior elements will be included:

1. General clean up and select demo.
2. Prep wall surfaces (repairs, etc.) to receive new paint.
3. The entire building will be outfitted with a new fire suppression system and fire alarm system to satisfy current code requirements.
4. The Hangar Bay (middle section of the building) will include gas heat, a foam fire suppression system, new lighting, and ventilation.
5. The east and west sides of the building will receive general clean up and will otherwise remain in an as-is state and configuration for layout. These areas will be equipped with new HVAC units and controls.
6. Remodeled male and female restrooms and upgrade/add plumbing waste and vent piping as well as new domestic water distribution lines as needed.
7. Designated support spaces (janitor closet, mechanical room, and electrical room).

It is understood that the following exterior elements will be included:

1. A new hangar door will be installed on the north wall. This will include the overhead door for the tail. A desired opening size is 36'-0" tall, which will be verified during the design process. Should structural reconfiguration be required, those services shall be provided as additional services.
2. A newly constructed south wall that will include a new overhead door for the existing dock.
3. Insulation will be included on exterior walls (being modified).
4. Exterior lighting will be upgraded.
5. Treatment/upgrades to remaining exterior masonry block wall areas will be addressed.
6. The exterior building improvements (related to wind damage and insurance claim) will be fully excluded and completed by another contractor. We will coordinate material and color selection to maintain continuity and aesthetics.

It is understood that the following site elements will be included:

1. Repairs to the paving on the north side to extend ~15'-0" north to allow for new door track and to meet the new approach paving being completed by the Owner.
2. Utilities will be verified to be adequate to serve the building function. Any required extensions to the building site would be designed by the utility companies.
3. All other site related items will be provided by Owner.

The assumptions that have been made and are a basis of this agreement are as follows:

1. The existing roofing will remain, and the only scope of work will be that which is required to flash any new penetrations required for the new building systems.
2. The existing structural systems is sound in its present condition. No structural analysis of the existing building is included. Should that become a requirement those services will be done as additional services.
3. The concrete apron and approach (beyond the north ~15'-0") will be completed by owner to access the Hangar 626.
4. The site is appropriately zoned for the intended function desired. No rezoning is included and would be an additional service should it become required.
5. The existing hangar floor will remain as-is except for areas to be removed for access of new underground waste and drain piping.

§ 1.1.2 The Project's physical characteristics:

(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)

Hangar 626:

The existing building is approximately 210'x210' and includes a large hangar space with some 1-story office/support space off to each side. The exterior is predominantly clad in painted metal siding. The roof is framed with large steel constructed bow-string trusses and a concrete panel deck. The building is currently not sprinklered. The roof is approximately 8 years old and appears to be a built-up roof system. The building has some original hangar doors on each end that will need replaced with a function hangar door and ~15' concrete apron on the north and an end wall on the south. There is an existing dock and delivery overhead door on the south side. The building is located on SAA property just east of Hangar 606 off Arnold Court. Existing utilities feeding the building will remain and verified that they meet the new design requirements.

§ 1.1.3 The Owner's budget for the Cost of the Work, as defined in Section 6.1:

(Provide total and, if known, a line item breakdown.)

Budgets will be confirmed, but for initial understanding the following is being used:
Hangar improvements (excluding existing wind damaged exterior elements) Cost of Work - \$3,500,000

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

- .1 Design phase milestone dates, if any:

Construction Documents complete January-February 2023

.2 Construction commencement date:

TBD

.3 Substantial Completion date or dates:

TBD

.4 Other milestone dates:

Bidding in March to receive bids in early April 2023 with an anticipated General Contractor selection in April-May 2023

§ 1.1.5 The Owner intends the following procurement and delivery method for the Project:
(Identify method such as competitive bid or negotiated contract, as well as any requirements for accelerated or fast-track design and construction, multiple bid packages, or phased construction.)

Competitive Bid.

§ 1.1.6 The Owner's anticipated Sustainable Objective for the Project:
(Identify and describe the Owner's Sustainable Objective for the Project, if any.)

N/A

§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Architect shall complete and incorporate AIA Document E204™–2017, Sustainable Projects Exhibit, into this Agreement to define the terms, conditions and services related to the Owner's Sustainable Objective. If E204–2017 is incorporated into this agreement, the Owner and Architect shall incorporate the completed E204–2017 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

§ 1.1.7 The Owner identifies the following representative in accordance with Section 5.3:
(List name, address, and other contact information.)

Maynard Cunningham
Director of Facilities and Construction
3237 Arnold Avenue
Salina, KS 67401

§ 1.1.8 The persons or entities, in addition to the Owner's representative, who are required to review the Architect's submittals to the Owner are as follows:
(List name, address, and other contact information.)

N/A

§ 1.1.9 The Owner shall retain the following consultants and contractors:
(List name, legal status, address, and other contact information.)

.1 Geotechnical Engineer:

To be bid out, if required.

.2 Civil Engineer:

Init.

To be determined.

- .3 Other, if any:
(List any other consultants and contractors retained by the Owner.)

Asbestos reporting, if required.

§ 1.1.10 The Architect identifies the following representative in accordance with Section 2.3:
(List name, address, and other contact information.)

PRIMARY:
Scott Gales, AIA (Architect One)
906 S Kansas Ave, Suite 200
Topeka, KS 66612
(785) 271-7010

SECONDARY:
Justin May (Hutton)
137 S. 5th St.
Salina, KS 67401
(785) 825-4664

§ 1.1.11 The Architect shall retain the consultants identified in Sections 1.1.11.1 and 1.1.11.2:
(List name, legal status, address, and other contact information.)

§ 1.1.11.1 Consultants retained under Basic Services:

- .1 Structural Engineer:

To be determined.

- .2 Mechanical Engineer:

To be determined.

- .3 Electrical Engineer:

To be determined.

- .4 Fire Protection Consultant:

To be determined.

§ 1.1.11.2 Consultants retained under Supplemental Services:

N/A

§ 1.1.12 Other Initial Information on which the Agreement is based:

Hangar 626 is currently not sprinklered and will be required to be and is included in the Scope of Work. Scope of Work excludes all existing wind damaged exterior items.

§ 1.2 The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that the Initial Information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the Architect's services, schedule for the Architect's services, and the Architect's compensation. The Owner shall adjust the Owner's budget for the Cost of the Work and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties will use AIA Document E203™-2013, Building

Init.

AIA Document B101™ – 2017. Copyright © 1974, 1978, 1987, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. The "American Institute of Architects," "AIA," the AIA Logo, and "AIA Contract Documents" are registered trademarks and may not be used without permission. This document was produced by AIA software at 16:28:50 ET on 09/07/2022 under Order No.2114314452 which expires on 05/22/2023, is not for resale, is licensed for one-time use only, and may only be used in accordance with the AIA Contract Documents® Terms of Service. To report copyright violations, e-mail copyright@aia.org.
User Notes: (1215055694)

Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 1.3.1 Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™–2013, Project Building Information Modeling Protocol Form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

ARTICLE 2 ARCHITECT'S RESPONSIBILITIES

§ 2.1 The Architect shall provide professional services as set forth in this Agreement. The Architect represents that it is properly licensed in the jurisdiction where the Project is located to provide the services required by this Agreement, or shall cause such services to be performed by appropriately licensed design professionals.

§ 2.2 The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 2.3 The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

§ 2.4 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

§ 2.5 The Architect shall maintain the following insurance until termination of this Agreement. If any of the requirements set forth below are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect as set forth in Section 11.9.

§ 2.5.1 Commercial General Liability with policy limits of not less than one million (\$ 1,000,000) for each occurrence and two million (\$ 2,000,000) in the aggregate for bodily injury and property damage.

§ 2.5.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Architect with policy limits of not less than one million (\$ 1,000,000) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 2.5.3 The Architect may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 2.5.1 and 2.5.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 2.5.4 Workers' Compensation at statutory limits.

§ 2.5.5 Employers' Liability with policy limits not less than one million (\$ 1,000,000) each accident, one million (\$ 1,000,000) each employee, and one million (\$ 1,000,000) policy limit.

§ 2.5.6 Professional Liability covering negligent acts, errors and omissions in the performance of professional services with policy limits of not less than five million (\$ 5,000,000) per claim and five million (\$ 5,000,000) in the aggregate.

§ 2.5.7 **Additional Insured Obligations.** To the fullest extent permitted by law, the Architect shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Architect's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 2.5.8 The Architect shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 2.5.

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

§ 3.1 The Architect's Basic Services consist of those described in this Article 3 and include usual and customary structural, mechanical, and electrical engineering services. Services not set forth in this Article 3 are Supplemental or Additional Services.

§ 3.1.1 The Architect shall manage the Architect's services, research applicable design criteria, attend Project meetings, communicate with members of the Project team, and report progress to the Owner.

§ 3.1.2 The Architect shall coordinate its services with those services provided by the Owner and the Owner's consultants. The Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of, services and information furnished by the Owner and the Owner's consultants. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any error, omission, or inconsistency in such services or information.

§ 3.1.3 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. The schedule initially shall include anticipated dates for the commencement of construction and for Substantial Completion of the Work as set forth in the Initial Information. The schedule shall include allowances for periods of time required for the Owner's review, for the performance of the Owner's consultants, and for approval of submissions by authorities having jurisdiction over the Project. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.4 The Architect shall not be responsible for an Owner's directive or substitution, or for the Owner's acceptance of non-conforming Work, made or given without the Architect's written approval.

