Tri-Cities Airport Authority Board Meeting
December 11, 2025, at 10:00 a.m.
In the TCAA Boardroom

AGENDA
Chair J. Parker Smith

1. **CONSIDER: Minutes from the October 23, 2025, TCAA Board Meeting**
2. **REPORT: Committee Updates**
3. **CONSIDER: Annual Comprehensive Financial Report**
4. **CONSIDER: 2026 Employee Group Insurance Program**
5. **REPORT: Eastman Foreign-Trade Zone Expansion**
6. **CONSIDER: Preliminary Construction Services Letter of Agreement (LOA) with J.A. Street and Associates**
7. **CONSIDER: Addendum to Aviation New Generation Land Lease**
8. **CONSIDER: Slope Mower Replacement – Award Jet-Vac Equipment Company, LLC**
9. **CONSIDER: Air start Lease – Award Mercury GSE**
10. **CONSIDER: Conditioning Unit Lease – Award Mercury GSE**
11. **REPORT: Cross Property Counteroffer – Kimley-Horn/Hanson**
12. **CONSIDER: Runway Obstruction Mitigation – Phase I Award South East Mowing, LLC**
13. **CONSIDER: Runway Obstruction Mitigation – Phase I Award Kimley-Horn/Hanson Construction Administration Services Agreement**
14. **CONSIDER: Taxiway B Rehab, Taxiway Y Reconfigure, Air Carrier Apron Trench Drain Rehab – Award Kimley-Horn Design/Bid Agreement**
15. **CONSENT**
    a. **TVA MOA Tree Mitigation Permit – Kimley-Horn/Hanson**
    b. **ARFF Truck Tires Replacement – Southern Tire Mart**
16. **STAFF REPORTS:**
    a. **Legal Counsel, Stephen Darden**
    b. **Director of Finance, Rachel Squibb**
    c. **Director of Marketing and Air Service, Trevor Rice**
    d. **Director of Business Development, Mark Canty**
    e. **Chief Operations Officer, David Jones**
    f. **President/CEO, Gene Cossey**

Lunch will be served following the meeting.

Tri-Cities Airport Authority Board Meeting
October 23, 2025, at 10:00 a.m.
Held in the TCAA Boardroom

Board Members	**Staff**	**Others**
Mr. Parker Smith, Chair	Gene Cossey	Stephen Darden - HS&D Attorney
Mr. Mark Ireson	David Jones	Clay Walker - NETWORKS
Mr. Randall Eads	Mark Canty	Allison Winters - Six Rivers Media
Mr. Lewis Wexler	Trevor Rice	John Rose - The Bridge
Mr. Chris McCartt	Chris Stipo	Pam Phillips - Tri-City Aviation
Mr. Ken Huffine	Rebecca O'Quinn	Mike Lloyd - Tri-City Aviation
Mr. Todd Hensley	Kylie Toler	Tim Haskell - Hanson
Ms. Kelli Bourgeois	Jennifer Solorio	Ally Craft - Hanson
Mr. Zane Vanover		Ben Toddy - Kimley-Horn
		Brian Jones - FAA

With a quorum present, the meeting was called to order at 10:00 a.m., by TCAA Chair Parker Smith.

The board members not in attendance were Mr. Jeff Bedard, Ms. Cathy Ball, and Mr. John Hunter.

CONSIDER: Minutes from June 26, 2025, TCAA Board Meeting

TCAA 10/23/2025 – 1 Upon a motion made by Mr. Chris McCartt and seconded by Mr. Lewis Wexler, the following was adopted: BE IT RESOLVED the Minutes from August 28, 2025, TCAA Board Meeting was approved as presented.

The motion passed unanimously.

REPORT: Committee Discussion

Mr. Gene Cossey opened the discussion with asking the Board if they would like to still hold the Committee Meetings even if there are no actional items to be voted on. They had a good discussion regarding this topic and the outcome was to still hold the Committee Meetings if there is no actional items but offer a Virtual option to attend so they can still have discussions.

REPORT: Maintenance Services at the FBO RFQ

Mr. Todd Hensley removed himself from the discussion.

As part of the current operating agreement with Tri-Cities Aviation the Tri-City Airport Authority reserves the right to assume the operations of portions of the Fixed Based Operator (FBO) before the May 2027 transition. One such operation is aircraft maintenance services which the TCAA plans to assume earlier than May 2027. Following this report is a draft of a Request for Qualifications (RFQ) for a 3rd party provider to provide aircraft maintenance services on behalf of the TCAA. The RFQ was developed around striking a balance between maintenance for General Aviation (GA) and airline aircraft, while providing financial consideration to assist in incentivizing respondents. With support from the board, staff wish to start advertising this RFQ in early November after incorporating any comments.

REPORT: Airline Services Equipment

The Airline Services Department handles the ground handling for Allegiant, Sun Country, and additional charters as needed. The TCAA was recently awarded the ground handling contract for Breeze and will be coming to the board for approval to procure additional equipment. Breeze has inquired to see if the TCAA has an air start or conditioning unit for their use. The is currently a mounted conditioning unit on each jet bridge, but no mobile unit for the hard stand gates. The conditioning unit is used to cool and heat the interior of the aircraft, and using the unit is cheaper for the airlines than using that aircraft's onboard system. An air start is sometimes used by the airlines to help start the engines in certain instances, which they may be unable to do without. The TCAA does not have access to an air start. Similar to previous reports on equipment leading to the launch of service by Breeze, the staff may need to procure equipment in a time period that would not be compatible with the board meeting schedule. If Breeze does need a mobile air start and/or a conditioning unit, the TCAA would enter into an agreement with a provider to lease each piece of equipment over a 12-month period at an estimated $82,548 for an air start and $62,580 for a conditioning unit. Staff would then come to the board at the December board meeting for retroactive approval.

TCAA 10/23/2025 – 2 Upon the motion made by Mr. Mark Ireson, and seconded by Mr. Ken Huffine, the following was adopted: BE IT RESOLVED the TCAA gave support to purchase or lease, depending on what makes the most financial sense, ground support equipment that Breeze may need before the start of their service. Any ground support equipment purchased or leased would come to the board at the December board meeting for retroactive approval.

The motion passed unanimously.

CONSIDER: Administration Office Renovations – Award Comsa Construction, Inc.

Kimley-Horn previously completed design/bid services for the renovation and expansion of the administrative offices. Four bids were received with Comsa Construction, Inc. having the lowest and most responsive bid in the amount of $2,218,431. Multiple bidders mentioned concerns with the windows on the mezzanine level. Comsa Construction, Inc. has proposed an additional cost of $262,868, putting the total amount at $2,481,299. The project will be funded through airport cash reserves.

TCAA 10/23/2025 – 3 Upon the motion made by Mr. Todd Hensley, and seconded by Mr. Randall Eads, the following was adopted: BE IT RESOLVED the TCAA authorized the Chair to execute a construction contract with Comsa Construction in the amount of $2,481,299 for the Administrative Office Renovations pending legal review.

The motion passed unanimously.

CONSIDER: Administration Office Renovations Construction Admin Services – Award Kimley-Horn

Kimley-Horn has provided an agreement to conduct Construction Administration Services for the project in the amount of$135,402. As part of the agreement, Kimley-Horn will: Conduct pre-construction and progress meeting, material submittal review/approval, on-site quality control inspections, coordinate with staff and tenants, and compile close out documentation. The project will be funded through airport cash reserves.

TCAA 10/23/2025 – 4 Upon a motion made by Mr. Lewis Wexler and seconded by Mr. Todd Hensley, the following was adopted: BE IT RESOLVED the TCAA authorized the Chair to execute a construction administration services contract with Kimley-Horn in the amount of $135,402 for the Administrative Office Renovations pending legal review.

The motion passed unanimously.

CONSIDER: Fuel Farm Expansion Design/Bid Agreement – Award Kimley-Horn

The airport's current fuel farm has the capacity to hold 40,000 gallons of Jet-A fuel which is the fuel used by the airlines and large general aviation aircraft. Atkins determined, as part of the master plan that the airport will need 180,000 gallons of Jet-A fuel capacity to meet future needs and growth. Kimley-Horn completed a PER providing base concepts for a new fuel farm and self-serve. Kimley-Horn prepared a design/bid agreement based on the selected concepts in the amount of $347,016. The project will be funded through a loan provided by the airport's fuel provider, Titan Aviation Fuels.

TCAA 10/23/2025 – 5 Upon a motion made by Ms. Mark Ireson, and seconded by Mr. Randall Eads, the following was adopted: BE IT RESOLVED the TCAA authorized the President/CEO to execute the Cooperative Service Agreement with the USDA in the amount of $16,500 pending legal review.

The motion passed unanimously.

CONSIDER: Wildlife Services Agreement- Award USDA

The airport developed and maintains a Wildlife Hazard Management Plan (WHMP) in accordance with CFR Title 14 Part 139.337. The USDA provides the following services: direct wildlife hazard management activities, continual monitoring of wildlife populations, and conduct mandatory FAA training for airport employees. The current agreement expires October 31, 2025. The new agreement would run from November 1, 2025, through October 31, 2026. Funding will come from the FY26 Aviation Wildlife Control funds.

TCAA 10/23/2025 – 6 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Lewis Wexler, the following as adopted: BE IT RESOLVED the TCAA authorized the Director of Operations to issue a purchase order to Sherwin Industries, Inc. for a Graco LineLazer V 250DC HP Reflective Series in the amount of $42,175.

The motion passed unanimously.

CONSIDER: FIDS Upgrade – Award AeroCloud

AeroCloud was recently approved by the board as the airport's Common Use Passenger Processing System (CUPPS) provider. AeroCloud's FIDS solution with integrate seamlessly with the CUPPS, along with some other benefits: Access to AeroCloud's Flight Management System, access to three sources of flight information data, the ability to customize the display screens to airport branding, and the ability to display advertisements when the displays are not in use. AeroCloud has proposed a five-year agreement with the first payment due July 1, 2026. The service would be at no cost until then.

TCAA 10/23/2025 – 7 Upon a motion made by Mr. Zane Vanover and seconded by Mr. Todd Hensley, the following as adopted: BE IT RESOLVED the TCAA authorized the President/CEO to sign a commercial addendum agreement with AeroCloud in the amount of $178,761.56 over a five year-period.

The motion passed unanimously.

CONSIDER: Baggage Tug Purchase – Award Textron Ground Support Equipment, Inc.

The Tri-Cities Airport Authority was recently awarded the ground handling contract for Breeze. A typical narrow-body aircraft requires two baggage tugs to adequately service the aircraft. The TCAA currently has three baggage tugs and is seeking to add a forth. Textron Ground Support Equipment, Inc. had the lowest and most responsive bid in the amount of $60,000. The equipment will be initially funded through the FY26Miscellaneous Capital Expenditure Fund, and then reimbursed through a grant provided by the airport's fuel provider, Titan Aviation Fuels.

TCAA 10/23/2025 – 8 Upon a motion made by Mr. Mark Ireson and seconded by Mr. Chris McCart, the following as adopted: BE IT RESOLVED TCAA authorized the Director of Operations to issue a purchase order to Textron Ground Support Equipment Inc. for the baggage tug in the amount of $60,000.

The motion passed unanimously.

CONSIDER: Belt Loader Purchase – Award Textron Ground Support Equipment, Inc.

The TCAA was recently awarded the ground handling contract for Breeze. A typical narrow-body aircraft requires two belt loaders to adequately service the aircraft. The TCAA currently has three belt loaders and is seeking to add a fourth. Textron Ground Support Equipment Inc. had the lowest and most responsive bid in the amount of $90,000. The equipment will be initially funded through the FY26 Miscellaneous Capital Expenditure Fund and then reimbursed through a grant provided by the airport's fuel provider, Titan Aviation Fuels.

TCAA 10/23/2025 – 9 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Zane Vanover, the following as adopted: BE IT RESOLVED the TCAA authorized the Director of Operations to issue a purchase order to Textron Ground Support Equipment Inc. for the belt loader in the amount of $92,000.

The motion passed unanimously.

CONSIDER: GPU Purchase – Award Alvest Equipment Services

The Tri-Cities Airport Authority was recently awarded the ground handling contract for Breeze. Breeze has inquired to see if the TCAA has a GPU available. Each jet bridge has a mounted GPU, but currently no mobile GPUs are available. While soliciting leases Alvest Equipment Services offered a used2016 GPU that costs less a 12-month lease in the amount of $33,200. The equipment will be initially funded through the FY26 Miscellaneous Capital Expenditure Fund and then reimbursed through a grant provided by the airport's fuel provider, Titan Aviation Fuels.

TCAA 10/23/2025 – 10 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Lewis Wexler, the following as adopted: BE IT RESOLVED the TCAA authorized the Director of Operations to issue a purchase order to Alvest Equipment Services for the GPU in the amount of $33,200.

The motion passed unanimously.

CONSIDER: Deice Truck Purchase – Award Polar Aircraft Deicer

The Tri-Cities Airport Authority was recently awarded the ground handling contract for Breeze. Part of the agreement includes providing deicing services. A deice truck that can handle a Cessna 172 to a Boeing 757 was solicited with Polar Aircraft Deicer submitting the lowest and most responsive bid in the amount of $269,856 in April. Tariffs and a new backup camera option have increased the amount to $289,595. The equipment will be funded through a State Grant and FY26Miscellaneous Capital Expenditure Funds.

TCAA 10/23/2025 – 11 Upon a motion made by Mr. Randall Eads and seconded by Mr. Lewis Wexler, the following as adopted: BE IT RESOLVED the TCAA authorized the Director of Operations to issue a purchase order to Polar Aircraft Deicer for a deice truck in the amount of $289,595.

The motion passed unanimously.

CONSIDER: Terminal/Bag Claim Roof Rehab – Kimley-Horn Design/Bid Agreement

The airport's approved Capital Improvement Plan includes the removal and replacement of two terminal building roofing systems. The bag claim and the old terminal building structure roofing systems have reached the end of serviceable life. Kimley-Horn prepared a design/bid services agreement in the amount of $71,750 to include preparing project design/bid plans and documents, budgets, perform design progress and pre-bid meetings, advertisement, bids review and recommendation to staff. The proposed project will be funded using State FY2026 grant funds.

TCAA 10/23/2025 – 12 Upon a motion made by Mr. Lewis Wexler and seconded by Mr. Chris McCartt, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute a Kimley-Horn design/bid services contract agreement in the amount of for $71,750 for the airport Old Terminal Building and Bag Claim Roof Replacement Project, pending State grant funding approval.

The motion passed unanimously.

CONSIDER: Terminal Air Handler Replacement/Elect Transformer Removal – Kimley-Horn Design/Bid Agreement

The airport's approved Capital Improvement Plan (CIP) includes the removal and replacement of two terminal HVAC air handler systems and removal of an original old terminal electrical transformer. The air handler systems have reached the end of serviceable life. Kimley-Horn prepared a design/bid services agreement in the amount of$74,992 to include preparing project design/bid plans, progress and pre-bid meetings, bid review and recommendation to award a contractor to staff. The proposed project will be funded using State FY 2026 grant funds.

TCAA 10/23/2025 – 13 Upon a motion made by Mr. Mark Ireson and seconded by Ms. Kelli Bourgeois, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute a Kimley-Horn design/bid services contract agreement in the amount of for $74,992 for the Airport Terminal Building HVAC Air Handlers Replacement Project, pending State grant funding approval.

The motion passed unanimously.

CONSIDER: Cross Property Acquisition Offer – Kimley-Horn/Hanson/Legal Coucsel

The airport's CIP and ALP include acquisition of the Cross property in the RWY 23 approach Runway Protection Zone (RPZ) located at the west corner of Muddy Creek and Hamilton Road. The airport received FAA approval to proceed with the Cross-property acquisition in September 2024. The Cross property will be a partial take of Parcel 094 063.00, consisting of 14.04 Acres +/- of pasture farmland and farm buildings. Kimley Horn/Hanson completed the property survey, appraisal, appraisal review and is finalizing the environmental assessment. Following the federal property acquisition process, the appraisal and appraisal review resulted in a property offer in the amount of $ 634,800 and a farm business relocation cost of $11,250, which will be included in the overall purchase separately. The project will be reimbursed using FAA AIP entitlement and future PFC funds.

TCAA 10/23/2025 – 14 Upon a motion made by Mr. Ken Huffine and seconded by Mr. Todd Hensley, the following as adopted: BE IT RESOLVED the TCAA Authorize the President/CEO to execute a property acquisition offer letter in the amount of $634,800 for the Airport - Cross Property Partial Acquisition – Parcel 094 063.00, along with property closing acquisition cost.

The motion passed unanimously.

CONSIDER: Concourse Expansion – Kimley-Horn Preliminary Engineering Report Agreement

The airport's master plan identified a need to expand the concourse area for additional passenger seating and restroom facilities to meet future passenger demand. Kimley-Horn prepared a preliminary engineering report (PER) services agreement in the amount of $39,930 to include preliminary concourse floor plan layouts, two expansion options, opinion of probable cost budget estimates and staff meetings. The proposed project will be funded using State FY 2026 Professional Services grant funds.

TCAA 10/23/2025 – 15 Upon a motion made by Mr. Mark Ireson and seconded by Mr. Ken Huffine, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute a Kimley-Horn Preliminary Engineering

Report (PER) Services Agreement in the amount of $39,930 for the Concourse Passenger Seating and Restroom Expansion Project PER report.

The motion passed unanimously.

CONSIDER: Ground Handling Services Agreement – Breeze Aviation Group, Inc.

Breeze Airways issued an RFP for ground handling, wheelchair, and deicing services at TRI. TCAA submitted and presented a proposal outlining our capabilities and resources. Breeze selected TCAA to provide these services, pending final agreement execution. The agreement is substantially similar to existing Allegiant and Sun Country agreements.

TCAA 10/23/2025 – 16 Upon a motion made by Mr. Randall Eads and seconded by Mr. Lewis Wexler, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute a Kimley-Horn Preliminary Engineering Report (PER) Services Agreement in the amount of $39,930 for the Concourse Passenger Seating and Restroom Expansion Project PER report.

The motion passed unanimously.

CONSIDER: Consent Agenda Items

a. Public Parking Lot Expansion – Summers Taylor – Change Order #3
b. Airport: Airfield Equipment Replacement – Hali-Brite, Inc.
c. ARFF Truck – Rosenbauer, LLC. - Change Order #3 and Change Order #4

TCAA 06/26/2025 – 17 Upon the motion made by Mr. Todd Hensley, and seconded by Mr. Mark Ireson, the following was adopted: BE IT RESOLVED the TCAA approved consent item ratifications.

The motion passed unanimously.

STAFF REPORTS:

Legal Counsel, Stephen Darden – He stated he had no updates to give to the Board.

Director of Finance, Rachel Squibb – She went over the FY2026 Financial Snapshot for the period ending August 32, 2025 (Unaudited). This included revenue performance, expense management, and net results and outlook. Some key takeaways are that the Airports financial performance exceeded expectations and that we have a healthy financial foundation entering FY2026.

Director of Marketing and Air Service, Trevor Rice – He went over the traffic and capacity updates, upcoming projected seat capacity, and the airlines schedules for November thru March. He also spoke about the different events that have been attended and hosted by our Marketing team such as how they hosted NETTA's Hospitality and Tourism Certification Class, they attended Breeze's SNAP Summit, visited SkyWest Airlines Headquarters, and attended NBAA-BACE. Ms. Kylei Toler then went over the social media performance for Quarter Three as it is remaining strong, with consistent reach and steady growth across all platforms. Then, she went over the new "Thank You for Flying Local" campaign including Breeze Airways messaging to promote the two new routes launching in December. Finally, she discussed the different Community Engagements such as our Regional Leadership Forum, General Aviation Lunch & Learn, ETSU Athletics, and Bristol Rhythm & Roots.

Director of Business Development, Mark Canty – Mr. Mark Canty reported that Turtleson, LLC. Usage-driven site application was approved by the Foreign-Trade Zones (FTZ) Board. They will now work with Customs and Boarder Protection to complete the activation stage of becoming an FTZ operator. He also went over how he worked with the Greene County Partnership consultants to help them determine potential FTZ benefit for a company considering relocating to the area. He is now working with ITL Pharma in Kingsport to assist them with finding hangar space for their current and future aircraft. Finally, he discussed how he attended two nights of NETWORKS Sullivan Partnership's Red Carpet Tour for site selection consultants and he attended NBAA-BACE.

Chief Operations Officer, David Jones – He discussed the following with the Board:

FY 2023 CAPITAL PROJECTS

1. **Airport Master Plan Update Project (Professional Services)**
   Project Amount $ 1,432,847.00
   Estimated Project Percent Completion 90%
2. **Airport Terminal Public Adress System Improvements Project (Design/Bid)**
   Project Amount $ 141,070.00
   Estimated Project Percent Completion 100%

FY 2025 CAPITAL PROJECTS

1. **Airport - Public Parking Lot Expansion (Construction)**
   Project Amount $ 2,684,006.50
   Estimated Project Percent Completion 65%
2. **Airport - TWY A Extension, TWY C Removal West of RWY 23 and RWY 5 RSA Improvements (Construction)**
   Project Amount $ 7,375,279.00
   Estimated Project Percent Completion 65%
3. **Airport – Parking and Revenue Control System (PARCS) (Construction)**
   Project Amount $ 806,792.00
   Estimated Project Percent Completion 35%
4. **Airport – Terminal/Concourse – Passenger Check Point Improvements (Construction)**
   Project Amount $ 9,434,600.00
   Estimated Project Percent Completion 5%
5. **Airport – TWY A Bank Slide Rehabilitation - (Construction)**
   Project Amount $ 321,324.15
   Estimated Project Percent Completion 5%

President/CEO, Gene Cossey – Mr. Cossey stated that he did not have anything else specific to speak on that was not already spoke about. He thanked everyone for giving great feedback and for attending the meeting.

The meeting was adjourned at 11:57 p.m.

Respectfully submitted,

____
Parker Smith, TCAA Chair

____
Randall Eads, TCAA Secretary/Treasurer

Minutes taken by: Gracie Beach
NOTE: The Minutes are intended to reflect the general account of the events of the meeting and are not a verbatim transcription.

Committee Updates

Verbal Reports

Tri-Cities Airport Authority
December 11, 2025

CONSIDER:

Fiscal Year Ending June 30, 2025

Annual Comprehensive Financial Report

Summary:

The Fiscal Year 2024 Comprehensive Annual Financial Report is presented for Board review and acceptance. The audit was performed by **Blackburn, Childers & Steagall, PLC (BCS)**, with findings and highlights delivered by **Melissa Steagall-Jones, CPA, CICA**.

Audit Results

- The **Independent Auditor's Report** issued an **Unqualified Opinion** (page 21), confirming the Authority's financial statements are presented fairly in accordance with applicable standards.
- Required reports accompanying the audit include:
  - **Internal Control and Compliance Report** (page 139)
  - **Uniform Guidance Compliance Report** (page 141)
  - **Passenger Facility Charge (PFC) Compliance Report** (page 146)
- Auditor communications on **Significant Audit Matters (SAS 114)** and **Internal Control (SAS 115)** are included in the packet.

Financial Highlights

- **Operating Revenues:** $10,029,010
- **Operating Expenses:** $8,988,480
- **Operating Income before Depreciation/Amortization:** $1,040,530
- **Net Position Increase:** $4,324,089 in FY 2025

A full set of financial statements begins on page 37, followed by required disclosures and footnotes. Hard copies are provided to Commissioners at the meeting.

Recommendation:

Approve and accept the FY2025 Audit Report and Comprehensive Annual Financial Report as presented.

Submitted by: Rachel Squibb
Director of Finance

Tri-Cities Airport Authority
December 4, 2025

CONSIDER:

2026 Employee Group Insurance Program

Summary

Group Health
The review of available plans and associated premiums for the group's 2026 medical/vision/drug plans has been completed. The renewal premiums show an overall premium increase of 5.5%. The employee pays 100% of the additional cost for the buy-up plan. 2026 recommended plans have a $200 (Employee) $500 (Family) Care Cash provided by UHC for payment of copays.

A final review of the schedule of benefits for each plan is being reviewed and fine-tuned.

The cost share formula for premiums was also reviewed. It is recommended the premium cost share formula paid by TCAA for family members remains unchanged at 85%(TCAA)/15%(Employee). The employee (employee only) premium would remain at the current 90/10% formula.

The coverage for medical, drugs, and vision is provided through the recommended United Healthcare plan.

Dental
Rates for dental coverage ($1K annual benefit) through Delta Dental of TN increased 3.74% $27.06 per employee to $28.07 and family coverage from $87.81 to $91.10. TCAA pays for employee dental coverage.

A summary of the current CY 2025 schedules of benefits and proposed CY 2026's plan is attached.

Life
TCAA pays for $20K life and $20K Accidental Death benefits for employees. Renewal monthly premiums for life and Accidental Death coverage provided by MetLife will increase by 10% to $12.94 per employee for 2026.

A summary of the current CY 2025 schedules of benefits and proposed CY 2026's plan is attached.

Flex Spending Plan
Full-time employees continue to be eligible to participate in a Flex-Spending Plan which can defray medical expenses to the extent that contributions are made to the plan.

Recommendation

Adoption of the CY 2026 group insurance program as outlined on the attached program summary is recommended.

Submitted by: Rebecca O'Quinn
Director of Administration & HR

TCAA Employee Insurance Program Summary
MEDICAL / DRUG / VISION COVERAGE

United HealthCare	Current Program **Jan –December 2025**	**Proposed Basic Program Jan – Dec 2026**	**Buy Up Program CY2026**
Provider	United Healthcare	EP-X9	EP-XB
Total Monthly Premium:			
Individual Coverage	**886.26**	**935.37**	**1081.38**
Employee + spouse	**1772.52**	**1870.74**	**2162.76**
Employee + child	**1639.58**	**1730.43**	**2000.55**
Family Coverage	**2525.84**	**2665.80**	**3081.93**
TCAA Monthly Contribution:			
Individual Coverage	**797.63**	**841.83**	**841.83**
Employee + spouse	**1550.96**	**1636.90**	**1636.90**
Employee + child	**1437.96**	**1517.63**	**1517.63**
Family Coverage	**2191.28**	**2312.70**	**2312.70**
Employee Monthly Contribution:			
Individual Coverage	**88.63**	**93.54**	**239.55**
Employee+ spouse	**221.57**	**233.84**	**525.85**
Employee + child	**201.62**	**212.80**	**482.92**
Family Coverage	**334.56**	**353.10**	**769.23**
Plan Benefits			
In-Network:			
Office Copay	**$25/$50 Per Visit**	**$25/$50 Per Visit**	**$15/$30 Per Visit**
Other Copay ER	**$500**	**$500**	**$350**
Deductible	**$1,500/$3,000**	**$1,500/$3,000**	**$500/$1,000**
Coinsurance	**80/20%**	**100%**	**100%**
Out-of-Pocket	**$7,000/$14,000**	**$5,500/$11,000**	**$1,500/$3,000**
Pharmacy	**$10/$35/$130/$250**	**$10/$35/$130/$250**	**$10/$35/$130/$250**
Out of Network:			
Deductible	**$5,000/$10,000**	**$5,000/$10,000**	**$5,000/$10,000**
Coinsurance	**50/50%**	**50/50%**	**50/50%**
Out of Pocket	**$10,000/$20,000**	**$10,000/$20,000**	**$10,000/$20,000**

DENTAL COVERAGE

Type of Coverage	Current CY2025	**Proposed CY 2026**
DENTAL		
Provider:	Delta	**Delta**
Monthly Premium:		
Individual Coverage (paid by TCAA)	$27.06	**$28.07**
Family Coverage (paid by employee)	$60.75	**$63.03**

LIFE INSURANCE

TCAA Provided Life Insurance	Current CY 2025	**Proposed CY 2026**
Coverage Amount:	$20,000 Life $20,000 ADD	**$20,000 Life** **$20,000 ADD**
Provider:	Met Life	**Met Life**
Monthly Premium (provided by TCAA)	$11.82	**$12.94**
Voluntary Products (100% paid by employee)	Met Life and USAble	Met Life and USAble

Tri-Cities Airport Authority
December 11, 2025

REPORT:

Eastman Foreign-Trade Zone Expansion

Summary:

Eastman currently operates as a foreign-trade zone (FTZ) user, primarily importing feedstock for their recycling program. They are now filing an application with the FTZ Board to expand the scope of merchandise allowed under zone guidelines to include wood pulp, TEP, and Paraxylene. This expansion would bring a significant increase in foreign-status merchandise and represents a high cumulative value.

Recommendation:

Verbal report only.

Submitted by: Mark Canty
Director of Business Development

CONSIDER:

Letter of Agreement - J.A. Street Preliminary Construction Services

Summary:

In January, Tri-Cities Airport issued an RFQ seeking developers to design, build, and own a spec hangar suitable for business jet maintenance in Aerospace Park. J.A. Street responded to the RFQ and, following discussions, proposed a package of preliminary construction services to expedite development. This letter of agreement defines the scope of services and terms of payment for a fee of $66,000.

Key Points:

- Payment will not be made in advance, in compliance with FAA revenue diversion rules.
- Payment will be made in full upon completion and receipt of all items listed in the Letter of Agreement.
- TRI will retain full ownership of all deliverables and may use them without restriction.

Recommendation:

Staff recommend approval of the Letter of Agreement with J.A. Street.

Attachments:

1) Letter of Agreement (pending legal review) – Draft

Submitted by: Mark Canty
Director of Business Development

TRI-CITIES AIRPORT

Date: December 5, 2025

Jim Street, CEO/President
J. A. Street & Associates, Inc.
245 Birch Street
Blountville, TN 37617

Re: Letter of Agreement – Preliminary Design Services for 40,000 SF Speculative Hangar at Aerospace Park

Dear Mr. Street,

Tri-Cities Airport Authority ("TCAA") is pleased to confirm this Letter of Agreement with J. A. Street & Associates ("J. A. Street") regarding the preparation of preliminary design documents for a proposed 40,000 square-foot speculative hangar in Aerospace Park.

1. **Scope of Services:**

   J. A. Street will prepare and deliver preliminary design documents for the proposed hangar project. The scope of work includes the following disciplines and associated tasks:

   - General / Administrative
     - Cover sheet
     - Drawing index
     - General notes
     - Design criteria
     - Such additional items to reasonably provide TCAA with the ability to gather competitive bids and confirm budget rental rates

   - Geotechnical
     - Geotechnical investigation and subsurface analysis
     - Final geotechnical report of subsurface conditions for the building location

- Civil / Site
  - Existing conditions plan
  - Grading plan (major contours, spot grades set)
  - Utility layouts (preliminary sizing)
  - Stormwater management system layout and draft calculations
  - Conceptual erosion control plan
  - Pavement and curb layout drawings
  - Any drawings or documents related to surveys prepared by or on the behalf of J. A. Street

- Architectural
  - Dimensioned floor plans
  - Preliminary door and window schedules
  - Exterior elevations with finish callouts
  - Roof plan with slopes
  - Wall sections (~75% complete)
  - Draft finish schedules

- Structural
  - Foundation and framing plans with member sizes
  - Preliminary column grid
  - Draft connection details
  - Draft structural calculations (~75% complete)

- Mechanical (HVAC)
  - Equipment locations
  - Preliminary ductwork and piping layouts
  - Mechanical room layout
  - Draft mechanical equipment schedule

- Plumbing
  - Fixture layout
  - Draft riser diagrams
  - Preliminary pipe sizing

  - Preliminary equipment locations (water heaters, pumps, etc.)

- Electrical
  - Draft power distribution plans with panels
  - Preliminary single-line diagram
  - Preliminary lighting and circuiting plans
  - Preliminary fire alarm device layout and equipment
  - Preliminary site power routing

- Fire Protection
  - Draft sprinkler layouts
  - Preliminary head spacing
  - Preliminary pump room layout
  - Draft hydraulic calculations

The total cost and expenses for completing the Scope of Services listed hereinbefore is Sixty-Six Thousand Dollars ($66,000).

2. Payment Structure and Reimbursement

TCAA acknowledges that due to Federal Aviation Administration (FAA) revenue-diversion restrictions, TCAA cannot make advance payment to J. A. Street for these design services.

2.1 If J. A. Street Constructs the Hangar and enters into a partnership, joint venture or other collaborative agreement ("Partnership") with TCAA regarding the hangar:
If J. A. Street accepts to construct the 40,000 SF hangar, TCAA will pay the $66,000 cost of these preliminary design services once completed as part of the TCAA contribution to the overall project costs as part of the Partnership and will be included in the percentage calculations of rent-share distribution which will be documented in a future ground lease or development agreement. TCAA may also direct a third-party, who is likely to be a hangar tenant, to pay such amounts to J. A. Street directly to simplify the rent-share distribution amount determinations, but TCAA will still remain responsible for such payment.

2.2 If J. A. Street Does Not Enter Into the Partnership:

In the event that J. A. Street does not enter into the Partnership with TCAA, whether by choice or because TCAA does not offer to enter into the same, TCAA will pay J. A. Street the full $66,000 ***upon completion*** of the Scope of Services. At such time as payment is made, the designs, documents, etc. as contemplated by the Scope of Services, becomes the sole and exclusive property of TCAA.

2.3 Payment Caveat:

Payment herein shall only be commence when, and only when, all items in the Scope of Services have been fully completed and delivered to TCAA's satisfaction. Once payment is made by TCAA, the design documents and any ancillary documents will become the full exclusive property of TCAA. No partial payments or reimbursements will be made prior to completion of the entire Scope of Services. *J. A. Street acknowledges and agrees to the requirement that all of the Scope of Service must be completed prior to any payment being due by TCAA and will not assert a right to quantum meruit or other prorated payment for the work performed*.

3. Deliverables

All work products produced under this Agreement shall be delivered to TCAA in both PDF and editable native formats (e.g., CAD, BIM, calculations, reports). All materials become the property of TCAA upon payment or reimbursement as described hereinbefore.

4. Term and Termination

4.1 Effective Date:

This Agreement becomes effective upon signature by both parties.

4.2 Term:

This Agreement shall begin on the Effective Date listed in Section 4.1 hereinbefore. It shall continue until the Scope of Services has been fully completed and the payment for service paid. All of the Scope of Services shall be completed within _____ months from the Effective Date (the "Term".) If an extension to the Term is necessary, J. A. Street shall supply the reason and potential new date for the end of the Term for TCAA's approval, which will not be unreasonably withheld for the first extension request, but may be withheld in TCAA's sole and absolute discretion for all subsequent extensions or if such denial is reasonable for the first extension request. Notwithstanding the above, the Term shall not be extended past ________________, 20___, for any reason. Failure to provide the Scope of Services with the Term period is deemed an effective termination of the Agreement by J. A. Street and Sections 2.2 and 2.3 shall be applicable.

4.3 Termination:

Either party may terminate the Agreement by written notice; however, if terminated by J. A. Street, TCAA shall only be responsible for payment upon completion of the full scope as defined in Section 2.3, thus may not be responsible for any payment if the full Scope of Services is not timely completed. If TCAA terminates the Agreement, then TCAA will pay only for the quantum meruit portion of the materials produced and delivered to TCAA unless less than 30% of the Scope of Services has been completed, in which case, TCAA shall only pay for third-party fees incurred by J. A. Street as of the date of termination.

5. Entire Agreement

This Letter of Agreement encompasses the entire agreement between the parties related to these design services as detailed in the Scope of Services and shall supersede all prior negotiations, statements, warranties, and promises of the parties to each other.

6. **Amendment**
   This Letter of Agreement may only be amended by both parties and evidenced by a specific amendment referencing this Letter of Agreement as of the Effective Date and signed by both parties. Any amendment of this Letter of Agreement must expressly state that it is an amendment to this Letter of Agreement and must contain a "wet" signature of both parties.

7. **Acceptance**
   Once signed, this Letter of Agreement shall be a binding contract between the parties. Time is of the essence regarding all requirements herein. If the terms of this Letter of Agreement are acceptable, please sign below and return a copy to the Tri-Cities Airport Authority as soon as possible after signing.

Sincerely,

Tri-Cities Airport Authority

____

Gene Cossey President and CEO Tri-Cities Airport Authority

Date: ________________

Accepted and Agreed: J. A. Street & Associates

____

Jim Street President and CEO J. A. Street & Associates

Date: ____________________________

CONSIDER:

Land Lease Addendum – Aviation New Generation Hangar Buyback

Summary:

Aviation New Generation, LLC (ANG) entered into a ground lease with TRI in February with the intent to construct a new hangar on airport property. The proposed addendum outlines an agreement under which Aviation New Generation will proceed with construction, and upon completion, TRI will purchase the hangar. This arrangement allows the project to move forward quickly while ensuring the airport ultimately owns the completed facility.

Key Points:

- TRI will purchase the completed hangar from ANG for up to 80% of construction costs, capped at $2.5 million.
- All construction and design plans must receive TRI approval before construction begins.
- TRI will lease the hangar back to ANG for 20 years at a base rent of approximately $9,398.96 per month ($112,787.52 annually)
- Land lease portion of the base rent will be adjusted by the Consumer Price Index (CPI), beginning in year 5 and every two years thereafter.
- At the end of the 20-year leaseback period, the management agreement set out in the original ground lease takes effect.
- ANG will pay standard SASO fees with the following exceptions:
  - SASO Fees will be waived during year one of the leaseback
  - SASO Fees waived in any year in which the lessee's gross revenue is less than $100,000.
  - Rates and Charges schedule will follow "year one" rates after the first year of occupancy

Recommendation:

Staff recommend approval of the Addendum to Aviation New Generation, LLC's Land Lease.

Attachments:

1) Aviation New Generation, LLC Land Lease
2) Aviation New Generation, LLC Land Lease Addendum

Submitted by: Mark Canty
Director of Business Development

Addendum to Land Lease Agreement

This Addendum ("Addendum") is made and entered into by and between the Tri-Cities Airport Authority ("Airport" or "Lessor") and Aviation New Generation, LLC ("Aviation New Generation" or "Lessee"). This Addendum modifies and supplements the existing Ground Lease Agreement between the parties dated March 1, 2025 (the "Lease".)

This Addendum is designed to supplement and minimally modify the Lease as it relates to the hangar and is to be read and interpreted in conjunction with said Lease and its provisions. This Addendum is only related to the construction and buyback regarding the hangar to be built by Lessee and does not substantially or materially amend the Lease regarding any other matter contained herein except to coordinate the term of the Lease with the lease buyback period. If there is a discrepancy between the Lease and this Addendum, this Addendum shall control, but only related to the express written terms and provisions herein and not otherwise. No modification or amendment of the Lease may be implied or inferred by this Addendum. Except as expressly amended by this Addendum, the Lease shall remain in full force and effect.

1. Hangar Buyback Provision

The Airport agrees to buy back the hangar constructed by Lessee at a price equal to eighty percent (80%) of a maximum of approved actual construction costs of $2,500,000 (i.e.., $2,000,000.00 maximum hangar buyback price) within ninety (90) days after Lessee has properly filed the Notice of Completion in accordance with TCA § 66-11-143. Approved construction costs" shall include all reasonable and customary hard and soft costs necessary for the design, engineering, permitting, utilities, site preparation, materials, labor, interior and exterior buildout, fire suppression systems, limited tenant improvements, and all components reasonably required to deliver a fully functional aviation hangar. Approval of construction costs shall not be unreasonably withheld, conditioned, or delayed and shall be deemed granted unless objected to in writing within thirty (30) business days of submission; however, Lessee may deny any cost which is not directly related to the building of a standard functional aviation hangar or is not considered necessary or is considered soley a luxury. If a cost is directly related to the building of the hangar and another purpose, then the Airport may require that the cost be reasonably prorated between the two or more uses

Unapproved costs, either less than or exceeding $2,500,000, will not be considered within the buyback agreement. Under no circumstances shall the buyback price exceed this 80% valuation. Lessee assumed the responsibility for any unapproved costs and/or overages. It is here noted that Lessor purchasing the hangar under this Addendum will not terminate or subject Lessor to the Lease. The Lease will be structured from the buyback date forward as a lease of the Leased Premises with a structure (i.e., the hangar) on it.

Lessee is required to sell the hangar to the Airport under this provision. After Lessee completes the hangar and files the Notice of Completion in accordance with TCA § 66-11-143, Lessee shall ensure that there are no liens against the hangar (or any part or component thereof) or any portion of the Leased Premises. As such, Lessee will pay for a title examination for the benefit of the

Airport to evidence that no liens or other encumbrances are against or have been filed against any part of the hangar or the Leased Premises.

2. Design Approval Requirement

All design plans, construction drawings, specifications, and related documents must be submitted to the Airport for review and written approval prior to the commencement of any construction activities (the "approved plans".) No construction may begin until such approval is granted. The Airport shall provide comments or approval within thirty (30) days after submission, and approval shall not be unreasonably withheld or delayed. Failure to provide written objections within this period shall constitute deemed approval. Once approved, the Airport shall not require material modifications except as mandated by FAA regulatory changes. If there is a material change in the plans, construction drawings, specification, related documents and/or the cost previously approved by Lessor, then additional approval must be sought from the Airport in compliance with the above. This approval section is in conjunction with Sections 2.05 and 4.06(e) of the Lease.

3. Final Inspection and Condition Requirement

All material aspects of the approved plans must be completed in a timely fashion. The intended completion date is ____________________________, 20___, but such completion date may be reasonably extended by the parties. Lessor's obligation to fulfill the buyback provision as contained in Section 1 herein is contingent upon a final inspection of the hangar and issuance of all certificates of occupancy and/or use permits as may be required by local governmental authorities. All aspects of the hangar must be found acceptable by Lessor, in its sole and absolute discretion. Any deficiencies, punch list items, or required repairs identified during inspection must be corrected solely at the cost of Lessee. The buyback will not proceed commence until all such items have been fully resolved to Lessor's satisfaction. The Airport shall complete its final inspection within thirty (30) days after Lessee's written notice of substantial completion. Any deficiencies must be specifically identified in a written punch list. Lessee shall have ninety (90) days to cure such deficiencies provided that if such repairs cannot be cured within such ninety (90) day period; and Lessee promptly commences and diligently pursues said repairs, then the period for cure shall be extended for such period of time as shall reasonably be required under the circumstances, but in no event to exceed 180 days.

The buyback will not proceed until material deficiencies have been fully resolved and the hangar reinspected by Lessor. The buyback closing shall occur no later than thirty (30) days after completion of the cure period as long as the Notice to Completion period has been completed properly and all timelines under Section 1 have already expired; otherwise, the thirty (30) days to close shall be in addition to the timelines under Section 1.

4. Leaseback Terms

Following the buyback, Lessee shall lease back the hangar from Lessor at a base payment plus applicable published concession fees associated with the Tenant's operational activities. Prior to the buyback, the provisions related to fees under the Lease are in effect.

In determining the leaseback rate, Lessor acknowledges that the 80/20 construction cost split would normally result in a higher leaseback amount; however, the Airport has also considered its estimated savings by not constructing the hangar itself, as well as the long-term value of the asset beyond the standard 20-year initial use period.

The initial leaseback term shall commence on the closing of the Airport's buyback of the hangar and shall continue for a period equal of twenty (20) years, regardless of the remainder of the Initial Term of the Ground Lease (originally twenty-four (24) years from the Date of Beneficial Occupancy), so that the initial leaseback term and Lease expire on the same date, which is directly tied to the leaseback term. Notwithstanding the initial leaseback term for the hangar, the Leased Premises and hangar shall continue to be leased together at all times after the buyback is completed. After the hangar is built, the hangar cannot be separated from the Leased Premises until the Term has expired. The base rent is made up of two components, the original ground lease as described in the Lease and the 20-year initial use period of the Airport's capital investment made through the buyback agreement. Calculated as follows (final calculations to be determined ("TBD") at the completion of construction and after Lessor's buyback of the hangar):

Land lease component

- $0.62 / Square Foot / Year based on final square foot of lease hold
    - Example Calculation: .62 x 20,225 = 12,786.6 / year or $1,065.63 per month
- This rate shall be subject to annual CPI-U Increases as described in in Section 5.01(b) of the Lease.

Capital Investment Component of Leaseback

- The 20-year initial use period of TCAA final investment, which is to be determined at the completion of purchase of the hangar under the Buyback option, is calculated as detailed in the following example:
    - EXAMPLE:
        - $2,500,000 (Final total approved construction costs)
        - $2,500,00 * .80 = $2,000,000 (Airport's final investment)
        - $2,000,000 / 20 / 12 = $8,333.33 / month (Airport's final investment divided by 20 years [the initial use period term] divided by 12 [months in a year] to equal monthly capital investment component of the leaseback.)

The capital investment component as calculated shall not be subject to CPI-U or escalation of any kind and expires after the 20-year initial use period term.

Total estimated initial monthly leaseback rate (final TBD at buyback option):

- $9,398.96 per month

The Tenant shall also pay standard SASO fees, with the following exceptions:

- SASO Fees will be waived during year one of the leaseback

- SASO Fees will be waived in any year in which the lessee's gross revenue generated by this hangar operation is less than $100,000. For purposes of this calculation, "gross revenue" excludes third-party maintenance charges, and taxes or fees collected on behalf of others. However, to be clear, Aviation New Generation or any other party is not authorized to charge fees for fuel in any way whatsoever and will be expected to not handle charges for fuel to any extent.
- Rates and Charges schedule (as published by the Airport) will follow "year one" rates after the completion of one-year of occupancy by lessee.

At the conclusion of the initial leaseback term, the terms of the management agreement contained in the original lease agreement shall apply, including the requirement that the Tenant pay a Minimum Annual Guarantee (MAG) equal to three percent (3%) of gross revenue, calculated based on the final land lease amount adjusted for inflation. No separate hangar lease will apply at that time. As such, Section 2.02(a) Term and (b) Renewal shall be amended as follows

> a) *Term*: The initial term of the Management Agreement Option shall be ten (10) years and shall start after the 20-year leaseback periodb) *Renewal*: The management agreement shall renew at the end of the most current term for an additional ten year period as long as neither party is in breach of the Agreement and neither party has provided a notice of termination at least thirty (30) days prior to the end of the then current term. Such renewal are unlimited as long as neither party has terminated the Lease as allowed hereunder or has been in breach of the Lease during its most recent term.

