Tri-Cities Airport Authority Board Meeting
February 27, 2025, at 10:00 a.m.
In the TCAA Boardroom

AGENDA
Chair J. Parker Smith

Recognition: Gloria Brookes - 30 years of service
Larry Nunley - ACE - Security Certification

Acknowledgement: Vice President visits Tri-Cities Airport

1. **CONSIDER: Minutes from December 12, 2024, TCAA Board Meeting**
2. **REPORT: Committee Updates**
3. **REPORT: Aerospace Park Spec Hanger RFQ**
4. **CONSIDER: Aviation New Generation LLC Office Lease**
5. **CONSIDER: Aviation New Generation LLC Ground Lease**
6. **CONSIDER: Updates to TRI Rates and Charges**
7. **CONSIDER: Airport Liability Insurance Portfolio**
8. **CONSIDER: Passenger Facility Charge – Application 11**
9. **CONSIDER: Fuel Farm Location & Expansion – Prelim. Engineering Report – Kimley Horn**
10. **CONSIDER: Airport Access Control Improvements – Prelim. Engineering Report – Kimley Horn**
11. **CONSIDER: Terminal Administration Office Rehabilitation – Kimley Horn/CRW Design/Bid**
12. **CONSIDER: Annual State/Federal Grant Acceptance**
13. **CONSIDER: Parking and revenue Control system (PARCS) - Award Amano McGann, Inc.**
14. **CONSIDER: Parking and Revenue Control System (PARCS) - Award Kimley-Horn CA Agreement**
15. **CONSIDER: TWY A Bank Slide Rehabilitation – Award Kimley Horn Design/Bid/CA**
16. **CONSENT**
    a. **GA Box Hanger-Phase 2 – JA Street Change Order # 3**
    b. **Termina/GA Landscape/Mowing Services – Award Klean Kut Lawn Care – One Year Contract Extension**
    c. **ARFF Truck Acquisition – Rosenbauer Change Order # 1,2 & NTP**
    d. **Airport Facilities Roofing Project – Eskola - Change Order # 2**
    e. **Airport Facilities Roofing Project – Atkins Realis - Addendum # 1**
    f. **Airport Runway 5 Approach Surface – TVA Tree Obstruction Mitigation Permit Fee**
17. **STAFF REPORTS:**
    a. **Legal Counsel, Stephen Darden**
    b. **Director of Finance, Rachel Squibb**
    c. **Marketing and Communications Specialist, Kylie Toler**
    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
2525 Highway 75, Suite 301 | Blountville, TN 37617
TRIflight.com | 423-325-6000

Tri-Cities Airport Authority Board Meeting
December 12, 2024, at 10:00 a.m.
Held in the TCAA Boardroom

Board Members	**Staff**	**Others**
Mr. Bill Sorah, Chair	Gene Cossey	Stephen Darden - HS&D Attorney
Mr. Parker Smith	David Jones	John Rose – The BRIDGE
Mr. Randall Eads	Mark Canty	David Pendleton – DP & Associates
Mr. Lewis Wexler	Trevor Rice	Melissa Steagall-Jones – BCS
Mr. Ken Maness	Rachel Squibb	Chris McCart – City of Kingsport
Mr. Mark Ireson	Chris Stipo – Operations	Kelly Bourgeois – Bristol, TN.
Mr. Dan Mahoney	Rebecca O'Quinn	Jeff Riley – Kimley-Horn
Mr. Todd Hensley	Meagan Harr – Accounting	Tim Haskell – Hanson
Mr. Ken Huffine	Gracie Beach – Public Safety	Melissa Vasher – Hanson
Ms. Cathy Ball		

We a quorum present, the meeting was called to order at 10:00 a.m., by TCAA Chair Bill Sorah.

The board members not in attendance were Jeff Bedard and Richard Venable.

CONSIDER: Minutes from the October 24, 2024, TCAA Board Meeting

TCAA12/12/2024 – 1 Upon a motion made by Mr. Parker Smith and seconded by Mr. Randall Eads, the following was adopted: BE IT RESOLVED the Minutes from October 24, 2024 TCAA Board Meeting was approved as presented.

The motion passed unanimously.

REPORT: Committee Updates

Ken Maness and Bill Sorah, updated and presented to the board a consider item from the nominating committee for incoming officers for the 2025 through 2026 officiating positions. New positions include Parker Smith – Chair, Mark Ireson – Vice Chair, Randall Eads – Secretary/Treasurer, Lewis Wexler – Assistant Secretary/Treasurer.

Bill Sorah gave a brief update of the Admin/Ops meeting.

TCAA12/12/2024 – 2 Upon the Committee approving recommendations, Mr. Ken Maness made a motion and with no second needed the following was adopted: BE IT RESOLVED the officers for the 2025 through 2026 terms were approved as presented.

The motion passed unanimously.

Consider: FY 2024 ACFR

Melissa Steagall-Jones, Partner with Blackburn, Childers & Steagall, PLC (BCS) presented the audit results and highlights to the board. The Board packet also included a PDF copy of the FY2024 ACFR, hard copies were available to Board members upon request.

TCAA12/12/2024 – 3 Upon a motion made by Mr. Dan Mahoney and seconded by Mr. Todd Hensley, the following was adopted: BE IT RESOLVED the FY2024 Annual Comprehensive Financial Report was accepted as presented.

The motion passed unanimously.

Consider: Ethics Policy

Gene Cossey brought The TCAA Ethics Policy, which has been reviewed by Staff, the Board Chair, Legal Counsel, and the Admin & Operations Committee, to the full Board for final approval. The current policy is lacking key components that are standard in other TN State policies, specifically other Airport Authorities, and misses several key components of typical ethical policy standards. Upon approval the policy needs to be approved and registered with the State.

TCAA12/12/2024 – 4 Upon a motion made by Mr. Ken Maness and seconded by Mr. Parker Smith, the following was adopted: BE IT RESOLVED the Ethics Policy was accepted as presented.

The motion passed unanimously.

Report: HR Consultant Agreement

TCAA has reached out to ADK Consulting to conduct an initial assessment of the human resources functions. The consultant will provide one of its HR Specialists, Dr. Gale LaRoche, to visit TRI and assist in evaluating the HR department and how to move forward with this position. By performing an initial overview, Ms. LaRoche will be able to offer input and overview on the direction we believe should be taken in filling this role. However, if TCAA sees the need to continue further with this process a determination will be made on what more is required to achieve success.

REPORT: Organizational Structure Changes and Strategic Planning

Recent staffing losses and changes have resulted in significant changes to TCAA organizational structure. In addition, as a part of the strategic planning efforts, we are looking at future changes to the organization structure of TCAA which will provide a roadmap to future growth and the necessary structure that will accommodate our future operational and business expansions.

CONSIDER: 2025 Group Insurance Program

The CY2025 review of available employee group insurance program plans and associated premiums for medical/vision/drug plans has been completed. The renewal premiums show an overall increase of 9%. The employee pays 100% of the additional cost for the buy-up plan. Selection of the recommended plan provided to the Board for CY2025 group insurance would be below the budgeted amount.

TCAA12/12/2024 – 5 Upon the motion made by Mr. Mark Ireson, and seconded by Mr. Parker Smith, the following was adopted: BE IT RESOLVED the TCAA approved the adoption of the CY2025 group insurance program as outlined in documentation provided to the Board.

The motion passed unanimously.

CONSIDER: GSE Equipment Purchase

As part of the FBO transition, airport staff have created a list of equipment that will be needed to service aircraft. Much of the equipment can also be used to service airline aircraft in addition to general aviation aircraft. The potential of a new airline has created a need for some of this equipment sooner than anticipated.

TCAA12/12/2024 – 6 Upon a motion made by Mr. Mark Ireson and seconded by Mr. Todd Hensley the following was adopted: BE IT RESOLVED the TCAA Authorize the President/CEO to issue a purchase order for KCI, Inc. in the amount of $132,724 and Aero Specialties for $49,649.72 for the respective pieces of equipment utilizing a to be determined funding source.

The motion passed unanimously.

CONSIDER: Passenger Boarding Bridge Repair Gate 6 – TKE Aviation

The Gate 6 passenger boarding bridge suffered damage during routine that took the bridge out of service. TK Airport Solutions was on site within 24 hours to assess the damage and recommended replacing the rotunda curtain. The agreement includes parts, labor, and travel for the initial assessment and repair.

TCAA12/12/2024 – 7 Upon a motion made by Mr. Dan Mahoney, and seconded by Dr. Lewis Wexler, the following was adopted: BE IT RESOLVED the TCAA has approved the agreement with TK Airport Solutions for the Gate 6 PBB Emergency Repair in the amount of $26,123.41 utilizing FY 25 Terminal – Jetway Maintenance Funds.

The motion passed unanimously.

CONSIDER: Runway Obstruction Mitigation – Kimley-Horn/Hanson

The Airport Runway Obstruction Mitigation project includes removing tree obstructions for seven avigation easement properties. The tree obstructions impact Runway 5/23 approach surfaces. Kimley-Horn prepared a design/bid services agreement to include project formulation, coordination and negotiations with each property owner, airport staff and FAA, develop mitigation and design, advertisement, pre-bid and award recommendation for $313,373. The project funding is anticipated from FAA FY25 BIL grant and future PFC funds.

Before the vote Cathy Ball had to leave and was not present for this vote or any following votes.

TCAA12/12/2024 – 8 Upon a motion made by Mr. Ken Maness and seconded by Mr. Dan Mahoney, the following as adopted: BE IT RESOLVED the TCAA has Authorize the Chair to execute a Kimley-Horn and Associates a design/bid services agreement in the amount of $313,373 for the Airport Runway Obstruction Mitigation project, pending final FAA grant funding approval.

The motion passed unanimously.

CONSIDER: Consent Agenda Items

a. Passenger Boarding Bridge and Bag Belt Maintenance Agreement – TKE – Three Year Extension
b. TWY A Extension, TWY C Removal West of RWY 23 and RWY 5 RSA Improvements – Summers and Taylor, Inc. - Change Order 1

c. TWY A Extension, TWY C Removal West of RWY 23 and RWY 5 RSA Improvements – Kimley-Horn and Associate, Inc. - Addendum 1
d. GA Box Hangar – Phase 2 – JA Street - Change Order # 2 and Corrective Change Order
e. GA Box Hangar – Phase 2 – Atkins Realis – Addendum # 1

TCAA12/12/2024 – 9 Upon the motion made by Ken Maness, and seconded by Mr. Parker Smith, the following was adopted: BE IT RESOLVED the TCAA approved consent item ratifications.

The motion passed unanimously.

STAFF REPORTS:

Legal Counsel, Stephen Darden – Mr. Darden presented the board with two lease renewals that were unable to be added to the packet before it was sent out. The two lease renewals were for Eastman Credit Union and Barkley Mills.

TCAA12/12/2024 – 10 Upon the motion made by Parker Smith, and seconded by Mr. Mark Ireson, the following was adopted: BE IT RESOLVED both lease renewals were approved for the two-year term.

Director of Finance, Rachel Squibb – She discussed revenues for the first four months of fiscal year 2025 were greater than budgeted amounts by $247,393 or 10%. Actual expenses for the first two months of fiscal year 2025 were less than budgeted expenses by $49,954 or 3.7%. The overall net result appears reasonable and in line with statistics for the current year (FY 2025) versus last year (FY 2024).

Director of Marketing and Air Service, Trevor Rice – Mr. Rice discussed

Mr. Rice presented TRI's marketing report as well as social media strategies. TRI Social media channels continue to perform well. On Facebook, strong engagement levels continue, indicating sustained interest from our audience. Instagram has shown a rise in profile visits and new followers, reflecting growing interest in our brand. We continue to expand our reach on LinkedIn with an increase in followers. Overall, our social media presence remains solid, with opportunities for further refinement and growth. Mr. Rice also mentioned upcoming conferences, community engagement, and opportunities that TRI will be participating in.

Director of Business Development, Mark Canty –

Mr. Canty briefly discussed the Tennessee Governor's Conference on Economic Development that he attended which was held in Knoxville. He also attended the National Business Aviation Association (NBAA) annual expo in Las Vegas in late October along with Meagan Harr. He also met with two developers to make them aware of our upcoming RFQ for a spec hangar in Aerospace Park. He then spoke about how he met with Tennessee Hills Distillery along with Gene Cossey to discuss their interest in developing some of our non-aeronautical property. He is also working with NETWORKS Sullivan Partnership and JLL to create a Request for Qualifications (RFQ) to gauge the interest and qualifications of development companies in financing, building, and owning a spec hangar in Aerospace Park.

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

<u>FY 2017 CAPITAL PROJECTS</u>

1. **Highway 75 Road Safety Enhancement – TDOT (Hwy 357 to Muddy Creek)**

The project field construction began the week of June 5, 2023, and is anticipated to be complete by October 2024.

FY 2023 CAPITAL PROJECTS

1. **Airport Master Plan Update Project (Professional Services**
   Project Amount $ 1,432,847.00
   Estimated Project Percent Completion 70%
2. **Airport Terminal Public Adress System Improvements Project (Design/Bid)**
   Project Amount $ 141,070.00
   Estimated Project Percent Completion 60%

FY 2025 CAPITAL PROJECTS

1. **Airport - Public Parking Lot Expansion (Construction)**
   Project Amount $ 1,538,221.00
   Estimated Project Percent Completion 5%
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 5%
3. **Airport – General Aviation Box Hangar – Phase 2 (Construction)**
   Project Amount $ 2,497,855.00
   Estimated Project Percent Completion 50%
4. **Airport – Rental Car QTA Facility - EV Charger Installation (Construction)**
   Project Amount $ 106,841.00
   Estimated Project Percent Completion 95%

President/CEO, Gene Cossey – Mr. Cossey mentioned his ongoing appreciation for the current board and their support of the airport through the community.