§ 3.1.5 The Architect shall contact governmental authorities required to approve the Construction Documents and entities providing utility services to the Project. The Architect shall respond to applicable design requirements imposed by those authorities and entities.

§ 3.1.6 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

§ 3.2 Schematic Design Phase Services

§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect's services.

§ 3.2.2 The Architect shall prepare a preliminary evaluation of the Owner's program, schedule, budget for the Cost of the Work, Project site, the proposed procurement and delivery method, and other Initial Information, each in terms of the other, to ascertain the requirements of the Project. The Architect shall notify the Owner of (1) any inconsistencies discovered in the information, and (2) other information or consulting services that may be reasonably needed for the Project.

§ 3.2.3 The Architect shall present its preliminary evaluation to the Owner and shall discuss with the Owner alternative approaches to design and construction of the Project. The Architect shall reach an understanding with the Owner regarding the requirements of the Project.

§ 3.2.4 Based on the Project requirements agreed upon with the Owner, the Architect shall prepare and present, for the Owner's approval, a preliminary design illustrating the scale and relationship of the Project components.

§ 3.2.5 Based on the Owner's approval of the preliminary design, the Architect shall prepare Schematic Design Documents for the Owner's approval. The Schematic Design Documents shall consist of drawings and other documents including a site plan, if appropriate, and preliminary building plans, sections and elevations; and may include some combination of study models, perspective sketches, or digital representations. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

§ 3.2.5.1 The Architect shall consider sustainable design alternatives, such as material choices and building orientation, together with other considerations based on program and aesthetics, in developing a design that is consistent with the Owner's program, schedule and budget for the Cost of the Work. The Owner may obtain more advanced sustainable design services as a Supplemental Service under Section 4.1.1.

§ 3.2.5.2 The Architect shall consider the value of alternative materials, building systems and equipment, together with other considerations based on program and aesthetics, in developing a design for the Project that is consistent with the Owner's program, schedule, and budget for the Cost of the Work.

§ 3.2.6 The Architect shall submit to the Owner an estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.2.7 The Architect shall submit the Schematic Design Documents to the Owner, and request the Owner's approval.

§ 3.3 Design Development Phase Services

§ 3.3.1 Based on the Owner's approval of the Schematic Design Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Design Development Documents for the Owner's approval. The Design Development Documents shall illustrate and describe the development of the approved Schematic Design Documents and shall consist of drawings and other documents including plans, sections, elevations, typical construction details, and diagrammatic layouts of building systems to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, and other appropriate elements. The Design Development Documents shall also include outline specifications that identify major materials and systems and establish, in general, their quality levels.

§ 3.3.2 The Architect shall update the estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.3.3 The Architect shall submit the Design Development Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, and request the Owner's approval.

§ 3.4 Construction Documents Phase Services

§ 3.4.1 Based on the Owner's approval of the Design Development Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Construction Documents for the Owner's approval. The Construction Documents shall illustrate and describe the further development of the approved Design Development Documents and shall consist of Drawings and Specifications setting forth in detail the quality levels and performance criteria of materials and systems and other requirements for the construction of the Work. The Owner and Architect acknowledge that, in order to perform the Work, the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.6.4.

§ 3.4.2 The Architect shall incorporate the design requirements of governmental authorities having jurisdiction over the Project into the Construction Documents.

§ 3.4.3 During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of (1) procurement information that describes the time, place, and conditions of bidding, including bidding or proposal forms; (2) the form of agreement between the Owner and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect shall also

compile a project manual that includes the Conditions of the Contract for Construction and Specifications, and may include bidding requirements and sample forms.

§ 3.4.4 The Architect shall update the estimate for the Cost of the Work prepared in accordance with Section 6.3.

§ 3.4.5 The Architect shall submit the Construction Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, take any action required under Section 6.5, and request the Owner's approval.

§ 3.5 Procurement Phase Services

§ 3.5.1 General

The Architect shall assist the Owner in establishing a list of prospective contractors. Following the Owner's approval of the Construction Documents, the Architect shall assist the Owner in (1) obtaining either competitive bids or negotiated proposals; (2) confirming responsiveness of bids or proposals; (3) determining the successful bid or proposal, if any; and, (4) awarding and preparing contracts for construction.

§ 3.5.2 Competitive Bidding

§ 3.5.2.1 Bidding Documents shall consist of bidding requirements and proposed Contract Documents.

§ 3.5.2.2 The Architect shall assist the Owner in bidding the Project by:

- .1 facilitating the distribution of Bidding Documents to prospective bidders;
- .2 organizing and conducting a pre-bid conference for prospective bidders;
- .3 preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents to the prospective bidders in the form of addenda; and,
- .4 organizing and conducting the opening of the bids, and subsequently documenting and distributing the bidding results, as directed by the Owner.

§ 3.5.2.3 If the Bidding Documents permit substitutions, upon the Owner's written authorization, the Architect shall, as an Additional Service, consider requests for substitutions and prepare and distribute addenda identifying approved substitutions to all prospective bidders.

§ 3.5.3 Negotiated Proposals

§ 3.5.3.1 Proposal Documents shall consist of proposal requirements and proposed Contract Documents.

§ 3.5.3.2 The Architect shall assist the Owner in obtaining proposals by:

- .1 facilitating the distribution of Proposal Documents for distribution to prospective contractors and requesting their return upon completion of the negotiation process;
- .2 organizing and participating in selection interviews with prospective contractors;
- .3 preparing responses to questions from prospective contractors and providing clarifications and interpretations of the Proposal Documents to the prospective contractors in the form of addenda; and,
- .4 participating in negotiations with prospective contractors, and subsequently preparing a summary report of the negotiation results, as directed by the Owner.

§ 3.5.3.3 If the Proposal Documents permit substitutions, upon the Owner's written authorization, the Architect shall, as an Additional Service, consider requests for substitutions and prepare and distribute addenda identifying approved substitutions to all prospective contractors.

§ 3.6 Construction Phase Services

§ 3.6.1 General

§ 3.6.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A201™–2017, General Conditions of the Contract for Construction. If the Owner and Contractor modify AIA Document A201–2017, those modifications shall not affect the Architect's services under this Agreement unless the Owner and the Architect amend this Agreement.

§ 3.6.1.2 The Architect shall advise and consult with the Owner during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or

procedures, or for safety precautions and programs in connection with the Work, nor shall the Architect be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect's negligent acts or omissions, but shall not have control over or charge of, and shall not be responsible for, acts or omissions of the Contractor or of any other persons or entities performing portions of the Work.

§ 3.6.1.3 Subject to Section 4.2 and except as provided in Section 3.6.6.5, the Architect's responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

§ 3.6.2 Evaluations of the Work

§ 3.6.2.1 The Architect shall visit the site at intervals appropriate to the stage of construction, or as otherwise required in Section 4.2.3, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work.

§ 3.6.2.2 The Architect has the authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect shall have the authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 3.6.2.3 The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 3.6.2.4 Interpretations and decisions of the Architect shall be consistent with the intent of, and reasonably inferable from, the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions rendered in good faith. The Architect's decisions on matters relating to aesthetic effect shall be final if consistent with the intent expressed in the Contract Documents.

§ 3.6.2.5 Unless the Owner and Contractor designate another person to serve as an Initial Decision Maker, as that term is defined in AIA Document A201–2017, the Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

§ 3.6.3 Certificates for Payment to Contractor

§ 3.6.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 3.6.2 and on the data comprising the Contractor's Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to (1) an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) results of subsequent tests and inspections, (3) correction of minor deviations from the Contract Documents prior to completion, and (4) specific qualifications expressed by the Architect.

§ 3.6.3.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction

means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 3.6.3.3 The Architect shall maintain a record of the Applications and Certificates for Payment.

§ 3.6.4 Submittals

§ 3.6.4.1 The Architect shall review the Contractor's submittal schedule and shall not unreasonably delay or withhold approval of the schedule. The Architect's action in reviewing submittals shall be taken in accordance with the approved submittal schedule or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time, in the Architect's professional judgment, to permit adequate review.

§ 3.6.4.2 The Architect shall review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor's responsibility. The Architect's review shall not constitute approval of safety precautions or construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 3.6.4.3 If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials, or equipment, the Architect shall specify the appropriate performance and design criteria that such services must satisfy. The Architect shall review and take appropriate action on Shop Drawings and other submittals related to the Work designed or certified by the Contractor's design professional, provided the submittals bear such professional's seal and signature when submitted to the Architect. The Architect's review shall be for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect shall be entitled to rely upon, and shall not be responsible for, the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals.

§ 3.6.4.4 Subject to Section 4.2, the Architect shall review and respond to requests for information about the Contract Documents. The Architect shall set forth, in the Contract Documents, the requirements for requests for information. Requests for information shall include, at a minimum, a detailed written statement that indicates the specific Drawings or Specifications in need of clarification and the nature of the clarification requested. The Architect's response to such requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness. If appropriate, the Architect shall prepare and issue supplemental Drawings and Specifications in response to the requests for information.

§ 3.6.4.5 The Architect shall maintain a record of submittals and copies of submittals supplied by the Contractor in accordance with the requirements of the Contract Documents.

§ 3.6.5 Changes in the Work

§ 3.6.5.1 The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Subject to Section 4.2, the Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents.

§ 3.6.5.2 The Architect shall maintain records relative to changes in the Work.

§ 3.6.6 Project Completion

§ 3.6.6.1 The Architect shall:

- .1 conduct inspections to determine the date or dates of Substantial Completion and the date of final completion;
- .2 issue Certificates of Substantial Completion;

- .3 forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract Documents and received from the Contractor; and,
- .4 issue a final Certificate for Payment based upon a final inspection indicating that, to the best of the Architect's knowledge, information, and belief, the Work complies with the requirements of the Contract Documents.