Consistent with Article VI of the Lease, after the buyback of the Hangar has completed:

- The Airport will be responsible for all "normal maintenance of the hangar structure," including major structural components, roof systems, exterior walls, foundation, capital repairs, and long-term replacements not caused by Lessee or any Lessee affiliated parties, including, but not limited to, employees, contractors, guests, invitees, customers, and/or subtenants (the "Lessee's Parties").

- Tenant remains responsible only for routine interior upkeep, janitorial obligations, non-structural maintenance, minor replacements, and repairs due to Lessee's or Lessee's Parties' negligence or other actions or failure to perform obligations hereunder which results in damage. All upgrades and expansion shall be approved by the Airport and performed at Lessee's expense as detailed for the original construction of the hangar in Section 2 herein.

Nothing in this Addendum shifts structural or capital repair duties to Lessee except for Lessee's or Lessee's Parties' actions or inaction (in the case of failed responsibilities.)

The Airport reserves the right to determine what caused any structural or other maintenance, repair or replacement action, particularly if such was caused by Lessee or Lessee's Parties.

5. Group Fuel Discounts

Lessor's Fixed-Base Operator will offer aggregated group Jet-A fuel discounts to Lessee's subtenants based on total volume of all Jet-A purchases by said Lessee's tenants based on the previous six-months fuel purchases. For first year of the agreement, Lessor's Fixed-Base Operator will provide the maximum Airport established fuel discount as an incentive until fuel sales volumes are established.

6. Operational Control During Leaseback

Lessee shall retain full operational control of the hangar through the entire remaining leaseback period and subsequent terms of the Lease, including: subtenant selection, subleasing, marketing, rate-setting, and day-to-day management, subject to FAA and Airport regulatory requirements.

Lessee may assign its leaseback rights to an affiliate under common ownership or control without further Airport consent; however, Lessee shall continue to be responsible for all provisions herein and the actions or inactions of its affiliate; must provide proof of such common ownership and control, which must be maintained throughout the entirety of the assignment; and shall not create any conflicts or potential conflicts with state or federal laws, regulations, and/or obligations. Any other assignment shall follow the assignment provisions of the Ground Lease.

This Section supplements and clarifies the rights granted under the Lease but does not eliminate or reduce any obligations under it.

8. Effect of Addendum

Except as expressly modified by this Addendum, all terms and conditions of the original Land Lease Agreement remain in full force and effect and shall continue to govern the parties' rights and obligations.

Signatures

Aviation New Generation, LLC

____

By: Zack Green, _________________________ (*office*)

Tri-Cities Airport Authority

____

By: Gene Cossey, President & CEO

Tri-Cities Airport Authority
December 11, 2025

CONSIDER:
Slope Mower Replacement
Award Jet-Vac Equipment Company, LLC

Summary:

Airport Maintenance uses manned slope mowers to mow the various steep banks around the airport. The two current mowers are over ten years old and past their useful life. When exploring replacement options, a remote controlled option was discovered. A R-60 Remote-Operated Mower was demoed at the airport to compare its capabilities to a similar maned mower. Below are some of the advantages of the remote controlled mower compared to a manned mower:

- Capable of operating on a slope up to 50 degrees, compared to a slope of 30 degrees.
- Operates at a faster speed.
- Improved mobility with rubber tracks compared to wheels.
- In the event of the mower tipping, the operator is up to 1000 feet away as opposed to riding the mower.

The cost of the remote controlled mowers is within a couple thousand dollars of a traditional manned mower, which resulted in the RC Mowers R-60 Remote-Operated Mower being determined to be the best option for the airport. Due to the specialty of this equipment, a Sourcewell contract was used to acquire the equipment and save twenty percent in cost. The total cost of the equipment is $136,757 from Jet-Vac Equipment Company, LLC and fill be funded through FY26 Airport Funded Projects funds. The following is the funding plan:

Slope Mower Replacement – Funding Plan

Slope Mowers (2)	$136,757
Total	$136,757

Recommendation:

Authorize the Director of Operations to issue a purchase order to Jet-Vac Equipment Company, LLC for two RC Mowers R-60 Remote-Operated Mowers in the amount of $136,757.

Submitted By: Chris Stipo
Director of Operations

Date: 11/20/2025

Quoted To:
Tri-Cities Airport
2525 Hwy 75, Ste 301
Blountville TN 37617

Location: COOKEVILLE
Quote Number: Q00644
Expiry Date: 12/31/2025
Salesperson: JASON LYNN
jason@jet-vac.com
Responsible: BRITTANY WINDHAM
brittany@jet-vac.com
Attention: Tyler Neas

We propose to furnish the equipment described herein in accord with the specification, terms, and conditions outlined.

[UNIT # 1] R-60 Tracked Remote Mower — 92,313.14

Stock Number: E008267 Machine Serial #: 627258

60" Deck, Vanguard 40hp Engine (Gen 5.0)
****
4500 LB Winch Kit - Synthetic Rope, Receiver Mounted, Storage Bracket, 1 Year Warranty
4500 LB Winch Installation
Fire Extinguisher Kit w/Quick Release Bracket - [R-52, R-60]
Fire Extinguisher Installation - [R-52, R-60]
Light Kit Assy- Gen 5
Light Kit Installation, Gen 5 - Factory Labor
Replacement Belt Kit (All Belts) (R-60)
Replacement Blade Kit, Straight, (6) Blades & Hardware (R-52, R-60)

[UNIT # 2] R-60 Tracked Remote Mower — 92,313.14

Stock Number: E008263 Machine Serial #: 627237

60" Deck, Vanguard 40hp Engine (Gen 5.0)
****
4500 LB Winch Kit - Synthetic Rope, Receiver Mounted, Storage Bracket, 1 Year Warranty
4500 LB Winch Installation
Fire Extinguisher Kit w/Quick Release Bracket - [R-52, R-60]

Fire Extinguisher Installation - [R-52, R-60]
Light Kit Assy- Gen 5
Light Kit Installation, Gen 5 - Factory Labor
Replacement Belt Kit (All Belts) (R-60)
Replacement Blade Kit, Straight, (6) Blades & Hardware (R-52, R-60)

Additional Charges

EQP SOURCEWELLDISCOUNT	-36,925.26
EQP SHIPPING	2,800.00
JET-VAC DISCOUNT	-13,744.02

Comments

****
Sourcewell Contract #112624-EMB
Remote-Operated Robotic Slope Mowers & Autonomous Mowing Robots
Maturity Date: 01/31/2029
****
THIS ESTIMATE DOES NOT INCLUDE APPLICABLE TN SALES TAX. SALES TAX TO BE DETERMINED AT TIME OF SALE AND WILL BE INCLUDED ON INVOICE.
****

Selling Price:	136,757.00
Tax:	
Net Selling Price:	136,757.00

Accepted by: **Prepared by:**

R SERIES

REMOTE-OPERATED ROBOTIC MOWERS

RC·MOWERS

R-60

TOTAL GROUND CONTROL

R SERIES FOR LESS LABOR, ADDED REVENUE & SAFER WORK

ENGINEERED FOR:

- Hillside & steep-incline maintenance
- Wetland & swamp preservation
- Retention or water treatment ponds
- Dam & levee embankments
- Landfill slope preservation
- Roadside mowing
- Right-of-way & pipeline reclamation
- Fire fuels reduction

KEY FEATURES

REMOTE CONNECTIVITY UP TO 1000ft	CUTS BRUSH UP TO 1.5 INCHES IN DIAMETER	4.0 MPH MOWING SPEED	FUEL BOOST FOR CONTINUOUS FUEL FLOW ON SLOPE	SLOPE CLIMB: 50 DEGREES
LIGHT-WEIGHT AND LOW GROUND PRESSURE (2.2 PSI)	60in CUTTING WIDTH	REMOTE CONTROL TILT/DROP AUTO-SHUTDOWN	40 HORSEPOWER EFI ENGINE	

R SERIES
REMOTE-OPERATED ROBOTIC MOWERS

RC MOWERS

R-60

MOWER SPECIFICATIONS

DIMENSIONS	
WEIGHT	1,850lbs
LENGTH	90in
WIDTH	82in
HEIGHT	49.5in

DRIVETRAIN

- Vanguard® Commercial Big Block™ Engine
- Vanguard® Oil Guard™ System (500-hour oil change interval)
- Heavy-Duty Air Cleaner
- 40 hp - EFI/ETC
- 993cc Engine Displacement
- Hydro-Gear® ZT-4400 HSA
- 12 Gallon Fuel Capacity

TRACKS

- Rubber Molded Over Steel Links
- Steel Cords
- 9" Wide (230mm x 72mm x 44mm)
- Tread Style 'J'

PERFORMANCE

- 5 mph Transport Speed
- 4 mph Mowing Speed
- 50 Degree Slope Climb Ability

MOWING DECK

- Fabricated 7 ga. Steel
- 3/8" Thick Deck Across Spindles
- Cast Iron Spindle
- 60" Cutting Width
- 2.0" to 6.5" Cutting Heights

WARRANTY

- 2 Years or 400 Hours

BEAST OF BUSINESS

When your commercial mowers cut your commercial mowing problems, you know you're onto something. RC Mowers' American-built, Remote-Operated Robotic Mowers do serious business by greatly reducing your labor needs, clearly increasing your ability to add revenue from specialty work, and by keeping your people safe from falls, rollovers, and biting creatures. Masterminded by our experts in robotics, aviation, military systems, and landscaping—and supported by the RC Mowers Success System™—the R Series is the tool to help you dominate the hill and the bottom line.

BUY BACK GUARANTEE
LOVE IT OR WE BUY IT BACK

MADE IN THE USA

72-HR PARTS
SHIPPING GUARANTEE

Sourcewell
Awarded Contract
Contract # 112624-EMB

RCMOWERSUSA.COM

Tri-Cities Airport Authority
December 11, 2025

CONSIDER:
Air Start Lease
Award Mercury GSE

Summary:

The Airline Services Department handles the ground handling for Allegiant, Sun Country, and additional charters as needed. The TCAA has recently been awarded the contract to provide Breeze with ground handling services. Breeze bought up the importance of having an air start on site for their operations, which the TCAA already planned on acquiring as part of the FBO transition. An air start is sometimes used by the airlines to help start the engines in certain instances, which they may be unable to do without. After consideration, staff has determined that leasing an air start is the best course of action due to time constraints and up-front cost. Quotes were solicitated from two different providers for a 12-month lease with Mercury GSE providing the lowest and most responsive quote. The cost of the lease will be funded through the FY26 and FY27 GHS-Equipment Maintenance fund, and the following is the funding plan:

Air Start – Funding Plan

Miscellaneous Equipment/Shipping (Estimated)	$ 2,000
Air Start Lease	$82,548
Security Deposit	$ 7,137
Property Tax Fee	$ 2,940
Tire Usage Fee	$ 156
Total	$94,781

Air Start – Funding Plan

FY26 GHS-Equipment Maintenance	$59,096
FY27 GHS-Equipment Maintenance	$35,685
Total	$94,781

Recommendation:

Authorize the Director of Operations to issue a purchase order to Mercury GSE to lease an air start over a 12-month period in the amount of $94,781.

Submitted By: Chris Stipo
Director of Operations

BID TAB SHEET
Airline Services – Air Start
Bid Date: October 16, 2025

FIRM NAME & ADDRESS	ACQUISITION TYPE	LENGTH	TOTAL BID
Mercury GSE 18374 Phantom W, Hangar 879 Victorville, CA 92394	Lease	12 Month	$82,548
Alvest Equipment Services 1350 E. Touhy Ave Des Plaines, IL 60018	Lease	12 Month	$86,400

EQUIPMENT RENTAL AGREEMENT
[Mercury GSE; Agreement No.: 6197]

THIS EQUIPMENT RENTAL AGREEMENT ("**Agreement**") is entered into as of 11/6/2025, by and between MERCURY GSE RENTALS, LLC, a Delaware limited liability company ("**Lessor**") and Tri-Cities Airport Authority, a Tennessee special district government agency ("**Lessee**").

RECITALS:

A. Lessor owns or otherwise controls the vehicle(s), equipment and other personal property described on attached **Exhibit 1** (the "**Equipment**"). Lessee desires to rent the Equipment for use in Lessee's business.

B. Lessor and Lessee desire to provide for the rental of the Equipment on the terms set forth below.

NOW, THEREFORE, for good and valuable consideration (the receipt and sufficiency of which are acknowledged), Lessor and Lessee agree as follows:

1. **General Terms; Definitions.** The provisions of **Exhibit 2** and the "**General Terms**" set forth in attached **Exhibit 3** form a part of this Agreement. The capitalized terms used in this Agreement, in **Exhibit 2**, or in the General Terms shall have the same meanings, and may be defined in this Agreement, **Exhibit 2**, or the General Terms.

2. **Rental.** Lessor agrees to rent and lease to Lessee, and Lessee agrees to rent, lease and hire from Lessor, all of the Equipment. If the parties agree to add or delete Equipment from this Agreement, the parties shall amend this Agreement and modify **Exhibit 1** and any other applicable provisions agreed upon by the parties. Lessor shall have the right to replace the Equipment with other reasonably similar equipment at any time and for any reason. Any such replacement shall be at Lessor's cost unless the Equipment is being replaced as a result of any default of Lessee under this Agreement, including without limitation any misuse of the Equipment, in which case all costs of repair and replacement shall be paid by Lessee on written demand from Lessor.

3. **Delivery of Equipment.** Lessor shall schedule delivery of the Equipment to Lessee at the "**Location**" (as defined in **Exhibit 2** and described in the General Terms) on receipt of the following from Lessee:

(a) An original of this Agreement executed by Lessee.
(b) The "**Security Deposit**" as defined in attached **Exhibit 2** and the General Terms.
(c) Initial "**Rent**" for the first portion of the term of this Agreement, if required by attached **Exhibit 2**.
(d) Evidence of required "**Insurance**" as defined in the General Terms.
(e) The estimated transportation cost of the Equipment to the "**Location**", if required by attached **Exhibit 2** and as described in the General Terms.

4. **Term.** The Term of this Agreement shall commence on the date of this Agreement and end on return of the Equipment to the "**Return Location**" listed on attached **Exhibit 2** in the "**Return Condition**" (as defined and discussed in the General Terms).

5. **Rent; Maintenance Fees; Taxes and Fees; Commencement of Rent.** The "**Rent**" to be paid by Lessee to Lessor for use of the Equipment shall be as specified in **Exhibit 2**. Rent is comprised of the fee for rental of the Equipment and the standard monthly maintenance services provided by Lessor pursuant to this Agreement. Lessee shall also be responsible for all taxes and fees applicable to or arising in connection with the rental, leasing, operation, maintenance and transportation of the Equipment, which taxes and fees shall be due within ten (10) days after Lessee's receipt of Lessor's invoice. Any maintenance charges or charges for damages, misuse, etc. will be billed by Lessor to Lessee by separate written invoice or separate line items on the same invoice. All Rent and other amounts under this Agreement are due without offset, deduction or claim on the specified due date and, if there is no set date, then within ten (10) days after receipt of invoice from Lessor. No acceptance by Lessor of a lesser amount of Rent or any other item than the amount due shall constitute an agreement by Lessor to accept such lesser amount as full payment unless Lessor has expressly agreed in writing, in each instance, to so accept such lesser amount as payment in full. Rent shall commence on the date that both of the following have occurred of: (a) Lessor has provided Lessee with telephonic and email notice of the delivery date of the Equipment to the Location at least one (1) business day prior to the date of actual delivery; and (b) the Equipment has left the "**Return Location**" (as set forth in **Exhibit 2** and described in the General Terms) or other Lessor-approved location for transportation to the Location. Rent shall continue until Lessor has received the Equipment at the Return Location in the "**Return Condition**" (as described in the General Terms). If the Equipment is received in less than Return Condition for any reason other than a material uncured default of Lessor, then Rent shall continue until the condition has been corrected and Lessee has paid for such correction.

6. **Condition of Equipment; Acceptance by Lessee.** Lessee acknowledges that Lessee was familiar with the nature of the Equipment prior to the date of this Agreement, and that Lessee is familiar with the proper operation and use of each item of Equipment. Lessee shall inspect the Equipment on delivery to the Location in the presence of Lessor's delivery personnel, and shall note in a signed writing delivered to such representatives at that time, any damages, defects or other issues associated with the Equipment. Unless Lessee notifies Lessor in writing within 48-hours after delivery of the Equipment of any damages, defects or issues with the Equipment, then it shall be conclusively presumed, as between Lessor and Lessee, that Lessee has fully inspected the Equipment, that the Equipment is good working order, condition and repair, that the Equipment is suitable for Lessee's needs, and that Lessee is satisfied with and has accepted the Equipment. If Lessee timely notifies Lessor of any issues with the Equipment pursuant to this section, then the parties shall cooperate to either: (a) correct the issue at Lessor's cost (except to the extent caused by Lessee); or (b) absent agreement on (a) terminate the Agreement as to the applicable Equipment through written notice by either party to

Initial Initial

Initials: JC JD

the other party. If the parties agree to correct the condition issues noted pursuant to this section, then the Rent shall be equitably abated (as determined by Lessor) until the matter is resolved.

7. **Incorporation.** The recitals at the beginning of this Agreement and the exhibits attached hereto and referred to herein are incorporated into this Agreement.

8. **Counterparts.** This Agreement may be executed in counterparts, all of which shall constitute one instrument.

9. **Entire Agreement; Binding Effect; Amendments.** This Agreement (including without limitation the attached and incorporated Exhibits): (a) is intended by the parties hereto as the final expression and the complete and exclusive statement of their agreement with respect to the terms included in this Agreement and any prior or contemporaneous agreements or understandings, oral or written, which may contradict, explain or supplement these terms shall not be admissible or effective for any purpose; (b) shall be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns; and (c) may not be amended or modified except by a writing signed by the parties which expressly states that it amends this Agreement.

Lessor and Lessee have executed this Agreement as of the date first set forth above.

"LESSOR"

By: MERCURY GSE RENTALS,
a Delaware limited liability company

Signed by:

By: Joe Davis

F4660B5350FE4C4...

Name: Joe Davis

Title: VP Customer Experience

905 Cook Lane
Saginaw, Texas 76131
Attn: Equipment Manager
Facsimile: (562) 653-0655
Telephone: (562) 653-0654
Email: mercury@mercurygse.com

"LESSEE"

By: Tri-Cities Airport Authority
a Tennessee special district government agency

Signed by:

By:

2CB3341CF0F84E1...

Name: Gene Cossey

Title: President/CEO

2525 Highway 75, Suite 301
Blountville, Tennessee 37617
Attn: Alicia Rhoton
Telephone: (423) 325-6000
Email: ap@flytri.com

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Initials:

DS

EXHIBIT 1

THE EQUIPMENT

Equipment Unit Description:	**Location for Use:**
1. **TUG TMD-180ppm; Unit numbers in attached BOL**	**2525 Highway 75, Suite 301 Blountville, TN 37617**
2. **JBT JetAire M60**	

Initials: Initial Initial

EXHIBIT 2

TERM; RENT; MAINTENANCE; SECURITY DEPOSIT; LOCATION; RETURN LOCATION

A. TUG TMD-180ppm; Unit numbers in attached BOL from Exhibit 1

1. **Term:** Twelve (12) Months

2. **Effective Date:** 12/10/25

3. **Rent Per Unit:**
   i. $6,879.00 per month
   ii. $2,752.00 per week
   iii. $1,101.00 per day

4. **Maintenance Per Unit:** $0.00 per month, plus any damages caused by or materially contributed to by Lessee.

5. **Security Deposit:** $7,137.00

6. **Property Tax Fee Per Unit:** $245.00 per month

7. **Tire Usage Fee Per Unit:** $13.00 per month

8. **Location:** Lessee may request the equipment be relocated to a new domestic location during the rental. Lessor will coordinate transportation and bill Lessee for any location changes. Based on the new location, Lessor may adjust (increase) service level response times in challenging or remote locations.

9. Limited to 8-hours per day engine run time. Use will be averaged over the rental term and any over-use will be billed at $29.00 per hour at termination.

10. **Training:** Lessor will provide manufacture operating manuals and operator training.

11. **Equipment Return:** Request for equipment return must be received by Lessor via email to returns@mercurygse.com at least twenty (20) business days before Lessee's desired pick-up date. Rent will continue, even beyond the contract end date, until the equipment is received and accepted at Lessor's return location. The final rental invoice will be calculated based on the lowest rental calculation using the applicable monthly, weekly, or daily rates above. When returning equipment, email returns@mercurygse.com with company name, location, equipment unit number(s) and desired pickup date.

B. JBT JetAire M60; Unit numbers in attached BOL from Exhibit 1

1. **Term:** Twelve (12) Months

2. **Effective Date:** 12/10/25

3. **Rent Per Unit:**
   a. $5,215.00 per month
   b. $2,086.00 per week
   c. $834.00 per day

4. **Maintenance Per Unit:** $0.00 per month, plus any damages caused by or materially contributed to by Lessee.

5. **Security Deposit:** $5,421.00

6. **Property Tax Fee Per Unit:** $186.00 per month

7. **Tire Usage Fee Per Unit:** $20.00 per month

8. **Location:** Lessee may request the equipment be relocated to a new domestic location during the rental. Lessor will coordinate transportation and bill Lessee for any location changes. Based on the new location, Lessor may adjust (increase) service level response times in challenging or remote locations.

9. Limited to 8-hours per day engine run time. Use will be averaged over the rental term and any over-use will be billed at $29.00 per hour at termination.

10. **Training:** Lessor will provide manufacture operating manuals and operator training.

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11. **Equipment Return:** Request for equipment return must be received by Lessor via email to returns@mercurygse.com at least twenty (20) business days before Lessee's desired pick-up date. Rent will continue, even beyond the contract end date, until the equipment is received and accepted at Lessor's return location. The final rental invoice will be calculated based on the lowest rental calculation using the applicable monthly, weekly, or daily rates above. When returning equipment, email returns@mercurygse.com with company name, location, equipment unit number(s) and desired pickup date.

[END OF EXHIBIT]

Initials: Initial JC Initial JD

EXHIBIT 3

GENERAL TERMS

1. **Maintenance and Repair; Access.** Lessor shall maintain and repair the Equipment at the Location as part of the Rent, except for the following items to be maintained/repaired and/or replaced directly by Lessee at the cost of Lessee at OEM specifications: (a) any damage to the Equipment caused or materially contributed to by Lessee; (b) tire pressure monitoring, tire repair and replacement; (c) batteries; (d) oil, hydraulic and other fluids; (e) check filters, oil and fluid levels daily, replacing as needed; (e) clean and visually inspect the Equipment daily; and (f) immediately notify Lessor when Equipment needs repair or maintenance for matters not the responsibility of Lessee, and cease using the Equipment until such matters have been completed in accordance with Section 9 of these General Terms. If Lessee fails to timely perform any maintenance, repair or replacement required by Lessee, then on five (5) days' prior written notice from Lessor, Lessor shall have the right, but not the obligation, to perform such obligation at Lessee's cost and Lessee shall pay all amounts to Lessor plus fifteen percent (15%) on receipt of a written invoice from Lessor. Lessee shall not alter or modify any of the Equipment without the prior written consent of Lessor in each instance, and upon any such approval all alterations or improvements shall become the property of Lessor. Lessee shall have no authority to incur expenses for maintenance or any other purpose for Lessor's account. Lessee shall use diligent and good faith efforts to coordinate with Lessor and act in a commercially reasonable manner to ensure that Lessor and Lessor's representatives have all necessary or desirable access to the Equipment at all reasonable time to maintain and inspect the Equipment.

2. **Insurance; Loss and Damage.**

(a) Throughout the Term Lessee shall keep the Equipment insured against all risks of loss or damage from any cause for not less than its full replacement value (new), and shall carry comprehensive general or aviation liability insurance on an occurrence form (in minimum limits of $5,000,000.00 per occurrence and in the aggregate or such greater amounts as Lessor may specify from time to time), covering both personal injury and property damage, contractual liability (including without limitation Lessee's indemnification obligations under this Agreement), products and completed operations insurance, and other commercially reasonable matters, and covering the Equipment and Lessee's operation of the Equipment. Lessee's obligation to maintain insurance on the Equipment shall begin on the earlier of the date of this Agreement or the date Lessor notifies Lessee that the Equipment will leave the Lessor's facilities or other facilities and shall continue until the Equipment is received by Lessor at the Return Location pursuant to this Agreement. This insurance shall be in form and amount, and issued by companies, and have deductibles, satisfactory to Lessor. All insurance for property damage shall provide that any claims for losses shall be payable solely to Lessor, and shall further provide a breach of warranty endorsement. All liability insurance shall name Lessor as loss payee and as an additional insured. Prior to delivery of the Equipment to Lessee, Lessee shall pay the insurance premiums and deliver to Lessor certified true copies of insurance policies and certificates of insurance evidencing the required insurance coverage. Lessee shall renew all insurance policies required under this Agreement not later than fifteen (15) days before expiration of coverage. Each insurer shall agree, by endorsement on the policy or policies issued by it or by independent instrument furnished to Lessor, that it will give Lessor at least thirty (30) days' prior written notice of the effective date of any alteration, expiration or cancellation of the policy. Insurance proceeds payable as a result of loss of or damage to Equipment shall be applied, at the Lessor's option: (i) to replace, restore, or repair Equipment that may be lost, stolen, or destroyed; or (ii) to pay Lessee's obligations under this Agreement. Lessee's insurance policies shall provide that such insurance coverage is primary and non-contributory to any other insurance maintained by Lessor. Any deductibles or self-insured retentions on insurance policies required by this Agreement to be carried by Lessee or otherwise carried by Lessee shall be the sole responsibility of Lessee, and all such policies shall include a waiver of rights of recovery against Lessor or its insurers by Lessee and its insurers, as well as a waiver of subrogation against Lessor or its insurers.

LESSEE HEREBY IRREVOCABLY APPOINTS LESSOR AS LESSEE'S ATTORNEY-IN-FACT, COUPLED WITH AN INTEREST, TO MAKE CLAIM FOR, RECEIVE PAYMENT OF, AND EXECUTE AND ENDORSE ALL DOCUMENTS, CHECKS, OR DRAFTS RECEIVED IN PAYMENT FOR LOSS OR DAMAGE UNDER ANY SAID INSURANCE. If Lessee fails to procure or maintain the Insurance or to comply with any other provision of this Agreement (other than provisions pertaining to the payment of Rent or other charges due Lessor under this Agreement), then Lessor shall have the right, but not the obligation, to acquire the Insurance or effect compliance on behalf of Lessee. In that event, all Lessor's expenses in effecting the Insurance or compliance shall be deemed to be additional Rent and shall be paid by Lessee to Lessor on written demand from Lessor.

(b) Lessee assumes the entire risk of loss (including, without limitation, economic loss through extraordinary and premature wear), damage, theft, or destruction, and of requisition of the Equipment by any governmental agency.

(c) In addition to the insurance specifically required by this section above, Lessee shall also obtain commercially reasonable insurance carried by prudent operators in Lessee's industry, including without limitation employer's liability insurance, workmen's compensation insurance, and auto insurance. All such additional insurance shall include waivers of subrogation in favor of Lessor. Auto liability shall include, without limitation, coverage for owned, non-owned and hired autos, and contractual coverage for this Agreement. All such insurance described above in this section and in the first sentence of this subsection, is sometimes collectively referred to in this Agreement as the "**Insurance**."

(d) Lessor makes no representation or warranty that the types of Insurance and limits specified to be carried by Lessee under this Agreement are adequate to protect Lessee. If Lessee believes that any such Insurance coverage is insufficient, Lessee shall provide, at its own expense, such additional insurance as Lessee deems adequate. Nothing contained herein shall limit Lessee's liability under this Agreement, and Lessee's liability under any provision of this Agreement, including without limitation under any indemnity provisions, shall not be limited to the amount of any Insurance obtained or required.

3. **Security Deposit.** Concurrently with execution and delivery of this Agreement, and subject to **Exhibit** 2, Lessee shall deliver to Lessor in immediately available funds, the "**Security Deposit**" listed in attached **Exhibit 2**. The Security Deposit and any replacements or replenishments thereof shall be held by Lessor to secure payment for potential damages and for performance of the obligations of Lessee under this Agreement. In the event that Lessee performs its obligations under the terms of this Agreement, including without limitation payment of all Rent and timely return of the Equipment in the Return Condition, then the Security Deposit, or so much thereof that has not been applied, shall be returned to the Lessee. Lessee hereby grants to Lessor a security interest in the Security Deposit. Any Security Deposit shall be noninterest-bearing and does not have to be segregated by Lessor and may be commingled with other deposits and funds by Lessor. Lessor may, but shall not be so obligated to, apply any Security Deposit to cure any defaults or apply the Security Deposit to the balance of the sums due on default. If any draw is made by Lessor on the Security Deposit, then Lessee shall promptly restore the Security Deposit on written notice from Lessor.

4. **Use; Compliance with Laws and Regulations; Commercial Purposes; Location; Logs.** The Equipment shall be used solely in connection with Lessee's business and in the manner in which the Equipment is designed by the manufacturer to be used, and shall not be misused, over-used or damaged in any way. Lessee shall at all times use and store the Equipment in compliance with all manufacturers' requirements, all applicable laws and regulations and all applicable requirements of insurance carriers, including without limitation all safety, environmental, noise and other laws, regulations and requirements, and any commercially reasonable rules of Lessor. Without limiting the foregoing, Lessee shall at all times obtain and maintain, at

Initials: Initial Initial JD

Lessee's cost, any and all permits, licenses and other governmental or other approvals required to operate, maintain and store the Equipment. Lessee shall only permit Lessee employees and other representatives who are trained in, and qualified on, the Equipment to operate the Equipment. Lessee confirms that the Equipment will only be used in connection with commercial uses and will not be used for any residential, personal, family, household or non-commercial, consumer purposes. No portion of the Equipment shall be used for transportation of persons for hire, or subject to the same. The Equipment shall not be moved from the Location unless Lessee has received the prior written consent to such new location, which approval may be granted or denied in the sole and absolute discretion of Lessor; provided, however, that so long as all of the following are satisfied, the Lessor shall not unreasonably withhold it consent to a change of Location after delivery of the Equipment to the Location: (a) the new Location will be in a different portion (e.g. terminal, etc.) of the same aviation facility; (b) the new Location will not put the Equipment at greater risk of damage, misuse or theft; and (c) Lessee provides Lessor with at least ten (10) days prior written notice of request to change the Location, which notice shall provide evidence of satisfaction of (a) and (b), and specify which items or units of the Equipment Lessee purposes to move to the new Location. To help ensure Lessee's compliance with this section and other portions of the Agreement, Lessee shall keep daily logs charting hourly usage, usage meter readings, Lessee maintenance and any similar matters for each item of the Equipment (the "**Logs**"). Lessee shall provide copies of the Logs to Lessor upon written request. Without limiting any other portions of this Agreement, Lessee shall immediately notify Lessor in writing of: (a) any malfunctioning of Equipment usage meters; (b) damage to the Equipment; or (c) any other malfunctioning or failures of the Equipment.

5. **<u>Ownership of Equipment; No Option Unless Specified.</u>** The Equipment is and shall at all times remain the sole and exclusive property of Lessor. The only interest Lessee shall have in the Equipment is that of a Lessee under this Agreement. Lessee has no options to extend the Term or purchase any of the Equipment unless expressly set forth in this Agreement or another written agreement signed and dated by the parties. Lessee shall not alter or remove any insignia, lettering, or numerals placed on the Equipment at the time of delivery, or placed on the Equipment after delivery, to identify the Equipment and to indicate Lessor's ownership. Lessee agrees, at any time during the term of this Agreement, at Lessor's request, to affix in a prominent place on the Equipment any labels, plates, or other markings supplied by Lessor, or to conspicuously mark the Equipment with language that Lessor may reasonably request, identifying the Equipment as Lessor's property.

6. **<u>Lessor Inspection.</u>** Lessor shall have the right, to enter the Location or any other location where the Equipment is stored or used, at any time during normal business hours or at other times agreed upon by the parties or any time in emergencies, to inspect and examine the Equipment to ensure Lessee's compliance with its obligations under this Agreement, and to perform any obligations of Lessor under this Agreement. Lessee shall coordinate with Lessor to ensure that Lessor and Lessor's representatives have all necessary or desirable access to the Equipment to conduct such inspections and perform any obligations of Lessor under this Agreement.

7. **<u>No Liens or Encumbrances.</u>** Except for any lien or encumbrance in favor of Lessor securing Lessee's performance under this Agreement, Lessee shall not permit any tax, judgment, mechanics' or other lien or encumbrance to attach to or encumber any item of the Equipment. Notwithstanding this prohibition, in the event of any such lien or encumbrance, Lessee shall immediately: (a) notify Lessor of the matter; and (b) immediately remove any such lien or encumbrance.

8. **<u>Destroyed and Lost Equipment</u>**. If any Equipment is destroyed or lost during the Term, or if Lessee fails to timely make the Equipment available at the Location within twenty (20) days after expiration or earlier termination of the Term for Lessor to pick up, then Lessee shall pay Lessor the current full replacement value of the Equipment, together with the full Rent, until such Equipment is replaced and ready for immediate use. Nothing in this section shall relieve Lessee of its obligation to timely return the Equipment in the Return Condition or excuse any default in these or other Lessee obligations.

9. **<u>Malfunctioning or Defective Equipment.</u>** If the Equipment is involved in an accident, becomes unsafe, malfunctions or requires repair, then Lessee shall immediately cease using the Equipment, store the Equipment in a safe place at the Location, and immediately notify Lessor with a report as set for below in this Agreement. Upon receipt of such notice and report from Lessee, Lessor, at Lessor's option, shall either: (a) repair or replace the Equipment with reasonably-similar Equipment in good working order; or (b) terminate the Agreement as to such item or unit of the Equipment, or terminate the Agreement entirely (at the discretion of Lessor), by written notice to Lessee. If Lessor has not notified Lessee in writing of Lessor's election between (a) and (b) of the preceding sentence within ten (10) days after receipt of Lessee's written notice, then Lessor shall be deemed to have elected to terminate this Agreement as to the problem Equipment. If problem with the Equipment is the result of normal operation, then if the Agreement is continued, any repair or replacement shall be at Lessor's cost, and as Lessee's sole and exclusive remedy, Rent for such Equipment shall be abated until the Equipment or its replacement is available for use by Lessee. If the problem with the Equipment is caused as a result of Lessee's misuse, abuse or neglect, or if the matter was otherwise Lessee's responsibility (e.g. an accident while using the Equipment), then whether or not Lessor elects to continue or terminate the Agreement, Lessee shall be solely responsible for all repair or replacement costs, and shall continue to pay Rent during the period of repair and/or replacement until the Equipment is immediately available for use by Lessee if this Agreement is continued (in which case Rent shall continue) , or use by Lessor if this Agreement is terminated (in which case Rent shall be governed by Sections 16 and 18 of these General Terms to the extent the termination is as a result of a default by Lessee).

10. **<u>Reports Concerning Equipment Incidents.</u>** Lessee shall immediately notify Lessor of any accident connected with the operation or malfunctioning of any unit of the Equipment, and of any claim made in connection with the Equipment, and any such notice shall include, without limitation, the time, place, and nature of the accident or claim, the alleged damages caused to property, the names, addresses and contact information of any persons injured and of witnesses, and any other information Lessor may require in connection with Lessor's investigation of the accident or claim.

11. **<u>Financial Reports.</u>** Lessee shall, within thirty (30) days after written notice from Lessor, submit to Lessor its commercially reasonable financial statements for the fiscal year (or previous year and an interim current-year statement)All financial statements shall be certified in writing by an officer of Lessee as accurate. In addition, Lessee shall submit to Lessor all other financial information that Lessor may reasonably from time to time request. All financial statements delivered to Lessor by or at the behest of Lessee, and all written statements and data submitted to Lessor in connection with any Equipment leased under this Agreement, shall be prepared according to generally accepted accounting principles consistently applied.

12. **<u>Transportation Costs.</u>** All costs associated with delivery of the Equipment by Lessor to the Location and return by Lessor to the Return Location (including without limitation, freight, express freight or other transportation and all related costs such as packing and unpacking) (collectively, the "**Transportation Costs**") shall be at Lessee's cost, and Lessee shall pay the same to Lessor on written demand from Lessor. Notwithstanding the foregoing, Lessee shall not be obligated to pay Lessor for the following Transportation Costs: (a) costs for replacement of Equipment due to problems timely reported by Lessee to Lessor in writing on delivery or within 48 hours as set forth above in this Agreement; (b) replacement due to Equipment failures after delivery not caused or materially contributed to by Lessee; or (c) termination of this Agreement based on a material, uncured default of Lessor following written notice to Lessor and a reasonable opportunity to cure the alleged default.

Initials: Initial Initial

13. "AS-IS" Equipment. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, LESSOR MAKES NO REPRESENTATIONS, WARRANTIES OR COVENANTS CONCERNING ANY EQUIPMENT LEASED UNDER THIS AGREEMENT (INCLUDING WITHOUT LIMITATION ANY EQUIPMENT SUBSEQUENTLY ADDED TO THIS AGREEMENT BY AMENDMENT), EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER CONCERNING THE EQUIPMENT (ALL OF WHICH MATTERS ARE EXPRESSLY DISCLAIMED), AND LESSEE ACCEPTS THE EQUIPMENT "AS IS". WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LESSOR MAKES NO WARRANTIES CONCERNING ANY EQUIPMENT LEASED HEREUNDER, EXPRESS OR IMPLIED, UNDER APPLICABLE LAW (INCLUDING WITHOUT LIMITATION DIVISION 10 OF THE CALIFORNIA UNIFORM COMMERCIAL CODE SECTIONS 10210, 10211, 10212, 10213), OR OTHERWISE. LESSEE LEASES THE EQUIPMENT "AS-IS" AND "WITH ALL FAULTS". Except as expressly set forth in this Agreement, Lessee waives any claim it might have against Lessor for any loss, damage, or expense caused by the Equipment or by any defect in it, by its use or maintenance, or by any servicing or adjustment of it, except to the extent such loss, damage or expense is a result of the gross negligence or intentional misconduct of Lessor. Lessee acknowledges that Lessor is not a dealer in equipment of any kind, and that the Equipment is of a type, size, design, and capacity selected solely by Lessee as suitable for Lessee's purposes. Except as expressly set forth in this Agreement, no defect or unfitness of the Equipment shall relieve Lessee of the obligation to pay Rent or of any other obligation under this Agreement.

LESSEE ACKNOWLEDGES THAT NO OFFICER, EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF LESSOR IS AUTHORIZED TO WAIVE OR ALTER ANY TERM, PROVISION, OR CONDITION OF THIS AGREEMENT, OR MAKE ANY REPRESENTATION, WARRANTY OR COVENANT WITH RESPECT TO THIS AGREEMENT OR THE EQUIPMENT LEASED UNDER THIS AGREEMENT ON BEHALF OF LESSOR. TO THE FULLEST EXTENT ALLOWED BY LAW, LESSEE HEREBY WAIVES ALL OF ITS RIGHTS AND REMEDIES AS CONFERRED UPON A LESSEE UNDER APPLICABLE LAW, INCLUDING WITHOUT LIMITATION SECTIONS 10508–10522 OF THE COMMERCIAL CODE, AND LESSEE WARRANTS THAT THIS PROVISION HAS BEEN NEGOTIATED BY LESSOR AND LESSEE.

14. Return of Equipment; Return Condition. On expiration or earlier termination of the Term, the Equipment shall be transported by Lessor from the Location to the Return Location at Lessee's cost. All returns shall be processed on times other than Saturdays, Sundays or Holidays, and Rent will apply during these periods. Lessee shall return all Equipment with a full tank of fuel and all fluids topped-off. If Lessee fails to so fuel and top-off the fluids, then Lessee shall pay Lessor's refueling and related costs on receipt of written invoice from Lessor. Lessor's refueling costs will significantly exceed rates that Lessee would pay directly to reflect some of Lessor's costs associated with such activities. Lessee acknowledges that the Lessor refueling and related charges to Lessee do not constitute a retail sale of fuel or fluids. On expiration or earlier expiration of the Term, Lessee shall place the Equipment in the same condition as received by Lessee, plus any improvements made by Lessor and any authorized improvements made by Lessee, reasonable wear and tear excepted. Without limiting the foregoing, the following shall not be deemed reasonable wear and tear: (a) damage resulting from lack of lubrication, insertion of improper fuel or maintenance of necessary oil, water and air pressure levels; (b) damage resulting from any collision, overturning or improper operation, including without limitation overloading or exceeding the rated capacity of the Equipment; (c) damage in the nature of dents, bending, tearing, staining, corrosion or misalignment to or of the Equipment or any part thereof; or (d) and any other damage to the Equipment which is not considered ordinary and reasonable in the equipment rental industry. In addition to any other damages incurred by Lessor as a result of Lessee's failure to tender the Equipment to Lessee in the Return Condition, Lessee shall be responsible for all costs necessary to place the Equipment in the Return Condition, and for Rent until the Equipment is in the Return Condition. If Lessor is required to take action to place the Equipment in the Return Condition because Lessee has failed to do so, then Lessor shall invoice Lessee for the estimated repair or replacement cost of the Equipment and Lessor shall not be obligated to commence repair or replacement of the Equipment until payment has been received from Lessee. Once the repair or replacement is completed, then the parties shall adjust any previous estimated payment made by Lessee.

15. Non-Exclusive. Both Lessor and Lessee shall have the right, during the Term and thereafter, to contract with and otherwise deal with any other parties for the same or different services, even if such actions would be in direct or indirect competition with the business of other party to this Agreement. Lessee, for example, may at any time during the Term or thereafter contract with other providers of equipment for the same or similar services as provided by this Agreement, even if such other parties are in direct or indirect competition with the business of Lessor. Similarly, Lessor may at any time during the Term or thereafter contract with other parties for the rental and maintenance of equipment, etc., even if such other party, or such actions by Lessor, would be in direct or indirect competition with the business of Lessee.

16. Default.

16.1 By Lessee. Lessee shall be in default under this Agreement on the occurrence of any of the following acts or events:

(a) Lessee fails to pay any Rent or any other amount due pursuant to this Agreement when due, or if no due date is specified, within ten (10) days after written notice from Lessor demanding payment.

(b) Lessee breaches any representation or warranty in this Agreement or Lessee shall submit to Lessor any financial information or statement or report concerning Lessee or the Equipment that is materially false or materially misleading in any respect.

(c) Lessee fails to maintain the Insurance coverage required under this Agreement or the Insurance coverage shall be canceled by Lessee's carrier.

(d) Lessee shall assign or transfer this Agreement (or attempt to do so), or any interest therein, or sell, transfer, assign, encumber, or sublet the Equipment or any portion thereof (or attempt to do so).

(e) Lessee fails to perform any other term, provision, or covenant of Lessee under this Agreement and such default continues for ten (10) days after written notice thereof to Lessee by Lessor.

(f) Any other default or breach by Lessee of a covenant, representation, or warranty under any other agreement between Lessee and Lessor, or any affiliate of Lessor.

(g) Any guarantor (if any) under this Agreement shall attempt to rescind, limit, or terminate its guaranty, or any guarantor shall die.

(h) Lessee or any guarantor becomes insolvent or makes an assignment for the benefit of creditors.

(i) Lessee or any guarantor applies for or consents to the appointment of a receiver, trustee, or liquidator of Lessee or guarantor, over all or a substantial part of the assets of Lessee or guarantor, or a receiver, trustee or liquidator is appointed without the application or consent of Lessee or guarantor.

(j) A writ of attachment or execution is levied on any item of Equipment.

(k) A receiver is appointed to take possession of any item of Equipment.

(l) Any item of Equipment shall become lost, damaged, or destroyed.

(m) If Lessee anticipatorily breaches any terms or conditions of this Agreement.

Initials: Initial Initial

Notwithstanding anything to the contrary in this Section 16.1: (i) Lessee shall immediately notify Lessor in writing of any Lessee default; and (ii) if any Equipment is damaged (but not lost or destroyed), then Lessee shall not be in default under this Agreement so long as: (1) Lessee promptly begins repair and restoration of the Equipment using first-quality OEM parts and procedures; (2) Lessee completes the repair and restoration of the damaged Equipment within twenty (20) days after the date of damage, unless the nature of the repair and restoration reasonable requires a longer period (not to exceed a total of sixty (60) days) and Lessee completes the repair and restoration within such longer period; and (3) Lessee continues to pay Rent during the period of repair and restoration and to pay holdover Rent (as defined below in these General Terms) for any portions of the repair and restoration period (if any) which extend beyond the Term.

16.2 **By Lessor.** Subject to any other express provision of this Agreement, Lessor shall be in default under this Agreement if Lessor fails to perform any term, provision, or covenant of Lessor under this Agreement and such default continues for thirty (30) days after written notice thereof to Lessor by Lessee.

17. **ASSUMPTION OF LIABILITY; LIMITATION OF LIABILITY; LIMITED LESSEE REMEDIES FOR LESSOR DEFAULT.** Lessee assumes all risks inherent in the operation, use and possession of the Equipment from the time the Equipment is delivered to Lessee until the Equipment is tendered to Lessor on expiration or earlier termination of the Term, and Lessee shall take all necessary precautions to protect all persons and property from injury or damage from the Equipment or its operation. In the event of a default by Lessor under this Agreement or otherwise in connection with the Equipment, and except for the exclusive remedies of Lessee specified below in this section, in no event shall Lessor, or Lessor's officers, directors, employees, owners, members, agents and affiliates and their successors and assigns, be liable or responsible to Lessee or any other party for any of the following, and Lessee, on its behalf and on behalf of or Lessee's officers, directors, employees, owners, members, agents and affiliates and their successors and assigns, to the fullest extent permitted by applicable law, hereby releases and waives any right, claim, damage, demand, liability or other matter against Lessor and Lessor's officers, directors, employees, owners, members, agents, contractors and affiliates and their successors and assigns, for any of the following (collectively, the "**Claims**"): (a) any loss, damage or injury caused by, resulting from or in any way connected with the Equipment, its operation or its use; (b) Lessor's failure to deliver the Equipment as required hereunder; (c) Lessor's failure to maintain, repair or replace non-working Equipment; or (d) or any incidental, consequential, lost profit, punitive or special damages.