The meeting was adjourned at 11:51 a.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
February 27, 2025

REPORT:

Request for Qualifications

Summary:

At the October Economic Development Committee meeting, the concept of a Request for Qualifications (RFQ) was discussed and approved to help identify developers who would be interested in financing, designing, and owning a large speculative hangar in Aerospace Park. The RFQ was published on Jan 20, 2025 and closed on February 2025. As of the time this summary sheet was created, we had received responses from three developers, with the expectation that we would receive one or two additional responses before the closing date ends. This report will discuss the RFQ, its distribution, and the responses received from interested parties.

Recommendation:

Verbal report only.

Attachment:

RFQ Document

Submitted by: Mark Canty
Director of Business Development

Tri-Cities Airport Authority (TCAA)

AEROSPACE PARK – Speculative Hangar Development

Request For Qualifications

Name of Project: **Speculative Hangar Development** (including Design, Finance, Construction, and Leasing of a speculative hangar on ground lease within Aerospace Park at Tri-Cities Airport (TRI).

Date of Request: January 20, 2025

Response Deadline: 5:00 P.M. Eastern Time on February 20, 2025

Inquiries: All inquiries must be e-mailed to Mark Canty at mcanty@flytri.com

Method of Response

All responses must be submitted electronically at **businessopportunities.flytri.com**. Respondents will create an account and upload documents.

Table of Contents

1. Overview of the Project and Required Services

Project Summary

The Tri-Cities Airport Authority (TCAA) who owns and operates the Tri-Cities Airport (TRI), a full-service commercial airport located in Northeast, TN., is seeking qualifications from experienced building developers for the design, construction, financing and Ownership of a speculative hangar within its on-field 160-acre industrial park, Aerospace Park.

Background

Aerospace Park is the result of a more than $22 million land improvement investment designed to support the growing aerospace and aviation industries in the Northeast, TN region. The park offers a unique combination of direct runway access, modern infrastructure, and is strategically positioned to support a wide range of aviation-related and industrial activities. The construction of a speculative hangar will provide immediate infrastructure that can accommodate various industrial and commercial needs, thereby fostering economic development and job creation in the Tri-Cities area. Tri-Cities Airport Authority is seeking interested parties to develop a large hangar that will be marketed for aviation maintenance, repair, overhaul (MRO), aviation manufacturing, air cargo and other aviation uses to maximize the economic impact of Aerospace Park. The project site is limited to aviation-related uses and not general industrial use and is being marketed by David Lotterer, JLL. Aerospace Park's strategic plan precludes development opportunities related to private aircraft storage. For the purposes of this RFQ, Tri-Cities Airport Authority is not pursuing a master development agreement for Aerospace Park, nor guaranteeing exclusive rights beyond this project. Land commitments in excess of the proposed project will require a commensurate commitment and timeline for full development.

Interested parties would be expected to design, finance, and construct the speculative hangar, with the airport providing a competitive long-term land lease within Aerospace Park. The developer will cooperate with the Tri-Cities Airport Authority to market the property to aviation businesses. Developer will be solely responsible for leasing to the tenant. While the selected developer would be responsible for the finance, construction, and Ownership of the finished hangar, the Tri-Cities Airport Authority, along with its municipal stakeholders, will work with the selected developer to bring as many financial tools and assistance programs to the table as possible. Such programs could include: rent guarantees while tenant is being secured, gap financing, property tax abatements, and others. The Tri-Cities Airport Authority, along with its municipal stakeholders, are open to exploring creative financing, ownership, and management solutions with the goal of having a speculative hangar constructed to market to aviation related industries.

The purpose of this Request for Qualifications (RFQ) is to identify and qualify the interested respondents able to provide the services described in Section 4 needed by Tri-Cities Airport Authority to support this initiative.

Proposers must demonstrate superior experience, financial strength, and organizational resources to develop the Site with a project appropriate to the Airport's business environment.

Based on the review of the RFQ Responses, Tri-Cities Airport Authority intends to issue a Request for Proposals to Qualified Respondents who may then be invited to enter into a Contract(s) for provision of the services described in section 4.

2. Request for Qualifications Definitions

Throughout this Request for Qualifications, the following definitions will be used:

a) "Contract" means a written contract executed by Tri-Cities Airport Authority and the Developer as a result of an RFP.

b) "Developer" means a Qualified Respondent who is the successful proponent to an RFP who enters into a Contract with Tri-Cities Airport Authority.

c) "Qualified Respondent" means a Respondent possessing the qualifications described in this RFQ. The Qualified Respondent may be an individual entity or a team of entities who together perform the scope of the project.

d) "Respondent" means an individual company or team that submits or intends to submit a Response.

e) "Response" means a statement of qualifications submitted in reply to this RFQ.

f) "RFP" means a Request for Proposals for provision of the services described in Section 4 that may be issued to all Qualified Respondents.

g) "RFQ" means the process described in this Request for Qualifications.

h) "Ownership" means the rights and responsibilities associated with the structure built on the ground-leased property. This includes being the lessor to building tenants and responsibility property management.

3. Request for Qualifications

Inquiries

All inquiries related to this RFQ are to be directed, in writing, to the email address on the front cover of this RFQ. Information obtained from any other source is not official and should not be relied upon.

Response Deadline

The Response Deadline is 5:00 P.M. Eastern Time on February 20, 2025. The Response must comply with the Required Deliveries on the first page of this RFQ.

Late Responses

Only complete Responses received before Closing Time will be considered to have been received on time. Responses that are received late will not be considered or evaluated.

Review and Selection

Tri-Cities Airport will evaluate Responses against the mandatory criteria described in Section 5. Responses not meeting all mandatory criteria will be rejected without further consideration. Qualified Respondents will be provided with a copy of the RFP if one is issued.

Signed Responses

The Response must include a cover letter substantially similar to the cover letter set out in Appendix A and the cover letter must be signed by a person authorized to sign on behalf of the Respondent and to bind the Respondent to statements made in the Response to this RFQ.

Changes to Response Wording

The Respondent may not change the wording of its Response after the closing date and time specified on the front cover of this RFQ and no words or comments will be added to the Response unless requested by Tri-Cities Airport Authority for purposes of clarification.

Respondent Expenses

Respondents are solely responsible for their own expenses in preparing a Response and for subsequent negotiations with Tri-Cities Airport Authority, if any. Tri-Cities Airport Authority will not be liable to any Respondent for any claims, whether for costs or damages incurred by the Respondent in preparing the Response, loss of anticipated profit in connection with any final Contract, or any other matter whatsoever.

Acceptance of Responses

This RFQ is not an agreement to purchase goods or services. Tri-Cities Airport Authority is not bound to enter into a Contract with any Qualified Respondent. Responses will be assessed in light of the qualification review criteria. Tri-Cities Airport Authority will be under no obligation to receive further information, whether written or oral, from any Respondent.

Request for Proposals

It is anticipated that an RFP will be issued to each Qualified Respondent within forty-five (45) business days after the Response Deadline.

RFQ Is Not a Contract

Notice in writing to a Respondent that it has been identified as a Qualified Respondent will not constitute a Contract nor give the Respondent any legal or equitable rights or privileges relative to the service requirements set out in this RFQ or in any subsequent RFP. Only if a Qualified Respondent and the Tri-Cities Airport Authority enter into a subsequent full written Contract, result an RFP, will a Respondent acquire any legal or equitable rights or privileges.

Modification of Terms

Tri-Cities Airport Authority reserves the right to modify the terms of this RFQ at any time in its sole discretion. This includes the right to cancel this RFQ at any time without issuing an RFP and the right to cancel the RFP at any time without entering into a Contract.

Ownership of Responses

All documents, including Responses, submitted to Tri-Cities Airport Authority become the property of Tri-Cities Airport Authority. They will be received and held in confidence by the Tri-Cities Airport Authority, subject to the provisions of applicable law.

Confidentiality of Information

Information pertaining to the Tri-Cities Airport Authority obtained by the Respondent as a result of participation in this RFQ and any subsequent RFP is confidential and must not be disclosed without written authorization from Tri-Cities Airport Authority.

Collection and Use of Personal Information

Respondents are solely responsible for familiarizing themselves, and ensuring that they comply, with the laws applicable to the collection and dissemination of information, including resumes and other personal information concerning employees and employees of any subcontractors. If this RFQ requires Respondents to provide Tri-Cities Airport Authority with personal information of employees who have been included as resources in response to this RFQ, Respondents will ensure that they have obtained written consent from each of those employees before forwarding such personal information to Tri-Cities Airport Authority. Such written consents are to specify that the personal information may be forwarded to Tri-Cities Airport Authority for the purposes of responding to this RFQ and use by Tri-Cities Airport Authority for the purposes set out in the RFQ. Tri-Cities Airport Authority may, at any time, request the original consents or copies of the original consents from Respondents, and upon such request being made, Respondents will immediately supply such originals or copies to Tri-Cities Airport Authority.

Respondent Meeting

A meeting, virtual or in-person, with Respondents may be held at Tri-Cities Airport Authority's sole discretion. There will be limited opportunity for oral questions at the Respondent meeting. Therefore, questions should be forwarded in advance by e-mail or by facsimile, prior to the meeting, to the contact person designated on the front cover of this RFQ.

4. Services

Description of Services

The Qualified Respondents who become Developers may perform and be responsible for the following services and duties:

Company will be engaged to design, finance, and construct a large speculative hangar which it will be lease to an aviation related business.

Company will work with Tri-Cities Airport Authority, the local economic development team, and municipal stakeholders to determine to optimal financing mode, facility specific attributes, and facility's end user/tenant.

5. Qualifications Review Criteria

Mandatory Criteria

The following are mandatory requirements. Responses not clearly demonstrating that they meet them will receive no further consideration during the qualifications review process.

Criteria	
a)	The Response must be received by Tri-Cities Airport Authority by the specified closing date and time.
b)	The Response must be in English.
c)	**One** complete electronic Response must be submitted electronically and received by Tri-Cities Airport by the Response Deadline.
d)	Each Response must include a cover letter substantially similar to the cover letter set out in Appendix A and the cover letter must be signed, by a person authorized to sign on behalf of the Respondent and to bind the Respondent to the statements made in the Response to this RFQ.
	• Portfolio sample of similar projects completed and any available case studies on project's impact of success. • List of previous clients/communities, specifically clients who operate within the Economic Development or Commercial Airport spectrum, that you would feel comfortable with us reaching out to. • Estimated timeline to deliver completed hangar based upon previous experience. • Information of average project budgets of similar work completed. • Demonstration of developer's financial capability

Desirable Criteria

Responses meeting all mandatory requirements will be further assessed against the following desirable criteria.

Criteria
• Experience with public-private partnership development opportunities.
• Firm's experience working with commercial airports.
• Estimated timeline for deliverables.
• Creative financing models
The successful Developer should also demonstrate: • Strong operational fundamentals with excellent customer service. • A superior vision for the Site that will enhance the Airport's appeal to aeronautical users. • A feasible concept development plan having sound design and construction characteristics. • A solid financial return to the Airport and unconditional commitments to invest in the Site. • A plan that contributes to the Airport's role as an economic engine and job creation center for the region.

6. Respondent's Response

The following format and sequence should be followed in order to provide consistency in the Respondent's submissions and ensure each Response receives full consideration. All pages should be consecutively numbered.

NAME OF RESPONDENT

CONTACT INFORMATION FOR PRIMARY CONTACT

DESCRIPTION OF RESPONDENT'S EXPERIENCE AND EXPERTISE

NAMES AND WORK EXPERIENCE OF EMPLOYEES DESIGNATED TO PROVIDE SERVICES

REFERENCES

Appendix A – Respondent's Cover Letter

[Respondent's Letterhead]

_______________, 2025

Tri-Cities Airport Authority
2525 Highway 75
Suite 301
Blountville, Tennessee 37617
Attention: **Mark Canty**

Subject: **Request for Qualifications**

The enclosed Response is submitted in response to the above-referenced Request for Qualifications.

We have carefully read and examined the Request for Qualifications and have conducted such other investigations as were prudent and reasonable in preparing the Response. We are authorized to submit this Response on behalf of the Respondent.

Yours truly,

____

Signature

Name: _______________________________________

Title: _______________________________________

Telephone Number: _______________________________________

e-mail address: _______________________________________

Legal name of Respondent: _______________________________________

____

Date: _______________________________________

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Office Lease for Aviation New Generation, LLC

Summary:

Aviation New Generation, LLC seeks to lease suite CC-101 at the Air Cargo Logistics Center. This is a 597sf space where they will conduct business activities to potentially include flight training, aircraft hangaring, aircraft rental, and/or aircraft sales. According to TCAA's Minimum Standards document, Aviation New Generation, LLC will be required to enter a Special Aviation Services Operator (SASO) agreement with TCAA prior to any of those specific activities taking place at TRI.

Key Points:

1) The base rental rate for non-terminal office space is $8.07/sf/year
2) The monthly rental rate for CC-101 is $401.48
3) The term of the lease agreement is 5 years
4) The execution of a SASO agreement between TCAA and Aviation New Generation, LLC may generate additional fees to be paid to TRI.

Recommendation:

Staff recommends approval of the lease of CC-101 to Aviation New Generation, LLC as per the terms of the attached lease agreement.

Attachments:

Exhibit A: Lease agreement
Exhibit B: Depiction of area to be leased

Submitted by: Mark Canty
Director of Business Development

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Agreement") effective as of this First Day of March, 2025, by and between the ***TRI-CITIES AIRPORT AUTHORITY***, a Tennessee regional airport authority, organized and chartered pursuant to Tennessee law (the "Lessor"), and ***AVIATION NEW GENERATION LLC***, a limited liability company, licensed to do business in Tennessee, (the "Lessee" and, together with Lessor, the "Parties" and each a "Party").