§ 3.6.6.2 The Architect's inspections shall be conducted with the Owner to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the list submitted by the Contractor of Work to be completed or corrected.

§ 3.6.6.3 When Substantial Completion has been achieved, the Architect shall inform the Owner about the balance of the Contract Sum remaining to be paid the Contractor, including the amount to be retained from the Contract Sum, if any, for final completion or correction of the Work.

§ 3.6.6.4 The Architect shall forward to the Owner the following information received from the Contractor: (1) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment; (2) affidavits, receipts, releases and waivers of liens, or bonds indemnifying the Owner against liens; and (3) any other documentation required of the Contractor under the Contract Documents.

§ 3.6.6.5 Upon request of the Owner, and prior to the expiration of one year from the date of Substantial Completion, the Architect shall, without additional compensation, conduct a meeting with the Owner to review the facility operations and performance.

ARTICLE 4 SUPPLEMENTAL AND ADDITIONAL SERVICES

§ 4.1 Supplemental Services

§ 4.1.1 The services listed below are not included in Basic Services but may be required for the Project. The Architect shall provide the listed Supplemental Services only if specifically designated in the table below as the Architect's responsibility, and the Owner shall compensate the Architect as provided in Section 11.2. Unless otherwise specifically addressed in this Agreement, if neither the Owner nor the Architect is designated, the parties agree that the listed Supplemental Service is not being provided for the Project.

(Designate the Architect's Supplemental Services and the Owner's Supplemental Services required for the Project by indicating whether the Architect or Owner shall be responsible for providing the identified Supplemental Service. Insert a description of the Supplemental Services in Section 4.1.2 below or attach the description of services as an exhibit to this Agreement.)

Supplemental Services	Responsibility (Architect, Owner, or not provided)
§ 4.1.1.1 Programming	Not provided
§ 4.1.1.2 Multiple preliminary designs	Not provided
§ 4.1.1.3 Measured drawings	Owner
§ 4.1.1.4 Existing facilities surveys	Owner
§ 4.1.1.5 Site evaluation and planning	Not provided
§ 4.1.1.6 Building Information Model management responsibilities	Not provided
§ 4.1.1.7 Development of Building Information Models for post construction use	Not provided
§ 4.1.1.8 Civil engineering	Architect and Owner
§ 4.1.1.9 Landscape design	Not provided
§ 4.1.1.10 Architectural interior design	Architect
§ 4.1.1.11 Value analysis	Not provided
§ 4.1.1.12 Detailed cost estimating beyond that required in Section 6.3	Not provided
§ 4.1.1.13 On-site project representation	Not provided

Init.

Supplemental Services	Responsibility (Architect, Owner, or not provided)
§ 4.1.1.14 Conformed documents for construction	Not Provided
§ 4.1.1.15 As-designed record drawings	Architect
§ 4.1.1.16 As-constructed record drawings	Not Provided
§ 4.1.1.17 Post-occupancy evaluation	Not provided
§ 4.1.1.18 Facility support services	Not provided
§ 4.1.1.19 Tenant-related services	Not provided
§ 4.1.1.20 Architect's coordination of the Owner's consultants	Not provided
§ 4.1.1.21 Telecommunications/data design	Not provided
§ 4.1.1.22 Security evaluation and planning	Not provided
§ 4.1.1.23 Commissioning	Not provided
§ 4.1.1.24 Sustainable Project Services pursuant to Section 4.1.3	Not provided
§ 4.1.1.25 Fast-track design services	Not provided
§ 4.1.1.26 Multiple bid packages	Not provided
§ 4.1.1.27 Historic preservation	Not provided
§ 4.1.1.28 Furniture, furnishings, and equipment design	Not provided
§ 4.1.1.29 Other services provided by specialty Consultants	Not provided
§ 4.1.1.30 Other Supplemental Services	Not provided

§ 4.1.2 Description of Supplemental Services

§ 4.1.2.1 A description of each Supplemental Service identified in Section 4.1.1 as the Architect's responsibility is provided below.

(Describe in detail the Architect's Supplemental Services identified in Section 4.1.1 or, if set forth in an exhibit, identify the exhibit. The AIA publishes a number of Standard Form of Architect's Services documents that can be included as an exhibit to describe the Architect's Supplemental Services.)

4.1.1.8 Civil Engineering –The Architect will retain only Civil Engineering required to tie the new hangar door into the exterior paving on the north side (approximately ~15' north of the building face).

4.1.1.10 Architectural interior design – The Architect will select all interior finishes and code required signage. Interior design of furniture, fixtures, and equipment are not included. Interior graphics and signage beyond code requirements are not included.

4.1.1.15 As-designed record drawings – The Architect will provide a record set of drawings for the Owner of the fully permitted set of construction documents.

§ 4.1.2.2 A description of each Supplemental Service identified in Section 4.1.1 as the Owner's responsibility is provided below.

(Describe in detail the Owner's Supplemental Services identified in Section 4.1.1 or, if set forth in an exhibit, identify the exhibit.)

4.1.1.3 Measured drawings – The Owner will provide an as-built drawing for the existing building with accurate dimensions reflecting the current state of the building. The Owner shall provide a PDF and/or CAD version of scaled/dimensioned drawings for the architectural, structural, mechanical, electrical, civil designs. This may include

(but not be limited to) floor plan with dimensions, site plan with property lines, utility plans, building sections, wall sections and details.

4.1.1.4 Existing facilities surveys – The Owner will provide all reports related to the existing building including (but not limited to) asbestos report, lead paint report, environmental surveys (phase 1 and/or phase 2). The Owner shall provide details and specifications related to recent building upgrades including (but not limited to) roofing, windows, metal siding.

4.1.1.8 Civil Engineering - The Owner will retain all Civil Engineering related to the exterior paving and parking areas outside of the building footprint (with exception of the 15' on the north side of the building required for tying into the new hangar door).

§ 4.1.3 If the Owner identified a Sustainable Objective in Article 1, the Architect shall provide, as a Supplemental Service, the Sustainability Services required in AIA Document E204™–2017, Sustainable Projects Exhibit, attached to this Agreement. The Owner shall compensate the Architect as provided in Section 11.2.

§ 4.2 Architect's Additional Services

The Architect may provide Additional Services after execution of this Agreement without invalidating the Agreement. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.2 shall entitle the Architect to compensation pursuant to Section 11.3 and an appropriate adjustment in the Architect's schedule.

§ 4.2.1 Upon recognizing the need to perform the following Additional Services, the Architect shall notify the Owner with reasonable promptness and explain the facts and circumstances giving rise to the need. The Architect shall not proceed to provide the following Additional Services until the Architect receives the Owner's written authorization:

- .1 Services necessitated by a change in the Initial Information, previous instructions or approvals given by the Owner, or a material change in the Project including size, quality, complexity, the Owner's schedule or budget for Cost of the Work, or procurement or delivery method;
- .2 Services necessitated by the enactment or revision of codes, laws, or regulations, including changing or editing previously prepared Instruments of Service;
- .3 Changing or editing previously prepared Instruments of Service necessitated by official interpretations of applicable codes, laws or regulations that are either (a) contrary to specific interpretations by the applicable authorities having jurisdiction made prior to the issuance of the building permit, or (b) contrary to requirements of the Instruments of Service when those Instruments of Service were prepared in accordance with the applicable standard of care;
- .4 Services necessitated by decisions of the Owner not rendered in a timely manner or any other failure of performance on the part of the Owner or the Owner's consultants or contractors;
- .5 Preparing digital models or other design documentation for transmission to the Owner's consultants and contractors, or to other Owner-authorized recipients;
- .6 Preparation of design and documentation for alternate bid or proposal requests proposed by the Owner;
- .7 Preparation for, and attendance at, a public presentation, meeting or hearing;
- .8 Preparation for, and attendance at, a dispute resolution proceeding or legal proceeding, except where the Architect is party thereto;
- .9 Evaluation of the qualifications of entities providing bids or proposals;
- .10 Consultation concerning replacement of Work resulting from fire or other cause during construction; or,
- .11 Assistance to the Initial Decision Maker, if other than the Architect.

§ 4.2.2 To avoid delay in the Construction Phase, the Architect shall provide the following Additional Services, notify the Owner with reasonable promptness, and explain the facts and circumstances giving rise to the need. If, upon receipt of the Architect's notice, the Owner determines that all or parts of the services are not required, the Owner shall give prompt written notice to the Architect of the Owner's determination. The Owner shall compensate the Architect for the services provided prior to the Architect's receipt of the Owner's notice.

- .1 Reviewing a Contractor's submittal out of sequence from the submittal schedule approved by the Architect;

- .2 Responding to the Contractor's requests for information that are not prepared in accordance with the Contract Documents or where such information is available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner-provided information, Contractor-prepared coordination drawings, or prior Project correspondence or documentation;
- .3 Preparing Change Orders and Construction Change Directives that require evaluation of Contractor's proposals and supporting data, or the preparation or revision of Instruments of Service;
- .4 Evaluating an extensive number of Claims as the Initial Decision Maker; or,
- .5 Evaluating substitutions proposed by the Owner or Contractor and making subsequent revisions to Instruments of Service resulting therefrom.