If Lessor is in default under this Agreement, including without limitation, failure to timely deliver the Equipment or to deliver it at all, or failure to maintain and repair the Equipment, then Lessee's sole and exclusive remedies shall be as follows:

(a) Continue the Agreement and Receive abatement of Rent (and no other payments, compensation or damages from Lessor) to the extent Lessee's use of the Equipment is reasonably compromised or otherwise impaired, as the same is determined by Lessor, and wait for Lessor to deliver, repair or replace the Equipment or otherwise correct the Lessor default; or

(b) Terminate this Agreement on at least ten (10) days' prior written notice to Lessor, in which case Lessee shall receive abatement of Rent as set forth in subpart (a) and this Agreement shall terminate on the date set forth in the Notice; provided, however, that if Lessee prevents or delays Lessor's access to pick up the Equipment at the Location, then Rent shall continue until Lessor has been provided reasonable access and has transported the Equipment to the Return Location.

NOTE: If this Agreement, either on commencement of the Term or thereafter through written amendment of **Exhibit 1**, contains more than one unit/item of Equipment, then the remedies above may be used by Lessee as to individual units/items so long as Lessor agrees in writing to continuation of the Agreement as to the other unit(s)/item(s) of Equipment in Lessor's sole and absolute discretion.

Notwithstanding the preceding provisions, nothing in this section shall exempt Lessor from responsibility for Lessor's fraud or willful injury to the person or property of another.

18. **Lessor Remedies on Lessee Default.** On the occurrence of any Lessee default Lessor may, in its sole and absolute discretion, do any one or more of the following, with or without notice to Lessee:

(a) Terminate this Lease and any other agreement between Lessor and Lessee.

(b) Bring an action for breach of contract and damages against Lessee for all damages incurred by Lessor.

(c) If Lessor elects to terminate this Agreement, Lessor may declare Lessor may declare all Rent and other sums payable under this Lease immediately due and payable.

(d) Take possession of the Equipment, wherever found, with or without legal process, thereby terminating Lessee's right to its possession, and require Lessee to assemble the Equipment and make it available to Lessor at the Location or other place to be designated by Lessor that is reasonably convenient to both parties. For this purpose, Lessor or its agent(s) may enter any premises of the Lessee or its agent(s), or any premises under their control where the Equipment is kept or stored (including without limitation the Location), without liability for suit, action, or other proceeding by Lessee (any damages occasioned by this repossession are waived by Lessee).

(e) Proceed by appropriate court action to enforce performance by Lessee of this Agreement.

(f) Seek all consequential and incidental damages due or to become due to the Lessor.

(g) Exercise any other right or remedy that may be available to it under Division 10 of the California Commercial Code or any other applicable law or in equity (it being understood that the occurrence of any Lessee default will substantially impair the value of this Agreement to Lessor, entitling Lessor to exercise all rights and pursue all remedies available to it under Division 10 or any other applicable law).

All Lessor's rights and remedies under this Agreement are cumulative and may, to the extent permitted by the law, be exercised concurrently or separately. The exercise of any one remedy shall not be considered to be an election of that remedy or to preclude the exercise of any other remedy. No failure by Lessor to exercise, and no delay in exercising, any right or remedy under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise by Lessor of any right or remedy under this Agreement preclude any other or further exercise of another right or remedy. To the extent permitted by applicable law, Lessee hereby waives any and all rights to a judicial hearing before Lessor's repossession of the Equipment under this section.

19. **Indemnity.** To the fullest extent permitted by law, Lessee agrees to and shall indemnify, defend (with legal counsel designated by Lessor), protect and hold harmless Lessor and its officers, directors, employees, owners, members, agents and other representatives, affiliates and their successors and assigns, from and against any and all liabilities, claims, actions, causes of action, losses, damages or costs arising out of or related to the operation, use, possession or rental of the Equipment pursuant to this Agreement or otherwise relating to this Agreement or the Equipment, including without limitation attorneys' fees, loss of profits, business interruption or other special or consequential damages, damages relating to property damage, bodily injury or damages relating to wrongful death. Without limiting the foregoing, the indemnity and other obligations of this section shall apply to any claims, actions or other matters asserted against Lessor based upon strict or product liability causes of action. The indemnity and other obligations of this section shall not apply to the extent any matter was caused solely by the intentional misconduct or sole gross negligence of Lessor. In addition, the indemnity and other obligations of this section shall not in any way be affected or diminished by any statutory or constitutional limitation of liability or immunity (if any) Lessee would otherwise receive in connection with from claims by its own employees. The provisions of this section shall survive the expiration or earlier termination of the Term.

20. Representations and Warranties.

20.1 By Lessee. To induce Lessor to enter into this Agreement, Lessee represents and warrants to Lessor, and covenants that for the Term:

(a) Lessee is an entity duly formed and existing under the laws of the state listed in the first paragraph of this Agreement, and qualified to do business in California; and the execution, delivery, and performance by Lessee under this Agreement and under any instrument or agreement required by this Agreement is within Lessee's power, has been duly authorized, and is not in conflict with the terms of Lessee's organizational documents.

(b) Lessee's execution, delivery, and performance under this Agreement and under any instrument or agreement required by this Agreement does not require the approval or consent of any party other than the signatories to this Agreement on behalf of Lessee (and any other signatories for Lessee on subsequent amendments or documents shall have the full authority to legally bind Lessee), and is not in conflict with any law, regulation, indenture, charter, contract, agreement, or undertaking to which Lessee is a party or by which Lessee is bound or affected.

(c) This Agreement: (i) and any instrument or agreement required by this Agreement, has been or will be duly executed and delivered by Lessee; and (ii) constitutes or will constitute Lessee's legal, valid, and binding obligations, and is enforceable against Lessee under its terms, except as enforceability may be limited by bankruptcy, insolvency, and similar laws and equitable principles affecting the enforcement of creditors' rights generally.

(d) There are no outstanding judgments against Lessee or any of its assets and there are no actions or proceedings pending by or against Lessee before any court, arbitrator, or administrative agency. Lessee knows of no complaints, actions, or prosecutions that are pending, threatened, or imminent against Lessee regarding this Agreement or the Equipment, or that would have a material adverse effect on the condition (financial or otherwise), prospects, operations, properties, assets, liabilities, or earnings of Lessee or the ability of Lessee to perform its obligations to Lessor under this Agreement. Lessee shall promptly notify Lessor on gaining knowledge of any of the foregoing.

(e) Lessee is not currently in, and does not plan to be involved with, any bankruptcy or other insolvency proceedings, and no receiver or any similar party has been appointed with respect to any of Lessee's assets.

(f) Lessee is in compliance with and shall maintain compliance with all other material contractual obligations to which Lessee is a party. Lessee is not in default under or in breach of any material agreement, contract, indenture, or undertaking.

(g) All the financial statements and information that Lessee has supplied to Lessor and that Lessee shall supply to Lessor hereafter have been and shall be prepared according to generally accepted accounting principles consistently applied. On Lessor's request, Lessee shall provide Lessor with all annual and quarterly financial statements and other information that Lessor may from time to time require, at the time specified by Lessor.

(h) Lessee's exact legal name and the address of Lessee's chief executive office or principal place of business are accurately set forth in the notice section of this Agreement. Lessee does not use a fictitious business name, trade name, or assumed name except for names provided to Lessor in writing prior to the date of this Agreement. If Lessee changes its name, the jurisdiction under which it is organized, or the address of its chief executive office or principal place of business, or proposes to use any new fictitious business names, trade names, or assumed names, then Lessee shall provide Lessor with at least sixty (60) days' prior written notice.

(i) At Lessor's request, Lessee shall appear in and defend any action or proceeding that may affect Lessor's title to any of the Equipment.

(j) At Lessor's request, Lessee shall perform all further acts and execute all further agreements, instruments, and documents that may be necessary or desirable to protect Lessor's interest in this Agreement or the Equipment, or otherwise carry out the intent of this Agreement.

20.2 By Lessor. To induce Lessee to enter into this Agreement, Lessor represents and warrants to Lessee, and covenants that for the Term:

(a) Lessor is a corporation, duly formed and existing under the laws of the State of California and and qualified to do business in California; and the execution, delivery, and performance by Lessor under this Agreement and under any instrument or agreement required by this Agreement is within Lessor's power, has been duly authorized, and is not in conflict with the terms of Lessor's organizational documents.

(b) Lessor's execution, delivery, and performance under this Agreement, and under any instrument or agreement required by this Agreement, does not require the approval or consent of any party other than the signatories to this Agreement on behalf of Lessor, and is not in conflict with any law, regulation, indenture, charter, contract, agreement, or undertaking to which Lessor is a party or by which Lessor is bound or affected.

(c) This Agreement and any instrument or agreement required by this Agreement has been or will be duly executed and delivered by Lessor; (ii) constitutes or will constitute Lessor's legal, valid, and binding obligations, and is enforceable against Lessor under its terms, except as enforceability may be limited by bankruptcy, insolvency, and similar laws and equitable principles affecting the enforcement of creditors' rights generally.

(d) Lessor is not currently in, and does not plan to be involved with, any bankruptcy or other insolvency proceedings, and no receiver or any similar party has been appointed with respect to any of Lessor's assets.

21. Holding Over. Lessee shall have no right to retain possession and/or use any of the Equipment beyond the Term without the prior written consent of Lessor, which consent may be granted or withheld in the sole and absolute discretion of Lessor. Any use of any Equipment by Lessee beyond the Term shall be considered a default of Lessee and a holdover of the Term. Without waiving such default or limiting the rights and remedies of Lessor: (a) all obligations of Lessee shall continue during this holdover and the Rent shall be Three Hundred percent (300%) of the Rent in effect during the Term (even if Lessor invoices Rent and other amounts or accepts the same, at the standard rate); and (b) Lessor may terminate this Agreement, enter the Location or other location of the Equipment, and take possession of the Equipment as noted above in this Agreement.

22. Miscellaneous.

22.1 Further Assurances. The parties hereto shall each promptly sign and deliver any and all additional documents and perform any and all acts reasonably necessary to perform its obligations and carry out the intent expressed in this Agreement.

22.2 Survival. Each indemnification, representation, warranty and covenant in this Agreement shall survive the expiration or termination of this Agreement.

Initials: Initial Initial

22.3 **Notices.** Any notice or other communication given hereunder ("**notice**") shall be in writing and personally delivered, sent by facsimile, or sent by United States registered or certified mail or sent by a nationally recognized courier service such as Federal Express, addressed to the parties as noted below their signatures on the Agreement. Delivery of any notice shall be deemed made on the date of its actual delivery if personally delivered, and on the date indicated in the return receipt or courier's records as the date of its delivery or first attempted delivery if sent by mail or courier. Any notice given by facsimile shall be deemed delivered when received by the facsimile machine of the receiving party if received before 4:00 p.m. (Pacific Standard Time) on the business day received; otherwise, delivery shall be deemed to have occurred on the next business day. The transmittal confirmation receipt produced by the facsimile machine of the sending party shall constitute conclusive evidence of its receipt. Any party may change its address or facsimile number for notice purposes by giving notice to the other parties.

22.4 **Cost Recovery.** In any action involving Lessor and Lessee arising in connection with this Agreement or otherwise relating to the Equipment, the prevailing party shall recover from the other party, in addition to any damages, injunctive or other relief, all costs (whether or not allowable as "cost" items by law) reasonably incurred at, before and after trial or on appeal, or in any bankruptcy or arbitration proceeding, including without limitation attorneys' and witness (expert and otherwise) fees, deposition costs, copying charges and other expenses.

22.5 **Interpretation.** Each party, and if desired its legal counsel, has reviewed and revised this Agreement and any rule of contract interpretation to the effect that ambiguities or uncertainties are to be interpreted against the drafting party or the party who caused it to exist shall not be employed in the interpretation of this Agreement or any document executed in connection herewith.

22.6 **Severability.** If any provision of this Agreement or its application to any party or circumstance is held invalid or unenforceable, then the remainder of this Agreement and the affected provision to the extent it is not so held shall remain valid and enforceable and in full force and effect so long as the invalid or unenforceable provisions does not go the essence of this Agreement.

22.7 **Personal Information**. Lessee consents to the collection, use and disclosure of Lessee's personal identification and financial information as described in this section. Lessee's personal identification and financial information is provided voluntarily and not as part of a credit card transaction. Lessee's personal identification information includes, without limitation, Lessee's name, billing address, ZIP code, telephone number, date of birth, driver's license number and email address. Financial information includes, without limitation, information related to any balances or invoices arising in connection with this Agreement or the Equipment. Lessee's personal identification information can be used for purposes of this transaction, any subsequent transactions with Lessor, and for Lessor to evaluate and improve its products and services and/or develop new products or services. Lessee's personal identification information and/or financial information may be disclosed to contractors, service providers and other third parties with whom Lessee does business or consults if disclosure is reasonably necessary or desirable for performance or enforcement of this Agreement and so long as Lessor takes commercially reasonable efforts to require any such third parties to maintain the confidentiality of such information.

22.8 **No Partnership.** This Agreement shall not be construed as creating a partnership or joint venture between any parties to this Agreement, or between any of them and any third party or cause either of them to be responsible in any manner for the other's or any third party's debts or obligations (except as expressly set forth herein).

22.9 **No Beneficiaries.** No parties other than the parties to this Agreement and their successors and assigns shall have any rights or remedies under or by reason of this Agreement.

22.10 **No Waiver.** A waiver by any party of a right or of a default by any other party is effective only if it is in writing by the waiving party and shall not be construed as a waiver of any other right or default.

22.11 **Governing Law.** This Agreement shall be interpreted, enforced and governed under the laws and judicial decisions of the State of California, even if the Location and/or Return Location are located outside of California. Venue shall be in the applicable Court of Los Angeles County, California.

22.12 **Headings.** Section headings are for reference purposes only and do not affect this Agreement.

22.13 **Assignment.** Lessee shall not assign, encumber or transfer any rights or obligations under this Agreement or in connection with the Equipment, and any attempt to do so shall: (a) be ineffective and void; and (b) constitute an immediate default of Lessee. Lessor shall have the right, but not the obligation, to have any obligation of Lessor pursuant to this Agreement performed by third parties on behalf of Lessor.

22.14 **Late Charge; Default Interest.** If Lessee fails to make any payment due under this Agreement when due, or within five (5) days after written demand from Lessor if there is no scheduled due date, then Lessee shall pay to Lessor a late charge equal to ten percent (10%) of the amount past-due (the **"Late Charge"**). Lessor and Lessee acknowledge and agree that if Lessee fails to make any payment when due under this Agreement, Lessee will incur administrative costs and other damages that are difficult to calculate, and that the Late Charge represents a reasonable estimate of such costs and damages and does not represent a penalty. In addition, during any periods during which Lessee is in default under this Agreement, Lessee shall pay Lessor interest on the amount due at the lesser of ten percent (10%) per annum or the maximum legal rate on all amounts outstanding from the date of the default until the default has been cured (the **"Default Interest"**). Nothing in this section shall in any way limit the rights and remedies of Lessor in the event of a Lessee default under this Agreement.

22.15 **No Disclosure.** Lessee shall not make or permit any public or private disclosure of the price or other terms of, or of the transactions contemplated by, this Agreement (except as required herein or by law) without Lessor's prior written consent, which consent may be granted or withheld in Lessor's sole and absolute discretion.

[END OF GENERAL TERMS]

Initials: Initial Initial

Tri-Cities Airport Authority
December 11, 2025

CONSIDER:
Conditioning Unit Lease
Award Mercury GSE

Summary:

The Airline Services Department handles the ground handling for Allegiant, Sun Country, and additional charters as needed. The TCAA has recently been awarded the contract to provide Breeze with ground handling services. Breeze bought up the importance of having a conditioning unit on site for their operations, which the TCAA already planned on acquiring as part of the FBO transition. There is a conditioning unit mounted on each jet bridge, but no mobile units are available in the event a hard stand gate is used. After consideration, staff has determined that leasing a conditioning unit is the best course of action due to time constraints and up-front cost. Quotes were solicitated from two different providers for a 12-month lease with Mercury GSE providing the lowest and most responsive quote. The cost of the lease will be funded through the FY26 and FY27 GHS-Equipment Maintenance fund, and the following is the funding plan:

Conditioning Unit – Funding Plan

Miscellaneous Equipment/Shipping (Estimated)	$ 2,000
Conditioning Unit Lease	$62,580
Security Deposit	$ 5,421
Property Tax Fee	$ 2,232
Tire Usage Fee	$ 240
Total	$72,473

Conditioning Unit – Funding Plan

FY26 GHS-Equipment Maintenance	$45,368
FY27 GHS-Equipment Maintenance	$27,105
Total	$72,473

Recommendation:

Authorize the Director of Operations to issue a purchase order to Mercury GSE to lease a conditioning unit over a 12-month period in the amount of $72,473.

Submitted By: Chris Stipo
Director of Operations

BID TAB SHEET
Airline Services – Conditioning Unit
Bid Date: October 16, 2025

FIRM NAME & ADDRESS	ACQUISITION TYPE	LENGTH	TOTAL BID
Mercury GSE 18374 Phantom W, Hangar 879 Victorville, CA 92394	Lease	12 Month	$62,580
Alvest Equipment Services 1350 E. Touhy Ave Des Plaines, IL 60018	Lease	12 Month	$63,600

EQUIPMENT RENTAL AGREEMENT
[Mercury GSE; Agreement No.: 6197]

THIS EQUIPMENT RENTAL AGREEMENT ("**Agreement**") is entered into as of 11/6/2025, by and between MERCURY GSE RENTALS, LLC, a Delaware limited liability company ("**Lessor**") and Tri-Cities Airport Authority, a Tennessee special district government agency ("**Lessee**").

RECITALS:

A. Lessor owns or otherwise controls the vehicle(s), equipment and other personal property described on attached **Exhibit 1** (the "**Equipment**"). Lessee desires to rent the Equipment for use in Lessee's business.

B. Lessor and Lessee desire to provide for the rental of the Equipment on the terms set forth below.

NOW, THEREFORE, for good and valuable consideration (the receipt and sufficiency of which are acknowledged), Lessor and Lessee agree as follows:

1. General Terms; Definitions. The provisions of **Exhibit 2** and the "**General Terms**" set forth in attached **Exhibit 3** form a part of this Agreement. The capitalized terms used in this Agreement, in **Exhibit 2**, or in the General Terms shall have the same meanings, and may be defined in this Agreement, **Exhibit 2**, or the General Terms.

2. Rental. Lessor agrees to rent and lease to Lessee, and Lessee agrees to rent, lease and hire from Lessor, all of the Equipment. If the parties agree to add or delete Equipment from this Agreement, the parties shall amend this Agreement and modify **Exhibit 1** and any other applicable provisions agreed upon by the parties. Lessor shall have the right to replace the Equipment with other reasonably similar equipment at any time and for any reason. Any such replacement shall be at Lessor's cost unless the Equipment is being replaced as a result of any default of Lessee under this Agreement, including without limitation any misuse of the Equipment, in which case all costs of repair and replacement shall be paid by Lessee on written demand from Lessor.

3. Delivery of Equipment. Lessor shall schedule delivery of the Equipment to Lessee at the "**Location**" (as defined in **Exhibit 2** and described in the General Terms) on receipt of the following from Lessee:

(a) An original of this Agreement executed by Lessee.
(b) The "**Security Deposit**" as defined in attached **Exhibit 2** and the General Terms.
(c) Initial "**Rent**" for the first portion of the term of this Agreement, if required by attached **Exhibit 2**.
(d) Evidence of required "**Insurance**" as defined in the General Terms.
(e) The estimated transportation cost of the Equipment to the "**Location**", if required by attached **Exhibit 2** and as described in the General Terms.

4. Term. The Term of this Agreement shall commence on the date of this Agreement and end on return of the Equipment to the "**Return Location**" listed on attached **Exhibit 2** in the "**Return Condition**" (as defined and discussed in the General Terms).

5. Rent; Maintenance Fees; Taxes and Fees; Commencement of Rent. The "**Rent**" to be paid by Lessee to Lessor for use of the Equipment shall be as specified in **Exhibit 2**. Rent is comprised of the fee for rental of the Equipment and the standard monthly maintenance services provided by Lessor pursuant to this Agreement. Lessee shall also be responsible for all taxes and fees applicable to or arising in connection with the rental, leasing, operation, maintenance and transportation of the Equipment, which taxes and fees shall be due within ten (10) days after Lessee's receipt of Lessor's invoice. Any maintenance charges or charges for damages, misuse, etc. will be billed by Lessor to Lessee by separate written invoice or separate line items on the same invoice. All Rent and other amounts under this Agreement are due without offset, deduction or claim on the specified due date and, if there is no set date, then within ten (10) days after receipt of invoice from Lessor. No acceptance by Lessor of a lesser amount of Rent or any other item than the amount due shall constitute an agreement by Lessor to accept such lesser amount as full payment unless Lessor has expressly agreed in writing, in each instance, to so accept such lesser amount as payment in full. Rent shall commence on the date that both of the following have occurred of: (a) Lessor has provided Lessee with telephonic and email notice of the delivery date of the Equipment to the Location at least one (1) business day prior to the date of actual delivery; and (b) the Equipment has left the "**Return Location**" (as set forth in **Exhibit 2** and described in the General Terms) or other Lessor-approved location for transportation to the Location. Rent shall continue until Lessor has received the Equipment at the Return Location in the "**Return Condition**" (as described in the General Terms). If the Equipment is received in less than Return Condition for any reason other than a material uncured default of Lessor, then Rent shall continue until the condition has been corrected and Lessee has paid for such correction.

6. Condition of Equipment; Acceptance by Lessee. Lessee acknowledges that Lessee was familiar with the nature of the Equipment prior to the date of this Agreement, and that Lessee is familiar with the proper operation and use of each item of Equipment. Lessee shall inspect the Equipment on delivery to the Location in the presence of Lessor's delivery personnel, and shall note in a signed writing delivered to such representatives at that time, any damages, defects or other issues associated with the Equipment. Unless Lessee notifies Lessor in writing within 48-hours after delivery of the Equipment of any damages, defects or issues with the Equipment, then it shall be conclusively presumed, as between Lessor and Lessee, that Lessee has fully inspected the Equipment, that the Equipment is good working order, condition and repair, that the Equipment is suitable for Lessee's needs, and that Lessee is satisfied with and has accepted the Equipment. If Lessee timely notifies Lessor of any issues with the Equipment pursuant to this section, then the parties shall cooperate to either: (a) correct the issue at Lessor's cost (except to the extent caused by Lessee); or (b) absent agreement on (a) terminate the Agreement as to the applicable Equipment through written notice by either party to

Initial Initial

Initials: JC JD

the other party. If the parties agree to correct the condition issues noted pursuant to this section, then the Rent shall be equitably abated (as determined by Lessor) until the matter is resolved.

7. **Incorporation.** The recitals at the beginning of this Agreement and the exhibits attached hereto and referred to herein are incorporated into this Agreement.

8. **Counterparts.** This Agreement may be executed in counterparts, all of which shall constitute one instrument.

9. **Entire Agreement; Binding Effect; Amendments.** This Agreement (including without limitation the attached and incorporated Exhibits): (a) is intended by the parties hereto as the final expression and the complete and exclusive statement of their agreement with respect to the terms included in this Agreement and any prior or contemporaneous agreements or understandings, oral or written, which may contradict, explain or supplement these terms shall not be admissible or effective for any purpose; (b) shall be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns; and (c) may not be amended or modified except by a writing signed by the parties which expressly states that it amends this Agreement.

Lessor and Lessee have executed this Agreement as of the date first set forth above.

"LESSOR"

By: MERCURY GSE RENTALS,
a Delaware limited liability company

Signed by:
By: Joe Davis
F4660B5350FE4C4...

Name: Joe Davis

Title: VP Customer Experience

905 Cook Lane
Saginaw, Texas 76131
Attn: Equipment Manager
Facsimile: (562) 653-0655
Telephone: (562) 653-0654
Email: mercury@mercurygse.com

"LESSEE"

By: Tri-Cities Airport Authority
a Tennessee special district government agency

Signed by:
By:
2CB3341CF0F84E1...

Name: Gene Cossey

Title: President/CEO

2525 Highway 75, Suite 301
Blountville, Tennessee 37617
Attn: Alicia Rhoton
Telephone: (423) 325-6000
Email: ap@flytri.com

Initials: Initial Initial JD

DS

EXHIBIT 1

THE EQUIPMENT

Equipment Unit Description:	**Location for Use:**
1. TUG TMD-180ppm; Unit numbers in attached BOL	**2525 Highway 75, Suite 301 Blountville, TN 37617**
2. JBT JetAire M60	

Initials: Initial Initial

EXHIBIT 2

TERM; RENT; MAINTENANCE; SECURITY DEPOSIT; LOCATION; RETURN LOCATION

A. TUG TMD-180ppm; Unit numbers in attached BOL from Exhibit 1

1. **Term:** Twelve (12) Months

2. **Effective Date:** 12/10/25

3. **Rent Per Unit:**
   i. $6,879.00 per month
   ii. $2,752.00 per week
   iii. $1,101.00 per day

4. **Maintenance Per Unit:** $0.00 per month, plus any damages caused by or materially contributed to by Lessee.

5. **Security Deposit:** $7,137.00

6. **Property Tax Fee Per Unit:** $245.00 per month

7. **Tire Usage Fee Per Unit:** $13.00 per month

8. **Location:** Lessee may request the equipment be relocated to a new domestic location during the rental. Lessor will coordinate transportation and bill Lessee for any location changes. Based on the new location, Lessor may adjust (increase) service level response times in challenging or remote locations.

9. Limited to 8-hours per day engine run time. Use will be averaged over the rental term and any over-use will be billed at $29.00 per hour at termination.

10. **Training:** Lessor will provide manufacture operating manuals and operator training.

11. **Equipment Return:** Request for equipment return must be received by Lessor via email to returns@mercurygse.com at least twenty (20) business days before Lessee's desired pick-up date. Rent will continue, even beyond the contract end date, until the equipment is received and accepted at Lessor's return location. The final rental invoice will be calculated based on the lowest rental calculation using the applicable monthly, weekly, or daily rates above. When returning equipment, email returns@mercurygse.com with company name, location, equipment unit number(s) and desired pickup date.

B. JBT JetAire M60; Unit numbers in attached BOL from Exhibit 1

1. **Term:** Twelve (12) Months

2. **Effective Date:** 12/10/25

3. **Rent Per Unit:**
   a. $5,215.00 per month
   b. $2,086.00 per week
   c. $834.00 per day

4. **Maintenance Per Unit:** $0.00 per month, plus any damages caused by or materially contributed to by Lessee.

5. **Security Deposit:** $5,421.00

6. **Property Tax Fee Per Unit:** $186.00 per month

7. **Tire Usage Fee Per Unit:** $20.00 per month

8. **Location:** Lessee may request the equipment be relocated to a new domestic location during the rental. Lessor will coordinate transportation and bill Lessee for any location changes. Based on the new location, Lessor may adjust (increase) service level response times in challenging or remote locations.

9. Limited to 8-hours per day engine run time. Use will be averaged over the rental term and any over-use will be billed at $29.00 per hour at termination.

10. **Training:** Lessor will provide manufacture operating manuals and operator training.

Initials: Initial JC Initial JD

11. **Equipment Return:** Request for equipment return must be received by Lessor via email to returns@mercurygse.com at least twenty (20) business days before Lessee's desired pick-up date. Rent will continue, even beyond the contract end date, until the equipment is received and accepted at Lessor's return location. The final rental invoice will be calculated based on the lowest rental calculation using the applicable monthly, weekly, or daily rates above. When returning equipment, email returns@mercurygse.com with company name, location, equipment unit number(s) and desired pickup date.

[END OF EXHIBIT]

Initials: Initial Initial

EXHIBIT 3

GENERAL TERMS

1. **Maintenance and Repair; Access.** Lessor shall maintain and repair the Equipment at the Location as part of the Rent, except for the following items to be maintained/repaired and/or replaced directly by Lessee at the cost of Lessee at OEM specifications: (a) any damage to the Equipment caused or materially contributed to by Lessee; (b) tire pressure monitoring, tire repair and replacement; (c) batteries; (d) oil, hydraulic and other fluids; (e) check filters, oil and fluid levels daily, replacing as needed; (e) clean and visually inspect the Equipment daily; and (f) immediately notify Lessor when Equipment needs repair or maintenance for matters not the responsibility of Lessee, and cease using the Equipment until such matters have been completed in accordance with Section 9 of these General Terms. If Lessee fails to timely perform any maintenance, repair or replacement required by Lessee, then on five (5) days' prior written notice from Lessor, Lessor shall have the right, but not the obligation, to perform such obligation at Lessee's cost and Lessee shall pay all amounts to Lessor plus fifteen percent (15%) on receipt of a written invoice from Lessor. Lessee shall not alter or modify any of the Equipment without the prior written consent of Lessor in each instance, and upon any such approval all alterations or improvements shall become the property of Lessor. Lessee shall have no authority to incur expenses for maintenance or any other purpose for Lessor's account. Lessee shall use diligent and good faith efforts to coordinate with Lessor and act in a commercially reasonable manner to ensure that Lessor and Lessor's representatives have all necessary or desirable access to the Equipment at all reasonable time to maintain and inspect the Equipment.

2. **Insurance; Loss and Damage.**

(a) Throughout the Term Lessee shall keep the Equipment insured against all risks of loss or damage from any cause for not less than its full replacement value (new), and shall carry comprehensive general or aviation liability insurance on an occurrence form (in minimum limits of $5,000,000.00 per occurrence and in the aggregate or such greater amounts as Lessor may specify from time to time), covering both personal injury and property damage, contractual liability (including without limitation Lessee's indemnification obligations under this Agreement), products and completed operations insurance, and other commercially reasonable matters, and covering the Equipment and Lessee's operation of the Equipment. Lessee's obligation to maintain insurance on the Equipment shall begin on the earlier of the date of this Agreement or the date Lessor notifies Lessee that the Equipment will leave the Lessor's facilities or other facilities and shall continue until the Equipment is received by Lessor at the Return Location pursuant to this Agreement. This insurance shall be in form and amount, and issued by companies, and have deductibles, satisfactory to Lessor. All insurance for property damage shall provide that any claims for losses shall be payable solely to Lessor, and shall further provide a breach of warranty endorsement. All liability insurance shall name Lessor as loss payee and as an additional insured. Prior to delivery of the Equipment to Lessee, Lessee shall pay the insurance premiums and deliver to Lessor certified true copies of insurance policies and certificates of insurance evidencing the required insurance coverage. Lessee shall renew all insurance policies required under this Agreement not later than fifteen (15) days before expiration of coverage. Each insurer shall agree, by endorsement on the policy or policies issued by it or by independent instrument furnished to Lessor, that it will give Lessor at least thirty (30) days' prior written notice of the effective date of any alteration, expiration or cancellation of the policy. Insurance proceeds payable as a result of loss of or damage to Equipment shall be applied, at the Lessor's option: (i) to replace, restore, or repair Equipment that may be lost, stolen, or destroyed; or (ii) to pay Lessee's obligations under this Agreement. Lessee's insurance policies shall provide that such insurance coverage is primary and non-contributory to any other insurance maintained by Lessor. Any deductibles or self-insured retentions on insurance policies required by this Agreement to be carried by Lessee or otherwise carried by Lessee shall be the sole responsibility of Lessee, and all such policies shall include a waiver of rights of recovery against Lessor or its insurers by Lessee and its insurers, as well as a waiver of subrogation against Lessor or its insurers.

LESSEE HEREBY IRREVOCABLY APPOINTS LESSOR AS LESSEE'S ATTORNEY-IN-FACT, COUPLED WITH AN INTEREST, TO MAKE CLAIM FOR, RECEIVE PAYMENT OF, AND EXECUTE AND ENDORSE ALL DOCUMENTS, CHECKS, OR DRAFTS RECEIVED IN PAYMENT FOR LOSS OR DAMAGE UNDER ANY SAID INSURANCE. If Lessee fails to procure or maintain the Insurance or to comply with any other provision of this Agreement (other than provisions pertaining to the payment of Rent or other charges due Lessor under this Agreement), then Lessor shall have the right, but not the obligation, to acquire the Insurance or effect compliance on behalf of Lessee. In that event, all Lessor's expenses in effecting the Insurance or compliance shall be deemed to be additional Rent and shall be paid by Lessee to Lessor on written demand from Lessor.

(b) Lessee assumes the entire risk of loss (including, without limitation, economic loss through extraordinary and premature wear), damage, theft, or destruction, and of requisition of the Equipment by any governmental agency.

(c) In addition to the insurance specifically required by this section above, Lessee shall also obtain commercially reasonable insurance carried by prudent operators in Lessee's industry, including without limitation employer's liability insurance, workmen's compensation insurance, and auto insurance. All such additional insurance shall include waivers of subrogation in favor of Lessor. Auto liability shall include, without limitation, coverage for owned, non-owned and hired autos, and contractual coverage for this Agreement. All such insurance described above in this section and in the first sentence of this subsection, is sometimes collectively referred to in this Agreement as the "**Insurance**."

(d) Lessor makes no representation or warranty that the types of Insurance and limits specified to be carried by Lessee under this Agreement are adequate to protect Lessee. If Lessee believes that any such Insurance coverage is insufficient, Lessee shall provide, at its own expense, such additional insurance as Lessee deems adequate. Nothing contained herein shall limit Lessee's liability under this Agreement, and Lessee's liability under any provision of this Agreement, including without limitation under any indemnity provisions, shall not be limited to the amount of any Insurance obtained or required.

3. **Security Deposit.** Concurrently with execution and delivery of this Agreement, and subject to **Exhibit** 2, Lessee shall deliver to Lessor in immediately available funds, the "**Security Deposit**" listed in attached **Exhibit 2**. The Security Deposit and any replacements or replenishments thereof shall be held by Lessor to secure payment for potential damages and for performance of the obligations of Lessee under this Agreement. In the event that Lessee performs its obligations under the terms of this Agreement, including without limitation payment of all Rent and timely return of the Equipment in the Return Condition, then the Security Deposit, or so much thereof that has not been applied, shall be returned to the Lessee. Lessee hereby grants to Lessor a security interest in the Security Deposit. Any Security Deposit shall be noninterest-bearing and does not have to be segregated by Lessor and may be commingled with other deposits and funds by Lessor. Lessor may, but shall not be so obligated to, apply any Security Deposit to cure any defaults or apply the Security Deposit to the balance of the sums due on default. If any draw is made by Lessor on the Security Deposit, then Lessee shall promptly restore the Security Deposit on written notice from Lessor.

4. **Use; Compliance with Laws and Regulations; Commercial Purposes; Location; Logs.** The Equipment shall be used solely in connection with Lessee's business and in the manner in which the Equipment is designed by the manufacturer to be used, and shall not be misused, over-used or damaged in any way. Lessee shall at all times use and store the Equipment in compliance with all manufacturers' requirements, all applicable laws and regulations and all applicable requirements of insurance carriers, including without limitation all safety, environmental, noise and other laws, regulations and requirements, and any commercially reasonable rules of Lessor. Without limiting the foregoing, Lessee shall at all times obtain and maintain, at

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Lessee's cost, any and all permits, licenses and other governmental or other approvals required to operate, maintain and store the Equipment. Lessee shall only permit Lessee employees and other representatives who are trained in, and qualified on, the Equipment to operate the Equipment. Lessee confirms that the Equipment will only be used in connection with commercial uses and will not be used for any residential, personal, family, household or non-commercial, consumer purposes. No portion of the Equipment shall be used for transportation of persons for hire, or subject to the same. The Equipment shall not be moved from the Location unless Lessee has received the prior written consent to such new location, which approval may be granted or denied in the sole and absolute discretion of Lessor; provided, however, that so long as all of the following are satisfied, the Lessor shall not unreasonably withhold it consent to a change of Location after delivery of the Equipment to the Location: (a) the new Location will be in a different portion (e.g. terminal, etc.) of the same aviation facility; (b) the new Location will not put the Equipment at greater risk of damage, misuse or theft; and (c) Lessee provides Lessor with at least ten (10) days prior written notice of request to change the Location, which notice shall provide evidence of satisfaction of (a) and (b), and specify which items or units of the Equipment Lessee purposes to move to the new Location. To help ensure Lessee's compliance with this section and other portions of the Agreement, Lessee shall keep daily logs charting hourly usage, usage meter readings, Lessee maintenance and any similar matters for each item of the Equipment (the "**Logs**"). Lessee shall provide copies of the Logs to Lessor upon written request. Without limiting any other portions of this Agreement, Lessee shall immediately notify Lessor in writing of: (a) any malfunctioning of Equipment usage meters; (b) damage to the Equipment; or (c) any other malfunctioning or failures of the Equipment.

5. **Ownership of Equipment; No Option Unless Specified.** The Equipment is and shall at all times remain the sole and exclusive property of Lessor. The only interest Lessee shall have in the Equipment is that of a Lessee under this Agreement. Lessee has no options to extend the Term or purchase any of the Equipment unless expressly set forth in this Agreement or another written agreement signed and dated by the parties. Lessee shall not alter or remove any insignia, lettering, or numerals placed on the Equipment at the time of delivery, or placed on the Equipment after delivery, to identify the Equipment and to indicate Lessor's ownership. Lessee agrees, at any time during the term of this Agreement, at Lessor's request, to affix in a prominent place on the Equipment any labels, plates, or other markings supplied by Lessor, or to conspicuously mark the Equipment with language that Lessor may reasonably request, identifying the Equipment as Lessor's property.

6. **Lessor Inspection.** Lessor shall have the right, to enter the Location or any other location where the Equipment is stored or used, at any time during normal business hours or at other times agreed upon by the parties or any time in emergencies, to inspect and examine the Equipment to ensure Lessee's compliance with its obligations under this Agreement, and to perform any obligations of Lessor under this Agreement. Lessee shall coordinate with Lessor to ensure that Lessor and Lessor's representatives have all necessary or desirable access to the Equipment to conduct such inspections and perform any obligations of Lessor under this Agreement.

7. **No Liens or Encumbrances.** Except for any lien or encumbrance in favor of Lessor securing Lessee's performance under this Agreement, Lessee shall not permit any tax, judgment, mechanics' or other lien or encumbrance to attach to or encumber any item of the Equipment. Notwithstanding this prohibition, in the event of any such lien or encumbrance, Lessee shall immediately: (a) notify Lessor of the matter; and (b) immediately remove any such lien or encumbrance.

8. **Destroyed and Lost Equipment**. If any Equipment is destroyed or lost during the Term, or if Lessee fails to timely make the Equipment available at the Location within twenty (20) days after expiration or earlier termination of the Term for Lessor to pick up, then Lessee shall pay Lessor the current full replacement value of the Equipment, together with the full Rent, until such Equipment is replaced and ready for immediate use. Nothing in this section shall relieve Lessee of its obligation to timely return the Equipment in the Return Condition or excuse any default in these or other Lessee obligations.

9. **Malfunctioning or Defective Equipment.** If the Equipment is involved in an accident, becomes unsafe, malfunctions or requires repair, then Lessee shall immediately cease using the Equipment, store the Equipment in a safe place at the Location, and immediately notify Lessor with a report as set for below in this Agreement. Upon receipt of such notice and report from Lessee, Lessor, at Lessor's option, shall either: (a) repair or replace the Equipment with reasonably-similar Equipment in good working order; or (b) terminate the Agreement as to such item or unit of the Equipment, or terminate the Agreement entirely (at the discretion of Lessor), by written notice to Lessee. If Lessor has not notified Lessee in writing of Lessor's election between (a) and (b) of the preceding sentence within ten (10) days after receipt of Lessee's written notice, then Lessor shall be deemed to have elected to terminate this Agreement as to the problem Equipment. If problem with the Equipment is the result of normal operation, then if the Agreement is continued, any repair or replacement shall be at Lessor's cost, and as Lessee's sole and exclusive remedy, Rent for such Equipment shall be abated until the Equipment or its replacement is available for use by Lessee. If the problem with the Equipment is caused as a result of Lessee's misuse, abuse or neglect, or if the matter was otherwise Lessee's responsibility (e.g. an accident while using the Equipment), then whether or not Lessor elects to continue or terminate the Agreement, Lessee shall be solely responsible for all repair or replacement costs, and shall continue to pay Rent during the period of repair and/or replacement until the Equipment is immediately available for use by Lessee if this Agreement is continued (in which case Rent shall continue) , or use by Lessor if this Agreement is terminated (in which case Rent shall be governed by Sections 16 and 18 of these General Terms to the extent the termination is as a result of a default by Lessee).

10. **Reports Concerning Equipment Incidents.** Lessee shall immediately notify Lessor of any accident connected with the operation or malfunctioning of any unit of the Equipment, and of any claim made in connection with the Equipment, and any such notice shall include, without limitation, the time, place, and nature of the accident or claim, the alleged damages caused to property, the names, addresses and contact information of any persons injured and of witnesses, and any other information Lessor may require in connection with Lessor's investigation of the accident or claim.

11. **Financial Reports.** Lessee shall, within thirty (30) days after written notice from Lessor, submit to Lessor its commercially reasonable financial statements for the fiscal year (or previous year and an interim current-year statement)All financial statements shall be certified in writing by an officer of Lessee as accurate. In addition, Lessee shall submit to Lessor all other financial information that Lessor may reasonably from time to time request. All financial statements delivered to Lessor by or at the behest of Lessee, and all written statements and data submitted to Lessor in connection with any Equipment leased under this Agreement, shall be prepared according to generally accepted accounting principles consistently applied.

12. **Transportation Costs.** All costs associated with delivery of the Equipment by Lessor to the Location and return by Lessor to the Return Location (including without limitation, freight, express freight or other transportation and all related costs such as packing and unpacking) (collectively, the "**Transportation Costs**") shall be at Lessee's cost, and Lessee shall pay the same to Lessor on written demand from Lessor. Notwithstanding the foregoing, Lessee shall not be obligated to pay Lessor for the following Transportation Costs: (a) costs for replacement of Equipment due to problems timely reported by Lessee to Lessor in writing on delivery or within 48 hours as set forth above in this Agreement; (b) replacement due to Equipment failures after delivery not caused or materially contributed to by Lessee; or (c) termination of this Agreement based on a material, uncured default of Lessor following written notice to Lessor and a reasonable opportunity to cure the alleged default.

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13. "AS-IS" Equipment. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, LESSOR MAKES NO REPRESENTATIONS, WARRANTIES OR COVENANTS CONCERNING ANY EQUIPMENT LEASED UNDER THIS AGREEMENT (INCLUDING WITHOUT LIMITATION ANY EQUIPMENT SUBSEQUENTLY ADDED TO THIS AGREEMENT BY AMENDMENT), EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER CONCERNING THE EQUIPMENT (ALL OF WHICH MATTERS ARE EXPRESSLY DISCLAIMED), AND LESSEE ACCEPTS THE EQUIPMENT "AS IS". WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LESSOR MAKES NO WARRANTIES CONCERNING ANY EQUIPMENT LEASED HEREUNDER, EXPRESS OR IMPLIED, UNDER APPLICABLE LAW (INCLUDING WITHOUT LIMITATION DIVISION 10 OF THE CALIFORNIA UNIFORM COMMERCIAL CODE SECTIONS 10210, 10211, 10212, 10213), OR OTHERWISE. LESSEE LEASES THE EQUIPMENT "AS-IS" AND "WITH ALL FAULTS". Except as expressly set forth in this Agreement, Lessee waives any claim it might have against Lessor for any loss, damage, or expense caused by the Equipment or by any defect in it, by its use or maintenance, or by any servicing or adjustment of it, except to the extent such loss, damage or expense is a result of the gross negligence or intentional misconduct of Lessor. Lessee acknowledges that Lessor is not a dealer in equipment of any kind, and that the Equipment is of a type, size, design, and capacity selected solely by Lessee as suitable for Lessee's purposes. Except as expressly set forth in this Agreement, no defect or unfitness of the Equipment shall relieve Lessee of the obligation to pay Rent or of any other obligation under this Agreement.

LESSEE ACKNOWLEDGES THAT NO OFFICER, EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF LESSOR IS AUTHORIZED TO WAIVE OR ALTER ANY TERM, PROVISION, OR CONDITION OF THIS AGREEMENT, OR MAKE ANY REPRESENTATION, WARRANTY OR COVENANT WITH RESPECT TO THIS AGREEMENT OR THE EQUIPMENT LEASED UNDER THIS AGREEMENT ON BEHALF OF LESSOR. TO THE FULLEST EXTENT ALLOWED BY LAW, LESSEE HEREBY WAIVES ALL OF ITS RIGHTS AND REMEDIES AS CONFERRED UPON A LESSEE UNDER APPLICABLE LAW, INCLUDING WITHOUT LIMITATION SECTIONS 10508–10522 OF THE COMMERCIAL CODE, AND LESSEE WARRANTS THAT THIS PROVISION HAS BEEN NEGOTIATED BY LESSOR AND LESSEE.