RECITALS

WHEREAS, Lessor is the owner of certain real property known as Tri-Cities Airport, in Sullivan County, Tennessee. ("'Airport"), and desires to lease to Lessee a portion thereof, as more particularly described in EXHIBIT 1, said space identified as CC-101 located in the Cargo Building located on the Airport, and consisting of 597 sq. feet, more or less ("Leased Premises") and;

WHEREAS, Lessee desires to lease from Lessor the Leased Premises and acquire from Lessee certain rights and privileges in its uses of the Airport; and

WHEREAS, Lessor has the right to lease property on the Airport upon the terms and conditions set forth herein, and has full power and authority to enter into this Lease in respect thereof;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual covenants, agreements, and conditions contained herein, including the reservation of rents and the covenant to pay them, the receipt and sufficiency of adequate consideration being acknowledged by the parties, Lessor hereby leases, demises and lets the Leased Premises to Lessee, and Lessee accepts same under the following terms and conditions

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which by this reference are hereby incorporated into this Agreement, and the mutual covenants contained in this Agreement, the Parties agree as follows:

ARTICLE I – LEASED PREMISESS; TERM

Section 1.1 Lease of Leased Premises. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor for its exclusive use the Leased Premises and all herein described rights incident thereto for and during the Term, upon and subject to the terms, provisions, and conditions set forth herein. Lessee may use the leased Premises for business purposes with the following exceptions:

a) Any activities listed in the Tri-Cities Airport Minimum Standards document which require a Specialized Aviation Service Operator (SASO) agreement in place prior to those activities commencing. The activities requiring a SASO agreement include:

   a. Aircraft Sales
   b. Aircraft Rental
   c. Aircraft Charter and Taxi
   d. Aircraft Hangar and Storage Operator
   e. Airframe and Power Plant Maintenance and Overhaul Operators
   f. Flight Training
   g. Other Specialized Commercial Aviation Operators

Section 1.2 Lease Term. The term of this Agreement shall be five (5) years, commencing on the Effective Date and ending on the fifth anniversary of the Effective Date inclusively, unless terminated sooner as provided herein (the "Term"). This Agreement can be terminated by either party by providing a thirty (30) day written notice to the other party,

Section 1.3 Modification of Term and Early Termination with Construction of Improvements. Once the Development Agreement has been executed and Lessee, or an Affiliate of Lessee, has caused the commencement of the construction of the Improvements, Lessee shall deliver to Lessor written notice of the commencement of the construction of the Improvements (the "Commencement Notice"). The Commencement Notice shall also include notification that Lessee is either electing to continue the Agreement through the expiration of the Term (as may be extended under this Agreement) or that Lessee is electing to modify the Term such that the Term shall automatically terminate at the end of the month following the month Lessee delivers written notice to Lessor that the construction of the Improvements is complete and that the new Improvements are open and operating (the "Reduced Term Option"). Should Lessee elected to enter into a Reduced Term Option in the delivery of the Commencement Notice, the Parties shall negotiate the revised Rent pursuant to Section 2.2 within fourteen (14) days. Lessee shall remain in possession of the Leased Premises until the earlier of (i) the end of the month after the month in which Lessee delivered the completion notice referred to above, at which time this Agreement will terminate or (ii) the end of the Term (as may be extended under this Agreement).

Section 1.4 Holding Over; Rights at Expiration.

A. If Lessee retains all or any portion of the Leased Premises after the termination of the Term by lapse of time or otherwise, such holding over shall constitute the creation of a tenancy at will with respect to such retained portion, terminable by Lessor at any time upon thirty (30) days prior written notice to Lessee at a rental rate of one and one-half (1.5) times the price per square foot paid under this Agreement. All provisions of this Agreement shall remain in full force and effect during such holdover period.

B. Lessee further agrees that upon the expiration of the Term, the Leased Premises will be delivered to Lessor in as good as condition as when this Agreement began, reasonable wear and tear and matters covered by insurance excepted.

C. All personal property of Lessee which can be removed by Lessee without material damage to the Leased Premises shall remain the personal property of Lessee and may be removed by Lessee at any time during and at the end of the Term. Lessee shall repair all damage to the Leased Premises caused in removing any such personal property within sixty (60) days of the end of the Term or the termination of any holdover tenancy at will.

Section 1.5 Inspection of Leased Premises. Lessor, through its duly authorized agents, shall have at any reasonable time the right to enter the Leased Premises for the purpose of periodic inspection for fire protection, maintenance, and compliance with the terms of this Agreement; provided, however, that except in the case of emergency, such right shall (i) be exercised upon reasonable prior notice to Lessee, (ii) provide an opportunity for Lessee to have an employee or agent present, and (iii) will not interfere with Lessee's operations.

Section 1.6 Ownership of Leased Premises. Lessor and Lessee intend and hereby agree that the Leased Premises shall be and remains the property of Lessor during the entire term of this Agreement and thereafter.

Section 1.7 Vacation of Leased Premises. Sixty (60) days prior to the termination of this Agreement, Lessee is required to contact Lessor to arrange for an inspection of the Leased Premises. The inspection will be used to determine Lessee responsibility for repairs or maintenance work required, if any, prior to vacating the Leased Premises.

ARTICLE II - RENTS AND FEES

Section 2.1 Rent. In consideration for the use of the Leased Premises granted herein, Lessee shall pay to Lessor the following rental amounts (the "Rent"). The monthly rent shall be

FOUR HUNDRED DOLLARS AND FORTY-EIGHT/CENTS ($401.48). This Rent shall commence on the Effective Date and shall be paid in monthly installments in advance due on or before the fifth (5^{th}) day of each month, without setoff, deduction, abatement, reduction, or counterclaim during the Term. Lessee hereby expressly waives demand for payment such Rent.

Section 2.2 Increases to Rent. The Rents are subject to annual review and shall be adjusted to reflect changes in economic conditions by an increase based on any percentage increase in the Consumer Price Index for All Urban Consumers published by the United States Department of Labor, Bureau of Labor Statistics (or its closest successor index in the Lessor's judgment) (the "CPI"). Any decrease in CPI shall not decrease the Rent.

Section 2.3 Delinquent Rent. In the event Rent due pursuant to Section 2.1, or any other fees or amounts payable by Lessee hereunder shall not be paid by Lessee on the due date thereof, Lessee shall pay to Lessor as additional Rent, an interest charge of one and one-half percent (1.5%) of the amount due for each full calendar month of delinquency, computed as simple interest. No interest shall be charged until payment is thirty (30) days overdue, but any such interest assessed thereafter shall be computed from the due date.

ARTICLE III - LESSEE'S RIGHTS AND OBLIGATIONS

Section 3.1 Rights Granted to Lessee. Lessor grants to Lessee the following rights and privileges:

(a) The right of ingress and egress to and from the Leased Premises twenty-four (24) hours a day and seven (7) days a week for the Lessee's employees, officers, directors, sublessees, contractors, subcontractors, suppliers, agents, invitees, and other representatives ("Lessee's Associates") in connection with the Lessee's use, occupancy, and operations as authorized by this Agreement;

(b) The right to quiet and peaceable possession of the Leased Premises during the Term;

Section 3.2 Condition of Leased Premises. Lessee accepts the Leased Premises in the present "as is" condition. Lessee acknowledges and agrees that Lessor makes no representation or warranty as to the condition of the Leased Premises, whether as to patent, latent, or other defects and general condition, or as to the suitability of the Leased Premises for any particular purpose. Lessee agrees that the Leased Premises are now in a tenantable and good condition. Lessee shall, at its expense when surrendering the Leased Premises, remove from the Leased Premises all partitions, counters, railing, etc., installed in Leased Premises by Lessee. At the expiration or termination of this Agreement, Lessor shall have the right to inspect the Leased Premises to determine if Lessee is liable for any damages to the Leased Premises. Lessee shall repair all damage to the Leased Premises noted in the inspection within sixty (60) days of the end of the Term. All damage or injury done to the Leased Premises by Lessee, shall be paid for by Lessee. Lessee shall, at the termination of this Agreement, surrender the Leased Premises to Lessor in tenantable and good condition.

Section 3.3 Construction of Improvements.

A. *Improvements to Existing Buildings*. Lessee shall not make any structural, electrical, or other modification to the Leased Premises without first obtaining Lessor's express written consent. The plans and specifications for any requested alterations or improvements on the Leased Premises will be submitted to the Lessor, in advance of the commencement of any work, for its approval, and the Lessee agrees that all of the construction and work will be performed in accordance with the approved plans and specifications and all Laws and Regulations. No work may be commenced without the written authorization of the Lessor. Lessee shall notify all contractors, subcontractors, architects, and other persons, firms, and corporations which provide material, labor, and services that no lien will attach to the Leased Premises or any structure erected thereon for materials, labor, or any other character of services in making any improvement on the Leased Premises, or any part thereof. If requested by Lessor, Lessee will furnish a solvent performance and payment bond, executed by a surety company authorized to do business in Tennessee, and guaranteeing the performance of the contract for improvements to be made on the Leased Premises and the payment therefor. The bond, which will be filed with Lessor, shall be in an amount equal to the total of all contracts for building, grading, sewage, water, electric, paving, and any other contract in connection with such improvements. Lessee shall, before any improvements are contracted or performed, furnish copies of such contract to the Lessor to justify the sum of the bond.

B. With written approval of Lessor, Lessee has the right at its own expense to construct improvements to the Leased Premises, all in compliance with the provisions of this Agreement. Within sixty (60) days after completion of any improvements or alterations approved by the Lessor, Lessee shall submit to Lessor copies of as-built plans and specifications, along with invoices for labor, materials, equipment, and other expenses, less any bona fide discounts, rehabs, or credits. Lessee shall also submit copies of checks or other documentation of payment of such expenses. Construction costs are hereby defined as actual demolition, construction, or alterations, including architectural and engineering costs, plus pertinent fees in connection therewith

C. It is understood and agreed that the improvements to the Leased Premises shall be enjoyed by Lessee during the term hereof without additional rental therefore, but shall not be removed therefrom by the Lessee, and that any improvements shall become the property of the Lessor upon the expiration or termination of this Agreement, free from the claims of the Lessee, its successors and assigns, and/or creditors.

D. *Request for Repairs*. It is the responsibility of Lessee to report any damage, necessary repairs, or maintenance to the Leased Premises to Lessor immediately. Lessee shall be liable for any and all damage to the Leased Premises caused by Lessee's use, including, but not limited to, bent or broken interior walls, damage due to fuel spillage or damage to doors due to Lessee's improper or negligent operation. When damage is due to the fault of Lessee, Lessee shall reimburse Lessor for the cost of necessary repairs.

Section 3.4 Access and Parking.

A. *Parking*. Lessee may park its vehicles in the designated parking spots on the Leased Premises at any and all times. Storage of boats, campers, or other non-aviation items (other than the fuel truck) on the premises may be allowed only with the written permission of the Executive Director of Lessor, or any successor or successors to the duties of such official Executive Director (the "Executive Director"). Lessee will not allow disabled vehicles to be parked or stored on the Leased Premises nor allow the storage of equipment or vehicles not directly related to the aviation activates granted under this Agreement. Lessee shall not allow parking of vehicles of passengers or flight crew intending to use the Airport's main terminal building for commercial flights, except for those vehicles owned by Lessee, its officers, or employees.

Section 3.5 Use of Leased Premises and Compliance with all Laws and Regulations. Lessee shall use the Leased Premises only for aeronautical purposes and Lessee and Lessee's Associates shall comply at all times, at Lessee's sole cost, with any and all laws and regulations (as amended or otherwise modified from time to time) that are applicable to Lessee's business and Lessee's construction of any improvements, and Lessee's use, occupancy, or operations at the Leased Premises or the Airport (the "Laws and Regulations"), which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, policies, common law, and other pronouncements of any kind having the effect of law that may be applicable at any time during the term of this Agreement including, but not limited to, the Rules and Regulations and Minimum Standards, master plans and zoning codes, and all Laws and Regulations pertaining to the environment (the "Environmental Laws"); any and all plans and programs developed in compliance with such requirements (including, but not limited to, any Airport Security Plan, Airport Emergency Plan, Airport Certification Plan, including the airport's Snow and Ice Control Plan, the airport's Storm Water Pollution prevention Plan (SWPPP), if applicable, Spill Prevention Control and Countermeasures plan, other environmental regulation applicable to the airport's operations); and all lawful, reasonable, and nondiscriminatory Airport policies and other requirements. Lessee shall provide all required notices under the Laws and Regulations. Upon a written request by Lessor, Lessee will verify, within a reasonable time frame, compliance with any Laws and Regulations.

Section 3.6 No Unauthorized Use. Lessee and Lessee's Associates shall use the Leased Premises and the Airport only for purposes that are expressly authorized by this Agreement or by a separate written authorization by Lessor and shall not engage in any unauthorized use of the same. Unauthorized uses include, but are not limited to, damaging, interfering with, or altering any improvement; restricting access on any road or other area that Lessee does not lease; placing waste materials on the Airport or disposing of such materials in violation of any Laws and Regulations; any use that would constitute a public or private nuisance or a disturbance or annoyance to other Airport users; driving a motor vehicle in a prohibited Airport location; the use of automobile parking areas in a manner not authorized by Lessor; any use that would interfere with any operation at the Airport or decrease the Airport's effectiveness (as determined by Lessor in its sole discretion); and any use that would be prohibited by or would impair coverage under either Party's insurance policies or would cause an increase in the existing rate of insurance upon the Leased Premise.

Section 3.7 Third-Party Goods and Services. Lessee is prohibited from authorizing or allowing any third-party from providing goods or services on the Airport that have not been specifically authorized in advance in writing by Lessor. Lessor reserves the right to require any third-party to operate under the terms of a permit or separate agreement with Lessor; provided, however, that Lessee shall be authorized to allow third-party accesses to the Leased Premises for purposes of providing aircraft maintenance services to Lessee or any Affiliate of Lessee. Lessee shall be responsible for ensuring that all third-party service providers operate in accordance with all Laws and Regulations, the Rules and Regulations, the Minimum Standards, and the terms of this Agreement.

Section 3.8 Permits and Licenses. Lessee shall obtain and maintain in current status all permits and licenses that are required under any Laws and Regulations in connection with Lessee's construction of any improvement and the use, occupancy, or operations at the Leased Premises or the Airport. In the event that Lessee receives notice from any governmental entity that Lessee lacks, or is in violation of, any such permit or license, Lessee shall provide Lessor with timely written notice of the same.