§ 4.2.3 The Architect shall provide Construction Phase Services exceeding the limits set forth below as Additional Services. When the limits below are reached, the Architect shall notify the Owner:

- .1 two (2) reviews of each Shop Drawing, Product Data item, sample and similar submittals of the Contractor
- .2 (bi-weekly) visits to the site by the Architect during construction
- .3 one (1) inspections for any portion of the Work to determine whether such portion of the Work is substantially complete in accordance with the requirements of the Contract Documents
- .4 one (1) inspections for any portion of the Work to determine final completion.

§ 4.2.4 Except for services required under Section 3.6.6.5 and those services that do not exceed the limits set forth in Section 4.2.3, Construction Phase Services provided more than 60 days after (1) the date of Substantial Completion of the Work or (2) the initial date of Substantial Completion identified in the agreement between the Owner and Contractor, whichever is earlier, shall be compensated as Additional Services to the extent the Architect incurs additional cost in providing those Construction Phase Services.

§ 4.2.5 If the services covered by this Agreement have not been completed within twelve (12) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

ARTICLE 5 OWNER'S RESPONSIBILITIES

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program, which shall set forth the Owner's objectives; schedule; constraints and criteria, including space requirements and relationships; flexibility; expandability; special equipment; systems; and site requirements.

§ 5.2 The Owner shall establish the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner's other costs; and, (3) reasonable contingencies related to all of these costs. The Owner shall update the Owner's budget for the Project as necessary throughout the duration of the Project until final completion. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 5.3 The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions and approve the Architect's submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

§ 5.4 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions, and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 5.5 The Owner shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 5.6 The Owner shall provide the Supplemental Services designated as the Owner's responsibility in Section 4.1.1.

§ 5.7 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E204™–2017, Sustainable Projects Exhibit, attached to this Agreement.

§ 5.8 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall furnish the services of consultants other than those designated as the responsibility of the Architect in this Agreement, or authorize the Architect to furnish them as an Additional Service, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants and contractors maintain insurance, including professional liability insurance, as appropriate to the services or work provided.

§ 5.9 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 5.10 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 5.11 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

§ 5.12 The Owner shall include the Architect in all communications with the Contractor that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect.

§ 5.13 Before executing the Contract for Construction, the Owner shall coordinate the Architect's duties and responsibilities set forth in the Contract for Construction with the Architect's services set forth in this Agreement. The Owner shall provide the Architect a copy of the executed agreement between the Owner and Contractor, including the General Conditions of the Contract for Construction.

§ 5.14 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

§ 5.15 Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of, or enforce lien rights.

ARTICLE 6 COST OF THE WORK

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work also includes the reasonable value of labor, materials, and equipment, donated to, or otherwise furnished by, the Owner. The Cost of the Work does not include the compensation of the Architect; the costs of the land, rights-of-way, financing, or contingencies for changes in the Work; or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and shall be adjusted throughout the Project as required under Sections 5.2, 6.4 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, and the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work, prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials, or equipment; the Contractor's methods of

Init.

determining bid prices; or competitive bidding, market, or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work, or from any estimate of the Cost of the Work, or evaluation, prepared or agreed to by the Architect.

§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding, and price escalation; to determine what materials, equipment, component systems, and types of construction are to be included in the Contract Documents; to recommend reasonable adjustments in the program and scope of the Project; and to include design alternates as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner requires a detailed estimate of the Cost of the Work, the Architect shall provide such an estimate, if identified as the Architect's responsibility in Section 4.1.1, as a Supplemental Service.

§ 6.4 If, through no fault of the Architect, the Procurement Phase has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, the Owner's budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the applicable construction market.

§ 6.5 If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget for the Cost of the Work, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality, or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments.

§ 6.6 If the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall

- .1 give written approval of an increase in the budget for the Cost of the Work;
- .2 authorize rebidding or renegotiating of the Project within a reasonable time;
- .3 terminate in accordance with Section 9.5;
- .4 in consultation with the Architect, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or,
- .5 implement any other mutually acceptable alternative.

§ 6.7 If the Owner chooses to proceed under Section 6.6.4, the Architect shall modify the Construction Documents as necessary to comply with the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.6.1. If the Owner requires the Architect to modify the Construction Documents because the lowest bona fide bid or negotiated proposal exceeds the Owner's budget for the Cost of the Work due to market conditions the Architect could not reasonably anticipate, the Owner shall compensate the Architect for the modifications as an Additional Service pursuant to Section 11.3; otherwise the Architect's services for modifying the Construction Documents shall be without additional compensation. In any event, the Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6.

ARTICLE 7 COPYRIGHTS AND LICENSES

§ 7.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

§ 7.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants.

§ 7.3 The Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations under this Agreement, including prompt payment of all sums due pursuant to Article 9 and Article 11. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and suppliers, as well as the Owner's consultants and separate

contractors, to reproduce applicable portions of the Instruments of Service, subject to any protocols established pursuant to Section 1.3, solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining the authors of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

§ 7.5 Except as otherwise stated in Section 7.3, the provisions of this Article 7 shall survive the termination of this Agreement.

ARTICLE 8 CLAIMS AND DISPUTES

§ 8.1 General

§ 8.1.1 The Owner and Architect shall commence all claims and causes of action against the other and arising out of or related to this Agreement, whether in contract, tort, or otherwise, in accordance with the requirements of the binding dispute resolution method selected in this Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A201–2017, General Conditions of the Contract for Construction. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents, and employees of any of them, similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect and Owner waive consequential damages for claims, disputes, or other matters in question, arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 9.7.

§ 8.2 Mediation

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them by mediation, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of this Agreement. A request for mediation shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration proceeding is stayed pursuant to this section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 8.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 8.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:
(Check the appropriate box.)

☐ Arbitration pursuant to Section 8.3 of this Agreement

☒ Litigation in a court of competent jurisdiction

☐ Other: (Specify)

If the Owner and Architect do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.

§ 8.3 Arbitration

§ 8.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement, any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of this Agreement. A demand for arbitration shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the arbitration.

§ 8.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.

§ 8.3.2 The foregoing agreement to arbitrate, and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement, shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

§ 8.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 8.3.4 Consolidation or Joinder

§ 8.3.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 8.3.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 8.3.4.3 The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 8.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.

§ 8.4 The provisions of this Article 8 shall survive the termination of this Agreement.

ARTICLE 9 TERMINATION OR SUSPENSION

§ 9.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Owner shall pay the Architect all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 If the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall compensate the Architect for services performed prior to termination, Reimbursable Expenses incurred, and costs attributable to termination, including the costs attributable to the Architect's termination of consultant agreements.

§ 9.7 In addition to any amounts paid under Section 9.6, if the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall pay to the Architect the following fees:

(Set forth below the amount of any termination or licensing fee, or the method for determining any termination or licensing fee.)

.1 Termination Fee:

\$10,000

.2 Licensing Fee if the Owner intends to continue using the Architect's Instruments of Service:

To be negotiated

§ 9.8 Except as otherwise expressly provided herein, this Agreement shall terminate one year from the date of Substantial Completion.

§ 9.9 The Owner's rights to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 7 and Section 9.7.

Init.

ARTICLE 10 MISCELLANEOUS PROVISIONS

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.

§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns, and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement, including any payments due to the Architect by the Owner prior to the assignment.

§ 10.4 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services, or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the Owner or Architect.

§ 10.6 Unless otherwise required in this Agreement, the Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project. This Section 10.7 shall survive the termination of this Agreement unless the Owner terminates this Agreement for cause pursuant to Section 9.4.

§ 10.8 If the Architect or Owner receives information specifically designated as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except as set forth in Section 10.8.1. This Section 10.8 shall survive the termination of this Agreement.

§ 10.8.1 The receiving party may disclose "confidential" or "business proprietary" information after 7 days' notice to the other party, when required by law, arbitrator's order, or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or to the extent such information is reasonably necessary for the receiving party to defend itself in any dispute. The receiving party may also disclose such information to its employees, consultants, or contractors in order to perform services or work solely and exclusively for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of such information as set forth in this Section 10.8.

§ 10.9 The invalidity of any provision of the Agreement shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Agreement.

ARTICLE 11 COMPENSATION

§ 11.1 For the Architect's Basic Services described under Article 3, the Owner shall compensate the Architect as follows:

- .1 Stipulated Sum
(Insert amount)

Two Hundred and Forty-Six Thousand Dollars, \$246,000

- .2 Percentage Basis
(Insert percentage value)

() % of the Owner's budget for the Cost of the Work, as calculated in accordance with Section 11.6.

- .3 Other
(Describe the method of compensation)

§ 11.2 For the Architect's Supplemental Services designated in Section 4.1.1 and for any Sustainability Services required pursuant to Section 4.1.3, the Owner shall compensate the Architect as follows:
(Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of compensation apply.)

Included in 11.1.

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:
(Insert amount of, or basis for, compensation.)

Hourly per 11.7 below.

§ 11.4 Compensation for Supplemental and Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus ten percent (10 %), or as follows:
(Insert amount of, or basis for computing, Architect's consultants' compensation for Supplemental or Additional Services.)

§ 11.5 When compensation for Basic Services is based on a stipulated sum or a percentage basis, the proportion of compensation for each phase of services shall be as follows:

Schematic Design Phase	fifteen	percent (15	%)
Design Development Phase	ten	percent (10	%)
Construction Documents Phase	forty-five	percent (45	%)
Procurement Phase	five	percent (5	%)
Construction Phase	twenty-five	percent (25	%)
Total Basic Compensation	one hundred	percent (100	%)

§ 11.6 When compensation identified in Section 11.1 is on a percentage basis, progress payments for each phase of Basic Services shall be calculated by multiplying the percentages identified in this Article by the Owner's most recent budget for the Cost of the Work. Compensation paid in previous progress payments shall not be adjusted based on subsequent updates to the Owner's budget for the Cost of the Work.