14. Return of Equipment; Return Condition. On expiration or earlier termination of the Term, the Equipment shall be transported by Lessor from the Location to the Return Location at Lessee's cost. All returns shall be processed on times other than Saturdays, Sundays or Holidays, and Rent will apply during these periods. Lessee shall return all Equipment with a full tank of fuel and all fluids topped-off. If Lessee fails to so fuel and top-off the fluids, then Lessee shall pay Lessor's refueling and related costs on receipt of written invoice from Lessor. Lessor's refueling costs will significantly exceed rates that Lessee would pay directly to reflect some of Lessor's costs associated with such activities. Lessee acknowledges that the Lessor refueling and related charges to Lessee do not constitute a retail sale of fuel or fluids. On expiration or earlier expiration of the Term, Lessee shall place the Equipment in the same condition as received by Lessee, plus any improvements made by Lessor and any authorized improvements made by Lessee, reasonable wear and tear excepted. Without limiting the foregoing, the following shall not be deemed reasonable wear and tear: (a) damage resulting from lack of lubrication, insertion of improper fuel or maintenance of necessary oil, water and air pressure levels; (b) damage resulting from any collision, overturning or improper operation, including without limitation overloading or exceeding the rated capacity of the Equipment; (c) damage in the nature of dents, bending, tearing, staining, corrosion or misalignment to or of the Equipment or any part thereof; or (d) and any other damage to the Equipment which is not considered ordinary and reasonable in the equipment rental industry. In addition to any other damages incurred by Lessor as a result of Lessee's failure to tender the Equipment to Lessee in the Return Condition, Lessee shall be responsible for all costs necessary to place the Equipment in the Return Condition, and for Rent until the Equipment is in the Return Condition. If Lessor is required to take action to place the Equipment in the Return Condition because Lessee has failed to do so, then Lessor shall invoice Lessee for the estimated repair or replacement cost of the Equipment and Lessor shall not be obligated to commence repair or replacement of the Equipment until payment has been received from Lessee. Once the repair or replacement is completed, then the parties shall adjust any previous estimated payment made by Lessee.

15. Non-Exclusive. Both Lessor and Lessee shall have the right, during the Term and thereafter, to contract with and otherwise deal with any other parties for the same or different services, even if such actions would be in direct or indirect competition with the business of other party to this Agreement. Lessee, for example, may at any time during the Term or thereafter contract with other providers of equipment for the same or similar services as provided by this Agreement, even if such other parties are in direct or indirect competition with the business of Lessor. Similarly, Lessor may at any time during the Term or thereafter contract with other parties for the rental and maintenance of equipment, etc., even if such other party, or such actions by Lessor, would be in direct or indirect competition with the business of Lessee.

16. Default.

16.1 By Lessee. Lessee shall be in default under this Agreement on the occurrence of any of the following acts or events:

(a) Lessee fails to pay any Rent or any other amount due pursuant to this Agreement when due, or if no due date is specified, within ten (10) days after written notice from Lessor demanding payment.

(b) Lessee breaches any representation or warranty in this Agreement or Lessee shall submit to Lessor any financial information or statement or report concerning Lessee or the Equipment that is materially false or materially misleading in any respect.

(c) Lessee fails to maintain the Insurance coverage required under this Agreement or the Insurance coverage shall be canceled by Lessee's carrier.

(d) Lessee shall assign or transfer this Agreement (or attempt to do so), or any interest therein, or sell, transfer, assign, encumber, or sublet the Equipment or any portion thereof (or attempt to do so).

(e) Lessee fails to perform any other term, provision, or covenant of Lessee under this Agreement and such default continues for ten (10) days after written notice thereof to Lessee by Lessor.

(f) Any other default or breach by Lessee of a covenant, representation, or warranty under any other agreement between Lessee and Lessor, or any affiliate of Lessor.

(g) Any guarantor (if any) under this Agreement shall attempt to rescind, limit, or terminate its guaranty, or any guarantor shall die.

(h) Lessee or any guarantor becomes insolvent or makes an assignment for the benefit of creditors.

(i) Lessee or any guarantor applies for or consents to the appointment of a receiver, trustee, or liquidator of Lessee or guarantor, over all or a substantial part of the assets of Lessee or guarantor, or a receiver, trustee or liquidator is appointed without the application or consent of Lessee or guarantor.

(j) A writ of attachment or execution is levied on any item of Equipment.

(k) A receiver is appointed to take possession of any item of Equipment.

(l) Any item of Equipment shall become lost, damaged, or destroyed.

(m) If Lessee anticipatorily breaches any terms or conditions of this Agreement.

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Notwithstanding anything to the contrary in this Section 16.1: (i) Lessee shall immediately notify Lessor in writing of any Lessee default; and (ii) if any Equipment is damaged (but not lost or destroyed), then Lessee shall not be in default under this Agreement so long as: (1) Lessee promptly begins repair and restoration of the Equipment using first-quality OEM parts and procedures; (2) Lessee completes the repair and restoration of the damaged Equipment within twenty (20) days after the date of damage, unless the nature of the repair and restoration reasonable requires a longer period (not to exceed a total of sixty (60) days) and Lessee completes the repair and restoration within such longer period; and (3) Lessee continues to pay Rent during the period of repair and restoration and to pay holdover Rent (as defined below in these General Terms) for any portions of the repair and restoration period (if any) which extend beyond the Term.

16.2 **By Lessor.** Subject to any other express provision of this Agreement, Lessor shall be in default under this Agreement if Lessor fails to perform any term, provision, or covenant of Lessor under this Agreement and such default continues for thirty (30) days after written notice thereof to Lessor by Lessee.

17. **ASSUMPTION OF LIABILITY; LIMITATION OF LIABILITY; LIMITED LESSEE REMEDIES FOR LESSOR DEFAULT.** Lessee assumes all risks inherent in the operation, use and possession of the Equipment from the time the Equipment is delivered to Lessee until the Equipment is tendered to Lessor on expiration or earlier termination of the Term, and Lessee shall take all necessary precautions to protect all persons and property from injury or damage from the Equipment or its operation. In the event of a default by Lessor under this Agreement or otherwise in connection with the Equipment, and except for the exclusive remedies of Lessee specified below in this section, in no event shall Lessor, or Lessor's officers, directors, employees, owners, members, agents and affiliates and their successors and assigns, be liable or responsible to Lessee or any other party for any of the following, and Lessee, on its behalf and on behalf of or Lessee's officers, directors, employees, owners, members, agents and affiliates and their successors and assigns, to the fullest extent permitted by applicable law, hereby releases and waives any right, claim, damage, demand, liability or other matter against Lessor and Lessor's officers, directors, employees, owners, members, agents, contractors and affiliates and their successors and assigns, for any of the following (collectively, the "**Claims**"): (a) any loss, damage or injury caused by, resulting from or in any way connected with the Equipment, its operation or its use; (b) Lessor's failure to deliver the Equipment as required hereunder; (c) Lessor's failure to maintain, repair or replace non-working Equipment; or (d) or any incidental, consequential, lost profit, punitive or special damages.

If Lessor is in default under this Agreement, including without limitation, failure to timely deliver the Equipment or to deliver it at all, or failure to maintain and repair the Equipment, then Lessee's sole and exclusive remedies shall be as follows:

(a) Continue the Agreement and Receive abatement of Rent (and no other payments, compensation or damages from Lessor) to the extent Lessee's use of the Equipment is reasonably compromised or otherwise impaired, as the same is determined by Lessor, and wait for Lessor to deliver, repair or replace the Equipment or otherwise correct the Lessor default; or

(b) Terminate this Agreement on at least ten (10) days' prior written notice to Lessor, in which case Lessee shall receive abatement of Rent as set forth in subpart (a) and this Agreement shall terminate on the date set forth in the Notice; provided, however, that if Lessee prevents or delays Lessor's access to pick up the Equipment at the Location, then Rent shall continue until Lessor has been provided reasonable access and has transported the Equipment to the Return Location.

NOTE: If this Agreement, either on commencement of the Term or thereafter through written amendment of **Exhibit 1**, contains more than one unit/item of Equipment, then the remedies above may be used by Lessee as to individual units/items so long as Lessor agrees in writing to continuation of the Agreement as to the other unit(s)/item(s) of Equipment in Lessor's sole and absolute discretion.

Notwithstanding the preceding provisions, nothing in this section shall exempt Lessor from responsibility for Lessor's fraud or willful injury to the person or property of another.

18. **Lessor Remedies on Lessee Default.** On the occurrence of any Lessee default Lessor may, in its sole and absolute discretion, do any one or more of the following, with or without notice to Lessee:

(a) Terminate this Lease and any other agreement between Lessor and Lessee.

(b) Bring an action for breach of contract and damages against Lessee for all damages incurred by Lessor.

(c) If Lessor elects to terminate this Agreement, Lessor may declare Lessor may declare all Rent and other sums payable under this Lease immediately due and payable.

(d) Take possession of the Equipment, wherever found, with or without legal process, thereby terminating Lessee's right to its possession, and require Lessee to assemble the Equipment and make it available to Lessor at the Location or other place to be designated by Lessor that is reasonably convenient to both parties. For this purpose, Lessor or its agent(s) may enter any premises of the Lessee or its agent(s), or any premises under their control where the Equipment is kept or stored (including without limitation the Location), without liability for suit, action, or other proceeding by Lessee (any damages occasioned by this repossession are waived by Lessee).

(e) Proceed by appropriate court action to enforce performance by Lessee of this Agreement.

(f) Seek all consequential and incidental damages due or to become due to the Lessor.

(g) Exercise any other right or remedy that may be available to it under Division 10 of the California Commercial Code or any other applicable law or in equity (it being understood that the occurrence of any Lessee default will substantially impair the value of this Agreement to Lessor, entitling Lessor to exercise all rights and pursue all remedies available to it under Division 10 or any other applicable law).

All Lessor's rights and remedies under this Agreement are cumulative and may, to the extent permitted by the law, be exercised concurrently or separately. The exercise of any one remedy shall not be considered to be an election of that remedy or to preclude the exercise of any other remedy. No failure by Lessor to exercise, and no delay in exercising, any right or remedy under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise by Lessor of any right or remedy under this Agreement preclude any other or further exercise of another right or remedy. To the extent permitted by applicable law, Lessee hereby waives any and all rights to a judicial hearing before Lessor's repossession of the Equipment under this section.

19. **Indemnity.** To the fullest extent permitted by law, Lessee agrees to and shall indemnify, defend (with legal counsel designated by Lessor), protect and hold harmless Lessor and its officers, directors, employees, owners, members, agents and other representatives, affiliates and their successors and assigns, from and against any and all liabilities, claims, actions, causes of action, losses, damages or costs arising out of or related to the operation, use, possession or rental of the Equipment pursuant to this Agreement or otherwise relating to this Agreement or the Equipment, including without limitation attorneys' fees, loss of profits, business interruption or other special or consequential damages, damages relating to property damage, bodily injury or damages relating to

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wrongful death. Without limiting the foregoing, the indemnity and other obligations of this section shall apply to any claims, actions or other matters asserted against Lessor based upon strict or product liability causes of action. The indemnity and other obligations of this section shall not apply to the extent any matter was caused solely by the intentional misconduct or sole gross negligence of Lessor. In addition, the indemnity and other obligations of this section shall not in any way be affected or diminished by any statutory or constitutional limitation of liability or immunity (if any) Lessee would otherwise receive in connection with from claims by its own employees. The provisions of this section shall survive the expiration or earlier termination of the Term.

20. Representations and Warranties.

20.1 By Lessee. To induce Lessor to enter into this Agreement, Lessee represents and warrants to Lessor, and covenants that for the Term:

(a) Lessee is an entity duly formed and existing under the laws of the state listed in the first paragraph of this Agreement, and qualified to do business in California; and the execution, delivery, and performance by Lessee under this Agreement and under any instrument or agreement required by this Agreement is within Lessee's power, has been duly authorized, and is not in conflict with the terms of Lessee's organizational documents.

(b) Lessee's execution, delivery, and performance under this Agreement and under any instrument or agreement required by this Agreement does not require the approval or consent of any party other than the signatories to this Agreement on behalf of Lessee (and any other signatories for Lessee on subsequent amendments or documents shall have the full authority to legally bind Lessee), and is not in conflict with any law, regulation, indenture, charter, contract, agreement, or undertaking to which Lessee is a party or by which Lessee is bound or affected.

(c) This Agreement: (i) and any instrument or agreement required by this Agreement, has been or will be duly executed and delivered by Lessee; and (ii) constitutes or will constitute Lessee's legal, valid, and binding obligations, and is enforceable against Lessee under its terms, except as enforceability may be limited by bankruptcy, insolvency, and similar laws and equitable principles affecting the enforcement of creditors' rights generally.

(d) There are no outstanding judgments against Lessee or any of its assets and there are no actions or proceedings pending by or against Lessee before any court, arbitrator, or administrative agency. Lessee knows of no complaints, actions, or prosecutions that are pending, threatened, or imminent against Lessee regarding this Agreement or the Equipment, or that would have a material adverse effect on the condition (financial or otherwise), prospects, operations, properties, assets, liabilities, or earnings of Lessee or the ability of Lessee to perform its obligations to Lessor under this Agreement. Lessee shall promptly notify Lessor on gaining knowledge of any of the foregoing.

(e) Lessee is not currently in, and does not plan to be involved with, any bankruptcy or other insolvency proceedings, and no receiver or any similar party has been appointed with respect to any of Lessee's assets.

(f) Lessee is in compliance with and shall maintain compliance with all other material contractual obligations to which Lessee is a party. Lessee is not in default under or in breach of any material agreement, contract, indenture, or undertaking.

(g) All the financial statements and information that Lessee has supplied to Lessor and that Lessee shall supply to Lessor hereafter have been and shall be prepared according to generally accepted accounting principles consistently applied. On Lessor's request, Lessee shall provide Lessor with all annual and quarterly financial statements and other information that Lessor may from time to time require, at the time specified by Lessor.

(h) Lessee's exact legal name and the address of Lessee's chief executive office or principal place of business are accurately set forth in the notice section of this Agreement. Lessee does not use a fictitious business name, trade name, or assumed name except for names provided to Lessor in writing prior to the date of this Agreement. If Lessee changes its name, the jurisdiction under which it is organized, or the address of its chief executive office or principal place of business, or proposes to use any new fictitious business names, trade names, or assumed names, then Lessee shall provide Lessor with at least sixty (60) days' prior written notice.

(i) At Lessor's request, Lessee shall appear in and defend any action or proceeding that may affect Lessor's title to any of the Equipment.

(j) At Lessor's request, Lessee shall perform all further acts and execute all further agreements, instruments, and documents that may be necessary or desirable to protect Lessor's interest in this Agreement or the Equipment, or otherwise carry out the intent of this Agreement.

20.2 By Lessor. To induce Lessee to enter into this Agreement, Lessor represents and warrants to Lessee, and covenants that for the Term:

(a) Lessor is a corporation, duly formed and existing under the laws of the State of California and and qualified to do business in California; and the execution, delivery, and performance by Lessor under this Agreement and under any instrument or agreement required by this Agreement is within Lessor's power, has been duly authorized, and is not in conflict with the terms of Lessor's organizational documents.

(b) Lessor's execution, delivery, and performance under this Agreement, and under any instrument or agreement required by this Agreement, does not require the approval or consent of any party other than the signatories to this Agreement on behalf of Lessor, and is not in conflict with any law, regulation, indenture, charter, contract, agreement, or undertaking to which Lessor is a party or by which Lessor is bound or affected.

(c) This Agreement and any instrument or agreement required by this Agreement has been or will be duly executed and delivered by Lessor; (ii) constitutes or will constitute Lessor's legal, valid, and binding obligations, and is enforceable against Lessor under its terms, except as enforceability may be limited by bankruptcy, insolvency, and similar laws and equitable principles affecting the enforcement of creditors' rights generally.

(d) Lessor is not currently in, and does not plan to be involved with, any bankruptcy or other insolvency proceedings, and no receiver or any similar party has been appointed with respect to any of Lessor's assets.

21. Holding Over. Lessee shall have no right to retain possession and/or use any of the Equipment beyond the Term without the prior written consent of Lessor, which consent may be granted or withheld in the sole and absolute discretion of Lessor. Any use of any Equipment by Lessee beyond the Term shall be considered a default of Lessee and a holdover of the Term. Without waiving such default or limiting the rights and remedies of Lessor: (a) all obligations of Lessee shall continue during this holdover and the Rent shall be Three Hundred percent (300%) of the Rent in effect during the Term (even if Lessor invoices Rent and other amounts or accepts the same, at the standard rate); and (b) Lessor may terminate this Agreement, enter the Location or other location of the Equipment, and take possession of the Equipment as noted above in this Agreement.

22. Miscellaneous.

22.1 Further Assurances. The parties hereto shall each promptly sign and deliver any and all additional documents and perform any and all acts reasonably necessary to perform its obligations and carry out the intent expressed in this Agreement.

22.2 Survival. Each indemnification, representation, warranty and covenant in this Agreement shall survive the expiration or termination of this Agreement.

Initial Initial

Initials: JC JD

22.3 **Notices.** Any notice or other communication given hereunder ("**notice**") shall be in writing and personally delivered, sent by facsimile, or sent by United States registered or certified mail or sent by a nationally recognized courier service such as Federal Express, addressed to the parties as noted below their signatures on the Agreement. Delivery of any notice shall be deemed made on the date of its actual delivery if personally delivered, and on the date indicated in the return receipt or courier's records as the date of its delivery or first attempted delivery if sent by mail or courier. Any notice given by facsimile shall be deemed delivered when received by the facsimile machine of the receiving party if received before 4:00 p.m. (Pacific Standard Time) on the business day received; otherwise, delivery shall be deemed to have occurred on the next business day. The transmittal confirmation receipt produced by the facsimile machine of the sending party shall constitute conclusive evidence of its receipt. Any party may change its address or facsimile number for notice purposes by giving notice to the other parties.

22.4 **Cost Recovery.** In any action involving Lessor and Lessee arising in connection with this Agreement or otherwise relating to the Equipment, the prevailing party shall recover from the other party, in addition to any damages, injunctive or other relief, all costs (whether or not allowable as "cost" items by law) reasonably incurred at, before and after trial or on appeal, or in any bankruptcy or arbitration proceeding, including without limitation attorneys' and witness (expert and otherwise) fees, deposition costs, copying charges and other expenses.

22.5 **Interpretation.** Each party, and if desired its legal counsel, has reviewed and revised this Agreement and any rule of contract interpretation to the effect that ambiguities or uncertainties are to be interpreted against the drafting party or the party who caused it to exist shall not be employed in the interpretation of this Agreement or any document executed in connection herewith.

22.6 **Severability.** If any provision of this Agreement or its application to any party or circumstance is held invalid or unenforceable, then the remainder of this Agreement and the affected provision to the extent it is not so held shall remain valid and enforceable and in full force and effect so long as the invalid or unenforceable provisions does not go the essence of this Agreement.

22.7 **Personal Information**. Lessee consents to the collection, use and disclosure of Lessee's personal identification and financial information as described in this section. Lessee's personal identification and financial information is provided voluntarily and not as part of a credit card transaction. Lessee's personal identification information includes, without limitation, Lessee's name, billing address, ZIP code, telephone number, date of birth, driver's license number and email address. Financial information includes, without limitation, information related to any balances or invoices arising in connection with this Agreement or the Equipment. Lessee's personal identification information can be used for purposes of this transaction, any subsequent transactions with Lessor, and for Lessor to evaluate and improve its products and services and/or develop new products or services. Lessee's personal identification information and/or financial information may be disclosed to contractors, service providers and other third parties with whom Lessee does business or consults if disclosure is reasonably necessary or desirable for performance or enforcement of this Agreement and so long as Lessor takes commercially reasonable efforts to require any such third parties to maintain the confidentiality of such information.

22.8 **No Partnership.** This Agreement shall not be construed as creating a partnership or joint venture between any parties to this Agreement, or between any of them and any third party or cause either of them to be responsible in any manner for the other's or any third party's debts or obligations (except as expressly set forth herein).

22.9 **No Beneficiaries.** No parties other than the parties to this Agreement and their successors and assigns shall have any rights or remedies under or by reason of this Agreement.

22.10 **No Waiver.** A waiver by any party of a right or of a default by any other party is effective only if it is in writing by the waiving party and shall not be construed as a waiver of any other right or default.

22.11 **Governing Law.** This Agreement shall be interpreted, enforced and governed under the laws and judicial decisions of the State of California, even if the Location and/or Return Location are located outside of California. Venue shall be in the applicable Court of Los Angeles County, California.

22.12 **Headings.** Section headings are for reference purposes only and do not affect this Agreement.

22.13 **Assignment.** Lessee shall not assign, encumber or transfer any rights or obligations under this Agreement or in connection with the Equipment, and any attempt to do so shall: (a) be ineffective and void; and (b) constitute an immediate default of Lessee. Lessor shall have the right, but not the obligation, to have any obligation of Lessor pursuant to this Agreement performed by third parties on behalf of Lessor.

22.14 **Late Charge; Default Interest.** If Lessee fails to make any payment due under this Agreement when due, or within five (5) days after written demand from Lessor if there is no scheduled due date, then Lessee shall pay to Lessor a late charge equal to ten percent (10%) of the amount past-due (the **"Late Charge"**). Lessor and Lessee acknowledge and agree that if Lessee fails to make any payment when due under this Agreement, Lessee will incur administrative costs and other damages that are difficult to calculate, and that the Late Charge represents a reasonable estimate of such costs and damages and does not represent a penalty. In addition, during any periods during which Lessee is in default under this Agreement, Lessee shall pay Lessor interest on the amount due at the lesser of ten percent (10%) per annum or the maximum legal rate on all amounts outstanding from the date of the default until the default has been cured (the **"Default Interest"**). Nothing in this section shall in any way limit the rights and remedies of Lessor in the event of a Lessee default under this Agreement.

22.15 **No Disclosure.** Lessee shall not make or permit any public or private disclosure of the price or other terms of, or of the transactions contemplated by, this Agreement (except as required herein or by law) without Lessor's prior written consent, which consent may be granted or withheld in Lessor's sole and absolute discretion.

[END OF GENERAL TERMS]

Initial Initial

Initials: JC JD

Tri-Cities Airport Authority
December 11, 2025

REPORT:

Airport - Cross Property – Parcel 094 063.00 (Partial Take)
Property Acquisition

Summary:

The airport's CIP and ALP include acquisition of the Cross property in the Rwy 23 approach Runway Protection Zone (RPZ) located at the west corner of Muddy Creek and Hamilton Road. The airport received FAA approval to proceed with the Cross-property acquisition in September 2024. The Cross property will be a partial take of Parcel 094 063.00, consisting of 14.04 Acres +/- of farmland pasture and farm buildings.
Kimley-Horn/Hanson completed the property survey, appraisal, appraisal review and is finalizing the environmental assessment. Following the federal property acquisition process, the appraisal and appraisal review resulted in a property offer in the amount of $ 634,800 and a farm business relocation cost of $11,250, which will be included in the overall purchase separately. The airport presented the "Offer" to the Cross-estate October 23, 2025, and received a counteroffer on November 11, 2025. (See below)
The project will be reimbursed using FAA AIP entitlement and future PFC funds. Following is the proposed estimated project funding plan:

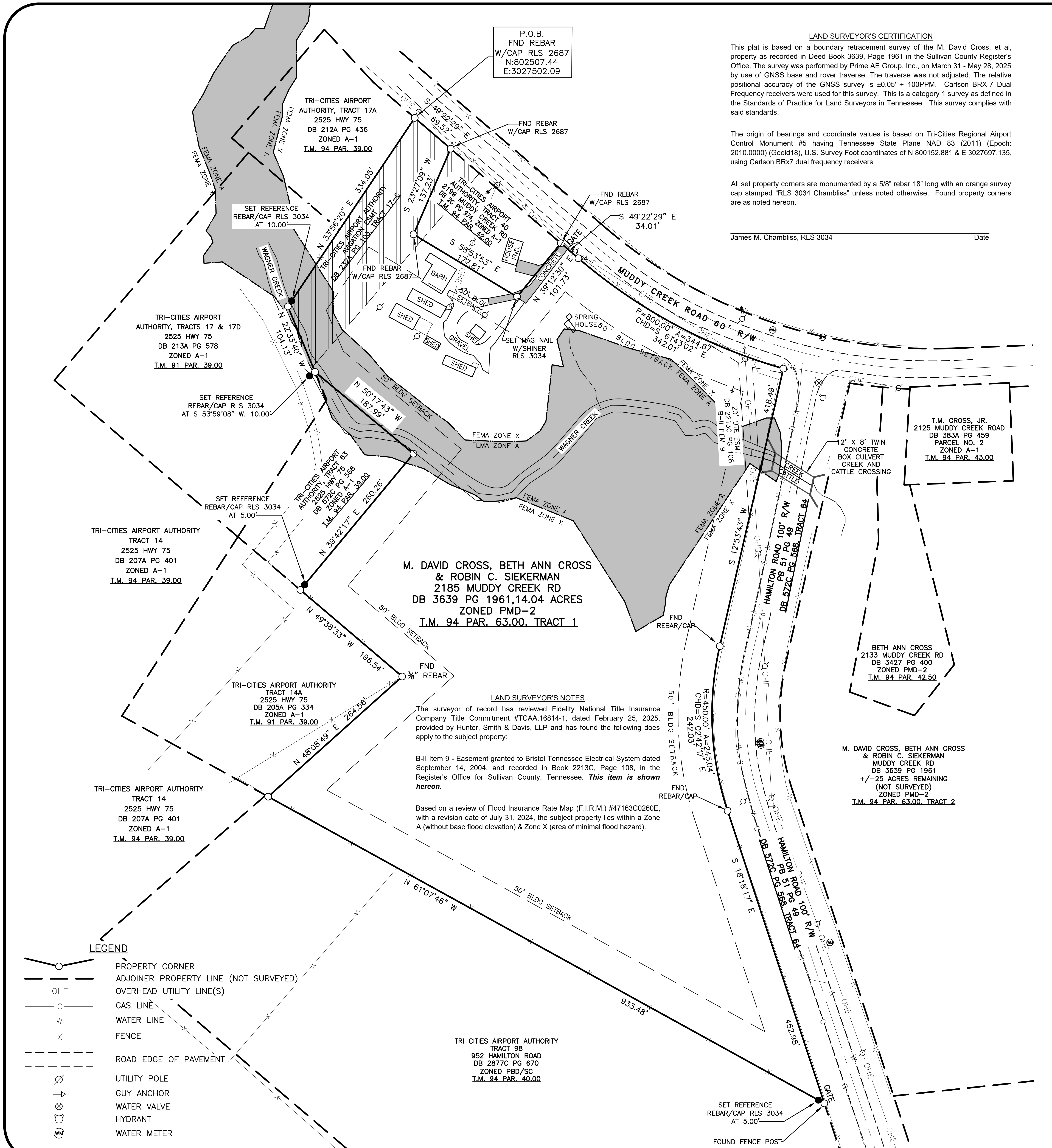
Estimated Project Cost Summary Plan		Original Offer	Counteroffer
Administration (IFE/Advertisement)		$ 10,000	$ 10,000
Legal Services (Estimated)		$ 25,000	$ 25,000
Engineering Services		$ 174,372	$ 174,372
Property Acquisition (Appraisal)		$ 634,800	$ 812,100
Relocation (Estimated)		$ 11,250	$ 11,250
Total Estimated Project		$ 855,422	$1,032,722
Proposed Project AIP/PFC Funding Plan			
Federal AIP	95%	$ 812,651	$ 981,086
PFC Funds	5%	$ 42,771	$ 51,636
Total Estimated Project		$ 855,422	$1,032,722

The Tri-Cities Airport Authority's Legal Counsel will prepare the property offer and closing acquisition documents for execution.

Recommendation:

Authorize the President/CEO to execute a final property acquisition, along with property closing costs for the Airport - Cross Property Partial Acquisition – Parcel 094 063.00, pending final FAA approval.

Submitted By: David W. Jones
Chief Operating Officer



LAND SURVEYOR'S CERTIFICATION

This plat is based on a boundary retracement survey of the M. David Cross, et al, property as recorded in Deed Book 3639, Page 1961 in the Sullivan County Register's Office. The survey was performed by Prime AE Group, Inc., on March 31 - May 28, 2025 by use of GNSS base and rover traverse. The traverse was not adjusted. The relative positional accuracy of the GNSS survey is ±0.05' + 100PPM. Carlson BRX-7 Dual Frequency receivers were used for this survey. This is a category 1 survey as defined in the Standards of Practice for Land Surveyors in Tennessee. This survey complies with said standards.

The origin of bearings and coordinate values is based on Tri-Cities Regional Airport Control Monument #5 having Tennessee State Plane NAD 83 (2011) (Epoch: 2010.0000) (Geoid18), U.S. Survey Foot coordinates of N 800152.881 & E 3027697.135, using Carlson BRx7 dual frequency receivers.

All set property corners are monumented by a 5/8" rebar 18" long with an orange survey cap stamped "RLS 3034 Chambliss" unless noted otherwise. Found property corners are as noted hereon.

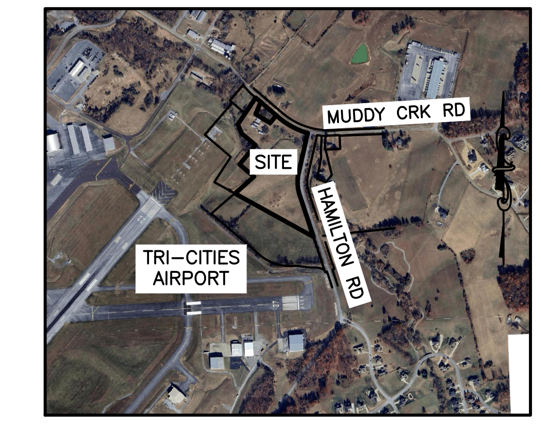
James M. Chambliss, RLS 3034 Date

LAND SURVEYOR'S NOTES

The surveyor of record has reviewed Fidelity National Title Insurance Company Title Commitment #TCAA.16814-1, dated February 25, 2025, provided by Hunter, Smith & Davis, LLP and has found the following does apply to the subject property:

B-II Item 9 - Easement granted to Bristol Tennessee Electrical System dated September 14, 2004, and recorded in Book 2213C, Page 108, in the Register's Office for Sullivan County, Tennessee. ***This item is shown hereon.***

Based on a review of Flood Insurance Rate Map (F.I.R.M.) #47163C0260E, with a revision date of July 31, 2024, the subject property lies within a Zone A (without base flood elevation) & Zone X (area of minimal flood hazard).



VICINITY MAP
1"=2000'

0' 100' 200'
SCALE: 1"=100'

LEGAL DESCRIPTION

M. DAVID CROSS, BETH ANN CROSS & ROBIN C. SIEKERMAN

2185 MUDDY CREEK ROAD

18TH CIVIL DISTRICT

BLOUNTVILLE, SULLIVAN COUNTY, TENNESSEE

All that tract or parcel of land situated on the south side of Muddy Creek Road and the west side of Hamilton Road at the intersection of Muddy Creek Road and Hamilton Road in Blountville, Sullivan County, Tennessee, being more fully described and bounded as follows, to wit:

BEGINNING a found rebar with survey cap (RLS 2687) at the common corner of M. David Cross, et al (2185 Muddy Creek Road, DB 3639 Pg 1961) and Tri-Cities Airport Authority, Tract 17A (2525 HWY 75, DB 212A Pg 436), said point being on the Muddy Creek Road south right of way, having NAD 83 Tennessee State Plane (2011) U.S. Survey Foot coordinates of North 802,507.44 and East 3,027,502.09;

Thence leaving said Tri-Cities Airport, Tract 17A and with said Muddy Creek Road, South 49°22'29" East, 69.52 feet to a found rebar with survey cap (RLS 2687) at the common corner with Tri-Cities Airport Authority, Tract 40 (2199 Muddy Creek Road, DB 2C Pg 974);

Thence leaving said Muddy Creek Road and with said Tri-Cities Airport Tract 40, for three (3) lines:

1. South 23°27'09" West, 137.23 feet to a found rebar with survey cap (RLS 2687),
2. South 58°53'53" East, 177.81 feet to a set Mag Nail with washer (RLS 3034),
3. North 39°12'30" East, 101.73 feet to a found rebar with survey cap (RLS 2687) on said Muddy Creek Road;

Thence leaving said Tri-Cities Airport, Tract 40 and with said Muddy Creek Road for two (2) lines:

1. South 49°22'29" East, 34.01 feet to a set ⅝" rebar 18" long with an orange survey cap (RLS 3034 Chambliss),
2. Along a curve to the left with a radius of 800.00 feet, an arc length of 344.67 feet and a chord South 61°43'02" East, 342.01 feet to a set ⅝" rebar 18" long with an orange survey cap (RLS 3034 Chambliss) at the intersection with the Hamilton Road west right of way (PB 51 Pg 49, DB 572C Pg 568, Tract 64);

Thence leaving said Muddy Creek and with said Hamilton Road for three (3) lines:

1. South 12°53'43" West, 418.49 feet to a found rebar with survey cap,
2. Along a curve to the left with a radius of 450.00 feet, an arc length of 245.04 feet and a chord South 02°42'17" East, 242.03 feet to a found rebar with survey cap,
3. South 18°18'17" East, 452.98 feet to a found fence post at a common corner with Tri-Cities Airport Authority, Tract 98 (952 Hamilton Road, DB 2877C Pg 670);

Thence leaving said Hamilton Road and with said Tri-Cities Airport, Tract 98, North 61°07'46" West, passing a set reference ⅝" rebar 18" long with an orange survey cap (RLS 3034 Chambliss) at 5.00 feet and continuing for a total distance of 933.48 feet to a set ⅝" rebar 18" long with an orange survey cap (RLS 3034 Chambliss) at a common corner with Tri-Cities Airport Authority, Tract 14A (2525 Hwy 75, DB 205A Pg 334);

Thence leaving said Tri-Cities Airport, Tract 98 and with said Tri-Cities Airport, Tract 14A, for two (2) lines:

1. North 48°08'49" East, 264.56 feet to a found 3/8" rebar,
2. North 49°38'33" West, 196.54 feet to a point at a common corner with Tri-Cities Airport Authority, Tract 63 (2525 Hwy 75, DB 572C Pg 568);

Thence leaving said Tri-Cities Airport, Tract 14A and with said Tri-Cities Airport, Tract 63 for two (2) lines:

1. North 39°42'17" East, passing a set reference ⅝" rebar 18" long with an orange survey cap (RLS 3034 Chambliss) at 5.00 feet and continuing for a total distance of 260.26 feet to a set ⅝" rebar 18" long with an orange survey cap (RLS 3034 Chambliss),
2. North 50°17'43" West, 187.99 feet to a point in the line with Tri-Cities Airport Authority, Tracts 17 and 17-D (2525 Hwy 75, DB 213A Pg 578) and being referenced by a set ⅝" rebar 18" long with an orange survey cap (RLS 3034 Chambliss) at South 53°59'08" West, 10.00 feet;

Thence leaving said Tri-Cities Airport, Tract 63 and with said Tri-Cities Airport, Tracts 17 and 17-D and continuing with said Tri-Cities Airport, Tract 17A, for two (2) lines:

1. North 22°33'40" West, 104.13 feet to a point,
2. North 33°56'20" East, passing a set reference ⅝" rebar 18" long with an orange survey cap (RLS 3034 Chambliss) at 10.00 feet and passing the common corner to said Tri-Cities Airport Authority, Tract 17A at approximately 135.00 feet for a total distance of 334.05 feet to the **POINT OF BEGINNING**, containing 611,541 square feet or 14.04 acres, more or less.

Being a part of the same property conveyed to M. David Cross, Beth Ann Cross and Robin C. Siekerman of record in Deed Book 3639, Page 1961 in the Sullivan County Register's Office.

This legal description is based on a survey performed by Prime AE Group, Inc., in March, April and May 2025, and was prepared by James M. Chambliss, RLS 3034, on May 29 17, 2025.

JAMES M. CHAMBLISS
TENNESSEE NO. 3034

PRIME AE
651 Perimeter Drive, Suite 300
Lexington, KY 40517
Phone (859) 3680145

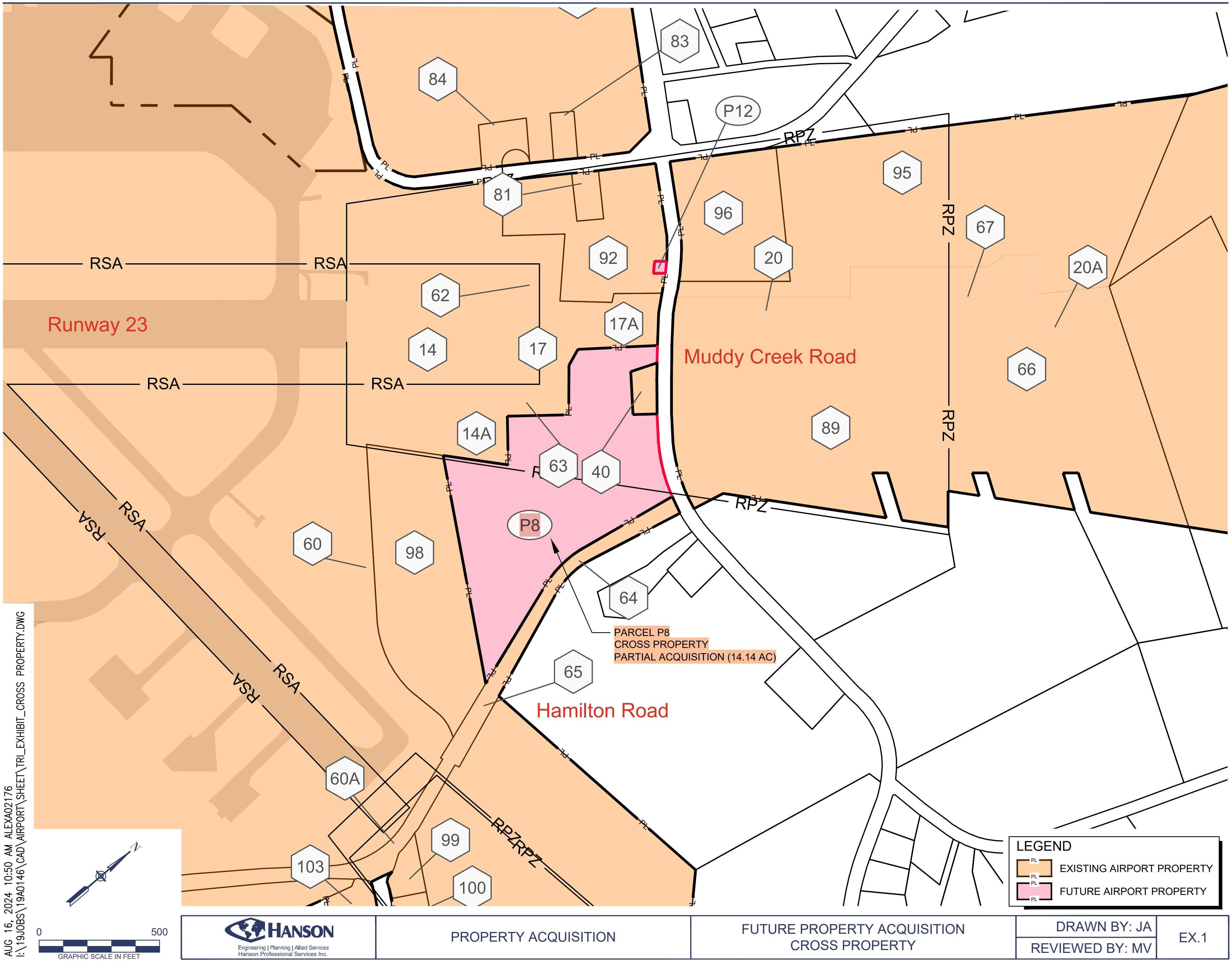
Client
Tri-Cities Airport Authority
2525 Hwy 75, Ste 301
Blountville, Tennessee 37617

M. David Cross, Beth Ann Cross,
Robin C. Siekerman
2075 Muddy Creek Road
Blountville, Tennessee
Owners

Project No.: 240607-01
Date: May 2025
Drawn By: JMC
Checked By: JMC

Boundary Retracement Survey
M. David Cross, Beth Ann Cross
& Robin C. Siekerman
18th Civil District
2185 Muddy Creek Road
Sullivan County, Tennessee

P:\Projects\2024\240607 Tri Cities Airport - Cross Boundary Survey\500-CAD\520-Survey\524-Working\Working Drawings\240607 Boundary.dwg
Day & Time: May 29, 2025 - 10:33am
Login Name: jchambliss



AUG 16, 2024 10:50 AM ALEXA02176
I:\19JOBS\19A0146\CAD\AIRPORT\SHEET\TRI_EXHIBIT_CROSS PROPERTY.DWG

HANSON Engineering | Planning | Allied Services Hanson Professional Services Inc.	PROPERTY ACQUISITION	FUTURE PROPERTY ACQUISITION CROSS PROPERTY	DRAWN BY: JA REVIEWED BY: MV	EX.1

CONSIDER:

Airport Runway 5/23 - Tree Obstruction Mitigation
Award South East Mowing, LLC - Obstruction Mitigation Contract

Summary:

The Airport Runway Obstruction Mitigation project includes removing tree obstructions, clearing and land refurbishment for seven avigation easement properties. The tree obstructions impact Runway 5/23 aircraft approach surfaces. The project includes various tree obstruction clearing efforts on each individual property. The airport advertised the project and received bids on December 2, 2025, at 2:00 PM, with South East Mowing, LLC submitting the lowest bid for $579,651.60. Kimley-Horn reviewed and recommends award to Sout East Mowing, LLC. The proposed project funding will be from FAA FY2026 BIL grant, airport and future PFC funds.

Estimated Project Cost Summary Plan	
Administration (Estimate)	$ 10,000
Legal/IFE/Advertisement (Estimate)	$ 25,000
Engineering Design/Bid/Specialty Services	$ 313,373
Engineering Construction Administration Services	$ 226,654
Construction Services	$ 548,571
Construction Services Ineligible	$ 31,080
Total Estimated Project	$ 1,154,679

Proposed Project FY2026 BIL/PFC Funding Plan	
Federal BIL Funds	$ 1,067,419
Future PFC Funds	$ 56,180
Airport Funds TVA/Phillips	$ 31,080
Total Estimated Project	$ 1,154,679

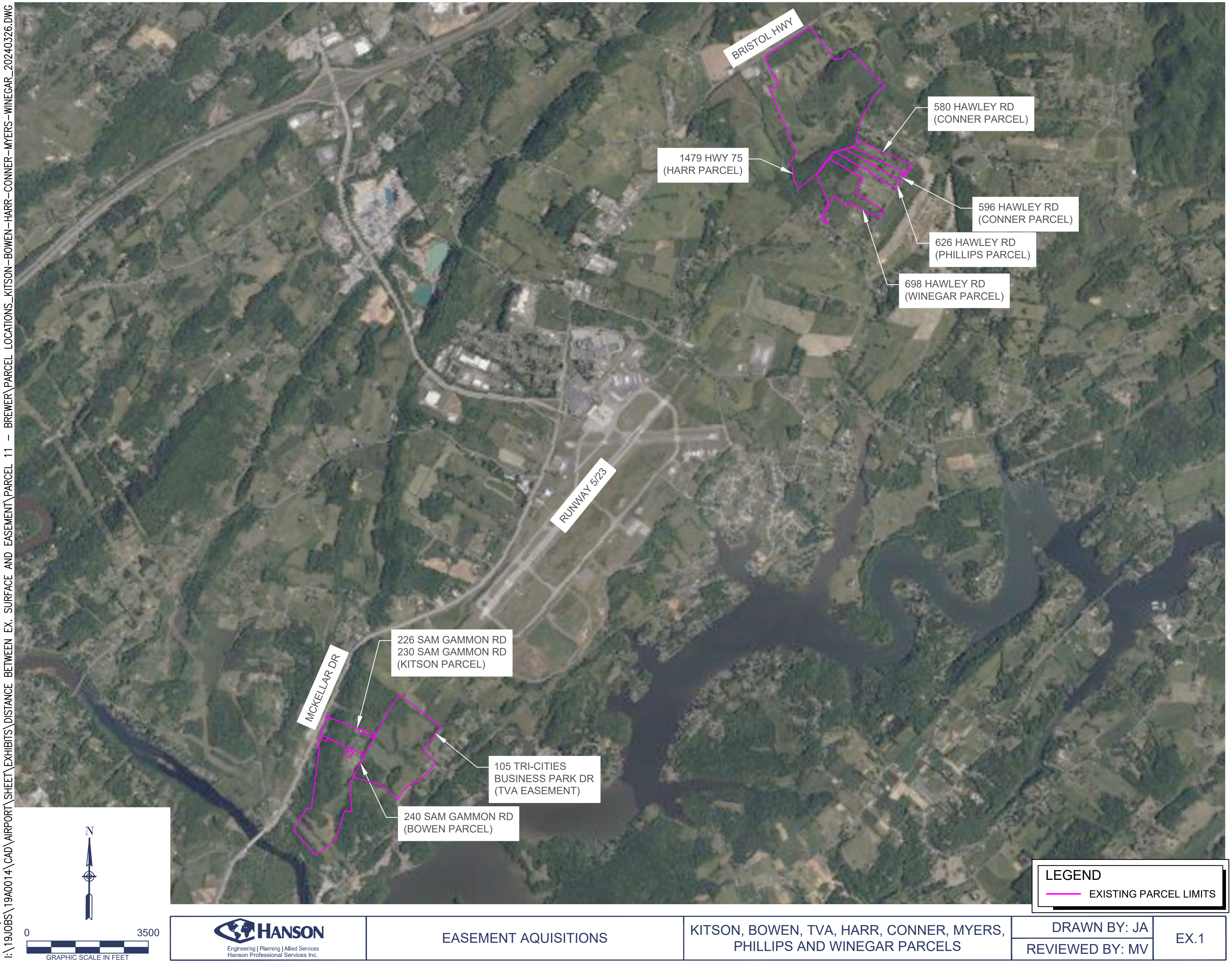
The Tri-Cities Airport Authority's Legal Counsel will review the South East Mowing, LLC contract prior to execution.

Recommendation:

Authorize the Chairman to execute a construction services contract with South East Mowing, LLC in the amount of $579,651.60 for the Airport Runway 5/23 - Tree Obstruction Mitigation project, pending final FAA grant funding approval.