Section 3.9 Payment of Taxes. Lessee shall pay (before their respective due dates) all taxes, fees, assessments, and levies that relate to Lessee's use, occupancy, or operations at the Leased Premises or the Airport and all other obligations for which a lien may be created relating thereto (including, but not limited to, utility charges and work for any improvements). Lessee shall pay all Federal, State, and local government taxes and assessments, if any, against the Lessee's possessory interest in the Leased Premises and against Lessee's fuel management and refueling activities at the Airport.

Section 3.10 No Liens. Lessee shall not cause any lien, encumbrance, or assessment to be placed on the Leased Premises or any improvement on such real property, except as expressly agreed to in writing by Lessor. If any party shall assert such a lien or encumbrance, Lessee shall immediately inform Lessor in writing of the lien and state its plan to resolve or remove the lien. Unless otherwise permitted by Lessor in writing, all liens or encumbrances shall be cured within sixty (60) days after recordation of such lien.

Section 3.11 Operations and Maintenance by Lessee. Lessee shall maintain the Leased Premises and all improvements in a condition that is clean, free of debris, safe, sanitary, and in good repair and shall not accumulate or permit the accumulation of any trash, refuse, debris, or anything which creates a fire hazard or nuisance or causes inconvenience to adjoining properties. Maintenance of any substance or material that is regulated by any Environmental Law ("Hazardous Materials") shall be governed by Section 3.15. Lessee shall be responsible for maintaining and repairing the interior of the building located on the Leased Premises, including but not limiting the same to repairing or replacing damaged or broken electric light fixtures and broken window panes and mirrors, repairing or replacing leaking toilets, basins, and plumbing fixtures, and maintaining and repairing all interior walls, floors, ceilings, and doors. Lessee shall deliver the Leased Premises at the expiration of the Term in as good condition as the Leased Premises are as of the Effective Date, reasonable wear and tear excepted.

Section 3.12 Utilities. Lessee shall pay for telephone, gas, light bulbs, electricity, water, sewer, and garbage and trash removal used by Lessee and shall make such deposits as are required to secure service. Lessee shall be responsible for any water or sewer impact fees incurred by its use of the Leased Premises. Any repairs of the utility lines other than those which are not the responsibility of the utility service are the responsibility of Lessee

Signs. Lessee shall not place, or cause to be placed, any sign or signs on the Leased Premises unless otherwise agreed to in writing by Lessor. All signs are subject to the approval of Lessor and such signs shall be in conformity with the local custom and shall be in good taste, and shall not conflict with the architecture of the building. The windows of the Leased Premises shall not be cluttered with signs; however, this shall not prohibit customary and normal use of the windows.

Section 3.13 Hazardous Materials.

A. Lessee agrees to operate and maintain the Leased Premises in accordance with all Environmental Laws. Lessee further covenants that it will dispose of any Hazardous Materials in accordance with applicable Environmental Laws. Notwithstanding any other provision of this Agreement, Lessee shall indemnify the Lessor from any loss due to and shall be and remain liable to the Lessor for any contamination of the Leased Premises by Hazardous Materials that occurs as a result of negligence or actions of Lessee, its agents, or employees during the Term in violation of Environmental Laws (such contamination a "Hazardous Materials Contamination"). Lessee's liability shall survive the termination of this Agreement by expiration of the Term or otherwise.

B. Lessee shall respond to any Hazardous Materials Contamination or threat of any Hazardous Materials Contamination in accordance with applicable Laws and Regulations. If Lessor has reasonable cause to believe that any such release or threat of release has occurred, Lessor may request, in writing, that Lessee conduct reasonable testing and analysis (using qualified independent experts acceptable to Lessor) to show that Lessee is complying with applicable Environmental Laws. Lessee shall be solely responsible for the costs associated with conducting said tests and analyses. Lessor may conduct the same at the Lessee's expense if Lessee fails to respond in a reasonable manner. Should Lessor be forced to take such action, Lessee shall be completely liable for all costs incurred in the remediation including, but not limited to, the payment of fines or other charges that might be levied as a result of such contamination, spill, or release of Hazardous Materials.

Section 3.14 Trash, Garbage and Other Refuse. Lessee shall pick up, and provide for a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport of all trash, garbage, and other refuse caused as a result of its operation on the Leased Premises. Lessee shall keep the Leased Premises clean, prevent the accumulation of trash or debris, properly dispose of all debris and other waste matter, and provide containers with proper covers, acceptable to Lessor, for waste within and outside of the buildings. In the event Lessee uses Lessor's trash disposal facilities, Lessee will pay Lessor a fee for the use of Lessor's dumpster, compactor, or other trash disposal facilities. This fee will be established on an annual basis. Lessor is not obligated to provide the Lessee access to Lessor's trash disposal facilities or services.

ARTICLE IV
INDEMNIFICATION AND INSURANCE

Section 4.1 Insurance. Lessee agrees to purchase and maintain in full force and effect, insurance coverage in the following types and minimum amounts:

General Liability to include premises and property damage	$1,000,000.00 CSL
Operation of Drone Liability	$1,000,000.00 CSL
Pollution/Contamination Liability	$1,000,000.00 CSL

TCAA reserves the ability to amend the type and amount of required insurance coverage. The Lessee shall furnish TCAA with a certificate or certificates within ten (10) days from the effective date of this agreement from Lessee's insurance carrier showing such insurance to be in full force and effect, with said certificate or certificates to contain a provision that written notice of cancellation or any material change in said policy by the insurer shall be delivered to TCAA at least thirty (30) days in advance of the effective date thereof. If the Lessee shall at any time fail to furnish TCAA with the certificate or certificates required, TCAA upon written notice to Lessee of its intention to do so, shall have the right to secure the required insurance, at the cost and expanse of the Lessee, and Lessee hereby agrees to reimburse TCAA promptly for the cost thereof plus Ten Percent (10%) for expenses of administration. All such insurance policies shall include TCAA, TCAA's officers, Board members, agents, and employees as additional insured

Section 4.2 Joint Waiver of Claims Covered by Insurance. Each Party waives any and every claim which arises or may arise in its favor against the other Party during the Term for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of, the Airport or the Leased Premises, to the extent such loss or damage is covered by valid and collectible fire and extended insurance policies, and is actually reimbursed from such insurance. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Agreement with respect to any loss of, or damage to, property of the Parties. Inasmuch as mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to any insurance company (or any other person), each Party hereby agrees immediately to give each insurance company which has issued to it policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverage by reason of such waivers.

Section 4.3 Lessee's Indemnification.

A. Lessee shall defend, indemnify and hold harmless the Lessor, its officers, Board members, agents, and employees from any and all claims and demands, costs, expenses, judgments, attorney fees or liabilities that may be asserted by any person or entity that arise out of or in connection with Lessee's performance or omission of any obligation or duty provided for or relating (directly or indirectly) to this Agreement, and/or arising out of or any way connected with Lessee, or its officers, agents, employees, guests, customers, or visitor's use of, operations on, or possession of the Leased Premises. The obligation to indemnify shall be effective and shall extend to all such claims and losses, in their entirety, even when such claims or losses arise from the comparative negligence of the Lessor, its officers, agents, and employees. Lessee shall indemnify and hold the Lessor harmless from and against any hazardous materials or environmental requirements, damages or claims. However, this indemnity will not extend to any claims or losses arising out of the sole negligence or willful misconduct of the Lessor, its officers, agents, and employees. It is the intent of the parties to provide the Lessor the fullest indemnification, defense, and hold harmless rights allowed under the law. If any word(s) contained herein are deemed by a court to be in contravention of applicable law, said word(s) shall be severed from this Agreement and the remaining language shall be given full force and effect. .

B. Without in any way limiting the generality of any general indemnity required under this Agreement, Lessee shall be solely responsible for and agrees to defend (using legal counsel acceptable to the Lessor), indemnify and hold harmless the Lessor from and against all Environmental Costs claimed against or assessed against the Lessor or incurred by the Lessor arising, in whole or in part, directly or vicariously, from acts or omissions of Lessee, its agents, employees, or independent contractors at or about the Leased Premises after the Effective Date of this Agreement or earlier if caused by Lessee. This indemnification shall require Lessee to reimburse the Lessor for any diminution in value of the Leased Premises or other adjacent or nearby Lessor property, caused by Hazardous Substances arising out of or caused by, in whole or in part, directly or vicariously, from acts or omissions from Lessee's use of the Leased Premises , including damages for the loss or restriction on use of rentable or usable space or of any amenity of the Leased Premises, or any other Lessor property, including damages arising from any adverse impact on marketing of space in or near the Leased Premises, including other Authority property, including lost revenues. Lessee's obligations shall not apply if the Hazardous Substances were deposited on the Leased Premises by the Lessor or the Lessor's agents, or any other person or entity other than Lessor. Notwithstanding the foregoing, Lessee shall not be responsible for, and is not required to indemnify the Lessor for, environmental damage or a violation of any Environmental Law on the Leased Premises due to the Lessor’s sole negligence. .

C. Lessee shall be responsible and liable for the conduct of Lessee’s Associates in and around the Leased Premises.

Section 4.4 Lessor’s Indemnification. To the fullest extent permitted by the laws and the Constitution of the State of Tennessee, Lessor shall hold Lessee exempt and harmless from and against any and all claims, demands, suits, judgments, costs, and expenses asserted by any person or persons (including agents or employees of Lessor, Lessee, or sublessee) by reason of death or injury to persons or loss of or damage to property resulting from Lessor’s operations, or anything done or omitted by Lessor under this Agreement, except to the extent that such claims, demands, suits, judgments, costs, and expenses may be attributed to the intentional acts or omissions of Lessee, its agents, or employees or where fault is assigned to Lessee, its agents or employees, under the Tennessee Doctrine of Comparative Fault, to the extent of said assignment of fault.

ARTICLE V
DEFAULT AND REMEDIES

Section 5.1 Default by Lessee. The occurrence of any of the following events shall constitute a default by Lessee under this Agreement unless cured within sixty (60) days following written notice of such violation from Lessor: (i) Lessee fails to timely pay any Rent; (ii) Lessee or Lessee’s Associates violate any requirement under this Agreement (including, but not limited to, abandonment of the Leased Premises); (iii) Lessee files a petition in bankruptcy or has a petition filed against Lessee in bankruptcy, insolvency, or for reorganization or appointment of a receiver or trustee which is not dismissed within sixty (60) days; or (iv) Lessee petitions for or enters into an arrangement for the benefit of creditors, or suffers this Agreement to become subject to a writ of execution and such writ is not released within sixty (60) days. If the nature of Lessee's obligation is such that more than sixty (60) days are reasonably required for performance or cure, Lessee shall not be in default if Lessee commences performance within such sixty (60) day period and thereafter diligently prosecutes the same to completion

Section 5.2 Default by Lessor. The occurrence of any of the following events shall constitute a default by Lessor under this Agreement unless cured within sixty (60) days following written notice of such violation from Lessor: (i) the issuance by any court of competent jurisdiction of an injunction in anyway preventing or restraining the use of the Airport, so as to substantially affect Lessee's use of its Leased Premises and the remaining in force of such injunction for a period which exceeds sixty (60) days; provided, however, that such injunction is not due to the acts or omissions of Lessee at the Airport or (ii) the assumption by the United States Government or any authorized agency thereof of the operations, control, or use of the Airport, or any substantial part or parts thereof, in a manner as substantially to restrict Lessee for a period which exceeds sixty (60) days from full use of its Leased Premises, and in that event, a just and proportionate part of the Rent hereunder shall be abated by to Lessee's termination of the Agreement. If the nature of Lessor's obligation is such that more than sixty (60) days are reasonably required for performance or cure, Lessor shall not be in default if Lessor commences performance within such sixty (60) day period and thereafter diligently prosecutes the same to completion. .

Section 5.3 Remedies for Breach of Agreement. If either Party shall fail to perform or breach any provision of this Agreement other than the agreement of Lessee to pay Rent, the non-breaching Party shall provide written notice to the breaching Party specifying the performance required. Ten (10) days after such notice is provided under this Section 7.3, the non-breaching Party may terminate this Agreement or take any such action it is legally entitled to take, including instituting litigation to compel performance of this Agreement. Should litigation be filed by the non-breaching Party and such Party is the prevailing party in the litigation, the breaching Party shall be liable for all expenses related to such litigation, including the non-breaching Party's attorney's fees.

Section 5.4 Remedies for Failure to Pay Rent. If any Rent required by this Agreement shall not be paid when due, Lessor shall have the option to:

A. Terminate this Agreement, resume possession of the Leased Premises for his own account, and recover immediately from Lessee the differences between the Rent and the fair rental value of the property for the term, reduced to present worth.

B. Resume possession and re-lease the Leased Premises for the remainder of the term for the account of Lessee, and recover from Lessee, at the end of the Term or at the time each payment of Rent comes due under this Agreement as Lessor may choose, the difference between the Rent and the rent received on the re-leasing or renting.

In either event, Lessor shall also recover all expenses incurred by reason of breach, including reasonable attorney's fees.

Section 5.5 Survival. The provisions of this Article VII and the remedies and rights provided in this Article VII shall survive any expiration or termination of this Agreement.

ARTICLE VI
ASSIGNMENT AND SUBLEASING

Section 6.1 Assignment by Lessee. Lessee shall have the right to assign any of it rights under this Agreement, including by not limited to, rights in any improvements (and in connection therewith, shall be deemed to have delegated its duties) to any other entity that currently or in the future, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control (an "Affiliate") of the Lessee with written approval of Lessor, such approval shall not be unreasonably withheld (an "Affiliate Assignment"). Other than an Affiliate Assignment on an approved sublease under Section 8.4, Lessee shall not assign any of its rights under this Agreement, including, but not limited to, rights in any improvements, and shall not delegate any performance under this Agreement, except with the prior written consent of Lessor to any of the same, in Lessor's sole discretion. As a condition of obtaining such consent, the transferee receiving any such right shall be required to execute a new lease agreement provided by Lessor. Regardless of Lessor's consent and even in the event of an Affiliate Assignment, Lessee shall not be released from any obligations for matters arising during the time when this Agreement was in effect. Any purported assignment or delegation of rights or delegation of performance in violation of this section is void.