§ 11.6.1 When compensation is on a percentage basis and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

§ 11.7 The hourly billing rates for services of the Architect and the Architect's consultants are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices. *(If applicable, attach an exhibit of hourly billing rates or insert them below.)*

Refer to hourly rate schedule in Section 9.2 in the Master Service Agreement signed January 1, 2021.

Employee or Category

Rate (\$0.00)

§ 11.8 Compensation for Reimbursable Expenses

§ 11.8.1 Reimbursable Expenses are in addition to compensation for Basic, Supplemental, and Additional Services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project web sites, and extranets;
- .3 Permitting and other fees required by authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, and standard form documents;
- .5 Postage, handling, and delivery;
- .6 Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- .7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner or required for the Project;
- .8 If required by the Owner, and with the Owner's prior written approval, the Architect's consultants' expenses of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits in excess of that normally maintained by the Architect's consultants;
- .9 All taxes levied on professional services and on reimbursable expenses;
- .10 Site office expenses;
- .11 Registration fees and any other fees charged by the Certifying Authority or by other entities as necessary to achieve the Sustainable Objective; and,
- .12 Other similar Project-related expenditures.

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus ten percent (10 %) of the expenses incurred.

§ 11.9 Architect's Insurance. If the types and limits of coverage required in Section 2.5 are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect for the additional costs incurred by the Architect for the additional coverages as set forth below:

(Insert the additional coverages the Architect is required to obtain in order to satisfy the requirements set forth in Section 2.5, and for which the Owner shall reimburse the Architect.)

N/A

§ 11.10 Payments to the Architect

§ 11.10.1 Initial Payments

§ 11.10.1.1 An initial payment of N/A (\$) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 11.10.1.2 If a Sustainability Certification is part of the Sustainable Objective, an initial payment to the Architect of N/A (\$) shall be made upon execution of this Agreement for registration fees and other fees payable to the

Certifying Authority and necessary to achieve the Sustainability Certification. The Architect's payments to the Certifying Authority shall be credited to the Owner's account at the time the expense is incurred.

§ 11.10.2 Progress Payments

§ 11.10.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid ninety (90) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.
(Insert rate of monthly or annual interest agreed upon.)

eighteen % 18 annum

§ 11.10.2.2 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work, unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 11.10.2.3 Records of Reimbursable Expenses, expenses pertaining to Supplemental and Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

(Include other terms and conditions applicable to this Agreement.)

After bidding the paint (spray) booth, the Architect will work in conjunction with the vendor to finalize the Hangar renovations. The impact of this equipment will drive the design of the building systems, which will not be finalized until after this selection is made.

ARTICLE 13 SCOPE OF THE AGREEMENT

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Owner and Architect.

§ 13.2 This Agreement is comprised of the following documents identified below:

- .1 AIA Document B101™-2017, Standard Form Agreement Between Owner and Architect
- .2 AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, dated as indicated below:
(Insert the date of the E203-2013 incorporated into this agreement.)

- .3 Exhibits:
(Check the appropriate box for any exhibits incorporated into this Agreement.)

☐ AIA Document E204™-2017, Sustainable Projects Exhibit, dated as indicated below:
(Insert the date of the E204-2017 incorporated into this agreement.)

☒ Other Exhibits incorporated into this Agreement:
(Clearly identify any other exhibits incorporated into this Agreement, including any exhibits and scopes of services identified as exhibits in Section 4.1.2.)

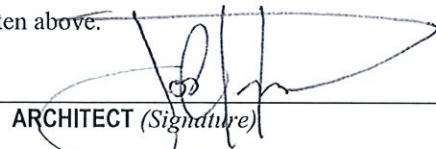
AIA Document B121-2018, Master Service Agreement signed January 1, 2021.

- .4 Other documents:
(List other documents, if any, forming part of the Agreement.)

This Agreement entered into as of the day and year first written above.

OWNER (Signature)

(Printed name and title)



ARCHITECT (Signature)

Josh Herrman, AIA
Vice President of Design
State of KS license no. A5105

(Printed name, title, and license number, if required)

Init.

LEASE AGREEMENT
(Salina Development Center)

This Lease Agreement, made and entered into this 16th day of September 2022 by and between the **SALINA AIRPORT AUTHORITY** of Salina, Saline County, Kansas, herein the "Authority", and **FLOTRATION TECHNOLOGIES, LLC.**, with principal offices located at 5345 W. 151st. Terrace, Leawood, KS 66224, herein the "Lessee", WITNESSETH:

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:

Unit A in the Salina Development Center (herein "SDC") located at 2775 Arnold Ave., located on Lot 6, Block 4, of the Schilling Subdivision No. 5 to the City of Salina, Saline County, Kansas, all as indicated on Exhibit "A" attached hereto,

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 October 1, 2022 ("Effective Date") and terminating on September 30, 2027 ("Primary Term"), subject to the option for renewal and extension hereinafter set forth. In the event the Authority is unable to deliver possession of the entire Premises to Lessee as of October 1, 2022, Lessee shall not be liable for the payment of any Rent or other payment due hereunder until such time as the Authority delivers possession of the entire Premises to Lessee in its required condition, and the Term hereof shall not be extended by such delay.

2.2. Holdover. If the Lessee remains in possession of all or any part of the Premises after the expiration of this Lease, without the express or implied consent of the Authority, such occupancy shall be considered to be a "Holdover Tenancy" from month-to-month only, and not a renewal or extension of this Lease for any further term. In such case, the Basic Rent for such Holdover Tenancy shall be payable in the amount of 150% of the amount specified in Section 4.1 herein. Such Holdover Tenancy shall be subject to every other provision, covenant and agreement contained herein, including any applicable rental adjustments as per Section 4.2 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 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 Primary Term.

4. Rent.

- 4.1. Basic Rent. Lessee agrees to pay the Authority a Basic Rent for the leasing of the Premises the sum of Two Thousand Five Hundred and Sixty-Five Dollars and no/100 (\$2,565) per month, the first of which shall be due on October 1, 2022. The rental shall be payable monthly in advance and shall be due on the first day of each month for that month.

- 4.2. On the second (2nd) anniversary date after the Effective Date and every two (2) years thereafter during the term of this Lease and any extensions or renewals thereon, 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 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

- 4.3. 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:

- 4.3.1. Taxes. Lessee agrees to pay all real estate taxes, which may be levied against the Premises prorated to the Effective Date. Upon the Authority's receipt of a statement for taxes or assessments, the Authority will invoice the 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. Taxes payable by Lessee for the last year of the Term herself shall be pro-rated as of the expiration of the Term.

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

4.3.3. Security Deposit. Upon Lessee's execution and delivery of this Lease, Lessee agrees to pay a Security Deposit in the amount equal to the Basic Rent (\$2,565.00). 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.

4.3.4. 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.

4.4. 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
- 5.2. 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. N/A

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.

6. Use of Premises. Lessee agrees to use the Premises for the sole purpose of operating an office and warehouse facility and other activities normally associated therewith.

- 6.1. Lessee agrees that the Premises shall not be used or occupied for any purpose that constitutes a nuisance or may be objectionable to adjacent property; that it will not allow the escape from the Premises of any fumes, odors, smoke, obnoxious gas, gases or other substances which are offensive, or which constitute a nuisance or interfere with the conduct of other business in the area. Lessee will provide adequate devices to control excessive noise, vibrations, or electromagnetic emissions.

7. Use of Common Areas. As a part of the consideration paid by Lessee for the Premises, the Lessee shall be entitled to use the common areas shown on Exhibit "B", subject, however, to the following conditions:
- 7.1. Rules and Regulations. Authority reserves the right to adopt, and from time to time amend, reasonable rules and regulations regarding the use of the common areas, which rules and regulations are made a part of this lease by reference. A copy of the current rules and regulations will at all times be on file in the office of the Executive Director of the Authority and said rules as filed with the Director shall govern the use of the common areas.
 - 7.2. Front Parking Area. Lessee shall have the right in common with all other occupants of the SDC to use the parking area located in the front of the SDC as parking for its customers and guests.
 - 7.3. Rear Access Road. Lessee shall have the right in common with all other occupants of the SDC to use the rear access road located behind the SDC for ingress and egress purposes only.
 - 7.4. Employee Parking Area. Lessee shall have the right in common with all other occupants of the SDC to use the employee parking area as shown on Exhibit "B" for parking for its employees.
 - 7.5. Loading Dock. Lessee shall have the right in common with other occupants of the SDC to use the loading docks as shown on Exhibit "B" to load and unload in connection with its business needs.
 - 7.6. Trash Receptacles. Lessee shall have the right in common with all other occupants of the SDC to use trash receptacles, contracted for by the Lessee, located on common areas for disposal of all its normal waste products; provided, however, use is limited to such waste products as will be accepted by the City land fill. Any waste materials which cannot be disposed of at the City land fill must be disposed of by Lessee.
8. Destruction of Premises. In the event the Premises are totally destroyed by fire, wind, explosion or other casualties, not caused by Lessee's negligence, then this lease may be terminated at the option of either the Authority or Lessee by giving to the other party written notice within thirty (30) days after such destruction. In the event of termination, any unearned rent paid in advance by Lessee shall be apportioned and refunded.
9. Repairs to Improvements on Premises. Authority covenants that during the term of this lease it will properly care for the Premises and appurtenances and make all repairs, structural and otherwise, both inside and outside, in and about the Premises and fixtures and appurtenances, necessary to preserve the same in good state of repair. The Authority may perform routine maintenance and repairs as required under this Lease Agreement during regular business hours upon providing Lessee with advance written notice of at least 24 hours and shall minimize interference with Lessee's use and operations of the Premises when performing such work. The Authority shall not make any modifications to the Premises that would materially impact Lessee's access to or use and occupancy thereof, without providing Lessee with 5 business days' advance

written notice thereof.