Submitted By: David W. Jones
Chief Operating Officer

DEC 05, 2025 11:09 AM CRAFT02387
I:\19JOBS\19A0014\CAD\AIRPORT\SHEET\EXHIBITS\DISTANCE BETWEEN EX. SURFACE AND EASEMENT\PARCEL 11 - BREWER\PARCEL LOCATIONS_KITSON-BOWEN-HARR-CONNER-MYERS-WINEGAR_20240326.DWG



HANSON Engineering | Planning | Allied Services Hanson Professional Services Inc.	EASEMENT AQUISITIONS	KITSON, BOWEN, TVA, HARR, CONNER, MYERS, PHILLIPS AND WINEGAR PARCELS	DRAWN BY: JA REVIEWED BY: MV	EX.1

HANSON™

PH 502.451.0772
HANSON-INC.COM

2700 Moran Ave, Suite B
Louisville, KY 40205

December 4, 2025

David W. Jones, Chief Operating Officer
Tri-Cities Airport
2525 Hwy 75, Suite 305
Blountville, TN 37617

Dear Mr. Jones:

The bid opening for the TRI Runway Tree Obstruction Mitigation Project (TRI Project 18883-500) was held on December 2, 2025, at 2:00 pm local time. Two (2) bid proposal packages were received. The bid proposal included a base bid. We have reviewed the itemized bid proposal for the received bid and found no math errors. The two bids received are as follows:

- JTB Construction LLC, Kingsport, Tennessee, Base Bid $866,485.00
  - BIL Reimbursement Eligible - $710,990.00
  - Airport Costs - $155,495.00
- South East Mowing, LLC, Blountville, Tennessee, Base Bid $579,651.00
  - BIL Reimbursement Eligible - $548,571.00
  - Airport Costs - $31,080.00

The Engineer's Opinion of Probable Construction Cost (OPCC) for the project is Base Bid $690,000.00 with $597,000.00 being BIL Reimbursement and $93,000 in Airport Costs.

South East Mowing, LLC is the apparent low bidder. The apparent low Base Bid is lower than the Engineer's OPCC by 16.0%. A copy of the bid tabulation is enclosed for your review.

South East Mowing, LLC is prequalified with the Tennessee Department of Transportation. We have reviewed the Tennessee Secretary of State's information, South East Mowing, LLC has an active registration with the State of Tennessee. We have also confirmed references provided by South East Mowing, LLC.

In our review of the bids, there were a few items that will need further clarification from South East Mowing, LLC prior to beginning construction. These items were minor and should have no significant effect on the total contract amount. Based upon our review of the bid proposals, the Engineer's recommendation is to award the Base Bid construction contract to South East Mowing, LLC. Our recommendation is contingent upon review and concurrence by the Tri-Cities Airport's Legal Counsel and concurrence from the FAA. If you have any questions or need additional information, please call me at (502) 797-7218 or email me at mvasher@hanson-inc.com.

Sincerely,
Melissa M. Vasher

Melissa Vasher, P.E.
Project Manager

19A0014B

BID TABULATION
TRI-CITIES AIRPORT (TRI)
RUNWAY TREE OBSTRUCTION MITIGATION
TRI PROJECT NO. 18883-500

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	ENGINEER'S ESTIMATE UNIT PRICE	ENGINEER'S ESTIMATE EXTENSION	JTB CONSTRUCTION LLC UNIT PRICE	JTB CONSTRUCTION LLC EXTENSION	SOUTH EAST MOWING, LLC UNIT PRICE	SOUTH EAST MOWING, LLC EXTENSION
Base Bid									
C-105	MOBILIZATION	1	LS	$33,000.00	$33,000.00	$51,020.00	$51,020.00	$52,965.00	$52,695.00
TDOT 104	MAINTENANCE OF TRAFFIC	1	LS	$10,000.00	$10,000.00	$13,000.00	$13,000.00	$10,000.00	$10,000.00
TDOT 201-01	BOWEN PROPERTY TREE REMOVAL	1	LS	$60,000.00	$60,000.00	$124,830.00	$124,830.00	$210,000.00	$210,000.00
TDOT 201-02	KITSON PROPERTY TREE REMOVAL	1	LS	$5,000.00	$5,000.00	$3,680.00	$3,680.00	$10,000.00	$10,000.00
TDOT 201-03	TVA PROPERTY CLEARING	1	LS	$30,000.00	$30,000.00	$32,200.00	$32,200.00	$10,000.00	$10,000.00
TDOT 201-04	CONNER PROPERTY TREE REMOVAL	1	LS	$5,000.00	$5,000.00	$11,325.00	$11,325.00	$9,000.00	$9,000.00
TDOT 201-05	HARR PROPERTY TREE REMOVAL	1	LS	$30,000.00	$30,000.00	$51,910.00	$51,910.00	$50,000.00	$50,000.00
TDOT 201-06	MYERS PROPERTY TREE REMOVAL	1	LS	$5,000.00	$5,000.00	$16,095.00	$16,095.00	$10,000.00	$10,000.00
TDOT 201-07	PHILLIPS PROPERTY TREE TREMOVAL	1	LS	$20,000.00	$20,000.00	$38,380.00	$38,380.00	$6,000.00	$6,000.00
TDOT 201-08	WINEGAR PROPERTY TREE REMOVAL	1	LS	$5,000.00	$5,000.00	$15,560.00	$15,560.00	$9,000.00	$9,000.00
TDOT 209	EROSION CONTROL	1	LS	$35,000.00	$35,000.00	$23,560.00	$23,560.00	$26,000.00	$26,000.00
1	BOWEN PROPERTY HAUL ROUTE	1	LS	$30,000.00	$30,000.00	$107,310.00	$107,310.00	$30,000.00	$30,000.00
2	KITSON PROPERTY HAUL ROUTE	1	LS	$15,000.00	$15,000.00	$0.00	$0.00	$18,000.00	$18,000.00
3	TVA PROPERTY HAUL ROUTE	1	LS	$15,000.00	$15,000.00	$65,280.00	$65,280.00	$12,000.00	$12,000.00
4	WINEGAR PROPERTY HAUL ROUTE	1	LS	$25,000.00	$25,000.00	$116,075.00	$116,075.00	$6,000.00	$6,000.00
5	BOWEN PROPERTY LANDSCAPE RESTORATION	1	LS	$170,000.00	$170,000.00	$82,110.00	$82,110.00	$49,730.00	$49,730.00
6	KITSON PROPERTY LANDSCAPE RESTORATION	1	LS	$2,000.00	$2,000.00	$5,985.00	$5,985.00	$1,200.00	$1,200.00
7	CONNER PROPERTY LANDSCAPE RESTORATION	1	LS	$7,000.00	$7,000.00	$5,985.00	$5,985.00	$1,400.00	$1,400.00
8	HARR PROPERTY LANDSCAPE RESTORATION	1	LS	$110,000.00	$110,000.00	$51,100.00	$51,100.00	$30,274.00	$30,274.00
9	MYERS PROPERTY LANDSCAPE RESTORATION	1	LS	$30,000.00	$30,000.00	$16,860.00	$16,860.00	$16,256.00	$16,256.00
10	PHILLIPS PROPERTY LANDSCAPE RESTORATION	1	LS	$28,000.00	$28,000.00	$19,635.00	$19,635.00	$3,080.00	$3,080.00
11	WINEGAR PROPERTY LANDSCAPE RESTORATION	1	LS	$20,000.00	$20,000.00	$14,585.00	$14,585.00	$9,016.00	$9,016.00
	BASE BID TOTAL				**$690,000.00**		**$866,485.00**		**$579,651.00**
	BIL Eligible				**$597,000.00**		**$710,990.00**		**$548,571.00**
	Airport's Cost				**$93,000.00**		**$155,495.00**		**$31,080.00**

	ENGINEER'S ESTIMATE	JTB CONSTRUCTION LLC	SOUTH EAST MOWING, LLC
TOTAL BASE BID	$690,000.00	$866,485.00	$579,651.00

Tri-Cities Airport Authority
December 11, 2025

REPORT:

Airport Runway 5/23 – Tree Obstruction Mitigation
Award Kimley-Horn Construction Administration Services Agreement

Summary:

The Airport Runway Obstruction Mitigation project includes removing tree obstructions for seven avigation easement properties. Tree obstructions have a safety impact on Runway 5/23 aircraft approach surfaces. Kimley-Horn prepared a construction administration services agreement for $226,654 to include on-site construction observation, airport and property owner coordination, progress meetings, contactor submittals and invoice review, project contract formulation and documentation, FAA close out documents and update the FAA Airport Data Input Portal (ADIP) surveying data. The project funding is anticipated from FAA FY2026 BIL grant, airport and future PFC funds.

Estimated Project Cost Summary Plan		
Administration (Estimate)	$	10,000
Legal/IFE/Advertisement (Estimate)	$	25,000
Engineering Design/Bid/Specialty Services	$	313,373
Engineering Construction Administration Services	$	226,654
Construction Services	$	548,571
Construction Services Ineligible	$	31,080
Total Estimated Project	$	1,154,679

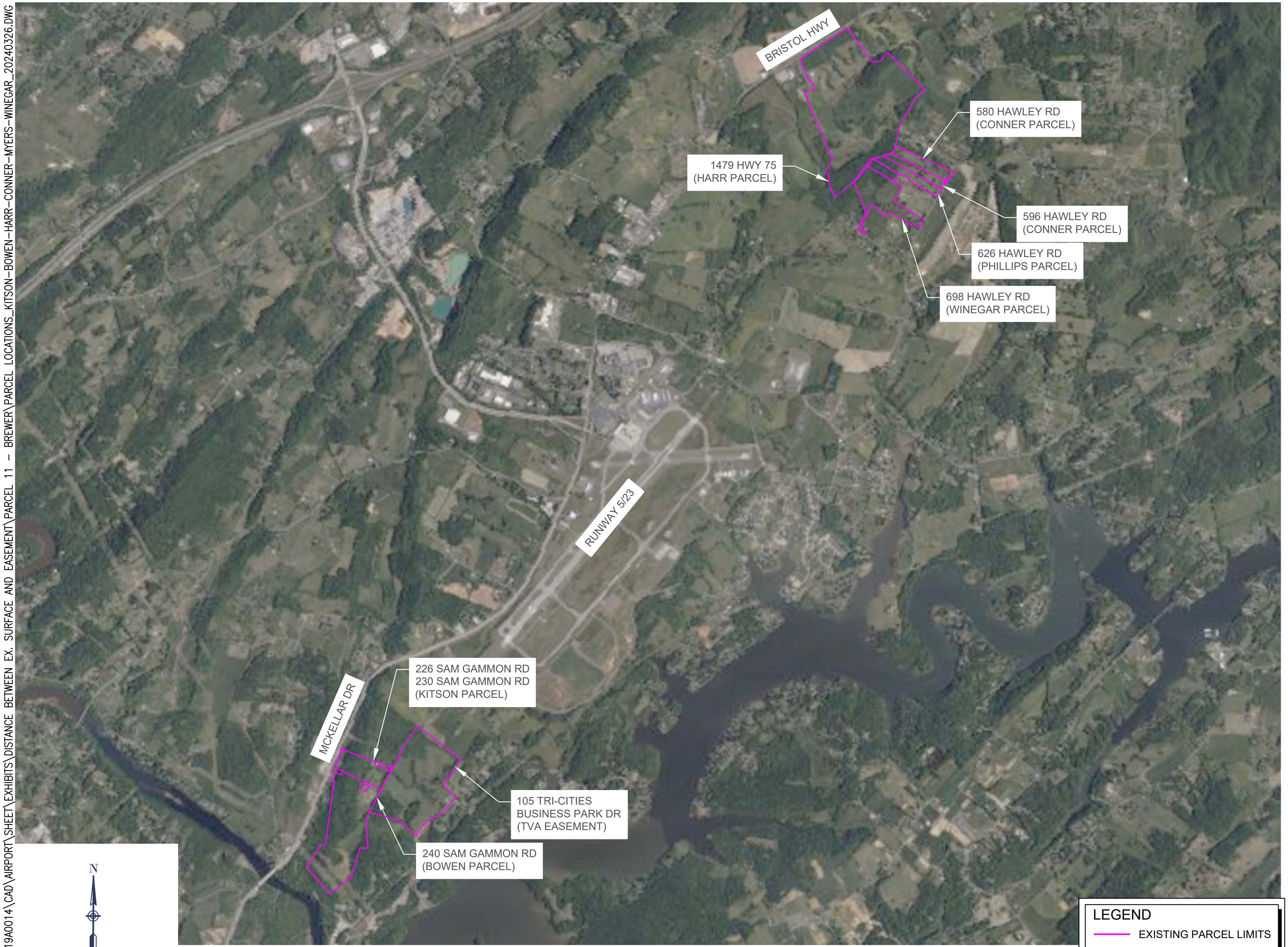
Proposed Project FY2026 BIL/PFC Funding Plan		
Federal BIL Funds	$	1,067,419
Future PFC Funds	$	56,180
Airport Funds TVA/Phillips	$	31,080
Total Estimated Project	$	1,154,679

The Tri-Cities Airport Authority's Legal Counsel will review the Kimley-Horn construction administration services agreement prior to execution.

Recommendation:

Authorize the Chairman to execute a construction administration services agreement with Kimley-Horn for $226,654 for the Airport Runway 5/23 - Tree Obstruction Mitigation project, pending final FAA grant funding approval.

Submitted By: David W. Jones
Chief Operating Officer



HANSON
Engineering | Planning | Allied Services
Hanson Professional Services Inc.

EASEMENT AQUISITIONS	KITSON, BOWEN, TVA, HARR, CONNER, MYERS, PHILLIPS AND WINEGAR PARCELS	DRAWN BY: JA REVIEWED BY: MV	EX.1

RUNWAY TREE OBSTRUCTION MITIGATION

Construction Phase Services Scope of Work

Tri-Cities Airport

Blountville, TN
November 25, 2025

Prepared by:

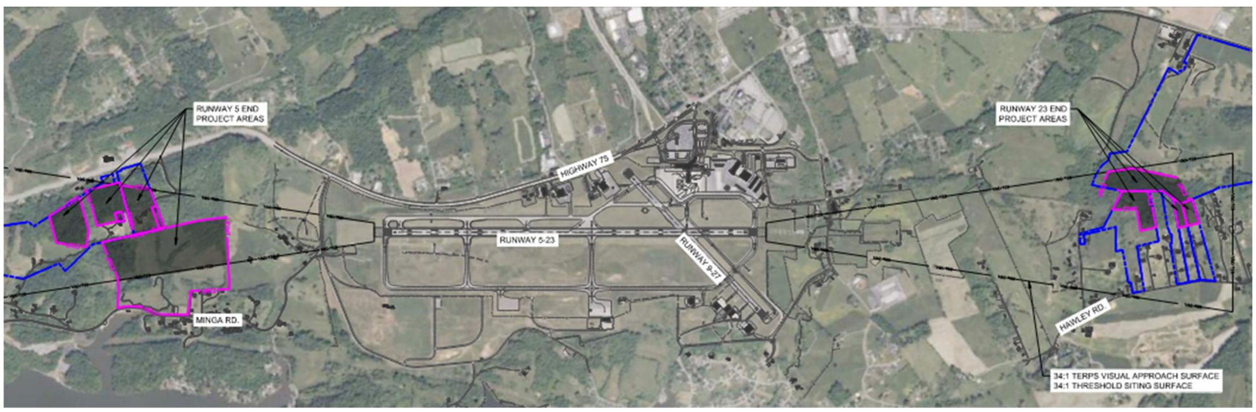
Kimley»Horn

EXHIBIT 1

Project Description

The Tri-Cities Airport Authority (Authority) has completed a preliminary evaluation of the existing and anticipated objects penetrating the critical approach surfaces to each of the four runway ends. All the existing and anticipated penetrating objects are trees. In accordance with Federal Aviation Administration (FAA) standards and guidelines, the Authority intends to maintain and protect the approaches to all four existing runway ends. Currently, the Authority is in the process of acquiring avigation easements near the Tri-Cities Airport (TRI) on properties with trees penetrating, or soon to penetrate, FAA designated approach surfaces.

The Tri-Cities Airport Authority (Client) has acquired aviation easements on properties under the Runway 5 and Runway 23 approaches in order to mitigate obstructions to the approaches.



The project (shown in exhibit above) consists of the mitigation of obstructions within the existing easements within the Runway 5 and 23 approaches to Tri-Cities Airport. Work shall consist of tree removal and trimming, disposal of tree debris, site restoration, maintenance of traffic and haul routes, erosion control, and incidental work.

These scopes of services include Grant Administration, Construction Contract Administration, and Construction Observation. The project is funded with Federal Aviation Administration (FAA) grant funds, State funds and local funds.

The project was bid in one base bid for all the designed work for the FAA funded easements' mitigation as well as the locally funded TVA property and Phillips's property.

EXHIBIT 2

Project Scope of Services

This scope of work will provide project management, grant and construction contract administration and construction observation services for the construction phase. Materials testing will not be provided as part of this scope of work. Elements in this scope of work are FAA grant eligible, as generally shown in the project exhibit for the FAA funded properties.

Detailed Scope if Work Elements – Construction Phase Services

Task 1 – Project Management, Administration, & Coordination

The Hanson team will provide general project management, administration, and coordination duties throughout the Construction Phase in supporting the Owner including as-needed correspondence (telephone, email, etc.), meetings and stakeholder coordination (Owner, State, FAA, property owners, utility providers, etc.), and dissemination of project data to the project team. The following subtasks are anticipated:

1. Project Management/Administration/Coordination/Communication:
   a. Comment/Response documents, minutes, file management and distribution will be handled by the Hanson team.
      i. Weekly progress meetings with TRI will be held, up to 30 minutes in length.
      ii. Board updates will be provided, up to 3 Board meetings. This includes travel to and from and attendance as well as written documentation for one Hanson staff member.
      iii. Hanson will provide other project management tasks such as invoicing, budget and scope tracking and monthly progress reports.
   b. Subconsultant coordination including contracting, approvals coordination, and miscellaneous communication between team members regarding construction contract administration goals and schedule.

Environmental Compliance: Hanson will coordinate with FAA and local agencies to monitor project progress with environmental documentation commitments such as permitting and coordination with agencies.

Grant Administration: Hanson will assist TRI in preparation of FAA standard monthly progress reports or quarterly reports when construction is not ongoing for submittal and assist with grant closeout at the completion of the project. Up to 6 monthly reports and 2 quarterly reports.

Grant Reimbursement Requests: Hanson will review quantities and contractor pay applications and assist in preparation of federal grant pay requests, for engineering fees and the Contractor's construction cost for TRI approval.

Task 2 – Construction Contract Administration

Construction Contract Administration Services. The Construction Phase Services (Administration and Observation) values are based on the provision of services related to a construction contract time of 177 calendar days (126 working days, assumed). If, over the course of the construction, calendar days are increased beyond the stated number of days, the additional days may require additional compensation.

Hanson will lead the team to provide services after the contract award. Tasks include:

Pre-construction Conference. Hanson will coordinate and conduct an on-site pre-construction meeting with at least up to two Hanson staff members in attendance with the Owner, Contractor, Resident Project Representative (RPR – an additional Hanson staff), subconsultants and other interested project stakeholders. Representatives of the FAA will also be invited to attend. The meeting is expected to last 1 hour with additional time for travel to and from the meeting. The pre-construction meeting will be conducted in accordance with FAA AC 150/5370-12B – Quality Management for Federally Funded Airport Construction Projects to allow the involved parties to thoroughly discuss contract matters, airport safety, construction phasing and sequencing, and other relevant project matters. Hanson will prepare the invitation, agenda and meeting minutes for this meeting.

Shop Drawing and Material Submittal Review. Hanson will review shop drawings, submittals and material certifications that are furnished by the Contractor for general conformance with the design intent and requirements of the contract documents.

Hanson will review shop drawing submittals pertinent to Hanson's scope of design and each subconsultant will review shop drawing submittals pertaining to their design scope. For budgeting purposes, Hanson estimates review of 5 shop drawings with an average of 2 hours for each submittal. This includes an assumption of 25% of submittals requiring a resubmission which is included in the 2 hours average.

Hanson will maintain a submittal log to document the submission, review, response, and approval of items furnished. Contractor submittals are expected to be comprehensive and complete and require minimal review and approval. Poorly prepared submittals requiring multiple reviews may require additional compensation.

Requests for Information (RFI). Hanson will document and respond in writing to Contractor's RFI and requests for changes due to site conditions and/or issues encountered during construction that were unknown or unforeseen during the design phase. An RFI log will be maintained to document RFI's received and responses thereto. It is estimated there will be no more than four (4) RFIs during the project. Each RFI is estimated to require 2 hours of review and response.

Change Orders. Hanson will assist the Client in preparing change orders as required for project in response changes in project conditions, RFI clarifications, or project scope revisions. Hanson will prepare written descriptions of scope for change orders and also prepare plan sheet or specification revisions and sign/seal the revisions for issuance to the Contractor. For the purpose of establishing a budget, Hanson estimates a total of 1 change orders to be prepared, requiring 6 hour of preparation.

Proposal Requests. Hanson will assist the Client in preparing proposal requests to the

Contractor required for changes in project conditions, RFI clarifications, or project scope revisions. Hanson will prepare sketches, plan sheet markups, specification revisions, and written descriptions of work for proposal requests. Hanson will evaluate proposals received by the contractor for cost reasonableness and make recommendations to the Client and Owner for acceptance or rejection. To establish a budget, Hanson estimates a total of 1 proposal requests to be prepared requiring 6 hours of preparation each.

Bi-Weekly Progress Meetings and Pre-Activity Meetings. Hanson will lead in-person and Teams virtual bi-weekly progress meeting throughout the project duration. It is anticipated that one will be in-person and one will be virtual each month. Hanson will prepare the agenda and the meeting minutes. This meeting will address the upcoming work plan, any airport facility impacts to support construction and associated NOTAMs, RFIs, and contract time. Meeting attendees will be representatives of the Contractor, Airport, and Hanson (RPR, project manager and relevant sub consultant). FAA staff will also be invited to attend as optional attendees. Twelve (12) meetings are anticipated during the construction. Six in-person progress meetings and six (6) virtual meetings are anticipated based on the contract time. Additional progress meetings may require additional compensation. Two in-person Hanson attendees per meeting are anticipated plus relevant sub consultant participation. Meetings are anticipated to be 1 hour in length with time for travelling to and from the in-person meetings. In-person progress meetings will coincide with site visits as appropriate.

Site Visits. Site visits by the Engineer or their designated representative will be conducted as necessary and/or at the request of the Owner to observe progress and field conditions.
Twelve engineering site visits (monthly) are anticipated for budgeting purposes, with one Hanson staff attending. Two additional visits for critical work elements or addressing concerns that arise are anticipated. For budgeting purposes, 6 hours of travel plus 6-hour visits are estimated for a total of 12 hours per visit, 14 total visits. However, additional visits may be performed at the request of the Owner or as required due to construction. Additional visits may require additional compensation.

Punch List Inspection. Hanson will conduct a site walk inspection by the Engineer or their designated representative at the point of substantial completion for the purpose of creating a punch list of items requiring correction prior to the final inspection. The punch list will be coordinated with the RPR and the Owner to ensure items of their concern are incorporated in the list provided to the Contractor. There will be 2 punch list inspections – one ahead of the interim date of March 31, 2026, and one for full project completion. Hanson will have 2 in-person attendees (Engineer and RPR) for each punch list inspection. For budgeting purposes, 10 hours of travel plus 6-hour visits are estimated for a total of 16 hours per visit per person.

Final Inspection. Hanson will conduct a site walk and final inspection of the project to confirm the completion of construction and conformance with the contract documents and that items from the punch list inspection have been addressed. Invitation to the Final inspection will include Owner, RPR, Contractor, and FAA. Hanson will have 2 in-person attendees (Engineer and RPR) for the final inspection. For budgeting purposes, 10 hours of travel plus 6-hour visits are estimated for a total of 16 hours per visit per person.

Hanson will submit a final acceptance letter (punch list complete) which shall certify to the FAA and the Owner that, to the best of Hanson's knowledge, understanding, and belief, the work involved has been done in substantial conformance with the plans, specifications, and Contract Documents, as the same shall have been modified, or supplemented by change order, supplementary contract or otherwise, and that such work is acceptable.

Record Drawings. Hanson will prepare and distribute to the Owner and FAA as-built record drawings and final quantities representing the completed project and reflecting the actual work accomplished during construction based on as-built drawing provided by the contractor. As-builts will be compared with change orders approved during the project to verify incorporation but accuracy beyond that will be the responsibility of the contractor. RPR will verify at the bi-weekly meetings that as-builts are being maintained by the contractor as the project progresses.

Final Deliverables to be provided to TRI:

1. Paper Set (1) Full set of paper documents containing the as-built record drawings of all features included in the project.

2.Portable Document Format (PDF) Set (1) Full set of the as-built record drawings in PDF.

3. Native Digital Set:
    - A digital copy in the native file format of all 3D features included within the project limits. Native file formats will include the most current version of AutoCad format.

FAA Airport Data and Information Portal (ADIP) Runway Airspace Management (RAM) Tool. Hanson will upload the as-builts and documentation to the ADIP RAM tool to remove obstructions. This effort is expected to take up to 8 hours for coordination and verification.

Project Grant Closeout. Hanson will prepare final project documentation required by the FAA and assist the Owner with grant closeout.

Construction Observation

Resident Project Representative. Hanson agrees to provide a qualified Resident Project Representative (RPR) to observe that construction is within reasonable conformity with the contract documents and in accordance with customary practices of engineers and contractors. Observation will be part time and vary in frequency depending upon the schedule. At minimum it will be weekly when tree removal work is occurring and then every other week for restoration. Budgeted time is for one overnight and two partial days plus travel. The budget for the noted observation is 16 visits which includes travel time of 9 hours total and an overnight stay. Expenses include mileage of 565 miles per visit, hotel (16 nights at $150/night average) and per diem ($68/day for 32 days) or actual expenses.

Preparation Prior to Construction. In advance of construction, Hanson will prepare the files necessary for thorough documentation of construction such as daily reports and progressive quantity tracking spreadsheets from the bidder's itemized proposal. Due to the multiple funding sources (AIP/IIJA, Local, etc.), documentation will be created to track each source of funding and the units of work completed by allocation as shown in the project plans and design documents.

Contract Time. The contract time is 177 calendar days with the anticipation of a construction start date January 2026. If the contract time exceeds what is estimated additional compensation will be required to maintain the same level of oversight.

Documentation. The Resident Project Representative will maintain a project diary, maintain weekly reports, track quantities with daily concurrence with the contractor, take project photographs, review, and submit to the Engineer all Contractor's Requests for Payment for signature. Based upon multiple funding sources, documentation will be kept for each grant source.

Duties of Resident Project Representative. Furnish part-time Resident Project Representative Services including project observation and applicable field-testing oversight of the work, whose duties shall include all reasonable, proper, and customary duties as are usually and customarily furnished in connection with the general observation of such improvements, including but not limited to the following:

i. Performance of oversight of acceptance and quality assurance tests when required by contract specification. Obtaining representative samples of miscellaneous materials such as paint, geotextile fabric, joint sealer, epoxy, polyester resin, etc. for testing, as necessary.

ii. Observation/Measurement/Oversight of construction to determine that the work was completed in substantial conformance with the approved plans and specifications, and in compliance with the requirements set forth in the contract documents. All stop or start work orders shall be issued by the Owner; the Resident Project Representative shall recommend the orders. Document pay item quantities reported for pay in accordance with the latest revision of the FAA guidance.

iii. Obtain and review for specification compliance, material certifications and/or test results for all materials prior to their use in the construction.

iv. Reject for inclusion in the project, any materials that are delivered without certification and/or test results, or materials delivered with certification that have been found to be in noncompliance, or any defect found through visual inspection which renders the material unsuitable for inclusion in the project. The Owner shall be notified when any rejections are made. Materials that are delivered without certification and/or test results may be stockpiled or stored in a manner acceptable to the Resident Project Representative until such time as the certification and/or test result arrive and are reviewed and accepted by the Resident Project Representative.

v. Preparation of Reports required per permits (if applicable) while providing on-site services, retaining all support documentation.

vi. Participate in audits performed to determine that the project is proceeding accordingly per the plans and specifications and adhering to AIP grant requirements.

Safeguard the Sponsor. Endeavor to safeguard the Owner against any defects and deficiencies on the part of the Contractor. The Resident Project Representative does not guarantee the performance of the contract by the Contractor, except that the Resident Project Representative shall document that, to the best of the Resident Project Representative's knowledge, information and belief, the work has been done in substantial conformance with the approved plans and specifications and advise the Owner and/or the FAA in writing of any known noncompliance set forth in the contract. This does not in any way mean that the Resident Project Representative is a guarantor of the Contractor's work.

The Resident Project Representative and Hanson assumes no responsibility for safety in, on or about the job site, nor shall the Resident Project Representative or Hanson have any responsibility for the safety or adequacy of any equipment, building component, scaffolding, forms, or other work aids provided by the contractor; nor is the Resident Project Representative responsible for the superintendence of the contractor's work or any acts of the contractor.

Project Assumptions

1. This Scope of Services document identifies the planned services and deliverables for the project. Items not identified in this scope of services that arise during the project will be treated as additional services and will require additional compensation to be completed. Hanson will identify these items to the Owner/Agency when they arise and document any items that fall within the additional services category and will work with the client to appropriately address them.
2. Project Record Drawings will be based on As-Built information provided by the Contractor. They shall aid in documenting current conditions but shall not be used in lieu of survey locating the exact location of site features.
3. Construction Phase Services cover the project work and area shown in the project plans and specifications; no offsite observations are included unless specifically stated.
4. Any redesign for client’s convenience or due to changed conditions will require additional services.

Notable Exclusions

1. Design Phase Services are not included and will be part of a separate agreement.
2. Provision of services beyond the stated calendar day duration identified in this Scope of Services.
3. Oversight, means and methods, and safety of the construction site and Contractor’s operations and personnel are the responsibility of the Contractor. The Consultant and their staff may identify items of concern or items needing correction/modification to maintain conformance with the Contract Documents to be addressed by the Contractor. In no way do these actions remove the oversight, means and methods, and safety responsibilities of the contractor for the construction site.

Summary of Visits and Expenses:

- 35 nights for lodging and per diem
- 17 trips at 565 miles per trip
- 18 trips with rental car and fuel expenses
- Misc. printing, postage, supplies, etc.

EXHIBIT 3

Project Schedule

The Consultant will complete the services listed above upon a mutually agreed upon schedule. Below is a draft schedule based on an 1/1/2026 Notice to Proceed (NTP). Upon receipt of the fully executed contract, The Consultant will commence the services outlined in Exhibit 2.

- Notice to Proceed: January 2026
- Interim Date for Tree Removal/Felling: March 31, 2026
- Final Acceptance: June 2026 (177 calendar days from NTP)
- Final Closeout Documentation: July 2026 (7 months project time)

EXHIBIT 4

Contract Compensation

The Consultant will perform the scope of services in the tasks noted as "LS" in the table below for the total lump sum fee. Individual task amounts are informational only. See Attachment A for a breakdown of costs.

For the services set forth above, Client shall pay Consultant the following compensation:

Design Services		**Labor Fee**	**Fee Type**
Task 1	Project Management, Administration & Coordination	$ 20,787	LS
Task 2	Construction Contract Administration	$ 63,718	LS
Task 3	Construction Observation	$ 142,149	LS
	Design Subtotal	$ 226,654	LS

LS: Lump Sum Fee

ATTACHMENT A

Breakdown of Costs - Design and Bid Services

SCOPE / TASK TITLE	Group Manager	Sr. Project Manager	Sr. Prof. Engineer	Staff Engineer	Engineering Tech II	Engineering Tech I	Contract Administrator			TOTAL
Task 1 Project Management, Administration & Coordination										
Project Administration, Team & Airport Coordination										0
Environmental compliance										0
Grant Administration, Reimbursement Requests				Task by subconsultant						0
Overall Project Management (28 weeks)										0
QA/QC										0
TOTAL HOURS	0	0	0	0	0	0	0	0	0	0
BURDENED RATE	$ 280.00	$ 250.00	$ 190.00	$ 140.00	$ 120.00	$ 110.00	$ 100.00	$ 100.00	$ -	
TOTAL BURDENED LABOR $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
OTHER DIRECT NON-SALARY COSTS										
SPECIALTY SUBCONSULTANTS										
Hanson Professional Services, Inc.										$18,898
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)										$20,787
TOTAL SPECIALTY SUBCONSULTANTS										$20,787
TRAVEL			Car @	Airface @	Lodging @	650 Miles @	Per Diem @	Per Diem @	Per Diem @	
	#People	#Days	$80	$600	$120	$0.66	$60	$60	$60	
Meeting	0	0			$0	$0	$0	$0	$0	$0
										$0
							Total	Total	Total	$0
TOTAL ODC's										$20,787
	Task 1 Project Management, Administration & Coordination									**$20,787**

SCOPE / TASK TITLE	Principal	Program Manager	Mid Level Planner	Sr. Aviation Planner	Sr. Aviation Engineer	Environmental Specialist	Aviation Engineer	Admin Grade V	Admin Grade II	TOTAL
Task 2 Construction Contract Administration										
Pre-Construction Conference										0
Bi-Weekly Progress Meetings										0
Shop Drawings and Submittal Reviews										0
Requests for Information										0
Construction Change Orders										0
Proposal Requests										0
Engineer Site Visits					Tasks by subconsultant					0
Pre-Final Inspection and Punch List										0
Final Inspection										0
Review of Quantities and Pay Request										0
Record Drawings & Project Closeout										0
FAA ADIP Items										0
QA/QC										0
										0
TOTAL HOURS	0	0	0	0	0	0	0	0	0	0
BURDENED RATE	$ 236.94	$ 190.26	$ 124.32	$ 177.45	$ 163.41	$ 131.64	$ 115.35	$ 93.27	$ 68.00	
TOTAL BURDENED LABOR $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
OTHER DIRECT NON-SALARY COSTS										
SPECIALTY SUBCONSULTANTS										$0
Hanson Professional Services, Inc.										$57,926
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)										$63,718
TOTAL SPECIALTY SUBCONSULTANTS										$63,718
TRAVEL			Car @	Airfare @	Lodging @	650 Miles @	Per Diem @	Per Diem @	Per Diem @	
	#People	#Days	$80	$600	$120	$0.66	$60	$60	$60	
Meeting	0	0			$0	$0	$0	$0	$0	$0
										$0
							Total	Total	Total	$0
TOTAL ODC's										$63,718
Total Proposed Lump Sum Fee for:	**Task 2 Construction Contract Administration**									**$63,718**

ATTACHMENT A
Breakdown of Costs - Design and Bid Services

SCOPE / TASK TITLE	Principal	Program Manager	Mid Level Planner	Sr. Aviation Planner	Sr. Aviation Engineer	Environmental Specialist	Aviation Engineer	Admin Grade V	Admin Grade II	TOTAL
Task 3 Construction Observation										
Resident Project Representative (RPR) - Part time				Tasks by subconsultant						0
RPR Administrative Preparation and Project Closeout										0
										0
										0
TOTAL HOURS	0	0	0	0	0	0	0	0	0	0
BURDENED RATE	$ 236.94	$ 190.26	$ 124.32	$ 177.45	$ 163.41	$ 131.64	$ 115.35	$ 93.27	$ 68.00	
TOTAL BURDENED LABOR $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
OTHER DIRECT NON-SALARY COSTS										
SPECIALTY SUBCONSULTANTS										
Hanson Professional Services, Inc.										$54,846
Booker Design (WBE)										$74,380
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)										$142,149
TOTAL SPECIALTY SUBCONSULTANTS										
TRAVEL			Car @	Airface @	Lodging @	650 Miles @	Per Diem @	Per Diem @	Per Diem @	
	#People	#Days	$80	$600	$120	$0.66	$60	$60	$60	
Meeting	0	0			$0	$0	$0	$0	$0	$0
										$0
							Total	Total	Total	$0
TOTAL ODC's										$0
Total Proposed Lump Sum Fee for:	**Task 3 Construction Observation**									**$142,149**

Tri-Cities Airport Authority
December 11, 2025

REPORT:

Airport Twy B Rehab, Twy Y Reconfigure and Apron Trench Drain Rehab
Award Kimley-Horn Design-Bid Services Agreement

Summary:

The Airport Taxiway B asphalt pavement has been identified for rehabilitation due to age and condition, Taxiway Y requires geometric reconfiguration to meet FAA standards, and the Air Carrier Apron Trench Drains require safety rehabilitation due to drain grate movement. Kimley-Horn prepared a project design-bid services agreement for $329,141 to include geotechnical exploration, horizontal and vertical surveying geometry, design progress meetings, electrical circuits with edge lights and sign replacement, navaid coordination with the FAA, prepare bid plans and specifications, bid review and recommendation. The project funding is anticipated from FAA FY2026 BIL/AIP Entitlement grants and future PFC # 11 funds.

Estimated Project Cost Summary Plan	
Administration – Legal/IFE/Advertisement (Estimate)	$ 10,000
Engineering Design/Bid and Specialty Services	$ 329,141
Engineering Construction Administration Services (NIC)	$ 334,859
Construction - Opinion of Probable Costs (NIC)	$ 4,146,000
Total Estimated Project	$ 4,820,000

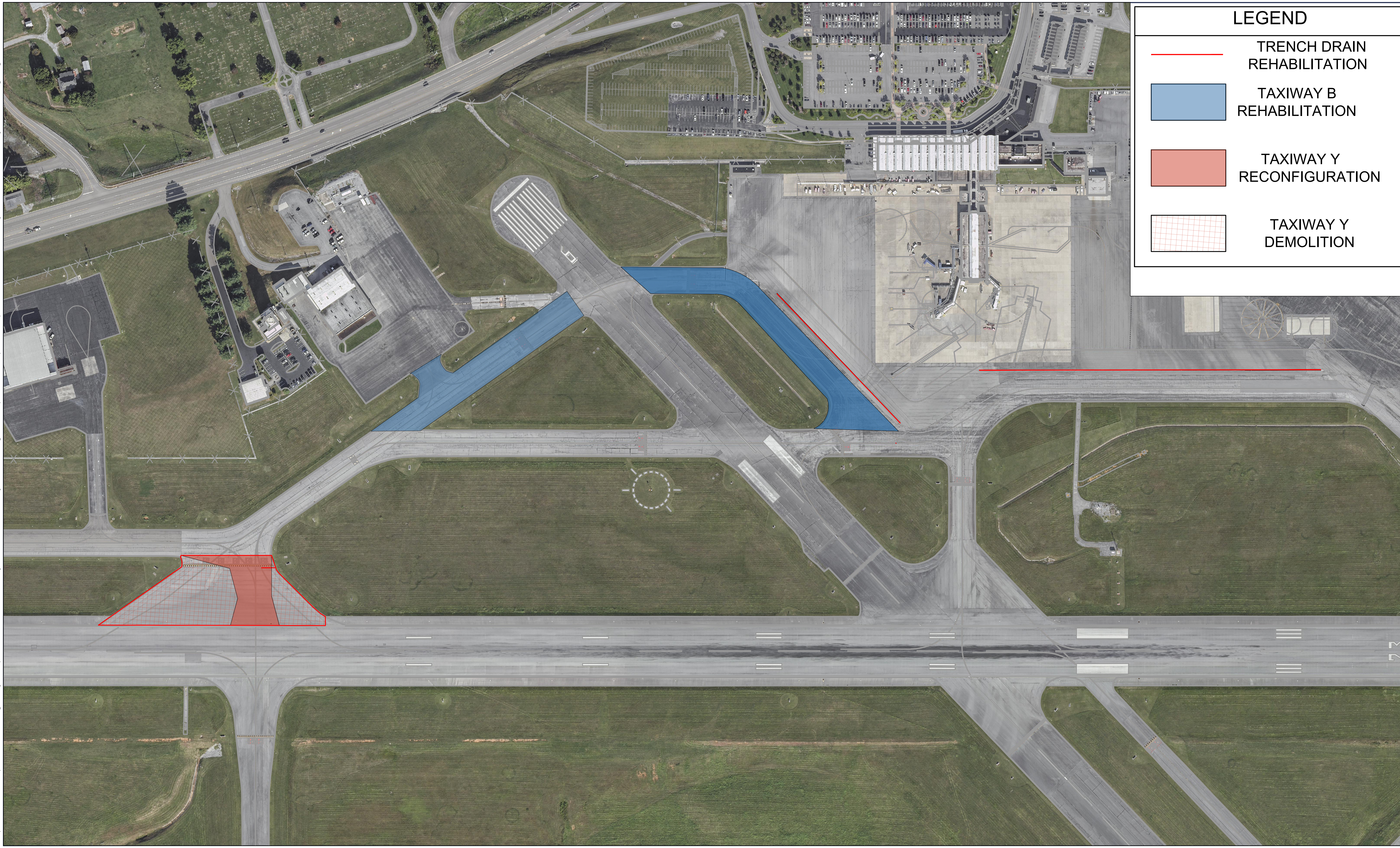
Proposed Project FY2026 BIL/AIP/PFC Funding Plan	
Federal BIL Funds	$ 1,000,000
Federal AIP Entitlement Funds	$ 1,000,000
Future PFC # 11 Funds	$ 2,820,000
Total Estimated Project	$ 4,820,000

The Tri-Cities Airport Authority's Legal Counsel will review the Kimley-Horn construction administration services agreement prior to execution.

Recommendation:

Authorize the Chairman to execute a design-bid services agreement with Kimley-Horn for $329,141 for the Airport Twy B Rehab, Twy Y Reconfigure and Apron Trench Drain Rehab project, pending final FAA grant funding approval.

Submitted By: David W. Jones
Chief Operating Officer



TW B REHAB, TW Y RECON AND APRON TRENCHDRAIN REHAB

NOVEMBER 2025

K:\NSH_Aviation\002 - Pending Projects\000000000 - TRI Twy B Rehab and Twy Y Reconfiguration\05 - CAD\Exhibits\2025-11-24 - Taxiway B Removal Taxiway Y Reconfig.dwg November 24, 2

TW B REHAB, TW Y RECON, AND APRON TRENCH DRAIN REHAB

Design and Bid Phase Servies Scope of Work

Tri-Cities Airport

Bloountville, TN

November 24, 2025

Prepared By:

Kimley»Horn

Exhibit 1

Project Description

The Tri-Cities Airport Authority (TRI, Client, or Owner), managing the Tri-Cities Airport (TRI) has selected Kimley-Horn and Associates, Inc (Kimley-Horn or Consultant) to provide design and bidding services associated with the TW B Rehab, Taxiway Y Recon, and Apron Trench Drain Rehab project (Project). The proposed Project consists of three elements. The first is the rehabilitation of Taxiway B as shown in Figure 1. The second element is the reconfiguration of Taxiway Y pavements to better adhere to current FAA Advisory Circular standards. Finally, the Project will include the rehabilitation of the entire terminal apron trench drain system to incorporate a new locking grate system to adhere to FAA Advisory Circular standards.

Figure 1 – Civil Scope

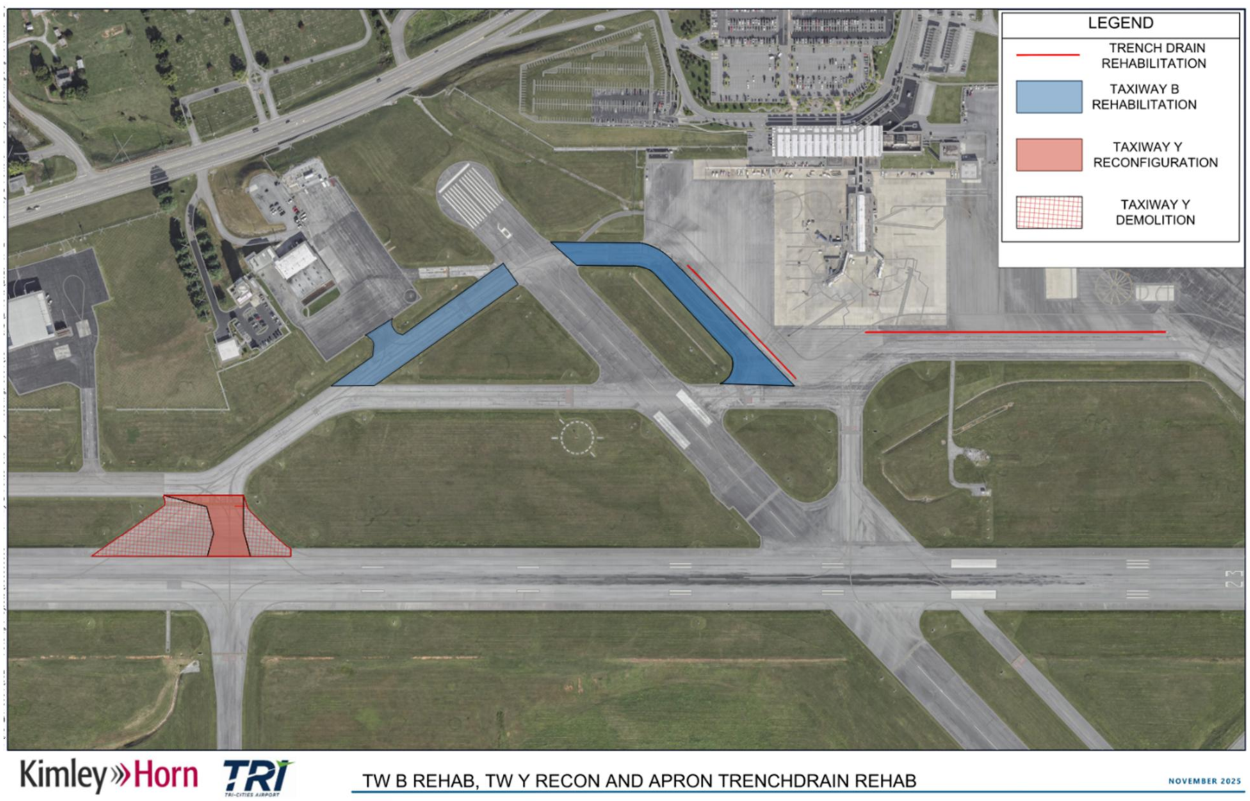


Exhibit 2

Project Scope of Services

Task 1 Project Initiation

The Project Initiation Task consists of those services that are necessary to facilitate the design of this Project. Specific tasks consist of the following:

Task 1.1 Project Kick-Off and Coordination

The Consultant's Sr. Project Manager and Professional Engineer will coordinate and attend one (1) kickoff meeting at TRI. The meeting shall gather information regarding the Project such as existing as-built drawings, existing reports, and any known issues. Project-specific items will also be gathered such as Project constraints, staging area, access, phasing concerns, etc. The Consultant will prepare and distribute meeting minutes.