Section 6.2 Assignment by Lessor. Upon written notice to Lessee, Lessor shall have the right to assign any of its rights under this Agreement (and in connection therewith, shall be deemed to have delegate its duties), and upon any such assignment, Lessee agrees that Lessee shall perform its obligations under this Agreement in favor of such assignee.

Section 6.3 Encumbrances. Lessee shall not encumber or permit the encumbrance of any real property at the Airport. Lessee shall not encumber or permit the encumbrance of any of Lessee's rights under this Agreement without Lessor's prior written consent, in Lessor's sole discretion. Lessee shall not record this Agreement or any document or interest relating thereto. Any purported encumbrance of rights in violation of this Section 8.3 is void.

Section 6.4 Subleasing. Lessee will not sublet any portion of the Leased Premises unless it obtains the written approval of Lessor in writing in advance of same, such approval not to be unreasonably withheld. Upon written approval by Lessor of a sublease and prior to the effective date of any such approved sublease, the (i) sublessee receiving any such rights shall be required to execute a sublease agreement provided by Lessor between Lessor, Lessee, and the proposed sublessee and (ii) Lessee and Lessor shall amend this Agreement.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 7.1 Damage by Fire or Other Casualty. If the Leased Premises is damaged by fire or other casualty to the extent of fifty percent (50%) or more, Lessor shall have the option to rebuild and repair the Leased Premises or to terminate this Agreement. If damaged to a lesser extent, Lessor will rebuild and repair. In event of damage by fire or other casualty, the Rent shall abate, in proportion to the impairment of the use that can reasonably be made of the Leased Premises for the purpose permitted by this Agreement, until the Leased Premises is rebuilt and repaired (or until this Agreement is terminated in accordance with this paragraph). Provided, however, that if the damage is due to Lessee's willful act or negligence, the rental sums shall not abate.

Section 7.2 Waiver of Exemption. Any constitutional or statutory exemption of Lessee of any property usually kept on the Leased Premises, from distress or forced sale, is waived.

Section 7.3 Addresses. All notice given under this Agreement to either Party (and all Rent and other fees payable to Lessor) shall be sent to the following (unless another place is specified by the Party in writing):

If to Lessor:	If to Lessee:
Executive Director Tri-Cities Airport Authority 2525 Highway 75 – Suite 301 Blountville, TN 37617	Mr. Zachary Green Aviation New Generation LLC 6315 Kingsport Highway Gray, TN 37615

Any notice must be transmitted by certified mail, postage and fee prepaid, by hand-delivery, or by delivery by a nationally-recognized overnight carrier.

Section 7.4 No Waiver. The waiver by Lessor of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this Agreement, other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

Section 7.5 Lessee's Subordination. Lessee hereby subordinates and makes this Agreement inferior to all existing and future mortgages, trust indentures or other security interest of Lessor or Lessor's successor in interest. Lessee shall execute and deliver any documents required to evidence and perfect such subordination.

Section 7.6 Additional Charges as Rent. Any charges against Lessee by Lessor for services or for work done on the Leased Premises by order of Lessee or otherwise accruing under this Agreement shall be considered as Rent due.

Section 7.7 Subordination to Grant Assurances. This Agreement shall be subordinate to the provisions of any existing or future agreements between Lessor and the United States of America, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to Lessor of federal funds for the development of the Airport ("Grant Assurances"). In the event that this Agreement, either on its own terms or by any other reason, conflicts with or violates any such Grant Assurances, Lessor has the right to amend, alter or otherwise modify the terms of this Agreement in order to resolve such conflict or violation.

Section 7.8 Non-Interference With Operation of the Airport. Lessee expressly agrees for itself, its successors and assigns that Lessee will not conduct operations in or on the Leased Premises in a manner that in the reasonable judgment of Lessor, (i) interferes or might interfere with the reasonable use by others of common facilities at the Airport, (ii) hinders or might hinder police, fire fighting or other emergency personnel in the discharge of their duties, (iii) would or would be likely to constitute a hazardous condition at the Airport, (iv) would or would be likely to increase the premiums for insurance policies maintained by Lessor unless such operations are not otherwise prohibited hereunder and Lessee pays the increase in insurance premiums occasioned by such operations, (v) is contrary to any applicable Grant Assurance, (vi) is in contradiction to any rule, regulation, directive or similar restriction issued by agencies having jurisdiction over the Airport including FAA, Homeland Security, Transportation Security Administration and Customs and Border Patrol, or (vii) would involve any illegal purposes. In the event this covenant is breached, Lessor reserves the right, after prior written notice to Lessee, to enter upon the Leased Premises and cause the abatement of such interference at the expense of Lessee. In the event of a breach in Airport security caused by Lessee, resulting in fine or penalty to Lessor of which Lessee has received prior written notice, such fine or penalty will be charged to Lessee.

Section 7.9 Emergency Closures. During time of war or national emergency, Lessor shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly-owned air navigation facilities and/or other areas or facilities of the Airport. If any such agreement is executed, the provisions of this Agreement, insofar as they are inconsistent with provisions of the agreement with the Government, will be suspended.

Section 7.10 Interpretation.

A. References in the text of this Agreement to articles, sections or exhibits pertain to articles, sections or exhibits of this Agreement, unless otherwise specified.

B. The terms “hereby,” “herein,” “hereof,” “hereto,” “hereunder” and any similar terms used in this Agreement refer to this Agreement. The term “including” shall not be construed in a limiting nature, but shall be construed to mean “including, without limitation.”

C. Words importing persons shall include firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

D. Any headings preceding the text of the articles and sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect the meaning, construction or effect of this Agreement.

E. Words importing the singular shall include the plural and vice versa. Words of the masculine gender shall be deemed to include correlative words of the feminine and neuter genders.

Section 7.11 Force Majeure. No act or event, whether foreseen or unforeseen, shall operate to excuse Lessee from the prompt payment of rent or any other amounts required to be paid under this Agreement. If Lessor (or Lessee in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the Party so delayed or hindered. A "force majeure event" is an act or event, whether foreseen or unforeseen, that prevents a Party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such Party, and that such Party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, accidents, fire, and changes in law. Lessee hereby releases Lessor from any and all liability, whether in contract or tort (including strict liability and negligence) for any loss, damage or injury of any nature whatsoever sustained by Lessee, its employees, agents or invitees during the Term, including, but not limited to, loss, damage or injury to the aircraft or other personal property of Lessee that may be located or stored in the Leased Premises due to a force majeure event.

Section 7.12 Governing Law and Venue. This Agreement has been made in and will be construed in accordance with the laws of the State of Tennessee. In any action initiated by one Party against the other, exclusive venue and jurisdiction will be in the appropriate state courts in and for Sullivan County, Tennessee.

Section 7.13 Amendments and Waivers. No amendment to this Agreement shall be binding on Lessor or Lessee unless reduced to writing and signed by both Parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the Party against whom the waiver is sought to be enforced.

Section 7.14 Severability. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates are not affected in any manner materially adverse to any Party. If any provision of this Agreement is held invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.

Section 7.15 Merger. This Agreement constitutes the final, complete, and exclusive agreement between the Parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither Party has relied on any statement, representation, warranty, nor agreement of the other Party except for those expressly contained in this Agreement.

Section 7.16 Relationship of Parties. This Agreement does not create any partnership, joint venture, employment, or agency relationship between the Parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.

Section 7.17 Further Assurances. Each Party shall execute any document or take any action that may be necessary or desirable to consummate and make effective a performance that is required under this Agreement.

Section 7.18 Signatory's Authority. Each person signing this Agreement in a representative capacity expressly represents that the signatory has the subject party's authority to so sign and that the subject party will be bound by the signatory's execution of this Agreement. Each party expressly represents that except as to approval specifically required by this Agreement, such party does not require any third-party's consent to enter into this Agreement, including the consent of any spouse, insurer, assignee, licensee, secured lender, or regulatory agency.

Section 7.19 Required Federal Provisions. Lessee acknowledges that Lessor is required by the FAA under the terms of its Grant Assurances to include in this Agreement certain required contract provisions, included as Exhibit D hereto (the "Federal Provisions"). Lessee agrees to comply with the Federal Provisions and, where applicable, include the Federal Provisions in each of its subcontracts without limitation or alteration. Lessee acknowledges that a failure to comply with the Federal Provisions constitutes an Event of Default. The Parties acknowledge and agree that the Federal Provisions have or may in the future be altered or amended by the FAA. If same has occurred or does occur, Lessee agrees to be likewise bound by the altered or amended language of said Federal Provisions.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have set their hands and seals this ______ day of ____________________, 2025.

LESSOR

TRI-CITIES AIRPORT AUTHORITY,
a Tennessee regional airport authority,
organized and chartered pursuant to
Tennessee law

Signature:

____

Print Name:

____

Print Title:

____

LESSEE
Aviation New Generation
A Tennessee limited liability company

Signature:

____

Print Name:

____

Print Title:

____

STATE OF TENNESSEE

COUNTY OF SULLIVAN

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared William Sorah, with whom I am personally acquainted and who upon oath acknowledged himself to be Chairman of the Tri-Cities Airport Authority, the within named bargainor, an Authority, and that he as such Chairman executed the foregoing instrument for the purposes therein contained by signing the name of the Authority by himself as Chairman.

WITNESS my hand and official seal, at office in the State and County aforesaid on this ________ day of __________________, 20______.

____
Notary Public

My Commission expires ___________________________.

STATE OF ___________________________

COUNTY OF __________________________

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared ____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged him/herself to be the _____________________________ of __________________________________, the within named bargainor, and that as such ____________________, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by him/herself as ____________________________________.

WITNESS my hand and official seal at office in the State and County aforesaid on this _________ day of _____________________, 20______.

____
Notary Public

My Commission expires _____________________________.

EXHIBIT A

LEASED PREMISES

[see attached]

EXHIBIT D

REQUIRED FEDERAL PROVISIONS

A. Compliance with Nondiscrimination Provisions. During the performance of this Agreement, LESSEE, for itself, its assignees, and successors in interest (hereinafter collectively referred to as "LESSEE") agrees as follows:

1. **Compliance with Regulations:** LESSEE will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.

2. **Non-discrimination:** LESSEE, with regard to the work performed by it during the term of this Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of contractors, including procurements of materials and leases of equipment. LESSEE will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

3. **Solicitations for Agreements, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by LESSEE for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential contractor or supplier will be notified by LESSEE of LESSEE's obligations under this Agreement and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

4. **Information and Reports:** LESSEE will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of LESSEE is in the exclusive possession of another who fails or refuses to furnish the information, LESSEE will so certify to AUTHORITY or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of LESSEE's noncompliance with the Non-discrimination provisions of this contract, AUTHORITY will impose such sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to cancelling, terminating, or suspending the Agreement, in whole or in part.

6. **Incorporation of Provisions:** LESSEE will include the provisions of paragraphs one through six of this Exhibit D, Section (A) in every contract,

including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. LESSEE will take action with respect to any contract or procurement as AUTHORITY or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if LESSEE becomes involved in, or is threatened with litigation by a contractor, or supplier because of such direction, LESSEE may request AUTHORITY to enter into any litigation to protect the interests of AUTHORITY. In addition, LESSEE may request the United States to enter into the litigation to protect the interests of the United States.

B. Real Property Acquired or Improved Under the Airport Improvement Program. LESSEE for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, LESSEE will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

C. Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program. LESSEE for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that LESSEE will furnish its services in compliance with all other requirements imposed by or pursuant to the List of Nondiscrimination Acts And Authorities.

D. Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Agreement, LESSEE, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);

ii. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);

iii. 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

iv. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

v. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;

vi. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);

vii. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

viii. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

ix. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR Parts 37 and 38;

x. The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

xi. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

xii. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100); and

xiii. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

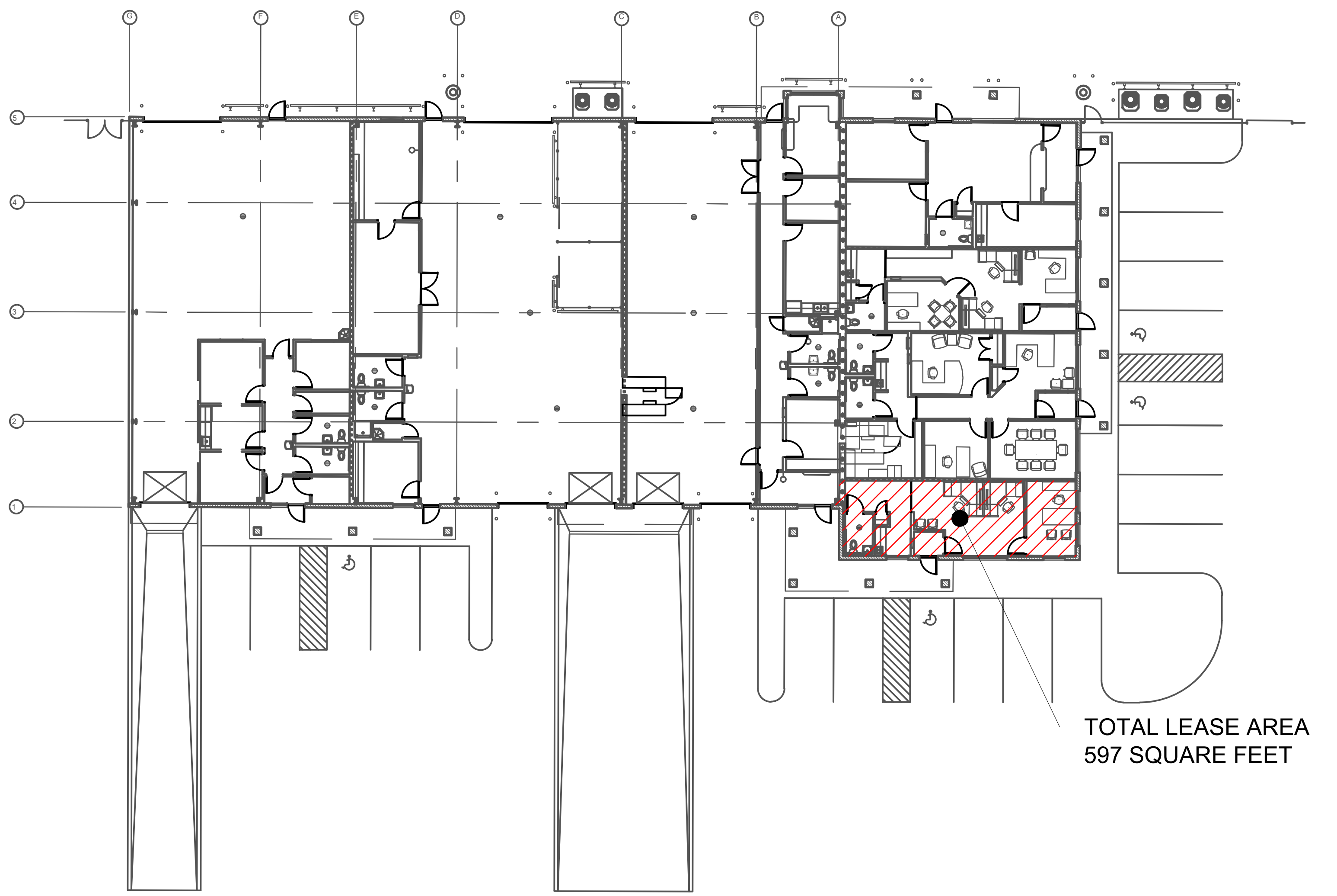
E. General Civil Rights Provision. LESSEE agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If LESSEE transfers its obligation to another, the transferee is obligated in the same manner as LESSEE. This provision obligates LESSEE for the period during which the property is owned, used or possessed by LESSEE and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