If, as a result of the Authority's failure to perform any maintenance or repair of the Premises as required under this Section 9 above ("Authority Repairs"), the Premises or any material portion thereof becomes "Untenantable" (as defined below) for more than 3 consecutive days after Lessee has provided the Authority with written notice of such failure, then Lessee may perform such applicable Authority Repairs, and offset the actual cost and expense of the same incurred by Lessee against any Rent due under this Lease Agreement. For purposes hereof, "Untenantable" means the Premises, or any material portion thereof, cannot reasonably be used and occupied by Lessee in the ordinary and normal course of its business.

10. Improvements to Leased Premises. Lessee may, with the written consent of the Authority, improve or remodel the Premises; provided, however, that prior to commencement of any such work the Lessee shall submit detailed construction plans thereof to the Authority for its approval.
11. Ownership of Fixtures. It is understood and agreed by and between the parties hereto that any improvements or fixtures attached to the Premises or placed on or about Premises by Lessee shall be considered as 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 and the Lessee restores the Premises to the same condition as existed prior to installation of the fixtures. 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.
12. Removal of Fixtures. On or before the date of expiration of this lease, or any extension thereof, the Lessee shall vacate the Premises, remove its property therefrom and restore the Premises to as good 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 lease is revoked as a result of a breach thereof by the Lessee, then at the option of the Authority, the said property shall either become the property of the Authority without compensation therefor, or the Authority may cause it to be removed and the Premises to be restored at the expense of the Lessee and no claims for damages against the Authority shall be created or made on account of such removal and restoration work.
13. Waiver. Waiver by the Authority of any breach of this lease shall not be construed as a continuing waiver of a subsequent breach nor imply further indulgence.
14. Breach of Lease. In the event said Lessee shall fail to comply with any substantial term, condition or covenant of this lease within ten (10) days after written notice so to do has been mailed to it by the Authority, or in the event said Lessee abandons the Premises before the end of the term, or in the event said Lessee is adjudged bankrupt or insolvent or makes an assignment for the benefit of creditors or commits any act of bankruptcy, any of such events shall be deemed an immediate breach and forfeiture of this lease and all unpaid installments of rent and other expenses herein provided for shall immediately become due and payable.

- 14.1. 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 therefor, including reasonable attorney fees.
15. 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.
16. 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.
17. 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 said 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. Notwithstanding anything in this Lease Agreement to the contrary, permission is granted by the Authority to Lessee to assign this Lease Agreement to any affiliate, subsidiary, or parent entity upon giving the Authority written notice of the intent to do so. In the event of any such assignment, the assignee entity must agree to be bound and perform all the terms of this Lease agreement applicable to the Lessee and shall become entitled to the benefit of all the terms and conditions and covenants applicable to the Lessee hereunder.
18. 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, subject to providing Lessee with at least 24 hours' prior written notice (except in the case of an emergency threatening injury to persons or material damage to the Premises). During any such entry (except in the case of an emergency), the Authority hereby agrees to minimize interference with Lessee's business operations in and from the Premises. Lessee, in its sole discretion, may require that any entry of the Premises by or on behalf of the Authority be accompanied by an authorized employee, agent, or representative of Lessee. The Authority shall be liable for all loss, damage or injury to person or property and shall indemnify and hold harmless Lessee from and against all claims, losses, costs, expenses, and liability (including reasonable attorney's fees) resulting directly from any entry of the Premises by or on behalf of the Authority, except to the extent caused by any act of omission of Lessee.
19. Notices. All notices to be given pursuant to this lease shall be addressed to the Salina Airport Authority, 3237 Arnold, Salina, Kansas 67401 and to the Lessee at 2775-A Arnold Ave., Salina, Kansas 67401, or as may from time to time be directed by the parties. Notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope or wrapper addressed as aforesaid and mailed by registered or certified mail with postage prepaid.
20. General Clauses.

- 20.1. Lessee shall comply with all applicable laws, ordinances, rules and regulations of the federal, state, county and municipality wherein the Premises are located including compliance with future laws and regulations, i.e., those passed after the date of this agreement.
- 20.2. Lessee shall pay to the proper governmental agencies as they become due and payable, all taxes, assessments, fees, and similar charges which at any time during the term of this lease may be taxed, assessed or imposed upon the Lessee with respect to the Premises, 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 Authority or in lieu of said repair or replacement, the Lessee shall, if so required by Authority, pay to the Authority money in an amount sufficient to compensate for the loss sustained by the Authority by reason of damage or destruction of said property.
- 20.4. Lessee acknowledges that it has inspected and knows the condition of the leased property 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. No Lessee shall 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 area. Flashing or illuminated signs in which the light is not maintained constant and stationary in intensity and color shall be prohibited.
- 20.6. 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 said property.
- 20.7. No materials, supplies or equipment shall be stored or be permitted to remain on any part of the property outside of the buildings.
- 20.8. The Lessee must at all times keep the Premises in a safe, clean, wholesome condition, ordinary wear and tear excepted, and comply in all respects to all government, health and police requirements.
- 20.9. 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.
- 20.10. Lessee agrees that it will, upon request, provide the Authority 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.

20.11. Provided Lessee performs all of its covenants and obligations under this Lease Agreement, the Authority and any subsequent lessor or landlord, as the case may be, covenants that Lessee shall have peaceful and quiet enjoyment of the Premises without interference, and the Authority and any subsequent lessor or landlord, as the case may be, will warrant and defend Lessee in the peaceful and quiet enjoyment of the Premises against claims of all persons claiming through or under the Authority and any subsequent lessor or landlord, as the case may be.

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 said 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 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 said 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 said 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, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

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

21.4. It is understood and agreed that nothing herein contained shall be construed to grant or authority 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, executors, administrators, 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 first above mentioned.


SALINA AIRPORT AUTHORITY


Date _____ By: _____
Kent Buer
Board Chair

ATTEST

Date _____ By: _____
Alan Eichelberger
Board Secretary

FLOTATION TECHNOLOGIES, LLC

Date 9/16/22 By: 
Rex Vanier, Member

Date 9/16/22 By: 
Brett Johnson, Member

LEASE AGREEMENT

This Lease Agreement (the "Lease") is made and entered into this ____ day of September, 2022, by and between the **SALINA AIRPORT AUTHORITY, a Kansas public corporation**, of Salina, Saline County, Kansas, (the "Authority"), and **HENTZEN COATINGS, INC.**, a Wisconsin corporation, authorized to do business in Kansas, with principal offices located at 6937 W. Mill Rd., Milwaukee, WI 53218, ("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:

Unit A of Bldg. 595, 2761 Berschel, Salina Airport Industrial Center, Salina, KS 67401 and containing 9,175 sq. ft. +/-, together with any improvements constructed or to be constructed thereon and the appurtenances thereunto belonging, as depicted on the attached Exhibit A (the "Premises").

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

2. Term, Effective Date and Holdover.

- 2.1. Term and Effective Date of Lease. This Lease shall be for a term of one (1) year commencing effective October 1, 2022 ("Effective Date") and terminating on September 30, 2023 ("Primary Term"), subject to the option for renewal and extension hereinafter set forth.

- 2.2. Holdover. If the Lessee remains in possession of all or any part of the Premises after the expiration of this Lease, without the express or implied consent of the Authority, such occupancy shall be considered to be a "Holdover Tenancy" from month-to-month only, and not a renewal or extension of this Lease for any further term. In such case, the Basic Rent for such Holdover Tenancy shall be payable in the amount of 150% of the amount specified in Section 4.1 herein. Such Holdover Tenancy shall be subject to every other provision, covenant and agreement contained herein, including any applicable rental adjustments as per Section 4.1.1 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 four (4) additional terms of one (1) year each at the expiration of the Primary Term. In the event the Lessee elects to exercise its option hereunder, it must notify the Authority in writing three (3) months prior to the expiration of the then current term.

4. Rent.

- 4.1. Basic Rent. Lessee agrees to pay the Authority a Basic Rent for the leasing of the Premises the sum of Four Thousand One Hundred Dollars and no/100 (\$4,100) per month, the first of which shall be due on October 1, 2022. 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 or any extension or renewal thereon, the Basic Rent shall be adjusted by increasing the Basic Rent for the prior 24-month period by the same percentage as the percentage of increase in the U.S. Government Consumer Price Index (C.P.I.) over the same prior 24-month period. If the C.P.I. over the same 24-month period has not shown a net increase, the Basic Rent for the option period shall remain the same as the Basic Rent for the prior 24-month period. The C.P.I. shall be the statistical report prepared and published by the Bureau of Labor Statistics for the United States for all items for urban consumers, or such other index or report substituted therefore by the U.S. Government. The reference basis for the C.P.I. shall be 1967 equals 100 or the most current index base as established by the Bureau of Statistics. The difference between such index nearest to the first day of the prior 24-month period and the last available index to the last day of the prior 24-month period divided by such index nearest to the first day of the prior 24-month period will determine either the percentage of increase, or that the Basic Rent will remain the same as the prior 24-month period, as provided above.