Task 1.2 Data Collection

The Consultant will review the available record drawings and reports and will compile existing data to determine the extent to which additional data collection is needed for the Project.

Task 1.3 Project Management

The Consultant will provide for the administration of the contract, the development of a project schedule, resource allocation, and the development of documentation needed for the successful workflow for the Project. Project Management under this task shall also consist of getting subconsultants under contract and establishing project administrative controls and reporting to be used for the duration of the Project.

Task 1.4 Topographic Survey

The Consultant's surveyor will perform a topographic survey of the Project limits. The Consultant's Sr. Project Manager will coordinate access requirements and operational restrictions between the surveyor and Airport Operations. The Consultant will also review the survey to check that the survey is complete. Once finalized, the Consultant will deliver to the Owner an electronic version of the signed/sealed survey in both PDF and CAD formats, for Airport reference. The Consultant will also incorporate the survey CAD file into the airport's existing base files.

Task 1.5 Geotechnical Investigation

The Consultant's geotechnical engineer will perform a geotechnical investigation of the Project limits in accordance with FAA Advisory Circular recommendations. The Consultant's Sr. Project Manager will coordinate access requirements and operational restrictions between the geotechnical engineer and Airport Operations. The Consultant will also review the geotechnical report to check that the investigation is complete. Once finalized, the Consultant will deliver to the Owner an electronic version of the geotechnical report, for Airport reference.

Task 2 30% Design

The 30% design milestone will consist of the following tasks:

Task 2.1 Design Plans

- Title Sheet (1 page)
- Project Layout Plan (1 page)

- Survey Control Plan (1 page)
- Geotechnical Investigation Plan (1 page)
- Preliminary Construction Safety and Phasing Plan (1 page)
- Existing Conditions Plan (3 pages)
- Demolition Plan (3 pages)
- Geometry Plan (3 pages)
- Grading and Drainage Plan (3 pages)
- Marking Plan (3 pages)
- Typical Sections (2 pages)
- Electrical Layout Plan (3 pages)

Task 2.2 Project Manual

The Consultant will provide a list of anticipated technical specifications.

Task 2.3 Opinion of Probably Construction Costs (OPCC)

The Consultant will develop a 30% OPCC.

Task 2.4 Engineers Report

The Consultant will prepare a 30% engineer's design report that includes findings from the data collection and site visits, horizontal geometrics, vertical geometrics, electrical and NAVAID impacts, pavement markings, utility adjustments, any modifications of standards, expected technical specifications, and OPCC.

Task 2.5 Internal Quality Control Review

The Consultant will conduct an in-house quality control review. The quality control review will include engineers with no involvement in the Project who will be matched to their specific expertise to review the Project efficiently. Bluebeam software will be used to gather all comments in one central location. This information will be kept for records.

Task 2.6 Document Distribution

The Consultant will coordinate, prepare for, and attend a 30% Design Progress Meeting. This meeting is anticipated to be at the Tri-Cities Airport. The Consultant will prepare and distribute meeting minutes. The Sr. Project Manager and Professional Engineer will attend.

Task 2.7 Design Progress Meeting

The Consultant will coordinate, prepare for, and attend a 30% Design Progress Meeting. This meeting is anticipated to be at the Tri-Cities Airport. The Consultant will prepare and distribute meeting minutes. The Sr. Project Manager and Professional Engineer will attend.

Task 2.8 Project Management

The Consultant will provide project management services including scheduling, resource allocation, project monitoring, and control for the development of 30% documents. The Consultant will also provide the Owner with updates on the Project's status.

Task 3 60% Design

The 60% design milestone will consist of the following tasks:

Task 3.1 Comment Resolution

The Consultant will review and respond to comments received from the 30% submittal and incorporate those into the 60% Design as applicable.

Task 3.2 Design Plans

The Consultant will prepare 60% contract drawings for the proposed Project. An approximation of the anticipated plan set is as follows:

- Title Sheet (1 page)
- Index of Drawings (1 page)
- General Notes (1 page)
- Project Layout Plan (1 page)
- Survey Control Plan (1 page)
- Geotechnical Investigation Plan (1 page)
- Construction Safety and Phasing Plan (1 page)
- Safety Details (2 pages)
- Existing Conditions Plan (3 pages)
- Initial Erosion Prevention and Sediment Control (EPSC) Plan (3 pages)
- Final EPSC Plan (3 pages)
- Demolition Plan (3 pages)
- Geometry Plan (3 pages)
- Plan and Profile (2 pages)
- Grading and Drainage Plan (3 pages)
- Marking Plan (3 pages)
- Typical Sections (2 pages)
- Electrical Demolition Plan (3 pages)
- Electrical Layout Plan (3 pages)
- Electrical Circuiting Plan (3 pages)

Task 3.3 Project Manual

The Consultant will provide technical specifications.

Task 3.4 Opinion of Probable Construction Costs (OPCC)

The Consultant will develop a 60% OPCC.

Task 3.5 Engineer's Report

The Consultant will prepare 60% updates to the engineer's design report that includes findings from the data collection and site visits, horizontal geometrics, vertical geometrics, electrical and NAVAID impacts, pavement markings, utility adjustments, any modifications of standards, expected technical specifications, and OPCC.

Task 3.6 Construction and Safety Phasing Plan (CSPP)

The Consultant will prepare a draft CSPP in conformance with FAA Advisory Circular 150/5370-2, Operational Safety on Airports during Construction, latest edition.

Task 3.7 Internal Quality Control Review

The Consultant will conduct an in-house quality control review. The quality control review will include engineers with no involvement in the Project who will be matched to their specific expertise to review the Project efficiently. Bluebeam software will be used to gather all comments in one central location. This information will be kept for records.

Task 3.8 Document Distribution

The Consultant will coordinate, prepare for, and attend a 60% Design Progress Meeting. This meeting is anticipated to be at the Tri-Cities Airport. The Consultant will prepare and distribute meeting minutes. The Sr. Project Manager and Professional Engineer will attend.

Task 3.9 Design Progress Meeting

The Consultant will coordinate, prepare for, and attend a 60% Design Progress Meeting. This meeting is anticipated to be at the Tri-Cities Airport. The Consultant will prepare and distribute meeting minutes. The Sr. Project Manager and Professional Engineer will attend.

Task 3.10 Project Management

The Consultant will provide project management services including scheduling, resource allocation, project monitoring, and control for the development of 60% documents. The Consultant will also provide the Owner with updates on the Project's status.

Task 4 90% Design

The 90% design milestone will consist of the following tasks:

Task 4.1 Comment Resolution

The Consultant will review and respond to comments received from the 60% submittal and incorporate those into the 90% Design as applicable.

Task 4.2 Design Plans

The Consultant will prepare 90% contract drawings for the proposed Project. An approximation of the anticipated plan set is as follows:

- Title Sheet (1 page)
- Index of Drawings (1 page)
- General Notes (1 page)
- Project Layout Plan (1 page)
- Survey Control Plan (1 page)
- Geotechnical Investigation Plan (1 page)
- Construction Safety and Phasing Plan (1 page)
- Safety Details (2 pages)
- Existing Conditions Plan (3 pages)
- Initial EPSC Plan (3 pages)
- Final EPSC Plan (3 pages)
- Demolition Plan (3 pages)
- Geometry Plan (3 pages)
- Plan and Profile (2 pages)
- Grading and Drainage Plan (3 pages)
- Pavement Elevation Plan (3 pages)
- Marking Plan (3 pages)
- Typical Sections (2 pages)
- Paving Details (2 pages)
- Drainage Pipe Profiles (2 pages)
- Drainage Details (2 pages)

- Erosion Control Details (2 pages)
- Marking Details (2 pages)
- Utility Details (2 pages)
- Electrical Demolition Plan (3 pages)
- Electrical Layout Plan (3 pages)
- Electrical Circuiting Plan (3 pages)
- Electrical Details (3 pages)
- Cross Sections (10 pages)

Task 4.3 Project Manual

The Consultant will provide technical specifications.

Task 4.4 Opinion of Probable Construction Costs (OPCC)

The Consultant will develop a 90% OPCC.

Task 4.5 Engineer's Report

The Consultant will prepare 90% updates to the engineer's design report that includes findings from the data collection and site visits, horizontal geometrics, vertical geometrics, electrical and NAVAID impacts, pavement markings, utility adjustments, any modifications of standards, expected technical specifications, and OPCC.

Task 4.6 Construction and Safety Phasing Plan (CSPP)

The Consultant will finalize the CSPP in conformance with FAA Advisory Circular 150/5370-2, Operational Safety on Airports during Construction (latest edition) and submit it to the FAA for review and approval.

Task 4.7 National Pollutant Discharge Elimination System (NPDES) Stormwater Construction Permit

The Consultant will perform stormwater modeling for the proposed improvements and generate supporting documentation needed for the procurement of the NPDES Stormwater Construction Permit. The Consultant will submit the supporting documentation to the local Environmental Field Office and will address comments as needed.

Task 4.8 Internal Quality Control Review

The Consultant will conduct an in-house quality control review. The quality control review will include engineers with no involvement in the Project who will be matched to their specific expertise to review the Project efficiently. Bluebeam software will be used to gather all comments in one central location. This information will be kept for records.

Task 4.9 Document Distribution

The Consultant will coordinate, prepare for, and attend a 90% Design Progress Meeting. This meeting is anticipated to be at the Tri-Cities Airport. The Consultant will prepare and distribute meeting minutes. The Sr. Project Manager and Professional Engineer will attend.

Task 4.10 Design Progress Meeting

The Consultant will coordinate, prepare for, and attend a 90% Design Progress Meeting. This meeting is anticipated to be at the Tri-Cities Airport. The Consultant will prepare and distribute meeting minutes. The Sr. Project Manager and Professional Engineer will attend.

Task 4.11 Project Management

The Consultant will provide project management services including scheduling, resource allocation, project monitoring, and control for the development of 90% documents. The Consultant will also provide the Owner with updates on the Project's status.

Task 5 100% Design

The 100% design milestone will consist of the following tasks:

Task 5.1 Comment Resolution

The Consultant will review and respond to comments received from the 90% submittal and incorporate those into the 100% Design as applicable.

Task 5.2 Design Plans

The Consultant will prepare 100% contract drawings for the proposed Project. An approximation of the anticipated plan set is as follows:

- Title Sheet (1 page)
- Index of Drawings (1 page)
- General Notes (1 page)
- Project Layout Plan (1 page)
- Survey Control Plan (1 page)
- Geotechnical Investigation Plan (1 page)
- Construction Safety and Phasing Plan (1 page)
- Safety Details (2 pages)
- Existing Conditions Plan (3 pages)
- Initial EPSC Plan (3 pages)
- Final EPSC Plan (3 pages)
- Demolition Plan (3 pages)
- Geometry Plan (3 pages)
- Plan and Profile (2 pages)
- Grading and Drainage Plan (3 pages)
- Pavement Elevation Plan (3 pages)
- Marking Plan (3 pages)
- Typical Sections (2 pages)
- Paving Details (2 pages)
- Drainage Pipe Profiles (2 pages)
- Drainage Details (2 pages)
- Erosion Control Details (2 pages)
- Marking Details (2 pages)
- Utility Details (2 pages)
- Electrical Demolition Plan (3 pages)
- Electrical Layout Plan (3 pages)
- Electrical Circuiting Plan (3 pages)
- Electrical Details (3 pages)
- Cross Sections (10 pages)

Task 5.3 Project Manual

The Consultant will provide technical specifications.

Task 5.4 Opinion of Probable Construction Costs (OPCC)

The Consultant will develop a 100% OPCC.

Task 5.5 Engineer's Report

The Consultant will prepare 100% updates to the engineer's design report that includes findings from the data collection and site visits, horizontal geometrics, vertical geometrics, electrical and NAVAID impacts, pavement markings, utility adjustments, any modifications of standards, expected technical specifications, and OPCC.

Task 5.6 Internal Quality Control Review

The Consultant will conduct an in-house quality control review. The quality control review will include engineers with no involvement in the Project who will be matched to their specific expertise to review the Project efficiently. Bluebeam software will be used to gather all comments in one central location. This information will be kept for records.

Task 5.7 Document Distribution

The Consultant will coordinate, prepare for, and attend a 100% Design Progress Meeting. This meeting is anticipated to be at the Tri-Cities Airport. The Consultant will prepare and distribute meeting minutes. The Sr. Project Manager and Professional Engineer will attend.

Task 5.8 Project Management

The Consultant will provide project management services including scheduling, resource allocation, project monitoring, and control for the development of 100% documents. The Consultant will also provide the Owner with updates on the Project's status.

Task 6 Bid Phase Services

The bid phase services will consist of the following tasks:

Task 6.1 Preparation of Bid Advertisement

The Consultant will prepare an advertisement for bidders for TRI to issue to preferred media.

Task 6.2 Pre-Bid Conference

The Consultant will coordinate, prepare for, and attend a Pre-Bid Conference. This meeting is anticipated to be at the Tri-Cities Airport. The Consultant will prepare and distribute meeting minutes. The Sr. Project Manager and Professional Engineer will attend.

Task 6.3 Answer Questions and Prepare Addenda

The Consultant will assist TRI in answering questions from bidders during the bid period and will issue required addenda to revise plans, specifications, and other contract documents to provide clarifications, correct discrepancies, or correct errors and/or omissions.

Task 6.4 Bid Analysis and Award

The Consultant will collect the bids received and review them for accuracy, completeness, errors, omissions, and DBE participation requirements. The Consultant will call contractor references as appropriate, tabulate the bid results, and prepare a recommendation of award letter.

Task 6.5 Conformed Documents

The Consultant will prepare a set of Conformed Documents that incorporate changes to the original bid documents, such as addenda along with bid documents from the awarded bidder into a new set of construction documents that will used for the construction of the Project.

Task 6.6 Project Management

The Consultant will provide project management services including scheduling, resource allocation, project monitoring, and control for the bid services. The Consultant will also provide the Owner with regular updates on the Project's status.

Exhibit 3

Project Schedule

The Consultant will complete the services listed above upon a mutually agreed upon schedule. Below is a draft schedule based on an 12/18/2025 Notice to Proceed (NTP). Upon receipt of the fully executed contract, The Consultant will commence the services outlined in Exhibit 2.

- 12/18/25 Notice to Proceed
- 1/7/26 Kickoff Meeting
- 2/4/26 30% Design Review
- 3/11/26 60% Design Review
- 4/22/26 90% Design Review
- 5/6/26 Advertise
- 6/4/26 Open Bids

Exhibit 4

Contract Compensation

The Consultant will perform the scope of services in the tasks noted as “LS” in the table below for the total lump sum fee. Individual task amounts are informational only. See Attachment A for a breakdown of costs.

For the services set forth above, Client shall pay Consultant the following compensation:

Task Summary - Phase 1		**Labor Fee**	**Fee Type**
Task 1	Project Initiation	$ 39,277.00	LS
Task 2	30% Design	$ 58,326.00	LS
Task 3	60% Design	$ 75,406.00	LS
Task 4	90% Design	$ 96,776.00	LS
Task 5	100% Design	$ 45,080.00	LS
Task 6	Bid Phase Services	$ 14,276.00	LS
	Total Lump Sum Fee	$ 329,141.00	LS

LS: Lump Sum Fee

ADDITIONAL SERVICES

Any services not specifically provided for in the above scope, as well as any changes in the scope as requested by the Client, will be considered Additional Services and may be performed at our then-current hourly rates. Additional Services the Consultant can provide include, but are not limited to, the following:

- Construction phase services
- Permitting fees
- Advertisement fees
- Other services as requested by the Client

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Exhibit 5

Owner's Budget

The Owner's Budget is an estimate of probable construction and project costs based on relevant, local bid results. The Consultant has no control over the actual cost of labor, materials and equipment, or over competitive bidding and market conditions.

For the services set forth above, Client shall pay Consultant the following compensation:

Opinion of Probable Construction Costs	$4,146,000.00
Airport Administration	$10,000.00
Survey, Geotechnical and Design Phase Services	$329,141.00
Construction Phase Services (Estimated, Not in Contract (NIC)	$344,859.00
Total Project Costs	$4,830,000.00

ATTACHMENT A

Breakdown of Costs - Design Phase Services

	SCOPE / TASK TITLE	Group Manager	Sr. Project Manager	Professional I	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 1 Project Initiation									
Task 1.1	**Project Kick-Off and Coordination**		16	16					32
Task 1.2	**Data Collection**		8	8					16
Task 1.3	**Project Management**		24						24
Task 1.4	**Topographic Survey**		4	8					12
Task 1.5	**Geotechnical Investigation**		4	8					12
									0
	TOTAL HOURS	0	56	40	0	0	0	0	96
	BURDENED RATE	$ 280.00	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 110.00	$ 90.00	
	TOTAL BURDENED LABOR $	$0	$14,000	$6,400	$0	$0	$0	$0	$20,400
	OTHER DIRECT NON-SALARY COSTS								
	SPECIALTY SUBCONSULTANTS								
	Task 1.4 Thompson and Litton - Survey								$8,512
	Task 1.5 Foundation Systems - Geotechnical Investigation								$7,817
	TOTAL SPECIALTY SUBCONSULTANTS								$17,962
	TRAVEL			Car @	Airfare @	Lodging @	650 Miles @	Per Diem @	
		#People	#Days	$80	$600	$120	$0.67	$60	
	Kick-Off Mtg (1)	2	2			$240	$436	$240	$916
									$0
								Total	$916
	TOTAL ODC's								$18,877
	Total Proposed Lump Sum Fee for:	**Task 1 Project Initiation**							**$39,277**

	SCOPE / TASK TITLE	Group Manager	Sr. Project Manager	Professional I	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 2 30% Design									
Task 2.1	**Design Plans**								0
	Title Sheet		1			6			7
	Project Layout Plan		2	4		8			14
	Survey Control Plan		1	2		8			11
	Geotechnical Investigation Plan		1	2		8			11
	Preliminary Construction Safety and Phasing Plan		2	6		16			24
	Existing Conditions Plan		2	6		12			20
	Demolition Plan		2	4		8			14
	Geometry Plan		2	6		16			24
	Grading and Drainage Plan		4	8		1			13
	Marking Plan		2	8		16			26
	Typical Sections		4	8		16			28
	Electrical Layout Plan		2	6		12			20
Task 2.2	**Project Manual**		4	12				4	20
Task 2.3	**Opinion of Probable Construction Cost (OPCC)**		4	8		12			24
Task 2.4	**Engineers Report**		4	24				8	36
Task 2.5	**Internal Quality Control**			16					16
Task 2.6	**Document Distribution**			2		8			10
Task 2.7	**Design Progress Meeting**		12	12					24
Task 2.8	**Project Management**		20						20
									0
	TOTAL HOURS	0	69	134	0	147	0	12	362
	BURDENED RATE	$ 280.00	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 110.00	$ 90.00	
	TOTAL BURDENED LABOR $	$0	$17,250	$21,440	$0	$17,640	$0	$1,080	$57,410
	OTHER DIRECT NON-SALARY COSTS								
	SPECIALTY SUBCONSULTANTS								
	TOTAL SPECIALTY SUBCONSULTANTS								$0
	TRAVEL			Car @	Airfare @	Lodging @	650 Miles @	Per Diem @	
		#People	#Days	$80	$600	$120	$0.67	$60	
	Progress Mtg (1)	2	2			$240	$436	$240	$916
									$0
								Total	$916
	TOTAL ODC's								$916
	Total Proposed Lump Sum Fee for:	**Task 2 30% Design**							**$58,326**

	SCOPE / TASK TITLE	Group Manager	Sr. Project Manager	Professional I	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 3 60% Design									
Task 3.1	**Comment Resolution**								0
Task 3.2	**Design Plans**								0
	Title Sheet		1			6			7
	Index of Drawings		2	2		8			12
	General Notes		1	2		8			11
	Project Layout Plan		2	4		8			14
	Survey Control Plan		1	2		8			11
	Geotechnical Investigation Plan		1	2		8			11
	Construction Safety and Phasing Plan		2	6		16			24
	Safety Details		1	2		8			11
	Existing Conditions Plan		2	6		12			20
	Initial Erosion Prevention and Sediment Control (EPSC) Plan		1	4		8			13
	Final EPSC Plan		1	4		8			13
	Demolition Plan		2	4		8			14
	Geometry Plan		2	6		16			24
	Grading and Drainage Plan		4	8		1			13
	Marking Plan		2	8		16			26
	Typical Sections		4	8		16			28
	Electrical Demolition Plan		2	6		12			20
	Electrical Layout Plan		2	6		12			20
	Electrical Circuiting Plan		2	6		12			20
Task 3.3	**Project Manual**		4	12				4	20
Task 3.4	**Opinion of Probable Construction Cost (OPCC)**		4	8		12			24
Task 3.5	**Engineers Report**		4	24				8	36
Task 3.6	**Construction Safety and Phasing Plan**		2	2		16			20
Task 3.7	**Internal Quality Control**			16					16
Task 3.8	**Document Distribution**			2		8			10
Task 3.9	**Design Progress Meeting**		12	12					24
Task 3.10	**Project Management**		20						20
									0
	TOTAL HOURS	0	81	162	0	227	0	12	482
	BURDENED RATE	$ 280.00	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 110.00	$ 90.00	
	TOTAL BURDENED LABOR $	$0	$20,250	$25,920	$0	$27,240	$0	$1,080	$74,490
	OTHER DIRECT NON-SALARY COSTS								
	SPECIALTY SUBCONSULTANTS								
	TOTAL SPECIALTY SUBCONSULTANTS								$0
	TRAVEL			Car @	Airfare @	Lodging @	650 Miles @	Per Diem @	
		#People	#Days	$80	$600	$120	$0.67	$60	
	Progress Mtg (1)	2	2			$240	$436	$240	$916
									$0
								Total	$916
	TOTAL ODC's								$916
	Total Proposed Lump Sum Fee for:	**Task 3 60% Design**							**$75,406**

	SCOPE / TASK TITLE	Group Manager	Sr. Project Manager	Professional I	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 4 90% Design									
Task 4.1	**Comment Resolution**		2	4		8			14
Task 4.2	**Design Plans**								0
	Title Sheet		1	1		6			8
	Index of Drawings		1	1		6			8
	General Notes		1	1		8			10
	Project Layout Plan		1	4		12			17
	Survey Control Plan		1	2		6			9
	Geotechnical Investigation Plan		1	2		6			9
	Construction Safety and Phasing Plan		4	8		16			28
	Safety Details		1	4		8			13
	Existing Conditions Plan		1	2		8			11
	Initial Erosion Prevention and Sediment Control (EPSC) Plan		1	2		8			11
	Final EPSC Plan		1	2		8			11
	Demolition Plan		1	6		8			15
	Geometry Plan		2	8		12			22
	Grading and Drainage Plan		2	8		12			22
	Marking Plan		2	8		12			22
	Typical Sections		1	6		8			15
	Paving Details		1	6		8			15
	Drainage Pipe Profiles		1	6		8			15
	Drainage Details		1	6		8			15
	Erosion Constrol Details		1	4		6			11
	Marking Details		1	4		8			13
	Utility Details		2	8		12			22
	Electrical Demolition Plan		2	6		12			20
	Electrical Layout Plan		2	6		12			20
	Electrical Circuiting Plan		2	6		12			20
	Electrical Details		2	6		12			20
	Cross Sections		2	6		12			20
Task 4.3	**Project Manual**		8					4	12
Task 4.4	**Opinion of Probable Construction Cost (OPCC)**		2	8		12			22
Task 4.5	**Engineers Report**		4	16				16	36
Task 4.6	**Construction Safety and Phasing Plan**		2	4		8			14
Task 4.7	**NPDES Stormwater Construction Permit**		4	16		16		8	44
Task 4.8	**Internal Quality Control**			16					16
Task 4.9	**Document Distribution**		1	2		8			11
Task 4.10	**Design Progress Meeting**		12	12					24
Task 4.11	**Project Management**		20						20
									0
	TOTAL HOURS	0	94	207	0	306	0	28	635
	BURDENED RATE	$ 280.00	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 110.00	$ 90.00	
	TOTAL BURDENED LABOR $	$0	$23,500	$33,120	$0	$36,720	$0	$2,520	$95,860
	OTHER DIRECT NON-SALARY COSTS								
	SPECIALTY SUBCONSULTANTS								
	TOTAL SPECIALTY SUBCONSULTANTS								$0
	TRAVEL			Car @	Airfare @	Lodging @	650 Miles @	Per Diem @	
		#People	#Days	$80	$600	$120	$0.67	$60	
	Progress Mtg (1)	2	2			$240	$436	$240	$916
									$0
								Total	$916
	TOTAL ODC's								$916
	Total Proposed Lump Sum Fee for:	**Task 4 90% Design**							**$96,776**

SCOPE / TASK TITLE		Group Manager	Sr. Project Manager	Professional I	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 5 100% Design									
Task 5.1	**Comment Resolution**		1	4		4			9
Task 5.2	**Design Plans**								0
	Title Sheet			2		4			6
	Index of Drawings			2		4			6
	General Notes			2		4			6
	Project Layout Plan			2		4			6
	Survey Control Plan			2		4			6
	Geotechnical Investigation Plan			2		4			6
	Construction Safety and Phasing Plan			2		4			6
	Safety Details			2		4			6
	Existing Conditions Plan			2		4			6
	Initial Erosion Prevention and Sediment Control (EPSC) Plan			2		4			6
	Final EPSC Plan			2		4			6
	Demolition Plan			2		4			6
	Geometry Plan			2		4			6
	Grading and Drainage Plan			2		4			6
	Marking Plan			2		4			6
	Utility Plan			2		4			6
	Typical Sections			2		4			6
	Paving Details			2		4			6
	Drainage Pipe Profiles			2		4			6
	Drainage Details			2		4			6
	Erosion Constrol Details			2		4			6
	Marking Details			2		4			6
	Utility Details			2		4			6
	Electrical Demolition Plan		2	6		12			20
	Electrical Layout Plan		2	6		12			20
	Electrical Circuiting Plan		2	6		12			20
	Electrical Details		2	6		12			20
	Cross Sections		2	6		12			20
Task 5.3	**Project Manual**		4						4
Task 5.4	**Opinion of Probable Construction Cost (OPCC)**		2	4		8			14
Task 5.5	**Engineers Report**		2	4				8	14
Task 5.6	**Internal Quality Control**		8						8
Task 5.7	**Document Distribution**		1	4		8			13
Task 5.8	**Project Management**		8						8
									0
	TOTAL HOURS	0	36	92	0	172	0	8	308
	BURDENED RATE	$ 280.00	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 110.00	$ 90.00	
	TOTAL BURDENED LABOR $	$0	$9,000	$14,720	$0	$20,640	$0	$720	$45,080
	OTHER DIRECT NON-SALARY COSTS								
	SPECIALTY SUBCONSULTANTS								
	TOTAL SPECIALTY SUBCONSULTANTS								$0
	TRAVEL			Car @	Airfare @	Lodging @	25 Miles @	Per Diem @	
		#People	#Days	$80	$600	$120	$0.67	$60	
						$0	$0	$0	$0
									$0
								Total	$0
	TOTAL ODC's								$0
	Total Proposed Lump Sum Fee for:	**Task 5 100% Design**							**$45,080**

SCOPE / TASK TITLE		Group Manager	Sr. Project Manager	Professional I	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 6 Bid Phase Services									
Task 6.1	**Preparation of Bid Advertisement**		2						2
Task 6.2	**Pre-Bid Conference**		12						12
Task 6.3	**Answer Questions and Prepare Addenda**		4	8		8			20
Task 6.4	**Bid Analysis and Award**		4	8					12
Task 6.5	**Conformed Documents**		2	4		12			18
Task 6.6	**Project Management**		8						8
	TOTAL HOURS	0	32	20	0	20	0	0	72
	BURDENED RATE	$ 280.00	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 110.00	$ 90.00	
	TOTAL BURDENED LABOR $	$0	$8,000	$3,200	$0	$2,400	$0	$0	$13,600
	OTHER DIRECT NON-SALARY COSTS								
	SPECIALTY SUBCONSULTANTS								
	TOTAL SPECIALTY SUBCONSULTANTS								$0
	TRAVEL			Car @	Airfare @	Lodging @	650 Miles @	Per Diem @	
		#People	#Days	80		$120	$0.67	$60	
	Meeting (1)	1	2		0	$120	$436	$120	$676
									$0
								Total	675.5
	TOTAL ODC's								$676
	Total Proposed Lump Sum Fee for:	**Task 6 Bid Phase Services**							**$14,276**

$329,141

Tri-Cities Airport Authority
December 11, 2025

CONSIDER:

Consent Agenda

A. Project: Runway 5 Approach Tree Obstruction Mitigation – TVA Permit

B. Airport: ARFF Trucks (Engines 1 & 3) Tire Replacement – Southern Tire Mart

Staff recommend the Airport Authority Board ratify the above-listed project consent items.

Submitted by: David W. Jones
Chief Operating Officer

CONSIDER:

Consent Agenda

A. Project: Runway 5 Approach Tree obstruction Mitigation – TVA Permit

Summary:

The airport identified tree obstructions located on TVA property for the Rwy 5 approach surface and received Board approval in February 2025 to coordinate with TVA to prepare a tree mitigation plan and permit. The TVA tree mitigation permit would include removing the identified trees and refurbishing the impacted land. The permit would establish project bid quantities and enable the mitigation contractor to bid and perform the work. The airport will fund the tree obstruction mitigation work on TVA property.

Recommendation:

Authorize the President/CEO to execute the TVA - Reservoir Land Use Application Permit for future Rwy 5 approach surface tree obstruction mitigation.

Submitted By: David W. Jones
Chief Operating Officer

TRI-CITIES AIRPORT COOPERATIVE AGREEMENT
ID 4035438

This Cooperative Agreement (Agreement), which includes all attachments hereto, (Agreement) sets forth the terms and conditions of an Agreement between the Tennessee Valley Authority (TVA), a corporate agency and instrumentality of the United States of America organized and existing pursuant to the Tennessee Valley Authority Act of 1933, as amended, and D. C. Barefield (Tri-Cities Airport).

The parties hereto agree as follows:

1. **Purpose and Work Scope.** The purpose of this Agreement is for Tri-Cities Airport to mitigate vegetation that is encroaching into the minimum elevation of the Visual Approach Surface (VAS) as established by the Federal Aviation Administration ("Work"). Approximately 4.9 acres of Tract No. BR-35 will be transitioned from an early successional forest to warm season grasses. The project boundary will not extend below 1490 feet in elevation. The unimproved two-track lane that traverses the property has also been included into the Agreement to allow access to the project area. With the inclusion of the access road, the total license area is 6.9 acres. Tri Cities Airport will clear the vegetation, grub stumps, create small wind rows, remove small woody debris by burning, remove larger woody debris by hauling off, and prepare the site for seeding by no later than April 15th as defined by Attachment D in the agreement. TVA will seed the area using a mixture of native warm season grasses. Once TVA has completed the seeding the area, Tri-Cities Airport will reimburse TVA for approximately $9,000.TVA will then maintain this area as open grasslands and incorporate it into the prescribed fire regimen in the early spring that has been established for this parcel of TVA land. Vegetation will be mechanically removed with use of chainsaws and grinding of stumps.

2. **Term and Termination.** The term of this Agreement begins on its Effective Date, as defined below, and will terminate on completion of the Work. The Agreement term shall not be extended or deemed to be extended except pursuant to a fully executed written amendment to this Agreement. This Agreement may be terminated for any reason by either TVA or Tri-Cities Airport by giving thirty (30) days prior written notice to the other party.

3. **Applicant Responsibilities**. Tri-Cities Airport shall:

    a. Comply with the terms of this Agreement.

    b. Perform the Work as set forth in Attachment A.

    c. At all times, provide training, supervision, and insurance coverage (in accordance with the requirements of Section 6) for all Tri-Cities Airport employees, volunteers, and subcontractors performing the Work, and ensure that all Work performed by any Tri-Cities Airport employee, volunteer, and/or subcontractor is performed in a safe manner and in accordance with all appropriate safety precautions and all applicable legal requirements.

    d. Provide future inspections of project elements and maintenance and operations support for the Work as set forth in Attachment A.

    e. Obtain any necessary permits and licenses required to perform the Work and comply with all applicable laws and regulations that are applicable to the Work, including TVA rules and regulations that affect the use of the property under this Agreement. Such required permits may include, but are not limited to, professional licenses, business licenses, corporate licenses and certifications, export licenses or authorizations, or Section 26a Permits. "Section 26a Permits" are defined as permits required under Section 26a of the TVA Act to conduct shoreline construction activities. For purposes of this Agreement, "TVA Act" means the Tennessee Valley Authority Act of 1933, as amended, 16 U.S.C. §§

831–831ee. Nothing in this agreement is intended to convey approval of any activity that would otherwise require approval under Section 26a of the TVA Act, and any necessary Section 26a Permits must be separately obtained pursuant to TVA's Section 26a Regulations.

f. Require any volunteer performing Work for Tri-Cities Airport on the TVA Site to complete the Volunteer Waiver Form included as Attachment C. With TVA's advance written approval, Tri-Cities Airport may use a substantially similar form that names TVA as an additional releasee (Applicant Waiver Form). Tri-Cities Airport shall keep a copy of each executed Volunteer Waiver Form or Applicant Waiver Form for a period of three years from the date of the volunteer activity and make such form available to TVA upon request. The obligation to preserve and make available such forms shall survive termination of this Agreement.

g. Tri-Cities Airport will prepare the site for seeding by no later than April 15^{th} as defined by Attachment D in this agreement.

h. Tri-Cities Airport will reimburse TVA for the seeding work performed. Time and Material is estimated to be approximately $9,000.

4. TVA Responsibilities. TVA shall:

a. Provide such technical advice and assistance as TVA, in its sole discretion, determines it is in a position to provide.
b. TVA will purchase the seed and replant the area in Native Warm Season Grasses. Once the work has been completed Tri-Cities Airport will reimburse TVA for time and materials.
c. Enclosed in the agreement labeled “Attachment D” is the breakdown of the time and materials estimate.

5. No Funding Obligations. This Agreement does not obligate either party to provide funding or payment to the other party. Specific projects or activities that involve the transfer of funds among the parties shall require the execution of separate agreements and are contingent upon the availability of funds. Any costs incurred by either party in implementing this Agreement are the sole responsibility of that party.

6. Onsite Work. If Tri-Cities Airport performs the Work in connection with this Agreement on a TVA Site, as further depicted in Attachments A and B (“TVA Site”) the following terms and conditions shall apply to such onsite Work:

a. TVA agrees that Tri-Cities Airport, its employees, subcontractors, and volunteers may enter the TVA Site to perform the Work described in Attachment A. Tri-Cities Airport shall not reconstruct, relocate, or structurally alter any structure or fixed improvement on the TVA Site unless such reconstruction, relocation, or structural alteration is made with the prior written approval of TVA.

b. In no way interfere with TVA's or the public's use (if public use is permitted) of all or part of any TVA Site unless specifically authorized in writing by TVA. Tri-Cities Airport's use of the TVA Site shall be solely in connection with the Work. Tri-Cities Airport will use reasonable care to prevent damage to the TVA Site.

c. The Native American Graves Protection and Repatriation Act and the Archaeological Resources Protection Act apply to archaeological resources located on the TVA Site. Tri-Cities Airport shall not disturb or alter in any way the existing state of any archaeological sites, human remains, funerary objects, sacred objects, objects of cultural patrimony, or any other archaeological resources which may be discovered or identified on or under the TVA Site. Upon the discovery of any such items, Tri-Cities Airport shall immediately stop all activity in the area of the discovery, make a reasonable effort to protect such items, and notify TVA's Cultural Compliance Staff by telephone at (865) 632-3660. Tri-Cities Airport shall also provide written notification of such discovery to TVA, Cultural Compliance, 400 West Summit Hill Drive, WT 11-D, Knoxville, Tennessee 37902. Tri-Cities Airport shall not resume Work in the area of the discovery until approved by TVA.

d. Tri-Cities Airport shall control all emissions of pollutants that might be discharged or released directly or indirectly into the atmosphere, into any stream, lake, reservoir, watercourse, or surface or subterranean waters, or into or on the ground from any part of the TVA Site, in full compliance with all applicable standards and requirements relating to pollution control of any kind now in effect or hereafter established by or pursuant to

federal, state, or local statutes, ordinances, codes, or regulations. To the extent permitted by law, Tri-Cities Airport shall indemnify, defend, and hold harmless TVA from any and all claims, costs, or losses that may arise as a result of Tri-Cities Airport's breach of this provision.

e. If there is a discharge or release of a hazardous substance, material, or waste, or of any pollutant or other substance, in or from the TVA Site by any person or entity other than TVA for which a cleanup, remediation, restoration, removal, or other action (hereinafter, individually and collectively, referred to as "environmental response") is ordered or required pursuant to any federal, state, or local statute, regulation, or ordinance, Tri-Cities Airport shall bear full responsibility for the cost (including, without limitation, natural resources damages and costs) of said environmental response, and shall not seek any contribution or indemnification from TVA for all or any portion of said costs; provided, however, that nothing in this paragraph is intended to or shall preclude Tri-Cities Airport from seeking indemnification or contribution from any other person or entity.

f. TVA may, in its sole discretion, require Tri-Cities Airport to submit a site-specific safety and health plan at least 30 days prior to the start of work under this Agreement. At minimum, the Tri-Cities Airport's safety and health plan must address the steps Tri-Cities Airport will take to promote health and safety in the work environment.

g. Tri-Cities Airport will be proactive in taking necessary measures to avoid accidents or incidents in which human health or safety is jeopardized. While performing Work at a TVA Site, Tri-Cities Airport will not permit its employees, subcontractors, or volunteers to work in surroundings or under working conditions which are unnecessarily dangerous to human safety or health.

h. Tri-Cities Airport shall comply with any applicable provisions of Section 107 of the Contract Work Hours and Safety Standards Act; the Occupational Safety and Health Act of 1970 regulations; and site-specific safety, health, and security requirements. Tri-Cities Airport shall initiate and maintain programs to ensure compliance with the foregoing requirements.

i. Tri-Cities Airport shall at all times keep the work area, including storage areas used by it, reasonably free from hazardous and unsanitary accumulations of waste materials or rubbish, and prior to completion of the Work, shall remove any rubbish from the premises and all equipment and material not the property of TVA. Upon completion of the Work, Tri-Cities Airport shall leave the Work and the TVA Site in a clean, neat, and workmanlike condition.

j. TVA has the right, but not the duty, to inspect Tri-Cities Airport's operations as it deems appropriate to assure that Tri-Cities Airport is complying with the requirements of health and safety laws, regulations, and this Agreement. TVA promptly will notify Tri-Cities Airport upon becoming aware of any noncompliance with the foregoing requirements. Upon receipt of such notice, Tri-Cities Airport shall immediately take such action as may be required to determine the existence of and to correct such noncompliance. If Tri-Cities Airport fails or refuses to correct an unhealthful or unsafe condition, TVA shall have the authority to issue an order stopping all or part of the Work until satisfactory corrective action has been taken. No part of the time lost as the result of any stop order shall be the subject of a claim for extension of time or for excess costs or damages by Tri-Cities Airport. Any stop order issued by TVA shall apply to Work performed by the Tri-Cities Airport's employees, subcontractors, or volunteers. TVA has the authority to, and may, require removal of any person from a TVA Site if, in the opinion of TVA, the presence of such person endangers the safety or health of others.

k. Tri-Cities Airport shall stop Work if it becomes aware of any safety concerns. Tri-Cities Airport shall contact TVA, in accordance with the "Notices" section below, to discuss any safety or other concerns prior to and during performance of the Work. If Tri-Cities Airport stops the Work due to a safety concern, Tri-Cities Airport shall not resume the Work without prior, written approval of TVA.

l. TVA shall have the option to examine the TVA Site of any accident immediately following its occurrence to determine (1) the cause or causes of such accident; (2) the degree of personal injuries; (3) the damage to TVA-owned property; (4) the effect of such accident upon completion of the Work; and (5) other pertinent information. In order to accomplish this, TVA shall have the authority to question any persons having knowledge relative to or present when such accident occurred, including any Tri-Cities Airport employee, subcontractor, or volunteer.

m. Should conditions arise at the Work, which require that immediate and unusual provisions be made to protect the public from danger or loss of damage due directly or indirectly to the performance of the Work, Tri-Cities Airport shall make the necessary provisions. Tri-Cities Airport shall be responsible for the sufficiency and safety of all such temporary works and provisions and shall be responsible for all damage resulting from their insufficiency.

n. In connection with the Work on the TVA Site, TVA may: (1) require Tri-Cities Airport to schedule the Work in such a manner as to minimize interference with any TVA operations on the Property; and 2) upon prior notice to Tri-Cities Airport, deny access to Tri-Cities Airport, volunteers and/or its subcontractors if TVA reasonably determines that such exclusion is consistent with the site safety or security policies.

o. TVA reserves the right to manipulate the levels of any of its lakes in any manner whatsoever, and to drawdown said lakes at any time. TVA shall not be liable to Tri-Cities Airport by reason of any injury to person or property or for loss of life or property suffered or sustained in, upon, or about any of the property as a result of the operations of TVA.

p. TVA may deny access to the TVA Site for any violation of the terms of this Agreement.

q. TVA does not provide any warranties that the TVA Site or any means of access to or egress from the property are safe, adequate, or suitable for the purposes for which the TVA Site is permitted to be used under this Agreement, and TVA disclaims all warranties of any kind, whether express or implied.

7. Insurance.

a. During the term of this Agreement, Tri-Cities Airport will maintain at its own expense the following insurance coverages:

   i. Commercial general liability insurance with combined single limits of $1,000,000 per occurrence.
   ii. Auto liability insurance coverage on all owned, non-owned and hired vehicles with limits of $1,000,000 per accident.
   iii. Workers' compensation insurance as required by applicable laws, including employers' liability coverage with limits of $1,000,000 per accident and employee. If any Work is performed on or near navigable bodies of water, then Tri-Cities Airport shall carry insurance covering employee injuries related to this Work as required by applicable laws.

b. Insurers providing the insurance required above shall be rated A- or better by A.M. Best Company. The liability insurance policies listed above shall name the United States and TVA as additional insureds, contain a severability of interest clause, and waive any insurer right of subrogation in their favor. Policies shall provide 30 days' written notice prior to cancellation or termination. Tri-Cities Airport may satisfy the limits above by either securing primary insurance coverage in the amounts specified, or through separate excess liability or umbrella liability insurance (or both), provided that the total insurance coverage limits meet this Agreement's requirements.

c. With TVA's prior approval Tri-Cities Airport may self-insure all or part of the insurance required above; however, such self-insurance status will in no way diminish Tri-Cities Airport's responsibilities to TVA that would have otherwise been covered by insurance if Tri-Cities Airport were not self-insured. To receive approval for self-insurance, Tri-Cities Airport must submit a self-insurance letter to TVA that (1) lists the self-insurance amount for each insurance coverage listed above, and (2) explains the reason for self-insurance (for example, applicable law limits the liability of the Tri-Cities Airport to an amount below the required insurance limits). If TVA approves Tri-Cities Airport's self-insurance status, but then Tri-Cities Airport's financial status does not meet TVA's minimum standards, Tri-Cities Airport must obtain the above insurance coverages. If Tri-Cities Airport is self-insured it shall require its subcontractors, if any, under this Agreement to have the insurance coverages set forth above, and upon TVA's request Tri-Cities Airport shall provide to TVA evidence of such insurance.

8. **Indemnity.** To the extent permitted by law, Tri-Cities Airport releases and shall indemnify, defend, and hold harmless the United States of America, TVA, and its directors, officers, agents, and employees ("Indemnitees"), from and against any and all claims, demands, liability, losses, damage, costs, or expenses ("Claims") for personal injuries, property damage, or loss of life or property arising out of Tri-Cities Airport's or its subcontractors' or its volunteers' performance of Work or the condition or use of the property, including any means of ingress thereto or egress, including, without limitation, liabilities to Tri-Cities Airport's employees or any third parties for such injuries or damages, and all expenses (and reasonable attorneys' fees) incurred by Indemnitees in connection with such Claims. However, Tri-Cities Airport is not liable to Indemnitees under this section to the extent that the Claims are proximately caused by the sole negligence of Indemnitees.

9. **No rights in property.** This Agreement conveys no property rights, interest or estate in land or title to real property and grants no exclusive license. This Agreement in no way recognizes or confers land rights necessary for approval under Section 26a of the TVA Act.

10. **Rights and Remedies.** TVA shall be entitled to exercise any and all rights available at law or equity, including but not limited to an injunction for any violation or attempted or threatened violation of any of the terms of this Agreement. The remedies provided to TVA in this Agreement

are cumulative and are not intended to be exclusive of any other remedies to which TVA may be lawfully entitled. The exercise by TVA of any remedy to which it is entitled shall not preclude or hinder the exercise of any other such remedy nor constitute an election of remedies.