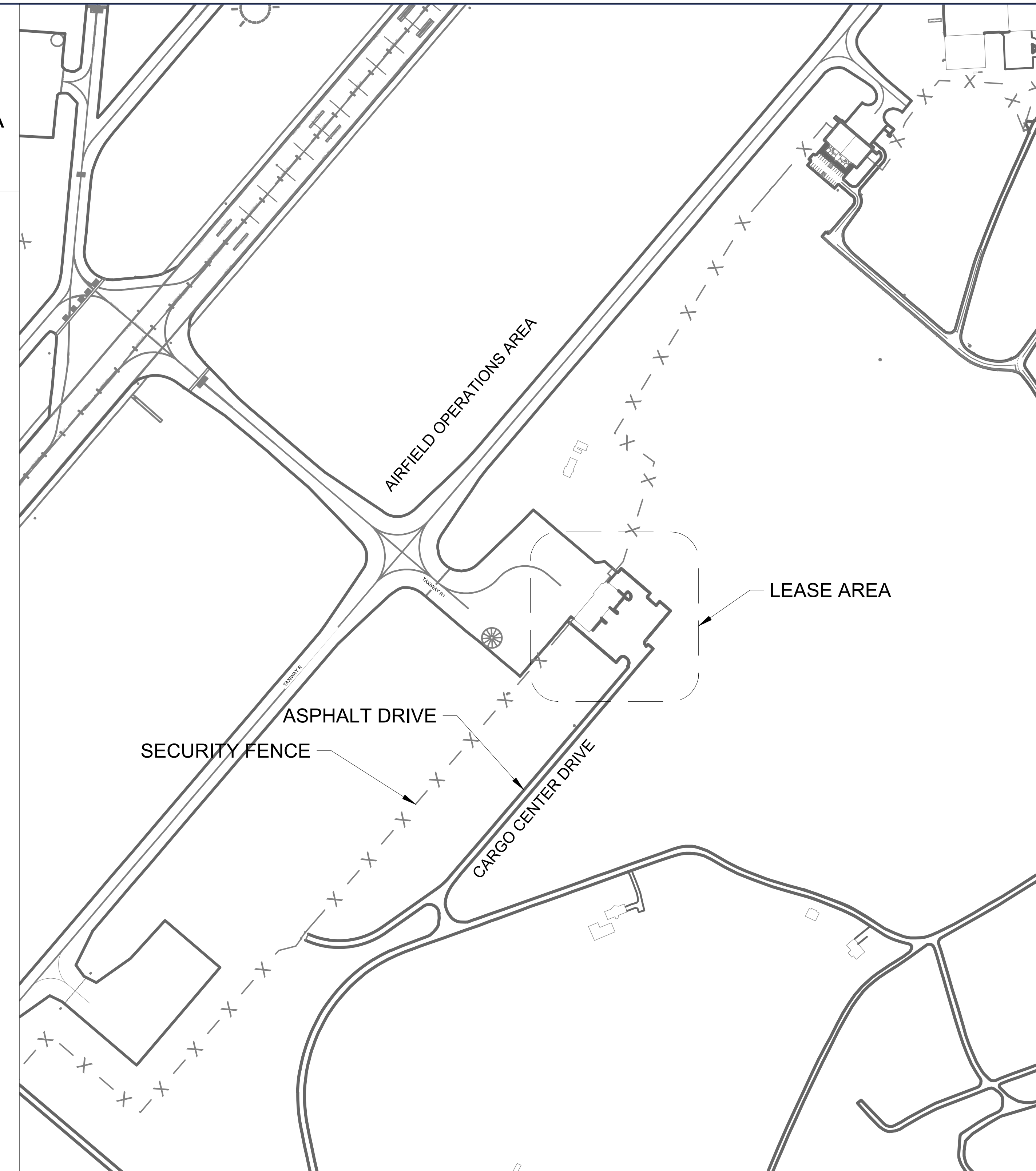
F. Right of Re-entry. In the event of breach of any of the above Nondiscrimination covenants, AUTHORITY will have the right to terminate the Agreement and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Agreement had never been made or issued.

G. Subcontracts. LESSEE agrees that it shall insert the above six provisions (Section (A) through Section (F)) in any agreement by which LESSEE grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public under this Agreement.

LEGEND

LEASE AREA





NORTH

GRAPHIC SCALE IN FEET
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NORTH

Kimley»Horn

TRI
TRI-CITIES AIRPORT

CC-101 LEASE AREA

FEBRUARY 2025

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Ground Lease for Aviation New Generation, LLC

Summary:

Aviation New Generation, LLC seeks to lease land to build a new hangar with approximate dimensions of 75 x 275'. This is approximately 20,625sf of land area where the new hangar will accommodate multiple aircraft for the purposes of storage, aircraft rentals, flight training, and other activities which may fall under the category of Specialized Aviation Services Operations (SASO). According to TCAA's Minimum Standards document, Aviation New Generation, LLC will be required to enter a SASO agreement with TCAA prior to any of those specific activities taking place at TRI.

Key Points:

1) The lease rate for the land is $.62/sf/year with CPI-U adjustments every three years capping at 12% per 9-year period.
2) The term of the lease agreement is 24 years.
3) The execution of a SASO agreement between TCAA and Aviation New Generation, LLC may generate additional, unspecified fees to be paid to TRI.
4) The lease agreement contains a 10-year management agreement option which would begin after the expiration of the lease term.

Recommendation:

Staff recommends approval of the ground lease to Aviation New Generation, LLC as per the terms of the attached draft lease agreement.

Attachments:

Exhibit A – Draft Ground Lease Agreement (under review by legal counsel)
Exhibit B – Depiction of Area to be Leased
Exhibit C – Depiction of Area to be Leased Showing Location on Airport

Submitted by: Mark Canty
Director of Business Development

GROUND LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Agreement") effective as of this 1st____Day of March____, 2025, by and between the ***TRI-CITIES AIRPORT AUTHORITY***, a Tennessee regional airport authority, organized and chartered pursuant to Tennessee law (the "Lessor"), and ***AVIATION NEW GENERATION LLC***, a limited liability company, licensed to do business in Tennessee, (the "Lessee" and, together with Lessor, the "Parties" and each a "Party").

RECITALS

WHEREAS, Lessor is the owner of certain real property known as Tri-Cities Airport, in Sullivan County, Tennessee (hereinafter referred to as " Airport") and desires to lease to Lessee a portion thereof, as more particularly described in this Ground Lease on Exhibit "A-1" and shown on Exhibit "A-2" both attached hereto and made a part hereof (the "Leased Premises"); and

WHEREAS, Lessee desires to lease from Lessor the Leased Premises and acquire from Lessor certain rights and privileges in connection with its use of the Airport; and

WHEREAS, Lessee, as developer, desires to design, finance and construct on the Leased Premises hangars and office space (the "Facility") to be owned by Lessee; and

WHEREAS, Lessor has the right to lease property on the Airport upon the terms and conditions hereinafter set forth, and has full power and authority to enter into this Ground Lease in respect thereof;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual covenants, agreements, and conditions contained herein, including the reservation of rents and the covenant to pay them, the receipt and sufficiency of which are hereby acknowledged, Lessor hereby leases, demises and lets the Leased Premises to Lessee, and Lessee leases and accepts the same under the following terms and conditions:

ARTICLE I - Definitions

The following words and phrases, wherever used in this Ground Lease, shall, for the purposes of this Ground Lease, have the following meanings:

(a) "Airport" means the land areas and facilities which are owned and operated by Lessor and referred to collectively as Tri-Cities Airport, including Aerospace Park.

(b) “Contractor” shall mean the contractor chosen by Lessee, and approved by Lessor to construct Improvements permitted by this Ground Lease as set forth herein.

(c) "Date of Beneficial Occupancy" or "DBO" means that date upon which Lessee can lawfully occupy the Leased Premises, which shall be the date of certification by the Project architect/engineer that the Facility is substantially completed and available for Lessee's occupancy following receipt of the Certificate of Occupancy from the local regulating authority. The DBO will be memorialized in an exhibit signed by Lessor and Lessee, and by mutual agreement attached to this Ground Lease as Exhibit B-1.

(d) "Date of Possession" means the date when Lessor delivers possession of the Leased Premises to Lessee for commencement of construction of the Facility, shall concurrently be the date that Lessee assumes responsibility for the environmental condition of the Leased Premises, which date shall be no later than __________, and shall be memorialized by the parties as Exhibit B-2.

(e) "Design Guidelines" refers to those Guidelines as developed by Lessor related to any new construction on the Airport.

(f) “President and CEO” means the President and CEO of Lessor, or such other persons as may be designated by Lessor’s President and CEO to act with respect to the rights and obligations of Lessor under this Ground Lease.

(g) "FAA" means Federal Aviation Administration of the United States Government, or any Federal agencies succeeding to its jurisdiction.

(h) "Facility" means the aviation-related facility to be constructed on the Leased Premises by the Lessee.

(i) "Fire Protection System" shall mean Lessee's fire protection system which, if required by lawful authority, shall be designed, constructed, and installed in strict accordance with all applicable nationally recognized fire codes, and with all applicable state and local codes, regulations and ordinances located on and inside the Facility ("Fire Protection System").

(j) "Fiscal Year" refers to Lessor's fiscal year and means the twelve-month period commencing on July 1 and extending to June 30 of the following year.

(k) "Ground Rent" shall mean the rent for the land underlying the Leased Premises.

(l) "Impositions" shall mean all taxes, assessments, use and occupancy taxes, transit taxes, water and sewer charges, rates and rents, charges for public utilities, excises, levies, licenses, permit fees, and other charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which shall or may during the Initial Term, or if renewed, the Renewal Term of this Ground Lease be assessed levied, charged, confirmed, or imposed upon or become payable on the Leased Premises or any part thereof.

(m) “Improvements” shall mean the Facility and such other buildings, structures and other improvements to be constructed on the Leased Premises as may be necessary for the operation of the Facility, including, without limitation, a paved vehicle parking area, an aircraft apron, and any additional improvements approved pursuant to this Ground Lease.

(n) “Initial Term” shall mean that approximate 24-year period of this Ground Lease commencing on the date the Ground Lease is executed by both parties and expiring on a date 24 years from the DBO, provided however, if the DBO does not commence on July 1st, then Initial Term shall be twenty-four (24) years plus that portion of a year from the DBO through the June 30th.

(o) “Lease Year” shall mean that 12-month period that runs from July 1st through June 30th and each 12 -month period thereafter, provided however, if the DBO does not commence on July 1st, then the first Lease Year of the Initial Term shall be either (i) the first full Fiscal Year plus that portion of a year from the DBO through June 30th if the DBO commences after January 1st or (ii) if the DBO commences after July 1st but before January 1st, the first Lease Year shall be a short Lease Year, and shall run from the DBO through June 30th

(p) "Leased Premises" means the premises on the Airport leased to Lessee by Lessor. The Leased Premises shall include the Facility and other improvements once constructed. For purposes of execution of this Ground Lease, the Leased Premises is depicted as a site containing approximately Twenty Thousand Six Hundred and Twenty-Five (20,625) square feet as depicted on Exhibit A-2 hereto, to be amended upon submittal and review of design documents. Within 60 days of completion of construction of the Improvements, Lessee shall have prepared by a licensed surveyor in the State of Tennessee, an As-Built Survey of the Leased Premises. Lessor and Lessee shall confirm such As-Built Survey and shall amend this Ground Lease to include such As-Built Survey as Exhibit A-3.

(q) "Lessee" means AVIATION NEW GENERATION LLC., 6315 Kingsport Highway, Gray, TN 37615.

(r) "SASO" means Specialized Aviation Services Operator as defined by TCAA's Minimum Standards document.

(s) "Lessor" means the Tri-Cities Airport Authority, the owner and operator of the Airport, the corporate powers and duties of which are exercised by its Board of Commissioners.

(t) "Master Plan" means that plan dated and developed by Lessor which is a comprehensive plan for the development of the Airport which has been approved by FAA. The Master Plan, among other things, includes an Airport Layout Plan. Lessee understands, accepts and agrees that from time to time said Master Plan will be updated by Lessor and that the updated Master Plan will replace the existing Master Plan upon its approval by the FAA.

(u) "Operating Agreement" means that certain Operating Agreement by and between Lessor and Lessee related to the use and operation of the Facility on the Leased Premises by Lessee, which Operating Agreement supplements this Ground Lease, provided, however, if a conflict shall arise between the Ground Lease and the Operating Agreement, the Ground Lease shall prevail.