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

- 4.2.1. Taxes. Lessee agrees to pay all real estate taxes, which may be levied against the Premises prorated to the Effective Date. Upon the Authority's receipt of a statement for taxes or assessments, the Authority will invoice the 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.

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

4.2.3. Security Deposit. Upon Lessee's execution and delivery of this Lease, Lessee agrees to pay a Security Deposit in the amount equal to the Basic Rent (\$4,100). 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.

4.2.4. 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. As per Section 5.10 below, the Authority agrees to notify Lessee on or before December 15 of each year as to the property insurance premium for the coming calendar year and Lessee agrees to reimburse the Authority on or before March 1 of each year of its pro-rata share of the commercial property insurance covering the improvements located on the Premises. Partial year occupancy shall result in a pro-rated premium. The 2022 monthly pro-rated

premium shall be due on or before the Effective Date of the Lease and upon presentation of invoice by the Authority which shall be delivered upon execution of the Effective Date Agreement.

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.

5.10. Property Insurance

5.10.1. The Authority shall secure and maintain in force at all times during the term of this Lease or any extensions thereof, Commercial Property Insurance with Special Clause of Loss Perils coverage on the buildings and improvements owned by the Authority which are located on the Premises in an amount of not less than 100% of the full replacement cost of the Improvements, as determined by the Authority on an annual basis, using Boeckh, Marshall/Swift or another comparable commercial building cost estimating guide. Lessee agrees to reimburse the Authority annually for the premium paid by the Authority for such insurance. Authority will advise Lessee annually of the insurance premium on or before December 15 of each year and the premium, shall be paid in advance and due March 1. Should the Lease term result in a partial year occupancy, the Authority shall bill the Lessee on a pro-rata basis.

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

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

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

5.10.3. 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.

5.10.4. **Damage to Building Contents Owned by Lessee.** Lessee acknowledges that it shall be fully responsible for any loss or damage to its personal property located on or about the Premises, that it shall be solely responsible for such personal property, and Lessee releases the Authority and its current and former officers, directors, employees, and agents from any liability therefore, unless such damage is caused, in whole or in part, by the willful misconduct or gross negligence of the Authority or its current or former officers, directors, employees, or agents.

6. **Use of Premises.** Lessee agrees to use the Premises for the sole purpose of industrial warehousing, including paint storage, and other activities normally associated therewith. All activities will comply with all applicable law or regulations.

6.1. Lessee agrees that the Premises shall not be used or occupied for any purpose that constitutes a nuisance or may be objectionable to adjacent property; that it will not allow the escape from the Premises of any fumes, odors, smoke, obnoxious gas, gases or other substances which are offensive or which constitute a nuisance or interfere with the conduct of other business in the area. Lessee will provide adequate devices to control excessive noise, vibrations or electromagnetic emissions.

7. **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 October 1, 2022. 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 October 1, 2022.

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 October 1, 2022.

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 October 1, 2022. 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 October 1, 2022.

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 Lease 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 Lease.

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.
- 13.1. Lessee shall be responsible for all routine maintenance and repairs necessary to keep the heating and/or cooling system, in a good state of repair and in good working condition. In addition, the Lessee shall be responsible for the first \$500.00 per year in the costs and expenses of repairing any portion of the HVAC system. The Authority shall be responsible for the replacement of any fixtures, appliances or other portions of the heating, air conditioning which are not repairable and which must be replaced to keep the systems in good working condition. In addition, Lessee will pay for a semi-annual maintenance contract on the HVAC system with a reputable HVAC contractor approved by the Authority during the entire term of this Lease. Should the Lessee fail to maintain the semi-annual maintenance contract at all times during the term of this Lease then the Lessee shall automatically be fully liable for ALL maintenance, major

repair including up to replacement of the HVAC system at the sole discretion of the Authority.

- 13.2. Lessee shall be responsible for all routine maintenance and repairs necessary to keep the plumbing, electrical systems and doors in a good state of repair and in good working condition. Maintenance to be performed by the Lessee includes but is not limited to janitorial services, supply and replacement of lighting fixtures including light bulb and ballast replacement, cleaning of stoppages in plumbing fixtures, drain line and septic systems, replacement of floor covering, building interior painting, repairing and replacing building and overhead door motors, chains and belts and landscaping as originally approved and installed. The Authority shall be responsible for the replacement of any fixtures, appliances or other portions of the plumbing and/or electrical systems which are not repairable and which must be replaced to keep the systems in good working condition. The Authority shall provide and install the initial supply of hand fire extinguishers as required by applicable building code for the interior of the Premises and the Lessee shall maintain and replace the extinguishers as necessary to comply with applicable building code including annual inspections. Lessee is responsible for maintaining electric loads within the design capacity of the system. The Authority shall be responsible for maintaining the parking lot including pavement, striping and signage.
- 13.3. In the event Lessee fails to keep said Premises in good order and repair then the Authority may perform all repairs which may be necessary in about the demised Premises and the cost of such repairs shall be and constitute additional rental.
14. Utilities and HVAC System. The Lessee shall, at its own expense, obtain and pay for all electricity, water, gas, sewer use fees, or other utilities used by Lessee during the term of this Lease, including the cost of maintenance and operation of the HVAC system for the Premises.
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

Lessee

Hentzen Coatings, Inc.
6937 W. Mill Rd.
Milwaukee, WI 53218
Email to: kpigatto@hentzen.com

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 the parking lot snow removal on the Premises, excluding handwork. Lessee shall be responsible for snow removal on sidewalks as required by Lessee's occupancy. The Authority shall keep unpaved areas grassed and landscaped to present a pleasing appearance. Such grass and landscaping shall be kept reasonably mowed and trimmed.
- 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: _____
Kent Buer, Chairman


ATTEST

Date _____

By: _____
Alan Eichelberger, Secretary

HENTZEN COATINGS, INC


Date 9-12-2022

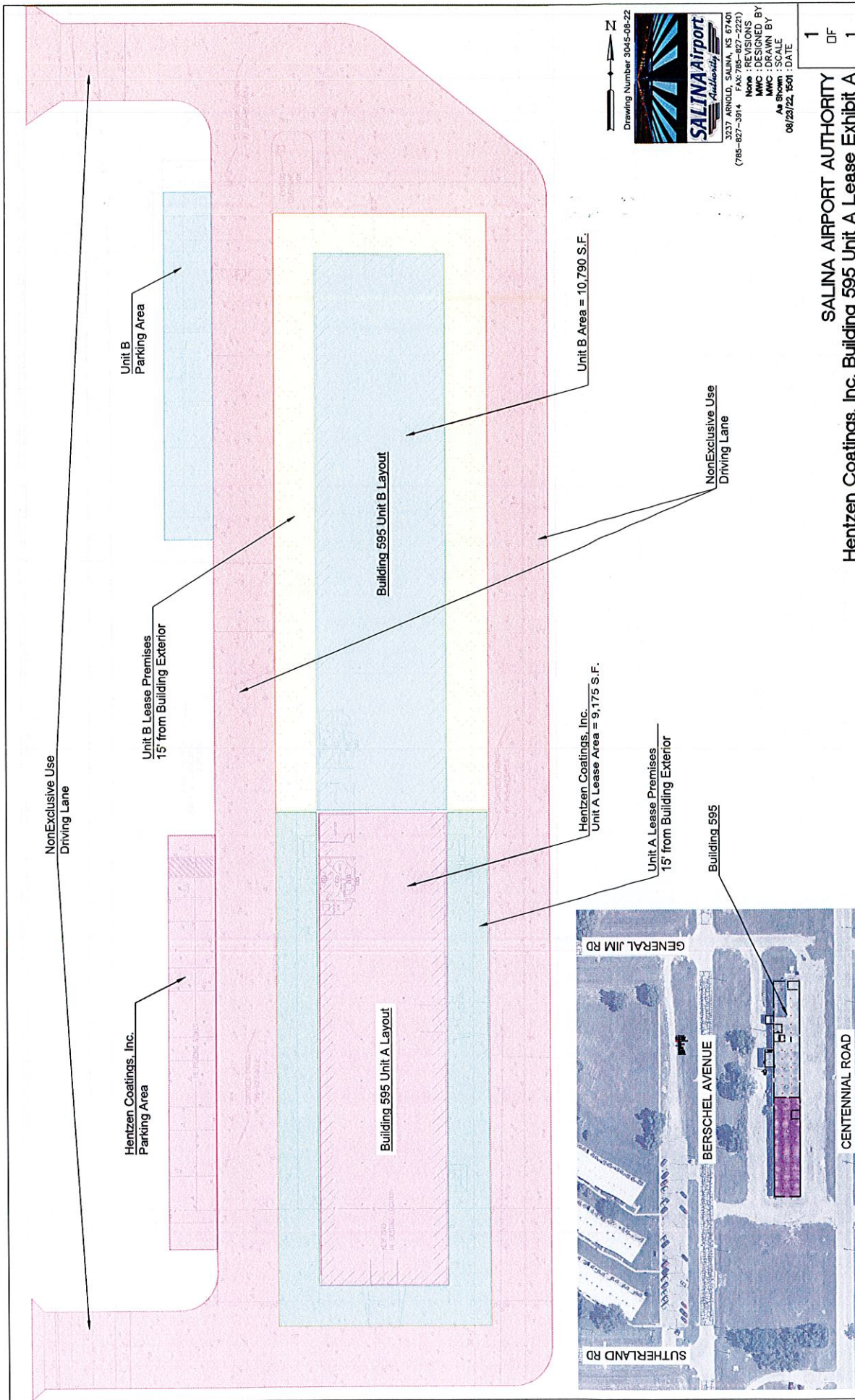
By:  _____
STEVEN A. HENTZEN [Name]