11. Warranties.

a. All Work conducted by Tri-Cities Airport is entirely at its own risk. In executing this Agreement, Tri-Cities Airport expressly understands and agrees that TVA makes no warranty, express or implied, to Tri-Cities Airport or any third party in connection with this Agreement.

b. Tri-Cities Airport represents and warrants that:
   i. it has the full right, power, and authority to enter into this Agreement, and to perform and complete the Work described above in compliance with this Agreement and applicable laws;
   ii. it diligently will perform the Work described above and employ or use sufficient resources necessary to complete its obligations under this Agreement;
   iii. it shall ensure that it complies with all applicable laws and regulations in connection with the performance of its obligations under this Agreement; and
   iv. its employees, subcontractors, and volunteers, if any, shall perform and complete their obligations under this Agreement with professional diligence and skills, and exercise the degree of skill and care customarily required by prevailing professional standards and procedures.

c. If the Work performed under this Agreement fails to comply with the warranties stated above, TVA may require that Tri-Cities Airport re-perform the Work at Tri-Cities Airport's expense. Any Work that Tri-Cities Airport has re-performed due to a failure to comply with the warranties in this Section will be warranted as provided in subsection (a) above.

12. Limitation of Liability. TVA and its agents and employees undertake no obligation or duty (in tort, contract, strict liability, or otherwise) to Tri-Cities Airport or any other party for any damages to property (real or personal) or personal injuries (including death) arising out of or in any way connected with the acts or omissions of Tri-Cities Airport or any other persons.

13. Waiver of Consequential Damages. In no event shall either party be liable under this Agreement to the other for consequential, indirect, special, exemplary, or punitive damages arising out of any breach of this Agreement, regardless of (a) whether such damages were foreseeable; (b) whether or not the other party was advised of the possibility of such damages; and/or (c) the legal or equitable theory (whether sounding in contract, tort, or otherwise) upon which the claim is based. Notwithstanding anything to the contrary, the limitations and exclusions set forth in this Section shall not apply to: (1) the extent consequential damages are covered by insurance maintained or required to be maintained under this Agreement, (2) any damages or liabilities that are subject to Tri-Cities Airport's indemnification obligations under this Agreement, and (3) damages or liabilities that are caused by a party's willful misconduct or intentional breach of this Agreement.

14. **Force Majeure.** "Force Majeure Event" means the following or similar (in nature and severity) event(s): act of God, act of civil or military authority, war, terrorist attacks, riot, insurrection, unusual or severe weather, inability of either party to obtain any required permits, licenses, or authorizations (specifically including, without limitation, licenses or authorizations required by export control laws), blockades, embargoes, sabotage, or epidemics, in any of the foregoing cases, which: (i) are outside the control and without fault or negligence of a party claiming that such event has occurred, and (ii) directly and actually cause delay(s) in Work or prevent a party's performance or completion of Work. No failure or delay in either party's performance of its obligations under this Agreement will result in a default under this Agreement, to the extent that such failure or delay is caused by a Force Majeure Event, and: (1) the non-performing party is without fault in causing such default or delay; (2) such default or delay could not have been prevented by reasonable precautions; and (3) such default or delay could not have been reasonably circumvented by the non-performing party through the use of alternate sources, work-around plans or other means.

15. **Notices.** All notices by either party to the other must be in writing and delivered: (1) by hand, (2) by a nationally or internationally recognized delivery service entity, with all fees prepaid, (3) by registered or certified mail, return receipt requested, and all fees prepaid, to the party's designated recipient and address stated in this Section, or (4) by means of electronic mail, if confirmed by an electronic read receipt or separate electronic mail acknowledgement, to each party's contact person(s) listed below.

    a. **For TVA:**
    Austin Jenkins, Watershed Representative
    Tennessee Valley Authority
    400 West Summit Hill Drive, WT 11D
    Knoxville, Tennessee 37902
    828-977-0744
    Amjenkins0@tva.gov

    b. **For Applicant:**
    Tri-Cities Airport
    2525 Highway 75, Suite 300
    Blountville, Tennessee 37617
    David W. Jones, Chief Operating Officer
    423-325-6006
    djones@flytri.com

16. **Public Communications**. As directed by TVA, name TVA as a project partner in all media releases and social media listings/communications made in connection with this Agreement. Tri-Cities Airport must obtain TVA's written approval prior to making any public disclosures or communications, relating to, or referencing TVA, including without limitation, any oral, written, or electronic communication on or through social media, press, or news release(s), video, marketing materials, or other comparable materials. Nothing in this Agreement grants Tri-Cities Airport a license or right to use TVA's name, trademark, logo, or images without first obtaining TVA's express written consent.

17. **Governing Law.** This Agreement is governed by and will be construed and interpreted in accordance with the federal laws of the United States of America. In the event such federal laws state no rule of decision with respect to any particular dispute or claim related to this Agreement, the law of the State of Tennessee, except for Tennessee's choice of law provisions, will apply. All claims or disputes related to this Agreement must be filed, prosecuted and litigated to conclusion only in the United States District Court for the Eastern District of Tennessee. With respect to any such claims or disputes, each party hereby: (1) consents to the exclusive jurisdiction of and venue in that court, and waives any objection based on jurisdiction or venue in such court, provided that, either party may bring an action which seeks to enforce a right of indemnity or

contribution in any U.S. District Court with proper jurisdiction and venue, in which the underlying claim for which indemnity or contribution is being asserted, and (2) WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. This Agreement is not subject to the Contract Disputes Act, 41 U.S.C. §§ 7101-7109. No Section of this Agreement shall be considered a “disputes” clause within the meaning of the Contract Disputes Act, 41 U.S.C. §§ 7101-7109, and this Agreement is not subject to that Act.

18. Miscellaneous.

a. **Authority to Bind.** Tri-Cities Airport agrees that it does not have the power or authority to bind TVA or to assume or create any obligation or responsibility, express or implied, on TVA's part or in TVA's name, or to represent to any person or entity that it has such power or authority.

b. **Amendments.** No amendment of this Agreement will be effective unless it is both in writing and signed by the parties' authorized representatives.

c. **Assignment.** Tri-Cities Airport shall not assign or otherwise transfer this Agreement or any of Tri-Cities Airport's interest herein for any purpose without the prior written consent of TVA.

d. **Agent.** It is expressly understood and agreed that neither Tri-Cities Airport nor TVA will be considered the agent of the other for any purpose under this Agreement. Tri-Cities Airport shall be held to be an independent Tri-Cities Airport and all of Tri-Cities Airport's activities shall be conducted and carried on in that status and capacity, and all persons employed or whose services are utilized by Tri-Cities Airport on the property, or in the exercise of any activities under this Agreement, shall be Tri-Cities Airport's employees, servants, and agents only.

    i. **Terms Incorporated by Reference.** To the extent applicable to this Agreement or the Work, the regulatory provisions listed at TVA's Supplier Connections at https://www.tva.com/information/supplier-connections/documents-referenced-clauses under "Referenced Clauses" are incorporated in their entirety into this Agreement.

e. **Waivers.** A delay or omission by TVA hereto to exercise any right or power under this Agreement shall not be construed to be a waiver thereof. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party hereto against whom it is asserted and shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

f. **Third party beneficiary**. It is understood and acknowledged that this Agreement is in no way a third-party beneficiary agreement. It is entered into solely to regulate the relationship between TVA, the United States of America, and Tri-Cities Airport with respect to the matters addressed herein. The parties do not intend it to create any obligations to any third parties that are enforceable by such parties.

g. **Counterparts**. The parties may execute this Agreement, including any amendments thereto, in one or more counterparts. Each such counterpart, whether delivered by original paper signature or through any electronic means, is an equally valid original, constitutes one and the same instrument, and binds the parties.

h. **Electronic Signatures**. The parties may each execute this Agreement, and any amendments thereto, through electronic means and electronic signatures. Such electronic signatures will have the same force and effect as handwritten signatures.

i. **Severability**. In the event that any provision of this Agreement is found to be unenforceable under applicable law, the parties agree to replace such provision with a substitute provision that most nearly reflects the original intentions of the parties and is enforceable under applicable laws, and the remainder of this Agreement shall continue in full force and effect.

j. **Attachments**. If any attachments or exhibits are attached to this Agreement, the parties agree that such attachments or exhibits are made a part of this Agreement.

k. **Entire Agreement**. This Agreement embodies the entire agreement between TVA and Tri-Cities Airport and supersedes all other communications, either oral or written. The parties shall not be bound by, or be liable for any statement, representation, promise, inducement or understanding not set forth herein.

Authorized representatives of TVA and Tri-Cities Airport hereby execute this Agreement, and as of the date of latest signature, below (the “Effective Date”), bind both parties to the terms of this Agreement.

TENNESSEE VALLEY AUTHORITY	**TRI-CITIES AIRPORT**
By (Signature):	By (Signature):
Print Name: Anthony D. Summitt	Print Name:
Title: Senior Manager, Land Management, East Region	Title:
Date:	Date:

ATTACHMENT A
SUPPORTING DESCRIPTION

I. INTRODUCTION

Tri Cities Airport is requesting to mitigate vegetation that is encroaching into the minimum elevation of the VAS as established by the Federal Aviation Administration. Approximately 4.9 acres of Tract No. BR-35 will be transitioned from an early successional forest to warm season grasses.

II. SITE DESCRIPTION

Boone Reservoir, 6.9 acres, TVA Tract No. BR-35, Plan Tract No. XBR-5PT2, comprised of open fields with scattered deciduous woods with sinkholes and rock outcrops. Vegetative buffers have been established along the major drains through planting and discontinuing mowing to create wildlife cover. This parcel has good road access and a small gravel parking area. A hiking trail has been added and recreation use on the parcel includes hunting and wildlife/bird viewing. This parcel is Zone 4 to provide a diversity of ecological communities and recreation opportunities and is the largest open-land resource parcel on Boone Reservoir.

III. OBJECTIVE

Mitigate vegetation that is encroaching into the minimum elevation of the VAS as established by the Federal Aviation Administration.

IV. SCOPE OF WORK

Tri-Cities Airport is requesting to mitigate vegetation that is encroaching into the minimum elevation of the VAS as established by the Federal Aviation Administration. Approximately 4.9 acres of Tract No. BR-35 will be transitioned from an early successional forest to warm season grasses. The project boundary will not extend below 1490 feet in elevation. The unimproved two-track lane that traverses the property has also been included into the cooperative agreement to allow access to the project area. With the inclusion of the access road, the total license area is 6.9 acres Tri Cities Airport will clear the vegetation, grub stumps, create small wind rows, remove small woody debris by burning, remove larger woody debris by hauling off, and prepare the site for seeding by no later than April 15th as defined by Attachment D in the agreement. TVA will then seed the area using a mixture of native warm season grasses. Once TVA has completed the seeding, Tri-Cities will then reimburse TVA for approximately $9,000. TVA will then maintain this area as open grasslands and incorporate it into the prescribed fire regimen in the early spring that has been established for this parcel of TVA land. Vegetation will be mechanically removed with use of chainsaws and grinding of stumps.

TVA, the contractor, and the applicant will meet on-site before any work is completed to discuss expectations and project specifics including but not limited to, designated project area, rock/riprap installation, and site restoration upon completion of the project.

Best Management Practices

a) Tri – Cities Airport agrees that any vegetation removal be conducted in the winter months (November 15 through March 31) to mitigate any potential risk of impacting bat roosting habitat.
b) Tri – Cities Airport agrees that clearing operations should be conducted in a manner that will prevent any unnecessary destruction, scarring, or defacing of the remaining natural vegetation and adjacent surroundings in the vicinity of the work. In sensitive public or environmental areas, appropriate buffer zones should be observed, and the methods of clearing or reclearing should be modified to protect the buffer and sensitive area.

c) Tri – Cities Airport agrees that as soon as possible after initial disturbance of the soil, temporary cover material should be placed to prevent erosion of soil and sedimentation of water bodies or conveyances to surface waters.
d) Tri – Cities Airport agrees that vegetation will be protected from damage in areas beyond the boundary of any clearing work or access roads.
e) Tri – Cities Airport agrees that if prehistoric or historic artifacts or features that might be of archaeological significance are discovered during ground disturbing operations, the activity should immediately cease within a 100-foot radius, and the responsible environmental support person should be notified.
f) Tri – Cities Airport agrees that erosion and sediment control measures such as straw wattles, silt fences, water bars, and sediment traps should be installed as soon as practicable after initial ROW disturbance in accordance with applicable permit or regulatory requirements.
g) Tri – Cities Airport agrees that if temporary clearing activities must interrupt natural drainage, appropriate drainage facilities and erosion/sediment controls should be provided to avoid erosion and siltation in streams and other waterbodies or water conveyances.
h) Tri – Cities Airport agrees that brush and timber clearing activity will be performed in a way that soil disturbance will be minimal, such that understory vegetation is allowed to remain, and gaps are allowed to be filled in with existing naturalized vegetation present in the existing soil seed banks.
i) Tri – Cities Airport agrees that following the end of construction, approved native species are seeded by hand or broadcast methods, or hydroseeding and then covered with a seed-free mulch to encourage establishment and prevent erosion. No mechanical seedbed preparation (disking) would be done, and no fertilizer would be used, unless approved and permitted by the U.S. Army Corps of Engineers.

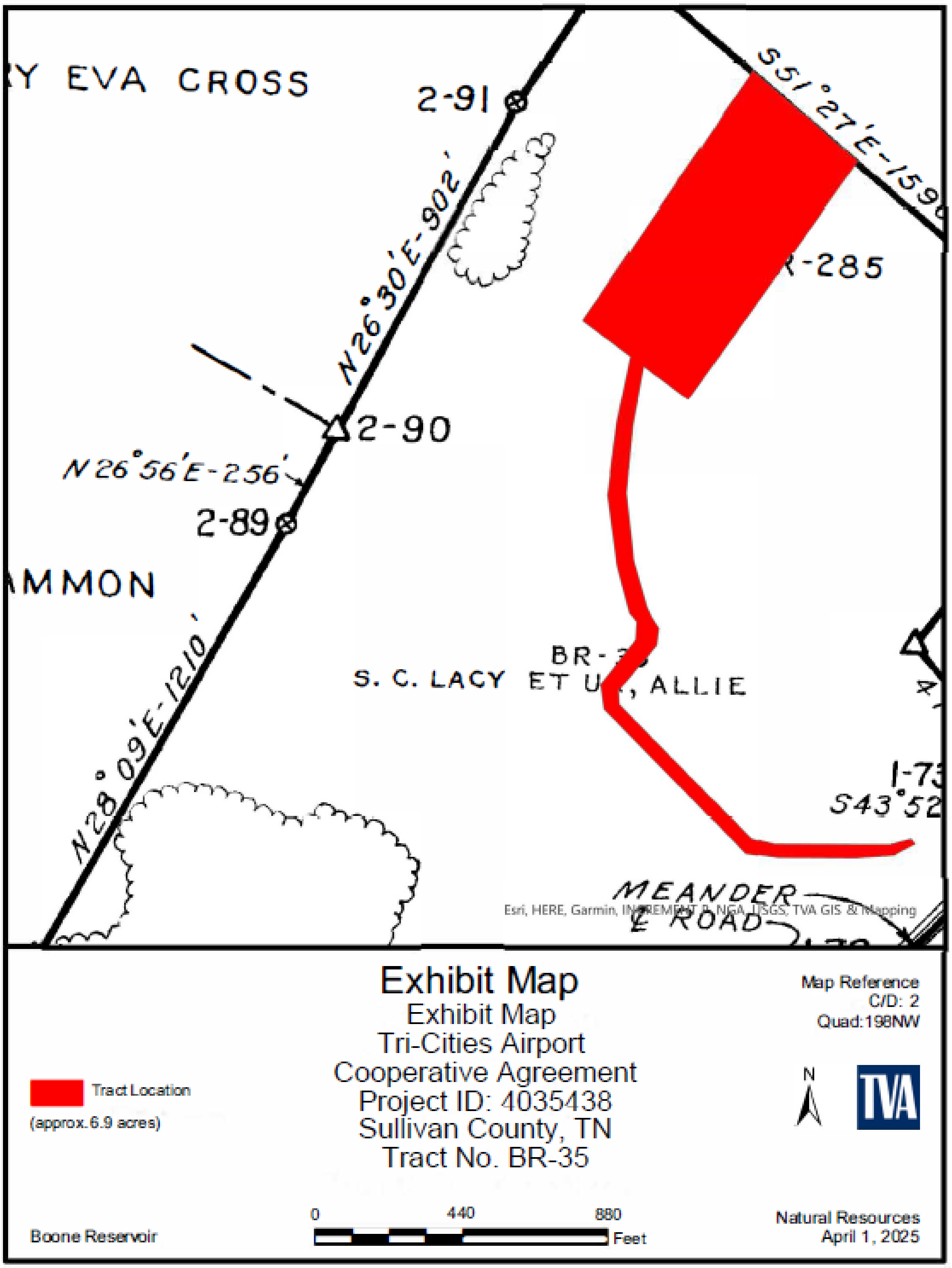
V. DELIVERABLES AND REPORTING

Improve unimproved two-track lane, remove all vegetation, cut trees, remove all debris by either burning on site or hauling off site, replant area with native vegetation from the list provided by TVA Land Management, East Region staff.

VI. EQUIPMENT/MATERIAL REQUIREMENTS

Minimal ground disturbance, catch any oil loss from machinery that may occur, report any fluid spills, provide MSDS Sheets, provide TVA with safety plan (how work will be performed safely).

ATTACHMENT B



SITE MAP

Attachment C

Volunteer Waiver Form

WAIVER FORM FOR VOLUNTEERS

TENNESSEE VALLEY AUTHORITY

Volunteer Service Program

AGREEMENT FOR INDIVIDUAL VOLUNTARY SERVICES

(Public Law No. 101-101)

Name (Type or print full name) Telephone

Address (Street, City, State, Zip Code)

(Brief description of work to be performed, including minimum time commitment required.)

I understand that I will not receive any compensation or payment for the services described above and that volunteers are NOT considered to be TVA employees for any purpose other than tort claims and injury compensation in accordance with the laws and regulations applicable to TVA employees, and I understand that volunteer service is not creditable for leave accrual or any other employee benefits.

I understand that either TVA or I may cancel this agreement at any time by notifying the other party.

I hereby volunteer my services as described above on the conditions described above, to assist TVA in its authorized work.

______________________________ ______________________________
Signature of Volunteer Date

TVA agrees to provide the volunteer, while this agreement is in effect, such materials, equipment, and facilities as are available and needed to perform the work described above.

TVA hereby accepts volunteer's offered services subject to the above conditions.

______________________________ ______________________________
Signature of TVA Employee Date

WAIVER FORM FOR VOLUNTEERS

CONSENT OF CUSTODIAL PARENT(S) / GUARDIAN(S) AND WAIVER

(To be completed for each minor volunteer)

I/we, the custodial parent(s)/guardian(s) of the minor volunteer identified on the first page of this agreement, in consideration of the obligations undertaken by TVA under this agreement, hereby consent to the volunteer's performing the work described in this agreement and accept this agreement on behalf of the volunteer.

Names of custodial parent(s)/guardian(s):

____

____

____

Address

____

Phone Residence Work

Signature(s)

____
Date

____
Date

Distribution:

Original to Volunteer's

Personal History Record

Copy to Volunteer

Attachment D

Seeding Cost Estimate

Tri-Cities Airport replanting recommendations, schedule, and budget.

Note: Site preparation is very important to the success in establishing native grass species. More times than not, even on good soil preparation, a pre-emergent herbicide treatment is needed to suppress germination of the now exposed seedbank. This gives the planted seed time to germinate and get a head start growth on the non-desirable species in the seedbank. This application will be added to the recommendations, schedule, and budget for the project. We recommend that all seed is purchased from Roundstone Native Seed to ensure that seed is an ecotype for our region. All estimates are based on 5.4 acres

Replanting recommendations:

1. 4 standard species mix to ensure some diversity.
2. Site preparation needs to be a smooth or fluffy top surface compacted lightly to ensure good soil/seed contact.
3. Truax type drill (with fluffy seed box) is highly recommended.
4. Based on site plan and ground conditions – bare soil during the time of planting is recommended.
5. Pre-emergent selective herbicide may be needed to suppress non-desirable seed germination.

Recommended Season for planting:

Spring planting:

1. The site needs to be prepared no later than April 15th.
2. Pre-emergent selective herbicide application, if needed.
3. April 1st – May 30th based on weather warming and precipitation.

Seed Mix and estimated costs: shipping is not included in the estimates.

Note: All seed will need to be bagged individually by species. Drill will have correct boxes for each type of seed. Not all seed types can be used in the same drill box due to size.

Spring Planting:

Scientific	Common	lbs per acre	cost per lb	sub-total
Andropogon gerardii	Big bluestem	15	$25.00	$375.00
Panicum virgatum	Switchgrass	12	$25.00	$300.00
Schizachyrium scoparium	Little bluestem	15	$25.00	$375.00
Sorghastrum nutans	Indian grass	15	$25.00	$375.00
				$1,425.00
			X 5.4	$7,695.00
	Labor costs			$800.00

Pre-emergent herbicide treatment:

Based on 25 gallons of water per acre calibration

Brand	Active ingredient	ozs per acre	cost per gallon	sub-total
Plateau	Imazipic	6 ozs	$250.00	$250.00
				$8,745.00

B. Airport: ARFF Trucks (Engines 1 & 3) Tire replacement – Southern Tire Mart

Summary:

NFPA 1911 states ARFF and fire engine tires be replaced every seven years, regardless of appearance. The time to replace the tires on the ARFF trucks Engine 1 & 3 passed. Bid proposals for the tire replacement were solicited with three bids obtained for the following: Engines 1 & 3, labor, mobile installation, and tire disposal. From the three bids, Southern Tire Mart in Kingsport, TN provided the lowest bid for $26,787.91. The tires will be funded from the airport's FY 2026 Operating Budget - Safety - Equipment Maintenance.

Airport Operating Budget – Safety – Equipment Maintenance		
Airport	100%	$ 26,787.91
Total		$ 26,787.91

Recommendation:

Authorize the Chief Operating Officer to execute a Purchase Order to Southern Tire Mart for $26,787.9, for the ARFF Truck Engines 1 & 3 tire replacement.

Submitted By: David W. Jones
Chief Operating Officer

Southern Tire Mart

ESTIMATE #	3894936

KINGSPORT #226
SOUTHERN TIRE MART
1551 S WILCOX DRIVE
KINGSPORT, TN 37660

PAGE: 1

423/245-4129

CUSTOMER: TRI-CITIES AIRPORT AUTHORITY
0589535 2525 HWY 75 STE 301
BLOUNTVILLE TN 37617

EMAIL: ap@flytri.com
BUSINESS: 423/325-6008 0
SALESMAN: 14219
ESTIMATE DATE: 11/13/25 DUE: 12/13/25

PRODUCT	MECHANIC	QUANTITY	PRICE	F.E.T.	EXTENSION
SHOP SUPPLIES 240		1	9.95		9.95
SERVICE CALL-OTR SVC 164		8.00	140.00		1120.00
LABOR TECH CODE- 1/4 HR INCREMEN 99		1			0.00
FEE, FUEL SURCHARGE FS		1	25.00		25.00
FEE, TIRE DISPOSAL, OTR SCRAPOTR		8	50.00		400.00
O'RING 218		8	22.00		176.00
VALVE STEM, METAL- OTR 257		8	19.95		159.60
24R21 VGT E2 * TL B418951 SERIAL #: DEFAULT		8	3262.17		26097.36
BRIDGESTONE OTR DISCOUNT 299OTR		-8	150.00		-1200.00

MERCHANDISE:	26442.91
LABOR:	1120.00
OTHER:	775.00-
ESTIMATE TOTAL:	26787.91

********THIS IS NOT AN INVOICE*********
*******DO NOT PAY FROM THIS FORM*******

PRINTED NAME/CUSTOMER SIGNATURE

PLEASE REMIT To:
Dept. 143
P.O. Box 1000
Memphis, TN 38148-0143

IMPORTANT: CUSTOMER SHOULD RE-CHECK TORQUE ON LUG NUTS ON WHEELS SERVICED AFTER 25 TO 100 MILES OF OPERATION

11/07/25 999131 18932 1

COLONY TIRE CORP #31
5068 FORT HENRY DRIVE
KINGSPORT, TN 37663
(423)726-2292

TRI CITY AIRPORT

Quote

1 BLANK 0

76025S	24R21 H MICHELIN XZL 176G SPECIAL	8	8	57.65	3265.86	26588.08
MDT	LMD MOUNT & DISMOUNT TRUCK	8.00	8.00		50.00	400.00
0056	TENNESSEE SCRAP TIRE TAX 1	0	0		0.00	0.00
SSF	SHOP SUPPLY FEE	1	1		15.00	15.00

Thank you for your business!!

DO NOT PAY. THIS IS A QUOTE

SubTot Parts: 26603.08
SubTot Labor: 400.00
Tax 9.250% : ~~2497.79~~

CASH SALES

Inv Total : ~~29500.87~~
27003.08

MONRO COMMERCIAL SOLUTIONS
A MONRO FAMILY BRAND

FREE SERVICE TIRE # 1544
710 EASTERN STAR RD
KINGSPORT,TN 37663
(423)349-2700

Guest ID:	FW02671748	Year:	2000	Date/Time:	11/07/25 09:33:37
Name:	TRI CITIES AIRPORT COMMI	Make:	LOOSE TIRE	Estimate #:	239530
Address:	2525 HWY 75 SUITE 301	Model:	LOOSE TIRE	Invoice #:	
Address 2:	GTNG7AA1	Lic No:	NA	PO Number:	
City,State,Zip:	BLOUNTVILL, TN, 37617	VIN:		Unit Number:	
Home Phone:	(503) 804-6380	Color:		Email Address:	bholtsclaw@flytri.com
Work Phone:	(423) -	Engine:		Fleet/Wholesale:	Y
Other Phone:	() -	Mileage In:	0	Est Created On:	11/07/25 09:11:29
Tax Exempt #:		Mileage Out:	0		
Manager:	CHARLES KERR	Inspect Due:			

Services Requested:

Qty.	Part #	Car Loc	Description	Part	Labor	Amount
SERVICE						
1	LABOR		LABOR-MISC SERVICE	0.00	1,600.00	1,600.00
	LABOR TO INSTALL 8 24R21 TIRES		TOTAL SERVICE:			1,600.00
TIRE						
8	FET		FET on part 76025M	57.65	0.00	461.20
8	76025M	A	* MIC XZL TL 176G LRH Tire Size: 24R21 Ply: 16 Load Range: H Sidewall: BW	5,125.64	0.00	41,005.12
8	TNTT	A	TN STATE TIRE FEE	1.35	0.00	10.80
			TOTAL TIRE:			41,477.12

*** Customer Wishes To Discard Old Parts ***

This is an Estimate only.
This is not a final invoice.
A final invoice is required for all warranties.

IF YOU DO NOT RECEIVE AN INVOICE AFTER WORK IS COMPLETED AND FINAL PAYMENT, PLEASE CALL 800-876-6676 x 3500.

TECH:

SUB TOTAL	43,077.12
SALES TAX	0.00
GRAND TOTAL	43,077.12

Authorization

I hereby give the Company and its employees permission to operate my vehicle for the purposes of testing and inspecting, including performing the courtesy inspection outlined on the courtesy inspection that was provided to me. I hereby authorize the repairs shown on the estimate to be made, along with any necessary parts.

Original Estimate:				Date:		☐ In Person
				Time:		☐ By Phone
Authorized By:				Phone #:		☐ By Text
				Email:		☐ By Email
Additional Cost:		Revised Estimate:		Date:		☐ In Person
				Time:		☐ By Phone
Authorized By:				Phone #:		☐ By Text
				Email:		☐ By Email
Description:						

CUSTOMER COPY

BID TAD SHEET				
TRI-CITIES AIRPORT				
	ARFF Engine Tires			
November 18th, 2025				
SET NO.	**FIRM NAME AND ADDRESS**	**CONTACT NAME PHONE # / EMAIL**	**PLANS & SPECS TRANSM. DATE**	**BID**
1	Southern Tire Mart 1551 S. Wilcox Dr Kingsport, TN 37660	423-245-4129	11/13/2025	$26,787.91
2	Colony Tire 5068 Fort Henry Dr Kingsport, TN 37660		11/7/2025	$27,003.08
3	Free Service Tire 710 Eastern Star Rd Kingsport, TN 37660	423-349-2700	11/7/2025	$43,077.12
4				
5				
6				
7				

Legal Counsel,
Stephen Darden

Verbal Report

Director of Finance,
Rachel Squibb

Verbal Report

Tri-Cities Airport Authority
December 11, 2025

REPORT:

Financial Summary – Period Ending October 31, 2025

For the fiscal year to date as of October 31, 2025, the Authority achieved a Net Operating Income of **$595,579**, exceeding the approved budget by **$524,841**. The attached schedule provides unaudited actual results compared to the approved FY2026 operating budget.

Revenue Performance

Total operating revenue exceeded budget by **18%**, reflecting strong growth across key categories. The most notable positive variances were in **Parking and Rental Car**. Rental Car Revenues saw a significant increase, driven by a **14.2%** year-over-year rise in car rentals from Sept 2024 to Sept 2025. These results underscore the continued importance of non-aeronautical revenue streams in the Authority's financial base.

Expense Management

Operating expenses overall were managed in line with budget expectations. While cost results were mixed across categories, the primary negative variance occurred within the **Airfield Area** cost center, reflecting necessary expenditures for sinkhole repair and snow/ice control. These unplanned but necessary costs are in line with the nature of airfield operations.

Net Results & Outlook

The four months of the new fiscal year, FY2026, closed with stronger than anticipated results. As of October 31, 2025, we are yielding net operating income of **$595,579**, which exceeds the budget and demonstrates growth across core revenue streams. Compared to FY2025, results remain consistent with broader industry trends, positioning the Authority with a healthy financial foundation heading into FY2026.

Submitted by: Rachel Squibb
Director of Finance

Tri-Cities Airport Authority
December 12, 2024

REPORT:

CASH BALANCE REPORT - October 31, 2025

Operating Cash	$	9,869,878
Dedicated Funds		5,639,371
PFC Funds - Restricted		1,235,004
CFC Funds - Restricted		1,034,676
Bond Fund - Aerospace Park - Restricted		2,431,475
Total Funds	$	20,210,404

Note: Above does not include cash on deposit with the Sullivan County Trustee; in the amount of $22,988; constituting the debt service reserve fund for the Series 2014A. Bonds

BONDED DEBT- Oct 31, 2025

$2,975,000 Airport Revenue and Tax Refunding (Taxable) Bonds; Series 2014A

Note: The Series 2014A were closed by Sullivan County with a final payment of $371,051.42 on May 31, 2022 using TCAA escrowed funds confirmed at FYE 2021 in the amount of $407,000.00.

$5,905,000 Aerospace Park Bonds (Taxable), Series 2018;
(After Washington County portion defeasement on 03/09/2022)

Debt Service:		Principal FY 2025		Interest FY 2025
11/01/2024 (Interest Only) and 05/01/2025	$	290,000	$	175,806
Total Current Debt Service Requirements	$	290,000	$	175,806
Total Principal and Interest Due to Maturity	$	5,110,000	$	1,418,994

Note: The Series 2018 Aerospace Park Bonds are secured by the future net revenues of Aerospace Park and subject to an intergovernmental financing agreement between all Tennessee Authority members which provides guaranty agreements to cover debt service on a prorata basis until the Aerospace Park net revenue stream is sufficient to provide all or part of the debt service on the Bond issue.

Submitted by: Rachel C. Squibb
Director of Finance

Tri-Cities Airport Authority
FY 2026 Operating Budget
10/31/2025

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Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIRLINE LANDING FEES				
$37,830	$35,874	$1,956	51010-201	Landing Fees: Delta Connection	$149,364	$352,270	$124,906	$24,458
36,849	42,502	(5,653)	51025-201	Landing Fees: American Airlines	146,919	417,350	147,981	(1,062)
6,691	5,583	1,108	51040-201	Landing Fees: Allegiant Airlines	27,916	67,000	22,332	5,584
$81,370	**$83,959**	**($2,589)**		**TOTAL AIRLINE LANDING FEES**	**$324,199**	**$836,620**	**$295,219**	**$28,980**
				AIRLINE RENTAL REVENUE				
$11,637	$11,058	$579	51507-202	Floor Space: American Airlines	$46,547	$132,700	$44,232	$2,315
13,987	13,283	704	51515-202	Floor Space: Delta Connection	55,947	159,400	53,132	2,815
690	667	23	51518-202	Joint Use Space	2,898	8,000	2,668	230
4,776	4,583	193	51519-202	Terminal Apron Charge	19,020	55,000	18,332	688
50,927	50,918	9	51525-202	Terminal Space Area Use	203,707	611,000	203,669	38
220	229	(9)	51526-202	Ground Equipment Storage	880	2,750	916	(36)
5,850	5,020	830	51530-202	Jetway Use Fee	24,466	60,300	20,189	4,277
64,147	65,337	(1,190)	51535-202	PSO Security Reimbursement	256,585	784,750	262,747	(6,162)
387	392	(5)	51546-202	Janitorial & Trash Reimbursement	1,549	4,700	1,568	(19)
$152,621	**$151,487**	**$1,134**		**TOTAL AIRLINE RENTS**	**$611,599**	**$1,818,600**	**$607,453**	**$4,146**
$233,991	**$235,446**	**($1,455)**		**TOTAL AIRLINE REVENUE**	**$935,798**	**$2,655,220**	**$902,672**	**$33,126**

Tri-Cities Airport Authority

FY 2026 Operating Budget
10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				GENERAL AVIATION REVENUE				
$0	$828	($828)	52005-203	Charters - Landing Fees	$2,889	$8,640	$2,992	($103)
0	1,141	(1,141)	52007-203	Charters - Terminal Facilities Fees	8,757	11,900	4,122	4,635
1,798	0	1,798	52010-203	FBO - Hangar Rents	3,372	0	0	3,372
29,694	34,156	(4,462)	52020-203	FBO - Minimum Annual Operating Fee	118,776	356,300	123,404	(4,628)
20,115	20,476	(361)	52030-203	FBO - 3% Gross Revenue Fee	81,152	213,600	73,979	7,173
9,952	9,525	427	52070-203	FBO - Fuel Flowage Fees	36,686	99,360	34,413	2,273
596	939	(343)	52072-203	FBO - Utility Reimbursement	3,404	9,800	3,394	10
453	522	(69)	52075-203	Flying Service - Rents	1,811	5,450	1,887	(76)
120	240	(120)	52076-203	Flying Service - Utility Reimb	584	2,500	867	(283)
12,414	12,550	(136)	52080-203	Speciality Service Operations	49,657	150,600	50,200	(543)
14,275	24,583	(10,308)	52110-203	Corporate Hangar, Land & Access	68,347	295,000	98,332	(29,985)
3,990	3,564	426	52160-203	Corporate Fuel Fees	9,935	35,000	12,410	(2,476)
507	356	151	52165-203	GA - Self-Fueling	1,659	3,500	1,241	418
35,840	0	35,840	52170-203	GA - Titan Fuel Sales	35,840	0	0	35,840
$129,754	**$108,880**	**$20,874**		**TOTAL GEN. AVIATION REVENUE**	**$422,869**	**$1,191,650**	**$407,241**	**$15,628**

Tri-Cities Airport Authority

FY 2026 Operating Budget
10/31/2025

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Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIR CARGO REVENUE				
$367	$334	$33	52510-204	Cargo: Landing Fees	$1,416	$4,000	$1,325	$91
				AIR CARGO CENTER				
7,124	7,500	(376)	52540-204	Cargo: Cargo Center - Terminal Space	28,896	90,000	30,000	(1,104)
0	0	0	52542-204	Cargo: Cargo Center - Ramp Fees	869	0	0	869
419	695	(276)	52543-204	Cargo: Services Reimbursements	1,675	7,500	2,628	(953)
274	556	(282)	52544-204	Cargo: Cargo Center - Utility Reimb	991	6,000	2,101	(1,110)
$8,184	**$9,085**	**($901)**		**TOTAL AIR CARGO REVENUE**	**$33,847**	**$107,500**	**$36,054**	**($2,207)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				PARKING REVENUE				
$395,382	$216,938	$178,444	53150-205	Parking: Long-Term	$1,441,511	$2,339,555	$819,653	$621,858
0	74,645	(74,645)	53151-205	Parking: Short-Term	0	805,000	282,028	(282,028)
2,220	2,141	79	53154-205	Parking: Other Revenue	7,548	25,690	8,564	(1,016)
$397,602	**$293,724**	**$103,878**		**TOTAL PARKING REVENUE**	**$1,449,059**	**$3,170,245**	**$1,110,245**	**$338,814**

Tri-Cities Airport Authority

FY 2026 Operating Budget
10/31/2025

4:33:39 PM 12/4/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				RENTAL CAR REVENUE				
$5,411	$5,183	$228	53605-206	RAC: Floor Space Rents	$21,642	$62,200	$20,732	$910
158,693	103,514	55,179	53610-206	RAC: Commissions	661,225	1,610,000	481,186	180,039
9,249	8,542	707	53620-206	RAC: Service Facility	36,997	102,500	34,168	2,829
0	3,333	(3,333)	53623-206	RAC: RAC - Utility Reimbursement	8,349	40,000	13,332	(4,983)
0	5,000	(5,000)	53627-206	RAC: Service Facility - Maint CFC Reim	0	60,000	20,000	(20,000)
$173,353	**$125,572**	**$47,781**		**TOTAL RENTAL CAR REVENUE**	**$728,213**	**$1,874,700**	**$569,418**	**$158,795**

Tri-Cities Airport Authority

FY 2026 Operating Budget

10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				TERMINAL CONCESSION REVENUE				
$0	$5,667	($5,667)	54100-207	Terminal: Advertising	$14,733	$68,000	$22,668	($7,935)
18,704	14,375	4,329	54106-207	Terminal: Restaurant & Gift Shop	74,495	172,500	57,500	16,995
928	833	95	54107-207	Terminal: Tailwinds - Util Reimburseme	3,800	10,000	3,332	468
0	83	(83)	54125-207	Terminal: Miscellaneous Revenue	0	1,000	332	(332)
$19,632	**$20,958**	**($1,326)**		**TOTAL TERMINAL CONCESSIONS**	**$93,028**	**$251,500**	**$83,832**	**$9,196**
				TERMINAL SPACE RENTS				
$9,090	$8,358	$732	54290-208	Terminal Rents: Office Space	$36,360	$100,300	$33,432	$2,928
808	725	83	54360-208	Terminal Rents: Utility Reimbursement	3,274	8,700	2,900	374
175	208	(33)	54410-208	Terminal Rents: Janitorial & Trash Rein	700	2,500	832	(132)
60	58	2	54520-208	Terminal Rents: PA System	240	700	232	8
$10,133	**$9,349**	**$784**		**TOTAL TERMINAL SPACE RENTS**	**$40,574**	**$112,200**	**$37,396**	**$3,178**

Tri-Cities Airport Authority

FY 2026 Operating Budget

10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				OTHER REVENUE				
$10,640	$8,886	$1,754	51550-202	Ground Handling Services	$45,297	$114,000	$32,479	$12,818
0	974	(974)	52008-203	Charters - Ground Handling	7,500	12,500	3,561	3,939
0	417	(417)	55210-209	Other Properties: Ground Leases-Farm	1,433	5,000	1,668	(235)
2,969	2,892	77	55300-209	Other Properties: Other Leases	11,874	34,700	11,568	306
462	500	(38)	55302-209	Other Properties: Utility Reimb	2,772	6,000	2,000	772
0	800	(800)	55421-209	Other: Salary Supplements	0	9,600	3,200	(3,200)
9,944	10,417	(473)	55432-000	Other: FTZ Contributions	44,776	125,000	41,668	3,108
1,103	939	164	55435-209	Other: Ice Revenue	4,614	9,000	3,851	763
0	1,583	(1,583)	55440-209	Other: ID's & Fingerprinting Revenue	8,890	19,000	6,332	2,558
984	670	314	55445-209	Other: Gasoline Sales	4,624	9,000	2,301	2,323
2,112	750	1,362	55450-209	Other: Miscellaneous Billings	22,256	9,000	3,000	19,256
1,086	1,083	3	55500-210	Aerospace Park - Ground Revenue	4,345	13,000	4,332	13
2,200	0	2,200	93106-000	Contributions from Tailwinds	8,800	0	0	8,800
$31,500	**$29,911**	**$1,589**		**TOTAL OTHER REVENUE**	**$167,181**	**$365,800**	**$115,960**	**$51,221**
$770,158	**$597,479**	**$172,679**		**TOTAL NON-AIRLINE REVENUE**	**$2,934,771**	**$7,073,595**	**$2,360,146**	**$574,625**
$1,004,149	**$832,925**	**$171,224**		**TOTAL OPERATING REVENUES**	**$3,870,569**	**$9,728,815**	**$3,262,818**	**$607,751**

Tri-Cities Airport Authority

FY 2026 Operating Budget

4:33:40 PM 12/4/2025

10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIRFIELD AREA EXPENSE				
$186	$682	($496)	60010-301	Aviation - Utilities	$5,456	$15,000	$5,475	($19)
0	545	(545)	60070-301	Aviation - Power Vault Diesel	3,688	12,000	4,380	(692)
0	91	(91)	60080-301	Aviation - Power Vault Repairs	0	2,000	730	(730)
15,813	4,546	11,267	60110-301	Aviation - Runways/Taxiways/Field	67,028	100,000	36,506	30,522
0	1,364	(1,364)	60400-301	Aviation - Ramps and Aprons	74,102	30,000	10,952	63,150
9,720	364	9,356	60500-301	Aviation - Fence & Gate Repair	14,153	8,000	2,921	11,232
469	1,818	(1,349)	60520-301	Aviation - Electrical Maintenance	7,968	40,000	14,602	(6,634)
17,687	1,500	16,187	60560-301	Aviation - Snow & Ice Control	35,809	33,000	12,046	23,763
2,084	273	1,811	60570-301	Aviation - Wildlife Control	4,624	6,000	2,191	2,433
0	318	(318)	60630-301	Aviation - Equipment Rental	0	7,000	2,555	(2,555)
2,273	477	1,796	60650-301	Aviation - Fuel Farm Maintenance	15,223	10,500	3,833	11,390
0	91	(91)	60655-301	Aviation - Contract Mowing	0	2,000	730	(730)
0	273	(273)	60700-301	Aviation - Environmental Compliance	3,635	6,000	2,191	1,444
1,528	364	1,164	60705-301	Aviation-Part 139 Field Reporting	8,377	8,000	2,921	5,456
$49,760	**$12,706**	**$37,054**		**TOTAL AIRFIELD AREA EXPENSE**	**$240,063**	**$279,500**	**$102,033**	**$138,030**
				AVIATION PROPERTIES EXPENSE				
$16,520	$900	$15,620	60030-301	Aviation - Domed Hangar/Offices	$16,714	$8,000	$3,919	$12,795
1,779	5,061	(3,282)	60040-301	Aviation - Tri-City Aviation, Inc.	27,531	45,000	22,040	5,491
120	1,125	(1,005)	60045-301	Aviation - Corporate Hangar Maint	960	10,000	4,898	(3,938)
0	1,125	(1,125)	60050-301	Aviation - Wysong	104	10,000	4,898	(4,795)
131	0	131	62210-303	Other: New S. Aviation Hangar - Utilities	1,188	0	0	1,188
$18,550	**$8,211**	**$10,339**		**TOTAL AVIATION PROPERTIES EXPI**	**$46,497**	**$73,000**	**$35,755**	**$10,742**

Tri-Cities Airport Authority

FY 2026 Operating Budget

4:33:40 PM 12/4/2025

10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				TERMINAL AREA EXPENSE				
$0	$19,375	($19,375)	61010-302	Terminal - Electricity - BTES	$117,343	$290,000	$87,142	$30,201
1,417	1,670	(253)	61020-302	Terminal - Heating Fuel	3,277	25,000	7,512	(4,235)
3,779	3,006	773	61030-302	Terminal - Water & Sewer	15,864	45,000	13,522	2,342
(133)	334	(467)	61035-302	Terminal - Landscape Water	587	5,000	1,502	(915)
1,020	1,203	(183)	61040-302	Terminal - Telephone & Internet	4,177	18,000	5,409	(1,232)
155	1,002	(847)	61050-302	Terminal - Electrical Maintenance	311	15,000	4,507	(4,196)
6,061	2,038	4,023	61055-302	Terminal - HVAC Maintenance	9,050	30,500	9,165	(115)
3,169	3,675	(506)	61057-302	Terminal - Building Repairs	16,206	55,000	16,527	(321)
2,909	1,503	1,406	61060-302	Terminal - Plumbing	8,665	22,500	6,761	1,904
0	3,675	(3,675)	61065-302	Terminal - Landscape Service	19,896	55,000	16,527	3,369
555	468	87	61070-302	Terminal - Equipment/Furnishing Mtn	1,714	7,000	2,103	(389)
5,009	1,637	3,372	61075-302	Terminal - Roadway, Parking Lot	13,965	24,500	7,362	6,603
0	2,672	(2,672)	61080-302	Terminal - Contract Mowing	11,898	40,000	12,020	(122)
0	0	0	61081-302	Terminal - Lawn Treatment	450	0	0	450
1,128	3,340	(2,212)	61570-302	Terminal - Contract (Elevator)	22,078	50,000	15,024	7,054
3,891	2,672	1,219	61580-302	Terminal - Contract (Trash Service)	20,281	40,000	12,020	8,261
1,434	3,006	(1,572)	61610-302	Terminal - Other Contracts	2,054	45,000	13,522	(11,468)
1,924	6,681	(4,757)	61960-302	Terminal - Jetway Maintenance	3,211	100,000	30,049	(26,838)
75,824	3,340	72,484	61970-302	Terminal - IT Equipment & Services	124,364	50,000	15,024	109,340
0	802	(802)	61980-302	Terminal - FIDS System	1,438	12,000	3,607	(2,169)
$108,142	**$62,099**	**$46,043**		**TOTAL TERMINAL AREA EXPENSE**	**$396,829**	**$929,500**	**$279,305**	**$117,524**