(v) "Party" or "Parties" means Lessee or Lessor if individually or Lessor and Lessee if jointly.

(w) "Project Budget" means the total cost of the Project reflected on Exhibit "C" which shall be attached hereto and made a part hereof upon approval by Lessor.

(x) "Project" means construction of the Facility and related improvements to be undertaken by Lessee as more particularly set forth on the Plans and Specifications attached hereto as Exhibit "D" and incorporated herein ("Plans and Specifications"). (Said Plans and Specifications shall be updated by agreement of the Parties upon completion of the final plans and specifications for construction of the Improvements as approved by Lessor, and a revised version will be substituted by amendment hereto.)

(y) "Rules and Regulations" means the Rules and Regulations of Lessor, as the same may be amended, modified or supplemented from time to time; provided, however, such Rules and Regulations shall not unreasonably restrict or hinder Lessee's use of the Leased Premises unless such amendments, modifications or supplements to the Rules and Regulations are imposed upon the Lessor by federal or state law, rule or regulation.

ARTICLE II - Term

Section 2.01. Initial Term.

The Initial Term of this Ground Lease shall commence on the 1st day of March, 2025 and shall terminate on the date that is twenty-four (24) years from the 1st day of March, 2025.

Section 2.02. Management Agreement Option

- Management Agreement Option: Lessee will be given the first right of refusal on a management agreement between TCAA and the Lessee to manage the operations and leasing of all improvements on this leasehold at the end of the lease term, including preference over TCAA assuming management of the facility. In the case of refusal of the option, TCAA can then choose to self-manage the improvements or offer the management agreement through RFP, RFQ, or other means. The terms of the the management agreement will be as follows:

  a) *Term*: Initial term of Ten Years

  b) *Renewal*: management agreement shall renew at the end of each ten-year period as long as n neither party is in breach of the agreement.

  c) *Usage*: The management agreement is established for the specific purpose of providing hangar space and hangar keeping services. Lessee will manage the infrastructure as an aircraft hangar and maintain a SASO agreement with TCAA to serve as a storage and operations facility for aircraft operations. Other uses of the facility must meet current minimum standards and SASO agreements for other operations must be in place with TCAA prior to providing additional services. .

  d) *Concession Fee:* In lieu of rent and superseding SASO hangar keeper concession fees which may be established in the SASO agreement the hangar management agreement will require a concession fee consisting of a minimum annual guarantee (MAG) or 3% of annual gross revenue whichever is higher.

     - MAG will be calculated as the final per square foot per year cost of the land lease at the end of the original lease term times the square footage of hangar space being managed under the agreement.

       - Example:

         - Original Lease rate .62 per square foot

         - Average inflation rate over 24-year lease = 2.53 (a historical 24-year average for example only)

- MAG rate = 1.13
- 10,000 sq foot hangar managed = 10,000 X 1.13 = $11,300 per year MAG.

e) Maintenance, utilities, insurance, other costs: Manager will be responsible for all other costs associated with operating the facility. TCAA will be responsible for maintaining taxi lanes, and other airport, general uses areas.

Section 2.03.

a) SASO Operations: Lessee shall enter into separate SASO agreements with TCAA for each type of operations conducted on the airport regardless of the location the operations are conducted. SASO Concession fees will be established and maintained as a component of the TCAA Rates and Charges schedule.):

   a. Aircraft Rental:

      i. Student rentals:(Solo Student pilot use of aircraft)

      ii. Certified pilot rentals

   b. Aircraft Sales:

   c. Aircraft Charter and Taxi:

   d. Aircraft Hangar and Storage Operator:

   e. Airframe and Powerplant Maintenance and Overhaul Operations

   f. Flight Training

   g. Specialized Commercial Flying Services

   h. Other Specialized Commercial Aviation Operations

Section 2.04. Commercial Use of Facility:

The lessee will be allowed to use the facility for commercial use under the requirements of the TRI minimum standards. With separate SASO agreements established to comply with TCAA minimum standards and to establish commercial concession or payment rate beyond the lease rate established for the ground lease. Lessee will not be allowed to provide full Fixed Base Operations services including the exclusion from selling fuel.

<u>Section 2.05</u>. Approval of Design and Construction:

TCAA will review and approve all designs to ensure value of the facility, compliance with local codes and standards, and compliance with federal requirements.

<u>Section 2.06</u>. Legal Costs:

TCAA will pay its own costs for normal legal fees including the cost of lease document development and review. Any actions of the lessee that causes excessive legal fees to TCAA within the development of the lease over the term of the lease will be the responsibility of the lessee. Excessive legal fees shall be any fees incurred by TCAA above and beyond the establishment of a lease document, initial review of lease documents, and periodic review or interpretation of lease issues which are minimal in nature. Any legal issue regarding an unapproved use of the facility, breach of the lease or the agreements in place, or due to the action of the lessee shall be considered excessive.

<u>Section 2.07</u>.

AS-IS, WHERE-IS condition of the Leased Premises; Disclaimer of Any Representations by Lessor.

Except as herein specified, Lessee understands and agrees that Lessee's leasing of the Leased Premises shall be on an "AS IS" "WHERE IS" physical basis, "WITH ALL FAULTS," without representation or warranty, express or implied, with regard to physical condition, including without limitation, any latent or patent defects, conditions of soils or groundwater, existence or nonexistence of hazardous materials, quality of construction, workmanship, merchantability or fitness for any particular purpose as to the physical measurements or useable space thereof. Lessee hereby acknowledges that Lessee has inspected the Leased Premises to Lessee's satisfaction and that Lessor shall not be liable for any latent or patent defects in the Leased Premises. Lessee acknowledges that neither Lessor nor any representative or agent of Lessor has made any representation or warranty as to any of the following: (a) the physical or environmental condition (including surface and subsurface conditions), or state of repair of the Leased Premises and surrounding property; (b) the accuracy or completeness of any information provided by Lessor with respect to the Leased Premises; (c) compliance or noncompliance with local, state or federal statutes, ordinances, orders or regulations concerning the Leased Premises or the intended use thereof; (d) prior or current operations conducted on the Leased Premises; (e) any matter or thing affecting or relating to the Leased Premises. Lessee has not been induced by and has not relied upon any statement, representation or agreement, whether express or implied, not specifically set forth in this Ground Lease. Lessor shall not be liable or bound in any manner by any oral or written statement, agreement or information pertaining to the Lease Premises, or this Ground Lease furnished by any agent, employee of Lessor or other third-party. Lessee also understands and acknowledges that the Leased Premises are subject to substantial noise due to aircraft taking off and landing at the Airport throughout the day and night, throughout the entire year and each and every year. Furthermore, Lessee accepts this Ground Lease and the Leased Premises subject to all easements of record affecting the Leased Premises and all statutes, ordinances and regulations of all governmental authorities affecting the occupancy and use of the Leased Premises, the construction and maintenance of the Facility and Improvements to be constructed thereon, and the business and occupations to be engaged in by Lessee, in force now or subsequently put in force during the Initial Term or if renewed, the Renewal Term of this Ground Lease.

<u>Section 2.08</u>. Vesting of Title to Facility and Improvements.

At the end of the Initial Term or the Renewal Term if any, or upon an earlier termination of this Ground Lease, whether by default, eviction or otherwise, the Leased Premises, the Facility and the improvements thereon shall become the sole property of Lessor or Lessor's designee, free and clear of (i) all claims to or against them by Lessee or any third person, and (ii) all liens, security interests and encumbrances, other than the permitted encumbrances and any other liens, security interests or encumbrances expressly agreed to by Lessor. Within 180 days from the end of each Fiscal Year, Lessee shall submit to Lessor the unamortized book value, together with supporting documents as Lessor may reasonably request, and within thirty (30) days following the expiration of the Initial Term, or if extended, the Renewal Term, but not otherwise, Lessor shall pay to Lessee any remaining unamortized book value of the Facility and all improvements thereon. The unamortized book value shall be determined in accordance with generally accepted accounting principles. It is agreed that at the expiration of the Initial Term or, if renewed, the Renewal Term of this Ground Lease or if this Ground Lease is terminated prior to the expiration of the Initial Term or, if renewed the Renewal Term, Lessee may remove any removable personal property which Lessee has placed on the Leased Premises, provided that any property which has been attached to the Leased Premises in such manner as to become a fixture which shall include, but not be limited to, electric and gas fixtures, switches and controls, floor and wall coverings, and heating and air conditioning equipment shall not be removed and shall be deemed to be a part of the Leased Premises. Additionally, any alterations, additions and improvements of any kind made to the Leased Premises or the Facility without the prior written consent of the Lessor shall be removed by Lessee, at Lessee’s expense upon the request of Lessor. Any damage to the Facility or Leased Premises resulting from such removal shall be repaired by Lessee, at Lessee’s expense within twenty (20) days after the termination or expiration of this Ground Lease. Notwithstanding anything to the contrary contained in this Ground Lease, upon the expiration of the Initial Term or if extended, the Renewal Term, but not otherwise, if Lessee shall so elect, Lessee shall, at its own expense, within one hundred eighty (180) days thereafter, restore the Leased Premises to the condition of the Leased Premises immediately prior to this Ground Lease.

<u>Section 2.09.</u> Surrender of the Premises.

Lessee covenants and agrees that upon expiration of the Initial Term or if renewed, the Renewal Term of this Ground Lease, or upon earlier termination of this Ground Lease as provided herein, it will peaceably surrender possession of the Leased Premises in good condition, reasonable wear and tear, acts of God, fire, and other casualties excepted; and that Lessor shall not be required to give notice to quit possession at the expiration date of the Initial Term or if extended, the Renewal Term of this Ground Lease. Any personal property, trade, fixtures, or equipment not removed by Lessee within ninety (90) days from the termination or expiration of this Ground Lease shall either (i) become the property of Lessor, if Lessor so elects or (ii) be moved and stored by Lessor at Lessee's expense. In addition, if Lessee continues to occupy the Leased Premises after the expiration or termination of this Ground Lease without the prior written consent of Lessor, this shall subject Lessee to rent of 150%of the Ground Rental prorated on a daily basis through the date of surrender of the Leased Premises by Lessee.

ARTICLE III
Rights, Specific Privileges and Use of the Leased Premises by Lessee

Section 3.01. Use of the Airport.

Lessee, and its employees, guests, patrons, and invitees shall have the non-exclusive right to the use, in common with other duly authorized users, the Airport and appurtenances, together with all facilities, improvements, equipment and services which have been or may hereafter be provided for common use at or in connection with the Airport, subject to the Rules and Regulations of Lessor, a copy of which Lessor has made available to Lessee.

Section 3.02. Specific Privileges of Lessee at Airport.

Lessor hereby grants Lessee the right, at Lessee's expense to:

a. Commence construction through to completion of the Project, including all activities reasonably necessary to complete such Project, provided Lessee complies with all the terms, conditions and requirements set forth in this Ground Lease as it pertains to the Project.

b. Install, maintain and operate such radio, communications, and other equipment and facilities in, on and about the Leased Premises as may be necessary or convenient in the opinion of the Lessee for its operations; provided that the location of any such equipment and facilities outside of the Facility shall be subject to the prior written approval of the Lessor, which approval shall not be unreasonably delayed or withheld, and provided further, such radio, communications, and other equipment do not interfere with the operations of the Airport, or other users of the Airport.

Section 3.03. Access.

a. Lessor hereby grants to Lessee, its agents, suppliers, employees, contractors, guests, and invitees, the right and privilege of free and unrestricted access, ingress, and egress to and from the Leased Premises and to public areas and public facilities on the Airport, subject to (i) the provisions hereof, (ii) the Rules and Regulations of Lessor, (iii) Transportation Security Administration ("TSA") Rules and Regulations, (iv) FAA Rules and Regulations, and (v) such reasonable restrictions as Lessor may impose with respect to the Leased Premises, provided such restrictions of Lessor do not unreasonably interfere with Lessee's use of the Leased Premises.

b. The ingress and egress provided for in Section 3.03a above shall not be used, enjoyed, or extended to any person engaging in any activity or performing any act or furnishing any service for or on behalf of Lessee that is not authorized to be engaged in or performed under the provisions hereof unless expressly authorized in writing by Lessor.

c. Lessor shall have the right at any time, and from time to time, to close, relocate, reconstruct, change, alter, or modify any such means of access provided for Lessee's use pursuant to this Ground Lease or otherwise, either temporarily or permanently, provided that (i) reasonable notice to Lessee and a convenient and adequate alternate means of access, ingress and egress shall exist or be provided in lieu thereof at the same time.; and (ii) notwithstanding the foregoing, Lessor shall not have the right to change Lessee' s access or ingress/egress points to the airport taxiways from the original Plans and Specifications attached hereto and made a part hereof as Exhibit "D" unless such change is necessitated by an FAA-mandated change or modification to the taxiway configuration. Lessee agrees that Lessor shall suffer no liability by reason of a change in Lessee's access or ingress and egress as necessitated by an FAA mandate change or modification, and such action, if performed in compliance with the terms of this subsection, shall in no way alter or affect any of Lessee' s obligations under this Ground Lease.

Section 3.04. Use by Lessee.

The use of the Facility by Lessee shall be governed by the terms of the Operating Agreement.

Section 3.05. Easements.

The Leased Premises are accepted by Lessee subject to any and all existing easements or other encumbrances reflected in the public records or disclosed by Lessor to Lessee prior to the execution of this Ground Lease and as set forth on Exhibit "E" attached hereto and made a part hereof. Lessor reserves the right to establish, grant or utilize easements or rights-of-way over, under, along and across the Leased Premises for utilities, pipelines, drains or access as it may deem advisable for the public good; provided, however, that such easements or rights-of-way shall not unreasonably interfere with Lessee's use of the Leased Premises and Lessor agrees to (i) give prior reasonable notice to Lessee of any such relocation of easements, (ii) pay all costs of relocating the easements and (iii) repair that portion of the Leased Premises affected by the relocation.

ARTICLE IV
Project Planning, Design, Construction and Financing

Section 4.01. The Project.