PRESIDENT [Title]

ATTEST

Date 9-12-2022

By:  _____
David Toepel [Name]
CFO [Title]



Drawing Number 3045-08-22

SALINA Airport Authority
 3337 ARNOLD, SALINA, KS 67401
 FAX: 785-827-2221
 None : REVISIONS
 None : DESIGNED BY
 MMC : DRAWN BY
 As Shown : SCALE
 08/23/22, 1501 : DATE

SAA Building and Hangar Leasing - November 1, 2022 SCORECARD

Leased Properties Since March 2012 > 1-year term or greater												
Building/Hangar	Sq. Ft.	Use	Current Lease Rate	Monthly Lease Rate	Lease Type	Estimated Annual Holding Cost Savings	Comments	Current Lease Revenue	Potential New Lease Revenue	Office	Manufacturing / Warehouse	Aviation/ Aerospace
122	6,034	Office	4.42	2,223	Net	9,000	Leased to Waters, Inc. - Effective 10-15-2013; 10 year firm with two additional 5-year terms; rate adjustments every five years. Additional rental: CP	26,676				
394	3,951	Office	5.37	1,767	Modified Gross	13,000	Leased to Kansas Dept. of Motor Vehicles (This doesn't include their CDL course on north ramp)	21,199				
412	1,697	Warehouse	8.00	1,131	Gross	-	Leased to Federal Aviation Administration effective Oct. 1, 2020. Three year agreement for this one-room lease in Bldg. 412	13,576				
412	1,611	Warehouse	6.15	825	Modified Gross	1,500	Leased to Dragun Corp. for two-years, effective August 23, 2021.	9,900				
412	2,830	Office and shop space	6.74	1,590	Modified Gross	4,000	Leased to Century Business Systems. Three year agreement for office and one large room in warehouse/shop area, effective Dec. 1, 2021.	19,080				
506-1	4,900	Utility construction shop/equipment storage	5.56	2,270	Net	12,000	Leased to Miller Pipeline since 4-1-2016; currently in one year agreement that terminates 3-31-2023	27,240				
520-A	5,350	Office/Light manufacturing	5.75	2,565	Modified Gross	1,500	Leased to Flotration effective October 1, 2022, five year with options.	30,780				
520-E	2,886	Office/Light manufacturing	5.82	1,400	Modified Gross	1,000	Leased to One Office Solutions - two year agreement with options; effective Sept. 1, 2021.	16,800				
520, Unit F	2,540	Office/Warehouse/Light Manufacturing	6.18	1,308	Modified Gross	1,500	Leased to Pomp's Tire since 4-1-15; In 3-year term that expires 11-30-2023	15,696				
520, Unit G	2,869	Office/Warehouse/Light Manufacturing	6.18	1,477	Modified Gross	1,200	Leased to Pomp's Tire since 4-1-15; In 3-year term that expires 11-30-2023	17,724				
595, Unit B	10,790	Warehouse/Parts Storage	4.10	3,690	Modified Net	15,000	Leased to 1 Vision Aviation effective Nov. 1, 2022, ten year term	44,280				
600	13,350	Office/Hangar/Multi-purpose	5.78	6,433	Modified Gross	5,500	Leased to Kansas State University Salina Aerospace and Technology Campus - Applied Aviation Research Center 3-year lease effective June 1, 2020	77,195				
606	49,222	Aircraft maintenance repair and overhaul	5.65	23,170	Modified Net	30,000	Leased to 1 Vision Aviation effective Nov. 1; 2022, 22-month term with three 5-year options (term coincides with H959 lease)	278,040				
620	30,000	Light manufacturing or warehouse	3.82	9,543	Net	20,000	Leased to Universal Forest Products effective 5/1/12; entered into their fourth 3-year term which expires on 4-30-2023	114,516				
655	96,611	Warehouse	2.18	17,570	Modified Gross	35,000	Leased to Stryten Manufacturing for battery storage -three - year lease effective Oct. 1, 2020.	210,840				
824	12,353	Office and warehouse or vehicle maintenance	4.59	4,730	Modified Net	25,000	Leased to Durham School Services effective 9-1-2020 - five year term with 3, five year options	56,760				
959	129,734	Aircraft maintenance repair and overhaul	2.27	24,507	Modified Net	125,000	Leased to 1 Vision Aviation effective July 1, 2019; 5 year firm lease term with three 5-year options.	294,084				
1021	73,002	Warehouse facility - erosion control wattles and blankets	3.24	19,725	Modified Net	70,000	Leased to Ks Erosion Control, LLC., for product storage.	236,700				
Total Long-term Leased	449,730		3.36	125,924		370,200		1,511,087				
Leased Properties - Current Short-term (1 month - 1 year)												
313	11,884	Office/Warehouse/Light Manufacturing	5.30	5,250	Modified Net	10,000	Leased to Gartner Refrigeration for one year with options.	63,000				
412	630	Office	5.24	275	Modified Gross	500	Leased to Syring Golf for 1 year term effective August 1, 2022	3,300				
506-2	4,900	Aircraft Storage	3.31	1,350	Modified Gross	2,000	Leased to RMA Engineering, LLC - one year agreement	16,200				
595, Unit A	9,175	Warehouse	5.36	4,100	Modified Net	15,000	Leased to Hentzen Coatings, effective Oct. 1, 2022; 1-year term with options (pending board approval)	49,200				
626	47,188	Warehousing / Hangar	2.06	8,090	Modified Gross	18,500	Leased to Schwan's - month-to-month agreement	97,080				
655	2,108	Office	8.25	1,450	Gross	-	Leased to Packer's Sanitation Services, Inc. current term expires Sept. 30, 2022	17,400				
713	20,643	Warehouse	1.95	3,350	Modified Gross	5,000	Leased to Kansas Erosion for finished product storage month-to-month	40,200				
723	9,359	Machine shop or warehouse	3.56	2,780	Modified Net	15,000	Leased to Wichita Winwater Works Co. - since 4/1/14; 1 year terms lease with current term expiring 3-31-2023	33,360				
724	16,919	Warehouse	3.20	4,510	Modified Gross	5,000	Leased to Agco Corporation - 1 year with options for combine component storage	54,120				
Total Short-term Leased	122,806		3.04	31,155		71,000		373,860				
Properties Available for Lease												
412	3,726	Office/Warehouse/Light Manufacturing	6.00	1,863	Modified Gross	-	Multi-tenant facility; balance remaining		22,356	3,726		
504	5,617	Aircraft Storage and Crew Facility ideal for Air Medical Transport Operation	4.27	2,000	Modified Net		Air Methods, LLC d/b/a LifeSave closed down operations Sept. 7, 2022		24,001	1,941		3,676
509	45,532	Business jet, Regional jet MRO, Flight training or aircraft storage	5.85	22,197	Modified Gross	-	Facility became available on March 15, 2019		266,362			45,532
600 (SF remaining)	54,958	Business jet, Regional jet MRO, Flight training or aircraft storage	6.30	28,853	Modified Net	-			346,235			54,958
724	13,745	Warehousing	3.20	3,665	Modified Gross	-			43,984		13,745	
820	2,256	Office	14.75	2,773	Modified Net	-	Facility became available Mar. 1, 2018		33,276	2,256		
Total Available For Lease	125,834		5.85	61,351					736,215	7,923	13,745	104,166
Total SAA Bldg. Sq. Ft.	1,154,888	Compared to Dec. 2019	Compared to April 2014									
Total Leased	1,029,054	829,966	677,355									
Vacancy	11%	29%	42%									
Occupancy	89%	71%	58%									
Occupancy >1 year	78%	63%										
Balance to 2022 Goal of 85% occupancy	-47,399											

SAA Building and Hangar Leasing Plan 2022/2023

			Forecasted Lease Rate					Type of Space Available		
Building/Hangar	Sq. Ft.	Use	Rate/SF	Monthly	Lease Type	Comments	Potential New Lease Revenue (Annualized)	Office	Manufacturing / Warehouse	Aviation/ Aerospace
<i>Properties Available for Lease</i>										
412	3,726	Office/Warehouse/Light Manufacturing	6.00	1,863	Modified Gross	Multi-tenant facility; balance remaining	22,356	3,726		
504	5,617	Aircraft Storage and Crew Facility ideal for Air Medical Transport Operation	4.27	2,000	Modified Net	Air Methods, LLC d/b/a LifeSave closed down operations Sept. 7, 2022	24,001	1,941		3,676
509	45,532	Business jet, Regional jet MRO, Flight training or aircraft storage	5.85	22,197	Modified Gross	Facility became available on March 15, 2019	266,362			45,532
600 (SF remaining)	54,958	Business jet, Regional jet MRO, Flight training or aircraft storage	6.30	28,853	Modified Net	13,350 currently leased to Kansas State University Salina Aerospace & Technolgy Campus; balance remaining	346,235			54,958
626	47,188	Business jet, Regional jet MRO, Flight training or aircraft storage	6.95	27,330	Modified Net	Rehabilitation scheduled for 2023	327,957			47,188
724	30,664	Warehousing	3.50	8,944	Modified Gross		107,324		30,664	
820	2,256	Office	14.75	2,773	Modified Net	Facility became available Mar. 1, 2018	33,276	2,256		
Total Available For Lease	189,941		5.94	93,959			1,127,512	7,923	30,664	151,354