Tri-Cities Airport Authority

FY 2026 Operating Budget
10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIR CARGO CENTER EXPENSE				
$87	$615	($528)	62560-303	Air Cargo Center: Utilities	$5,295	$12,000	$5,349	($54)
0	51	(51)	62562-303	Air Cargo Center: Heating Fuel	0	1,000	446	(446)
0	154	(154)	62565-303	Air Cargo Center: HVAC Maintenance	0	3,000	1,338	(1,338)
0	769	(769)	62566-303	Air Cargo Center: Building Repairs	6,808	15,000	6,687	121
$87	**$1,589**	**($1,502)**		**TOTAL AIR CARGO EXPENSE**	**$12,103**	**$31,000**	**$13,820**	**($1,717)**

Tri-Cities Airport Authority

FY 2026 Operating Budget
10/31/2025

4:33:41 PM 12/4/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				OTHER PROPERTIES EXPENSE				
$0	$128	($128)	62556-303	Other Prop: Non-Aviation Land	$0	$2,000	$704	($704)
0	446	(446)	62555-303	Other Prop: Other Buildings	4,649	7,000	2,463	2,186
1,627	2,551	(924)	62557-303	RAC Service Facility Utilities	11,619	40,000	14,077	(2,458)
0	3,189	(3,189)	62558-303	RAC Service Facility Maint	7,360	50,000	17,598	(10,238)
				OTHER BUILDING EXPENSE				
55	383	(328)	62010-303	Hamilton Road Garages - Utilities	3,051	6,000	2,112	939
				OTHER EXPENSE				
555	319	236	62580-303	Other Expense: Ice Expense	2,445	5,000	1,760	685
0	829	(829)	62581-303	Other Expense: Airline GSE Gasoline	1,727	13,000	4,575	(2,848)
$2,237	**$7,845**	**($5,608)**		**TOTAL OTHER PROPERTIES EXP.**	**$30,851**	**$123,000**	**$43,289**	**($12,438)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				FIXED BASE OPERATION EXPENSE				
$0	$0	$0	68000-319	FBO - Supplies	$4,665	$80,000	$0	$4,665
0	0	0	68002-319	FBO - Equipment Fuel	5,860	0	0	5,860
0	0	0	68003-319	FBO - Equipment Mainenance	117	0	0	117
205	0	205	68004-319	FBO - Miscellaneous	6,386	0	0	6,386
0	17,538	(17,538)	68007-319	FBO - Salaries	0	152,000	52,614	(52,614)
0	1,385	(1,385)	68008-319	FBO - FICA	0	12,000	4,154	(4,154)
0	1,269	(1,269)	68009-319	FBO - Retirement	0	11,000	3,807	(3,807)
0	1,667	(1,667)	68010-319	FBO - Group Insurance	0	20,000	6,666	(6,666)
0	167	(167)	68011-319	FBO - General Personnel	0	2,000	667	(667)
20,027	0	20,027	68018-319	FBO - Titan Fuel Purchases	107,885	0	0	107,885
$20,232	$22,026	($1,794)			$124,913	$277,000	$67,908	$57,005

Tri-Cities Airport Authority

FY 2026 Operating Budget

4:33:42 PM 12/4/2025

10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				PUBLIC SAFETY DEPARTMENT EXPENSE				
$1,082	$1,274	($192)	63040-304	Safety - Fire Hall Expense	$12,090	$12,000	$4,440	$7,650
122	425	(303)	63041-304	Safety - Fire Hall Heating Fuel	442	4,000	1,480	(1,038)
0	425	(425)	63100-304	Safety - Equipment/Furniture/Fixtures	75	4,000	1,480	(1,405)
2,549	5,200	(2,651)	63210-304	Safety - Equipment Maintenance	33,515	49,000	18,127	15,388
0	2,653	(2,653)	63420-304	Safety - Vehicle Fuel	3,897	25,000	9,248	(5,351)
3,900	4,776	(876)	63550-304	Safety - Training	10,068	45,000	16,647	(6,579)
5,248	2,070	3,178	63600-304	Safety - Uniforms	7,004	19,500	7,214	(210)
400	1,327	(927)	63650-304	Safety - Dues & Subscriptions	8,284	12,500	4,624	3,660
0	531	(531)	63670-304	Safety - Office Supplies	97	5,000	1,851	(1,754)
277	265	12	63700-304	Safety - General Expense	895	2,500	924	(29)
216	371	(155)	63730-304	Safety - Telephone & Internet	1,461	3,500	1,294	167
0	531	(531)	63740-304	Safety - Radios/Communications	0	5,000	1,851	(1,851)
0	265	(265)	63760-304	Safety - Medical & Psy Testing	250	2,500	924	(674)
0	212	(212)	63800-304	Safety - Medical Supplies	14,196	2,000	739	13,457
0	1,061	(1,061)	63910-304	Safety - ID's & Fingerprinting	(905)	10,000	3,699	(4,604)
0	53	(53)	63915-304	Safety - Security Parking	0	500	185	(185)
1,662	3,184	(1,522)	63985-304	Safety - Access Control	59,953	30,000	11,098	48,855
0	1,592	(1,592)	63986-304	Safety-Worker's Comp Insurance	1,178	15,000	5,549	(4,372)
2,871	4,038	(1,167)	63988-304	Safety - Overtime	14,875	35,000	12,114	2,761
2,750	4,500	(1,751)	63989-304	Safety - Part-Time Salaries	8,486	39,000	13,500	(5,014)
62,696	94,038	(31,342)	63990-304	Safety - Full-Time Salaries	236,030	815,000	282,114	(46,084)
4,961	8,019	(3,058)	63991-304	Safety - FICA Expense	18,794	69,500	24,057	(5,263)
8,587	9,231	(644)	63992-304	Safety - Retirement Expense	31,368	80,000	27,693	3,675
0	2,547	(2,547)	63994-304	Safety - General Personnel	0	24,000	8,879	(8,879)
38,958	24,410	14,548	63995-304	Safety - Group Insurance	99,778	230,000	85,084	14,694
$136,279	**$172,998**	**($36,719)**		**TOTAL PUBLIC SAFETY EXPENSE**	**$561,831**	**$1,539,500**	**$544,815**	**$17,016**

Tri-Cities Airport Authority

FY 2026 Operating Budget
10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				MAINTENANCE DEPARTMENT EXPENSE				
$38	$595	($557)	64020-305	Maintenance - Utilities	$3,637	$10,000	$2,896	$741
135	89	46	64030-305	Maintenance - Telephone	1,050	1,500	434	616
59	179	(120)	64050-305	Maintenance - Heating Fuel	231	3,000	870	(639)
0	715	(715)	64120-305	Maintenance - Building Repair	175	12,000	3,476	(3,301)
9,703	3,573	6,130	64150-305	Maintenance - Equipment Mtn	22,292	60,000	17,376	4,916
0	1,489	(1,489)	64610-305	Maintenance - Vehicle Fuel & Oil	11,504	25,000	7,240	4,264
11,215	715	10,500	64650-305	Maintenance - Tools & Hardware	20,611	12,000	3,476	17,135
0	506	(506)	64700-305	Maintenance - Training	0	8,500	2,462	(2,462)
150	595	(445)	64750-305	Maintenance - Uniforms	4,652	10,000	2,896	1,756
2,514	595	1,919	64800-305	Maintenance - General Expense	5,780	10,000	2,896	2,884
37,773	56,538	(18,765)	64900-305	Maintenance - Salaries	142,227	490,000	169,614	(27,387)
2,849	4,731	(1,882)	64901-305	Maintenance - FICA Expense	11,745	41,000	14,193	(2,448)
5,473	5,769	(296)	64902-305	Maintenance - Retirement Expense	21,965	50,000	17,307	4,658
1,977	3,462	(1,485)	64903-305	Maintenance - Overtime	21,126	30,000	10,386	10,740
29,059	10,760	18,299	64904-305	Maintenance - Group Insurance	75,748	180,700	52,331	23,417
0	536	(536)	64907-305	Maintenance - General Personnel	45	9,000	2,607	(2,562)
$100,945	**$90,847**	**$10,098**		**TOTAL MAINTENANCE EXPENSE**	**$342,788**	**$952,700**	**$310,460**	**$32,328**

Tri-Cities Airport Authority

FY 2026 Operating Budget

4:33:43 PM 12/4/2025

10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				BUILDING SERVICES EXPENSE				
$7,855	$4,674	$3,181	65100-306	Building Services - Supplies	$25,374	$60,000	$18,915	$6,459
0	545	(545)	65105-306	Building Services - Equipment Purchase	2,026	7,000	2,206	(180)
0	132	(132)	65110-306	Building Services - Furniture & Fixtures	0	1,700	535	(535)
3,454	312	3,142	65115-306	Building Services - Equipment Mtn	4,443	4,000	1,261	3,182
260	701	(441)	65120-306	Building Services - Uniforms	2,101	9,000	2,837	(736)
212	195	17	65125-306	Building Services - General Expense	1,310	2,500	789	521
0	39	(39)	65130-306	Building Services - Snow Removal	0	500	158	(158)
30,868	49,615	(18,747)	65200-306	Building Services - Salaries	112,934	430,000	148,846	(35,912)
2,102	1,731	371	65205-306	Building Services - Overtime	11,887	15,000	5,193	6,694
2,398	3,923	(1,525)	65210-306	Building Services - FICA Expense	9,063	34,000	11,768	(2,705)
4,086	5,100	(1,014)	65220-306	Building Services - Retirement Expense	15,283	44,200	15,300	(17)
20,771	11,288	9,483	65230-306	Building Services - Group Insurance	49,608	144,900	45,682	3,926
0	428	(428)	65237-306	Building Services - General Personnel	125	5,500	1,733	(1,608)
0	156	(156)	65238-306	Building Services - Training	210	2,000	631	(421)
$72,006	**$78,839**	**($6,833)**		**TOTAL BUILDING SERVICES EXPEN**	**$234,364**	**$760,300**	**$255,854**	**($21,490)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

4:33:43 PM 12/4/2025

10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				CUSTOMER EXPERIENCE EXPENSE				
$24	$146	($122)	65510-316	Customer Experience - Supplies	$78	$2,000	$585	($507)
12,650	6,573	6,077	65515-316	Customer Experience - Programs & Mat	12,650	90,000	26,329	(13,679)
0	146	(146)	65520-316	Customer Experience - Uniforms	0	2,000	585	(585)
0	219	(219)	65530-316	Customer Experience - Training	0	3,000	877	(877)
3,776	5,654	(1,878)	65535-316	Customer Experience - Salaries	14,347	49,000	16,961	(2,614)
267	438	(171)	65540-316	Customer Experience - FICA Expense	1,011	3,800	1,314	(303)
394	565	(171)	65545-316	Customer Experience - Retirement	1,555	4,900	1,696	(141)
3,159	1,358	1,801	65550-316	Customer Experience - Group Insurance	7,955	18,600	5,441	2,514
0	37	(37)	65556-316	Customer Experience - General Person	0	500	147	(147)
$20,270	**$15,136**	**$5,134**		**TOTAL CUSTOMER EXPERIENCE EX**	**$37,596**	**$173,800**	**$53,935**	**($16,339)**

Tri-Cities Airport Authority
FY 2026 Operating Budget
10/31/2025

4:33:43 PM 12/4/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				PUBLIC PARKING EXPENSE				
$23,485	$25,994	($2,509)	69300-320	Parking: Salaries & Wages	$104,328	$289,000	$101,611	$2,717
1,721	1,979	(258)	69301-320	Parking: Payroll Taxes	7,681	22,000	7,735	(54)
0	135	(135)	69302-320	Parking: Uniforms	0	1,500	528	(528)
5,242	4,947	295	69303-320	Parking: Health Care & Retirement	21,143	55,000	19,337	1,806
0	450	(450)	69304-320	Parking: Garage Supplies	165	5,000	1,759	(1,594)
0	360	(360)	69306-320	Parking: Printing & Ticket Expense	186	4,000	1,407	(1,221)
22	315	(293)	69308-320	Parking: Office Supplies	221	3,500	1,230	(1,009)
66	45	21	69309-320	Parking: Office Equipment	66	500	175	(109)
308	899	(591)	69310-320	Parking: Repairs & Maint.	1,624	10,000	3,515	(1,891)
0	45	(45)	69314-320	Parking: License & Fees	30	500	175	(145)
40	0	40	69315-320	Parking: Other Insurance	40	0	0	40
0	45	(45)	69316-320	Parking: Liability & Other Insurance	120	500	175	(55)
914	774	140	69317-320	Parking: Worker's Comp	3,829	8,600	3,024	805
68	76	(8)	69318-320	Parking: Utilities-Water	188	850	298	(110)
0	540	(540)	69320-320	Parking: Utilities-Electricity	1,920	6,000	2,109	(189)
0	22	(22)	69322-320	Parking: Postage & Freight	3	250	88	(85)
0	450	(450)	69324-320	Parking: Telephone & Communications	1,104	5,000	1,759	(655)
4	45	(41)	69326-320	Parking: Recruiting Expense	20	500	175	(155)
72	0	72	69327-320	Parking: Advertising & Publicity	238	0	0	238
257	225	32	69328-320	Parking: Financial Services	1,258	2,500	879	379
9,367	7,061	2,306	69330-320	Parking: Credit Card Discount	35,270	78,500	27,600	7,670
0	360	(360)	69331-320	Parking: Truck Fuel	468	4,000	1,407	(939)
231	333	(102)	69332-320	Parking: Miscellaneous Expense	898	3,700	1,301	(403)
2,370	2,797	(427)	69334-320	Parking: Management Fee	9,480	31,100	10,934	(1,454)
$44,167	**$47,897**	**($3,730)**		**TOTAL PUBLIC PARKING EXPENSE**	**$190,280**	**$532,500**	**$187,221**	**$3,059**

Tri-Cities Airport Authority

FY 2026 Operating Budget
10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				TRADE DEVELOPMENT EXPENSE				
				FOREIGN TRADE ZONE EXPENSE				
0	11	(11)	69050-309	FTZ: Programs & Materials	0	200	48	(48)
0	55	(55)	69051-309	FTZ: Contract Services	1,750	1,000	244	1,506
0	11	(11)	69052-309	FTZ: Marketing & Advertising	0	200	48	(48)
0	55	(55)	69053-309	FTZ: Professional Affiliations	0	1,000	244	(244)
0	27	(27)	69054-309	FTZ: Subscriptions	0	500	122	(122)
0	27	(27)	69055-309	FTZ: Meetings, Registration	0	500	122	(122)
0	5	(5)	69057-309	FTZ: Special Events	0	100	24	(24)
0	55	(55)	69059-309	FTZ: Legal	0	1,000	244	(244)
0	**246**	**(246)**		**TOTAL FOREIGN TRADE ZONE EXP**	**1,750**	**4,500**	**1,096**	**654**
				ADMINISTRATIVE EXPENSE				
0	109	(109)	69070-309	DEV: ADMIN - Travel & Auto	0	2,000	486	(486)
0	5	(5)	69071-309	DEV: ADMIN - Airport Promotion	0	100	24	(24)
0	44	(44)	69072-309	DEV: ADMIN - Office Supplies	352	800	196	156
0	11	(11)	69073-309	DEV: ADMIN - Furniture & Equipment	0	200	48	(48)
0	55	(55)	69074-309	DEV: ADMIN - Communications	255	1,000	244	11
0	5	(5)	69075-309	DEV: ADMIN - Postage & Courier	0	100	24	(24)
0	5	(5)	69076-309	DEV: ADMIN - Printing & Forms	0	100	24	(24)
0	8	(8)	69077-309	DEV: ADMIN - Staff Training	0	150	36	(36)
0	**242**	**(242)**		**TOTAL ADMINISTRATIVE EXPENSE**	**607**	**4,450**	**1,082**	**(475)**
				PERSONNEL COST				
9,011	13,523	(4,512)	69080-309	DEV: Salaries	33,899	117,200	40,568	(6,669)
659	1,050	(391)	69082-309	DEV: FICA	2,472	9,100	3,150	(678)
2,711	2,746	(35)	69083-309	DEV: Retirement	10,346	23,800	8,239	2,107
4,449	1,422	3,027	69084-309	DEV: Group Insurance	11,182	26,000	6,330	4,852
0	66	(66)	69086-309	DEV: General Personnel	0	1,200	292	(292)
16,830	**18,807**	**(1,977)**		**TOTAL PERSONNEL COST**	**57,899**	**177,300**	**58,579**	**(680)**
$16,830	**$19,295**	**($2,465)**		**TOTAL TRADE DEVELOPMENT EXP**	**$60,256**	**$186,250**	**$60,757**	**($501)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

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10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				MARKETING & AIR SERVICE DEV EXPENSE				
				AIRPORT & COMMUNITY RELATIONS				
$0	$1,305	($1,305)	67215-308	Marketing - Advertising	$0	$15,000	$5,734	($5,734)
2,109	3,480	(1,371)	67225-308	Mkt - Website, Programs & Materials	7,364	40,000	15,291	(7,927)
0	2,610	(2,610)	67244-308	Marketing - Community Relations	5,317	30,000	11,469	(6,152)
				AIR SERVICE DEVELOPMENT				
792	2,610	(1,818)	67291-308	Marketing - Research & Development	5,226	30,000	11,469	(6,243)
8,847	11,310	(2,463)	67292-308	Marketing - Consulting Services	25,276	130,000	49,698	(24,422)
0	3,045	(3,045)	67293-308	Marketing - Airline Relations	12,918	35,000	13,380	(462)
54,019	36,538	17,481	67294-308	Marketing - Marketing Initiative	138,327	420,000	160,560	(22,233)
				MARKETING SUPPORT				
686	3,654	(2,968)	67262-308	Marketing - Travel	7,128	42,000	16,056	(8,928)
0	157	(157)	67264-308	Marketing - Auto & Fuel	0	1,800	689	(689)
0	244	(244)	67272-308	Marketing - Professional Afflliliations	845	2,800	1,072	(227)
0	348	(348)	67285-308	Marketing - Supplies & Misc	0	4,000	1,529	(1,529)
4,383	226	4,157	67287-308	Mkt - Phones & Data Communications	4,901	2,600	994	3,907
11,560	17,423	(5,863)	67900-308	Marketing - Salaries	43,466	151,000	52,268	(8,802)
856	1,385	(529)	67901-308	Marketing - FICA Expense	3,212	12,000	4,154	(942)
1,205	1,731	(526)	67903-308	Marketing - Retirement Expense	4,573	15,000	5,193	(620)
4,802	2,445	2,357	67905-308	Marketing - Group Insurance	12,118	28,100	10,743	1,375
0	174	(174)	67911-308	Marketing - General Personnel	0	2,000	765	(765)
23,492	**27,787**	**(4,295)**		**SUB-TOTAL MARKETING SUPPORT**	**76,243**	**261,300**	**93,463**	**(17,220)**
$89,259	**$88,685**	**$574**		**TOTAL MARKETING & AIR SERVICE**	**$270,671**	**$961,300**	**$361,064**	**($90,393)**

Tri-Cities Airport Authority

FY 2026 Operating Budget
10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				GROUND HANDLING SERVICES EXPENSE				
$5,625	$53	$5,572	68921-310	GHS - Supplies	$17,017	$2,500	$585	$16,432
26	192	(166)	68923-310	GHS - Equipment Maintenance	3,535	9,000	2,107	1,428
0	43	(43)	68925-310	GHS - Equipment Fuel	864	2,000	469	395
77	26	51	68926-310	GHS - Telephone & Communication	576	1,200	282	294
3,295	21	3,274	68927-310	GHS - Miscellaneous	7,779	1,000	234	7,545
(100)	0	(100)	68928-310	GHS - 3rd Party Services	(200)	0	0	(200)
1,694	43	1,651	68929-310	GHS - Staff Training	1,716	2,000	469	1,247
0	170	(170)	68930-310	GHS - Uniforms	5,057	8,000	1,872	3,185
22,643	7,846	14,797	68931-310	GHS - Salaries	78,035	68,000	23,539	54,496
0	20,769	(20,769)	68932-310	GHS - Part-time	0	180,000	62,307	(62,307)
1,705	2,192	(487)	68933-310	GHS - FICA	5,874	19,000	6,578	(704)
674	134	540	68935-310	GHS - Retirement	1,941	6,300	1,474	467
0	597	(597)	68937-310	GHS - Group Insurance	0	28,000	6,553	(6,553)
0	64	(64)	68939-310	GHS - General Personnel	65	3,000	703	(638)
$35,639	**$32,150**	**$3,489**		**TOTAL GND HANDLING SVCS EXP**	**$122,259**	**$330,000**	**$107,172**	**$15,087**

Tri-Cities Airport Authority

FY 2026 Operating Budget
10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				AIRPORT BUSINESS DEVELOPMENT EXPENSE				
$0	$1,202	($1,202)	68950-318	Business Dev: Partnerships	$4,000	$6,000	$2,132	$1,868
0	2,004	(2,004)	68952-318	Business Dev: Programs & Materials	68	10,000	3,553	(3,485)
0	6,012	(6,012)	68954-318	Aerospace Industry Travel	0	30,000	10,658	(10,658)
4,072	15,030	(10,958)	68956-318	Aerospace Park Marketing	20,520	75,000	26,644	(6,124)
0	11,022	(11,022)	68958-318	Aerospace Park Contracted Services	4,000	55,000	19,539	(15,539)
0	1,002	(1,002)	68960-318	Aerospace Park Website	0	5,000	1,777	(1,777)
$4,072	**$36,272**	**($32,200)**		**TOTAL AIR BUSINESS DEV EXP.**	**$28,588**	**$181,000**	**$64,303**	**($35,715)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

10/31/2025

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Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
				ADMINISTRATIVE DEPARTMENT EXPENSE				
$0	$4,318	($4,318)	66010-307	Admin - Auditing	$2,400	$62,000	$18,176	($15,776)
1,258	2,089	(831)	66030-307	Admin - Legal	4,960	30,000	8,795	(3,835)
0	20,895	(20,895)	66060-307	Admin - Insurance & Bonding	26,244	300,000	87,944	(61,700)
0	2,089	(2,089)	66210-307	Admin - Dues & Subscriptions	16,544	30,000	8,795	7,749
3,268	2,507	761	66260-307	Admin - Consulting Services	41,781	36,000	10,552	31,229
0	1,741	(1,741)	66300-307	Admin - Engineering Services	250	25,000	7,329	(7,079)
0	348	(348)	66550-307	Admin - Furniture & Fixtures	620	5,000	1,466	(846)
0	348	(348)	66560-307	Admin - Office Equipment	309	5,000	1,466	(1,157)
90	696	(606)	66570-307	Admin - Office Supplies	4,460	10,000	2,931	1,529
1,696	1,846	(150)	66660-307	Admin - Telephone & Internet	9,929	26,500	7,769	2,160
252	2,577	(2,325)	66750-307	Admin - Office Equipment Maintenance	3,596	37,000	10,847	(7,251)
1,361	2,089	(728)	66850-307	Admin - General Administrative	15,931	30,000	8,795	7,136
325	279	46	66861-307	Admin - Education & Training	1,577	4,000	1,173	404
8,008	2,089	5,919	66940-307	Admin - Seminars & Conferences	12,230	30,000	8,795	3,435
0	104	(104)	66970-307	Admin - Postage & Shipping	489	1,500	439	50
81,277	132,692	(51,416)	66990-307	Admin - Salaries	292,466	1,150,000	398,078	(105,613)
4,763	10,846	(6,083)	66991-307	Admin - FICA Expense	18,399	94,000	32,539	(14,140)
10,661	12,692	(2,031)	66992-307	Admin - Retirement Expense	39,608	110,000	38,078	1,530
26,992	11,492	15,500	66994-307	Admin - Group Insurance	67,587	165,000	48,370	19,217
1,200	2,229	(1,029)	66996-307	Admin - General Personnel	19,176	32,000	9,381	9,795
(1,256)	(1,741)	485	67001-307	Admin - Capitalized Salaries (Projects)	(3,455)	(25,000)	(7,329)	3,874
$139,895	**$212,225**	**($72,330)**		**TOTAL ADMINISTRATIVE EXP.**	**$575,101**	**$2,158,000**	**$704,389**	**($129,288)**

Tri-Cities Airport Authority

FY 2026 Operating Budget

10/31/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
$81,370	$83,959	($2,589)		Airline Landing Fees	$324,199	$836,620	$295,219	$28,980
152,621	151,487	1,134		Airline Rents	611,599	1,818,600	607,453	4,146
233,991	**235,446**	**(1,455)**		**TOTAL AIRLINE REVENUE**	**935,798**	**2,655,220**	**902,672**	**33,126**
129,754	108,880	20,874		General Aviation	422,869	1,191,650	407,241	15,628
8,184	9,085	(901)		Air Cargo	33,847	107,500	36,054	(2,207)
397,602	293,724	103,878		Parking Revenue	1,449,059	3,170,245	1,110,245	338,814
173,353	125,572	47,781		Rental Car Revenue	728,213	1,874,700	569,418	158,795
19,632	20,958	(1,326)		Terminal Concessions	93,028	251,500	83,832	9,196
10,133	9,349	784		Terminal Space Rents	40,574	112,200	37,396	3,178
31,500	29,911	1,589		Other Revenues	167,181	365,800	115,960	51,221
770,158	**597,479**	**172,679**		**TOTAL NON-AIRLINE REVENUE**	**2,934,771**	**7,073,595**	**2,360,146**	**574,625**
1,004,149	**832,925**	**171,224**		**TOTAL REVENUE**	**3,870,569**	**9,728,815**	**3,262,818**	**607,751**
49,760	12,706	37,054		Airfield Area	240,063	279,500	102,033	138,030
18,550	8,211	10,339		Aviation Properties	46,497	73,000	35,755	10,742
108,142	62,099	46,043		Terminal Area	396,829	929,500	279,305	117,524
87	1,589	(1,502)		Air Cargo Center	12,103	31,000	13,820	(1,717)
2,237	7,845	(5,608)		Other Properties	30,851	123,000	43,289	(12,438)
20,232	22,026	(1,794)		Fixed Base Operation	124,913	277,000	67,908	57,005
136,279	172,998	(36,719)		Public Safety	561,831	1,539,500	544,815	17,016
100,945	90,847	10,098		Maintenance Dept.	342,788	952,700	310,460	32,328
72,006	78,839	(6,833)		Janitorial Dept.	234,364	760,300	255,854	(21,490)
20,270	15,136	5,134		Airport Services	37,596	173,800	53,935	(16,339)
44,167	47,897	(3,730)		Public Parking	190,280	532,500	187,221	3,059
16,830	19,295	(2,465)		Trade Development	60,256	186,250	60,757	(501)
89,259	88,685	574		Marketing Dept.	270,671	961,300	361,064	(90,393)
35,639	32,150	3,489		Ground Handling Services	122,259	330,000	107,172	15,087
4,072	36,272	(32,200)		Airport Business Dev	28,588	181,000	64,303	(35,715)
139,895	212,225	(72,330)		Administrative	575,101	2,158,000	704,389	(129,288)
858,370	**908,820**	**(50,450)**		**TOTAL EXPENSES**	**3,274,990**	**9,488,350**	**3,192,080**	**82,910**
$145,779	**($75,895)**	**$221,674**			**$595,579**	**$240,465**	**$70,738**	**$524,841**

Director of Marketing and Air Service Development,

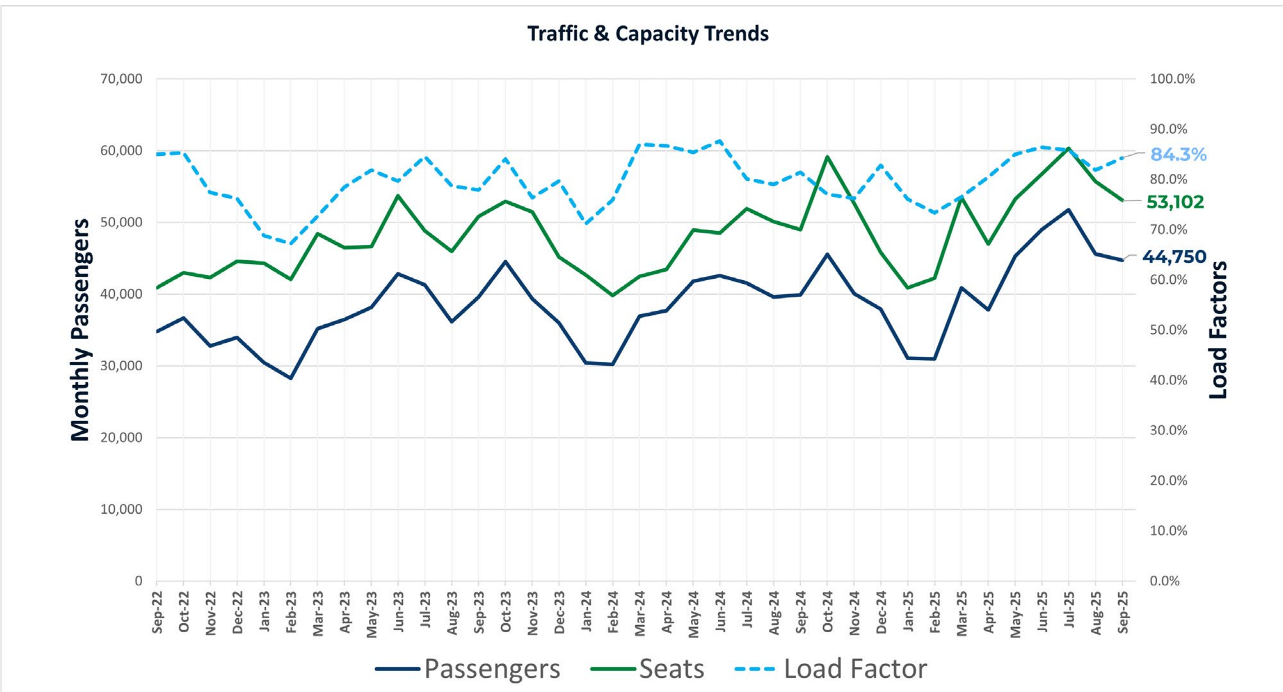
Trevor Rice

Tri-Cities Airport Authority
December 11, 2025

REPORT:

Air Service Development & Marketing Report

Air Service Development:



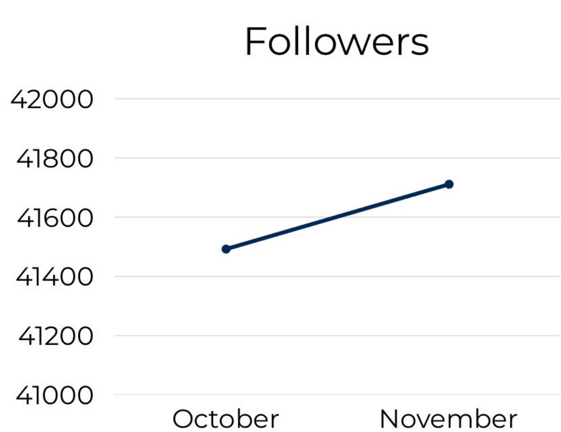
Traffic & Capacity Trends (Latest Available: September 2025)		
Metric	**Sept. 2025**	**YoY Change**
Passengers	44,750	+12.2%
Seats	53,102	+8.4%
Load Factor	84.3%	+3.6%

Projected Seat Capacity (Forward-Looking)		
Month	**Projected Seats**	**YoY Change**
January	26,365	+17%
February	25,669	+18%
March	29,163	+7%
April	27,565	+17%
May	31,640	+16%

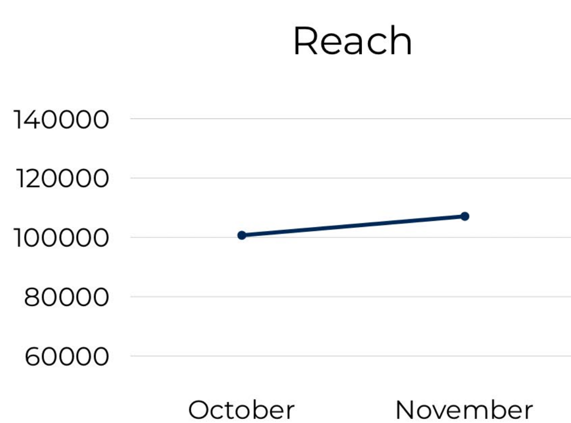
Airline Schedules (January-May)				
Airline	**Route**	**Frequency**	**Aircraft**	**Notable Changes**
Allegiant	PIE (St. Pete)	2x/week	A319/A320	Seasonal service returns Feb. 13, 2026
	SFB (Orlando)	Mix 2x/3x - 4x/week starting in May	A319/A320, B737	4x/week in May
American	CLT (Charlotte)	Avg. 6 daily	ERJ-145	Stable
	DFW (Dallas)	2x/day (through Dec 31*) → Mix 1x/2x daily (Jan-March)	ERJ-175/170, CRJ 900	Stable
Breeze	MCO (Orlando)	2x/week	A220	NEW
	IAD (Washington, DC)	2x/week	A220	NEW
Delta	ATL (Atlanta)	Avg. 5 daily	CRJ-700/900	Stable

Advertising, Community Relations, Customer Experience:

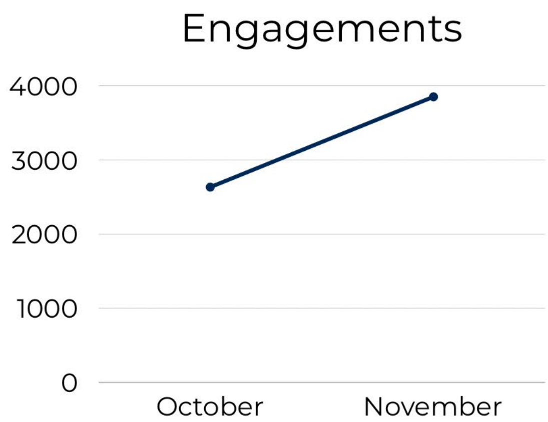
Oct/Nov Social Media – Total Posts: 104



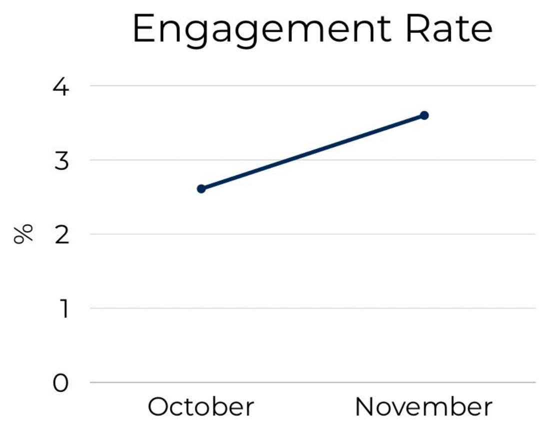
Total Followers: 41,711



Total Reach: 207,783



Total Engagements: 6,484



Average Engagement Rate: 3.11%

Across October and November, social platforms continued to show steady growth and strong engagement driven by seasonal travel content, airport events, and timely updates. Fall-themed posts, decor, travel tips, and polls performed well in October, while holiday messaging, airport birthday content, and government shutdown updates maintained success in November.

Instagram and TikTok were standout channels this period, with notable spikes in engagement tied to holiday posts, community events, and lighthearted seasonal content. Facebook remained the largest audience base and continued to support broad reach, while LinkedIn engagement reflected strong interest in regional business and travel updates. Overall, content tied to holidays, the TSA/FAA donation drive, and community-centered storytelling consistently encouraged interaction and helped reinforce brand awareness & connection.

Oct/Nov Email - Total Campaigns: 3

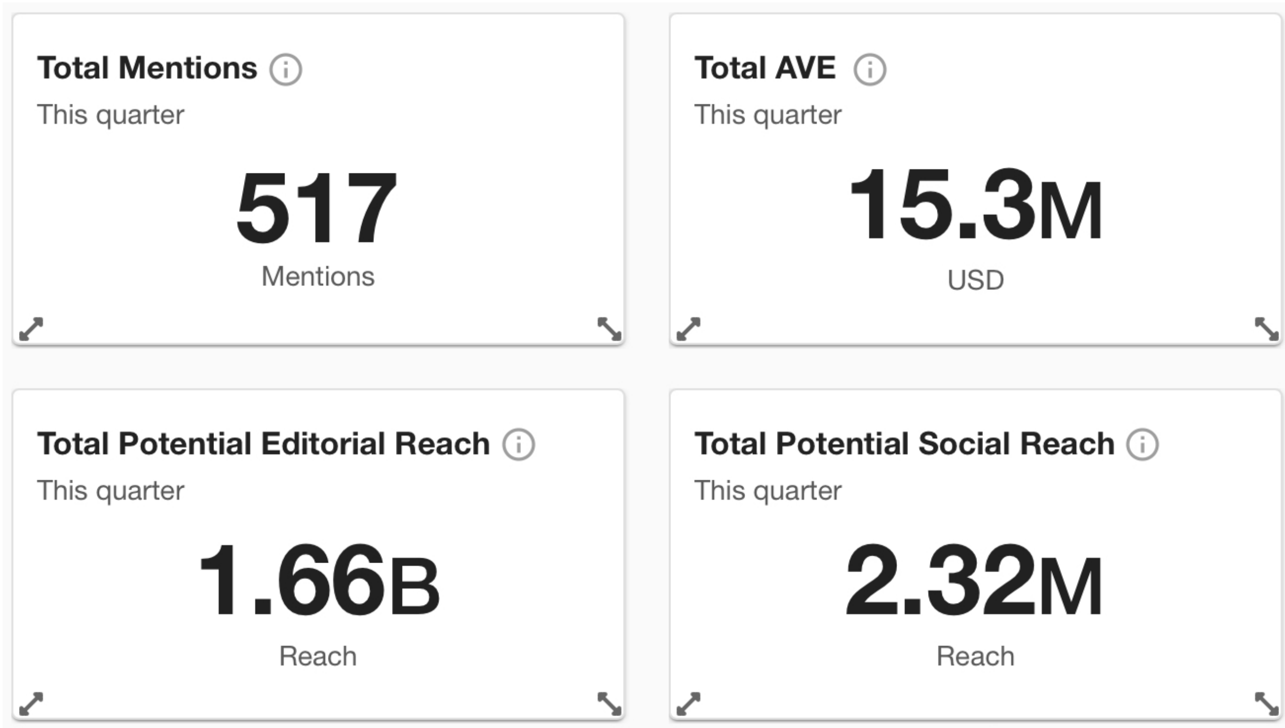
Monitor performance

Oct 1, 2025 - Dec 2, 2025

Total sends	Open rate	Click rate	Unsubscribe rate
6,675	38.8%	2.0%	0.30%

Email continued to serve as a reliable communication channel, with strong open rates and engagement. Campaigns centered around the TSA/FAA Donation Drive, Halloween, and Thanksgiving performed well and kept subscribers informed during a busy travel season. Unsubscribe levels remained low, and list performance held steady. The channel remains an effective tool for timely updates and for supporting high-interest seasonal content.

Oct/Nov Earned Media:



Media visibility rose significantly across October and November, with strong coverage driven by government shutdown impacts, the airport's donation drive, and tourism-related stories in October, followed by heightened attention around flight reduction impacts and the opening of the Tri-Cities Airport Ice Rink at Bristol Motor Speedway in November.

Paid Media

The Fly Local advertising campaign continues across a mix of tactics including programmatic display, paid search, paid social, cable, OTT, billboards, mixed digital and broadcast, and radio. New creative is showing strong performance, with even more updates on the way.

Current placements support both Fly Local awareness and promotional pushes for the two new Breeze routes. The "thank you for flying local" angle is helping connect Fly Local behavior with expanded air service, strengthening the campaign's broader strategy.

Community/Passenger Engagement

Community and passenger engagement remained strong this fall. TRI sponsored and exhibited at an ETSU Women's Basketball Game and the Tri-Cities Airport Ice Rink opened at Bristol Motor Speedway. These sponsorships created opportunities for meaningful regional visibility.

Inside the terminal, our tenant pumpkin carving contest brought a fun, seasonal energy to the space and encouraged passengers to vote and take part. We also connected directly with travelers through social video and Thanksgiving-themed engagement, gathering stories that highlighted the warmth and personality of our passengers.

Most importantly, the TSA/FAA Donation Drive sparked meaningful community involvement. The response was overwhelmingly positive and created a heartfelt moment of people coming together to support others during the holiday season. It was a standout activation that highlighted the generosity of our region and the strong community spirit around TRI.

Since the October TCAA meeting:

- Participated in monthly ACI-NA Air Service Committee Steering Group meeting.
- Staff attended TakeOff North America Air Service Development Conference.
- Staff attended ACI-NA Marketing & Communications Conference.
- Staff coordinated food drive to support FAA & TSA employees during government shutdown.
- Staff met with community partners regarding upcoming tours.
- Staff met with Johnson City Public Arts Committee to discuss partnership opportunities.
- Staff provided air service data to community partners.
- Staff attended the Economic Development Committee.
- Staff participated in internal meetings to discuss the FBO transition.
- Staff participated in meetings with fuel provider to discuss the FBO branding.
- Represented TRI at community events.
- Participated in internal meetings discussing various updates and possible improvements at TRI.
- Met with potential in-airport advertisers.
- Provided multiple airport tours.
- Handled media inquiries and scheduled interviews.
- The Marketing Team met regularly to discuss current and upcoming projects.

Submitted by: Trevor Rice
Director of Marketing & Air Service Development

Director Business Development,

Mark Canty

REPORT:

Business Development

Summary:

- Turtleson LLC's usage-driven site application was approved by the Foreign-Trade Zones (FTZ) Board. Turtleson will now work with Customs and Border Protection to complete the activation stage of becoming an FTZ operator. They have retained the services of a Customs Broker to process their FTZ entries and an in-person meeting with all parties including TRI, CBP, Turtleson, and their Broker will take place in coming days.

- We have been working with J.A. Street and Associates on multiple projects including the conceptual spec hangar in Aerospace Park as well as a GA hangar they are in the process of constructing for Aviation New Generation. We are finalizing a letter of agreement for specific preliminary construction services to be completed by J.A. Street that would help expedite development in the event that construction commences on a medium-sized maintenance hangar in Aerospace Park. The letter outlines specific items which will be delivered for a fee of $66,000 to be paid upon completion and receipt of the work. A copy of the proposed letter of agreement is included in this packet.

- We are working with Eastman on a Foreign-Trade Zone expansion to increase the products allowed to be entered into the Zone as foreign-status. They are requesting permission from the FTZ Board to add TEP, wood pulp, and Paraxylene to the merchandise that can be imported under FTZ guidelines. They are filing Production Notifications with the Board so that a review can take place to ensure no harm is done to domestic industry by the approval of the request.

- We are working with JLL on multiple potential Aerospace Park projects. One respondent to our RFQ, DAVCON, is said to be preparing a proposal to send in coming days. We are also working with JLL and their contacts to explore the possibilities of an airline MRO at TRI.

Submitted by: Mark Canty

Director of Business Development

Operations Report

Chief Operating Officer, David Jones

REPORT:

Capital Project Update

FY 2023 CAPITAL PROJECTS

1. **Airport Master Plan Update Project (Professional Services)**

   Atkins Realis - FAA will be reviewing the ALP and Exhibit A for final approval. Airport Financials and Capital Improvement Program will be finalized in the coming months.

Project Amount	$ 1,432,847.00
Estimated Project Percent Completion	90%

2. **Airport Terminal Public Adress System Improvements Project (Design/Bid)**

   Meade & Hunt - The consultant completed the project design, cost analysis, planning and budget estimating for a construction project. Bids for the work are forthcoming.

Project Amount	$ 141,070.00
Estimated Project Percent Completion	100%

FY 2025 CAPITAL PROJECTS

1. **Airport - Public Parking Lot Expansion (Construction)**

   Summers and Taylor, Inc. – Completed asphalt paving, sidewalk, pavement markings, and electrical light poles. Final installation of electrical systems, parking controls, signs and close-out remain.

Project Amount	$ $ 2,684,006.50
Estimated Project Percent Completion	85%

2. **Airport - Twy A Extension, Twy C Removal West of Rwy 23 and Rwy 5 RSA Improvements (Construction)**

   Summers and Taylor, Inc. - The contractor completed asphalt paving, sod/seeding, temporary pavement markings, edge lights, signage and the Rwy 5 RSA bank stabilization. Some electrical circuit work and the emergency generator/regulator installation, punch list and close out remain.

Project Amount	$ $ 7,375,279.00
Estimated Project Percent Completion	95%

3. **Airport – Parking and Revenue Control System (PARCS) (Construction)**

   Amano McGann, Inc. - The contractor installed conduit, fiber and prepared ingress/egress parking lot concrete islands for new equipment. New equipment was tested at the express parking lot. New equipment will be installed and tested as coordination with the other projects continue.

Project Amount	$	806,792.00
Estimated Project Percent Completion		50%

4. **Airport – LT Parking Rehab/Exit Plaza Replacement/Cell Phone Lot Expansion (Construction)**

   Summers and Taylor, Inc. - The contractor mobilized and began demolition and grading for the new parking lot exit plaza and cell phone lot expansion.

Project Amount	$	3,047,200.00
Estimated Project Percent Completion		10%

5. **Airport – Terminal/Concourse – Passenger Check Point Improvements (Construction)**

   Comsa Construction, Inc. - The contractor is currently preparing submittal logs, delivery of material coordination and setting up project mobilization. The contractor plans to begin on-site mobilization after the first of the year.

Project Amount	$	9,434,600.00
Estimated Project Percent Completion		5%

6. **Airport – Twy A Bank Slide Rehabilitation (Construction)**

   Baker Construction Services. - The contractor substantially completed the Twy A bank stabilization with geo-fabric, rip-rap and soil seeding mats. Project punch list and close out remain.

Project Amount	$	321,324.15
Estimated Project Percent Completion		95%

7. **Airport – Airport Twy RI Corporate Hangar Expansion Project (Construction)**

   Summers and Taylor, Inc. - The contractor is preparing material submittals for approval with construction to begin in spring 2026.

Project Amount	$	4,229,200.00
Estimated Project Percent Completion		5%

Submitted by: David W. Jones
Chief Operating Officer

President/CEO,
Gene Cossey

Verbal Report