Lessee covenants that it will design, construct and finance the Project on the Leased Premises in accordance with and subject to the following terms and conditions:

a. The designer and contractor chosen by Lessee for the Project shall be subject to prior review and approval by Lessor provided Lessor shall not be unreasonably withhold, delay or condition such approval. Lessee shall also provide Lessor satisfactory evidence that Lessee has a binding commitment for financing sufficient to construct the Project, if applicable.

b. All Plans and Specifications for the Facility and the Project shall be submitted to Lessor by Lessee or its contractor at the intervals specified in the Design Guidelines or as otherwise agreed to between Lessor and Lessee. Such Plans and Specifications shall be subject to the prior written approval of Lessor, which approval will not be unreasonably withheld, conditioned, or delayed, and on which Lessee shall have the right to reasonably rely as indication the Plans and Specifications comply with applicable Lessor and FAA requirements. If Lessor fails to object to the Plans and Specifications within twenty (20) business days after delivery of the Plans and Specifications by Lessee, the Plans and Specifications shall be deemed approved by Lessor. All work to be performed by or on behalf of Lessee shall conform to the Plans and Specifications, shall be of good quality and workmanship, and shall be free of all structural defects. Lessee shall not make any material changes to the Plans and Specifications without the prior written consent of Lessor, and any such changes shall not, in any event, reduce the quality of the Project.

c. The Plans and Specifications submitted to Lessor shall (i) be in accordance with all applicable laws, rules, codes and ordinances, (ii) specify quality of materials and workmanship, (iii) be in accordance with the Design Guidelines, and (iv) be prepared by an appropriate design professional, licensed to practice in Tennessee.

d. No grading shall be commenced until a grading permit has been obtained from the local and state authorities having jurisdiction and no construction shall be commenced until a building permit and all other required permits have been obtained from the local and state authorities having jurisdiction. Lessee hereby covenants and guarantees completion of construction of the Project in accordance with the provisions of the Plans and Specifications, and agrees to furnish to Lessor, prior to commencement of the work on the Project, payment and performance bonds provided by the contractor in the amount of the construction contract, issued by a bonding company acceptable to Lessor and licensed in the State of Tennessee, wherein Lessee's lender (if applicable) and Lessor are named as co-obligees.

e. Lessee shall submit or cause its approved contractor to submit to Lessor no later than ten (10) days before the commencement of construction of the Project, the following which shall be subject to Lessor's approval:

(i) A construction contract, fully executed for the construction of the Project with a solvent, reputable contractor, approved by Lessor and with construction to be completed within a date certain;

(ii) A certificate or certificates of builder’s risk insurance in the amount of the total construction cost of the Project, naming Lessor as an additional insured;

(iii) A copy of the building permit and all other applicable permit(s) necessary to construct the Facility and other Improvements;

(iv) Evidence satisfactory to Lessor that Lessee has available to it sufficient funds to carry out the construction; and

(v) A copy of an appraisal provided to or obtained by Lessee's lender indicating that the value of the Project, after completion, will be equal to or in excess of the Project Budget (if applicable).

f. Upon reasonable notice from Lessor, Lessee shall (i) permit Lessor and/or its duly authorized representatives and agents to enter upon the Leased Premises and to inspect the Project and all materials to be used in the construction thereof to ensure compliance with the Plans and Specifications; (ii) cooperate and cause all persons involved with the construction of the Project to cooperate with Lessor and/or its representatives and agents during such inspections and (iii)during construction of the Project, Lessor shall further have the right to ascertain, to its satisfaction, that the Project is progressing in accordance with the requirements of this Section and industry standards. In the event Lessor shall determine that the Project is not progressing substantially and materially in accordance with such requirements, Lessor shall notify Lessee in writing of its specific objections, and Lessee shall, within fifteen (15) days of receiving such notice, remedy any defects as specified by Lessor or, if such defects cannot be remedied in such period, then Lessee shall diligently commence remedying such defects and shall continue with such steps until the defects are cured to the reasonable satisfaction of Lessor. In the event that Lessee shall fail or refuse to remedy such defects, Lessor shall have the right to remedy such defects at Lessee's expense and/or declare an Event of Default under this Ground Lease. The provisions contained in this section shall not impose on Lessor any of Lessee' s obligations under this Ground Lease, nor shall they create any liability of Lessor by virtue of Lessor's having inspected the Leased Premises or the Project.

g. Notwithstanding Lessor's right to inspect as set forth above, Lessee shall be solely responsible for ascertaining and ensuring that the Improvements for the Project being constructed or installed by or for Lessee (i) have been constructed or installed in accordance with the Plans and Specifications; and (ii) comply with all fire, health and sanitary codes and regulations and all other laws, rules, codes and regulations that relate to the construction, use or occupancy of the Project, whether federal, state or local ((i) and (ii) collectively, the “Requirements”). Any construction which is not in accordance with the Requirements shall be remedied promptly by Lessee upon Lessor's request. Lessee shall be responsible for all liabilities arising out of its failure to construct or cause the construction of the Project to be constructed in compliance with the Requirements or by reason of defects in materials or workmanship, and Lessee shall hold Lessor harmless from and against any such liabilities. Lessee shall indemnify and hold Lessor harmless from and against all losses, costs, damages or expenses, including injury to or death of any person and any damage to real or personal property, and including reasonable attorneys' fees and court costs, arising out of or in any way connected with or related to the construction of the Project unless and to the extent caused by Lessor's gross negligence or willful misconduct, and Lessor shall be entitled to recover attorneys' fees and court costs incurred in enforcing its right of indemnification hereunder.

h. Any signs erected on the Leased Premises must (i) conform with the general architectural scheme of the Leased Premises and any related property owned by Lessor, (ii) be approved by Lessor prior to the installation thereof, which approval shall not be unreasonably withheld, and (iii) comply with the Lessor's Design

Guidelines and with all applicable ordinances or other governmental restrictions. The determination of such requirements as set forth in (i), (ii) and (iii) herein and the compliance therewith shall be the responsibility of Lessee.

Section 4.02. Participation of Lessor's Staff.

The Lessor's staff shall have the right to periodically observe the scope and quality of the Project to assure compliance with the approved Plans and Specifications. During the Project, Lessor's staff will be available to assist Lessee in coordinating its construction with the Airport's operations, with other operators and licensees on the Airport and with Lessor's contractors.

Section 4.03. Fire Protection System.

Lessee covenants that it will include in the Project, at Lessee's sole cost and expense, as a part of the Facility, a Fire Protection System for the Facility. The Fire Protection System shall be designed and constructed or installed in strict accordance with all applicable nationally recognized fire codes, and with all applicable state and local codes, regulations and ordinances.

Section 4.04. Contingent Improvements and Damage Repair.

Lessor reserves the right, subject to prior consultation with the Lessee and the prior written approval of Lessee if Lessee's rent charges or other Ground Lease costs would be affected, to undertake the acquisition, purchase, or construction of any additional improvement, and include debt service or amortization properly attributable to that additional improvement in the calculation of Additional Rent hereunder, so long as such additional improvement is necessary to:

a. Ensure compliance with any lawfully promulgated rule, regulation, or order of any federal, state, or other governmental agency, other than Lessor, which has jurisdiction over the operation of the Airport; or

b. Permit the continued operation, maintenance, and improvement of the Airport for any of the purposes intended hereunder, or as required by the trustee for the security of any bonds; or

c. Repair casualty damage to the Leased Premises to the extent not covered by insurance or otherwise the responsibility of Lessee to repair.

Section 4.05. Development Risks.

Lessee hereby assumes all development risks for and guarantees commencement of construction of the Project by July 1, 2025 and completion of the Project by Feb 1, 2027 subject to events of Force Majeure. Lessee guarantees completion of the Project, using additional resources if necessary, and Lessee covenants to complete construction of the Projects in accordance with the terms hereof.

Section 4.06. Conditions to Construction of the Project.

The following shall be conditions precedent to Lessee's obligations to commence and pursue the Project to completion:

a. The Leased Premises shall be made available to Lessee by Lessor for commencement of construction on the Date of Possession. Until that time, except as permitted in Section 4.09, Lessee shall have no occupancy rights with regard to the Leased Premises and Lessor's obligations hereunder shall not commence until said Date of Possession. The Leased Premises shall be made available to Lessee in an "as is" condition, with only the preliminary site preparation completed as herein specified.

b. Gas, electricity, water, sanitary sewer, storm sewer utilities, and communication (internet and telephone) utility pathways shall be made available for connection by Lessee at the right-of-way of the public access road along the lease line of the Leased Premises, or as otherwise specified in the approved Plans and Specifications;

c. Lessee is able to obtain a grading and a building permit for the construction of the Project from local and state authorities; Lessee shall promptly, diligently and in good faith seek to obtain said permits within (30) days from the approval by Lessor of the Plans and Specifications;

d. Closing of Lessee's construction loan (if applicable); and

e. Approval of the Plans and Specifications by Lessor. If Lessor does not approve Lessee’s Plans and Specifications after Lessee has attempted to make revisions in accordance with Lessor’s requests, then Lessee shall have the right to terminate this Ground Lease by notice given to Lessor within ten (10) days of Lessor disapproving Lessee’s Plans and Specifications.

Section 4.07. Additional Improvements.

With Lessor's prior written consent, which consent will not be unreasonably withheld, and as provided in the Operating Agreement, Lessee shall have the right, from time to time, during the Initial Term of this Lease and if renewed, during the Renewal Term, subject to the same terms and conditions as specified in Section 4.01, to construct on the Leased Premises, at Lessee's sole cost and expense, additional or replacement buildings, structures and other improvements; provided, however, that, when completed, any substitution or replacement structure shall, unless otherwise agreed to by Lessor, have a value equal to or greater than any building or other improvement which was demolished to permit such substitution or replacement.

Section 4.08. Repair of Facility and other Improvements.

Lessee covenants and agrees with Lessor that, during the Initial Term or if renewed, the Renewal Term, Lessee shall undertake and perform, or shall cause to be undertaken and performed at Lessee' s sole cost and expense, all construction, repairs, replacements, maintenance and reconstruction as permitted herein, whether foreseen or unforeseen, ordinary or extraordinary, structural or non-structural and including all roofs and all pavement, and whether occurring on the interior or exterior of any Improvements erected, or to be erected, by Lessee on the Leased Premises, and all additions thereto or alterations thereof. Lessee will not suffer or permit any waste or neglect of any part of the Leased Premises and will take such steps as often as may be necessary to keep the buildings, paved areas, appurtenances and other improvements on the Leased Premises in a safe, good, and sound condition, reasonable wear and tear excepted. In the event Lessee fails or refuses to perform its obligations hereunder, Lessor shall have the right, but not the obligation, to perform such work upon reasonable written notice and, if applicable under the aforesaid provisions, to be reimbursed by Lessee for the cost thereof upon billing therefor.

All property of every kind which may be on the Leased Premises during the Initial Term or if renewed, the Renewal Term shall be at the sole risk of Lessee or those claiming under Lessee, and Lessor shall not be liable to Lessee or to any other person whomsoever for any injury, loss or damage to any such property in or upon said Leased Premises and the entrances, sidewalks and walkways adjoining same, unless, and to the extent that such injury, loss or damage is caused by the gross negligence or willful misconduct of the Lessor or its agents.

Section 4.09. Inspection by Lessee.

Lessee, and its representatives shall, prior to the Date of Possession, have the right, for the purpose of satisfying itself as to the physical properties of the Leased Premises, at Lessee's sole cost, expense, and risk, at reasonable times, and without unreasonable interference with any ongoing construction on or adjacent to the Leased Premises, to conduct such physical inspections, tests and studies of the Leased Premises and title examination of the title thereto as

Lessee deems appropriate; said physical tests and studies may, without limitation, include soils tests, engineering inspections, and hazardous substances audits. To assist Lessee with its due diligence, Lessor shall provide any existing reports, analysis or studies relating to the Leased Premises or surrounding property to Lessee upon execution of this Lease, as requested by Lessee and in Lessor's possession. Lessee shall promptly repair any damage to the Leased Premises resulting from the exercise of Lessee's rights hereunder. Lessee shall indemnify and hold Lessor harmless from and against all losses, damages and claims resulting from Lessee's tests, inspections, and studies. If Lessee determines that the Leased Premises is not satisfactory for Lessee' s intended purposes in connection with its inspection of the Leased Premises pursuant to this Section 4.09, Lessee shall have the option to terminate this Ground Lease by providing written notice to Lessor. As a condition precedent to Lessee's right to enter upon the Leased Premises, Lessee's agents and contractors conducting such tests and inspections must deliver to Lessor a certificate of insurance, reflecting liability insurance in an amount not less than ONE MILLION DOLLARS ($1,000,000), showing Lessor as a named insured, from a company rated A:X or better by Best's Key Rating Guide and upon terms reasonably acceptable to Lessor. Lessee shall (i) immediately pay or cause to be removed any liens filed against the Leased Premises as a result of any actions taken by or on behalf of Lessee; (ii) immediately repair and restore the Leased Premises to its condition existing immediately prior to the conduct of Lessee's entry thereon; and (iii) indemnify, defend and hold Lessor harmless from and against all claims, damages, or losses incurred to the Leased Premises or to or by anyone on the Leased Premises as a result of the actions taken by Lessee or any of Lessee's agents, representatives or contractors, or any persons performing inspection activities or other activities on their behalf. The terms, conditions and obligations of this Section shall survive any termination of this Ground Lease.

<u>Section 4.10.</u> Inspection by Lessor.

Subsequent to the Date of Possession, Lessor and/or Lessor's duly authorized agents shall have the right with reasonable prior notice to Lessee to enter the Leased Premises at all reasonable hours for the purpose of (i) inspecting same, (ii) performing obligations of Lessor under this Ground Lease, if any, (iii) performing obligations of Lessee hereunder which Lessee may neglect or refuse to perform, and (iv) showing the Leased Premises to prospective tenants no earlier than six (6) months prior to the end of the Initial Term, or if renewed, the Renewal Term. The provisions contained in this section shall not impose on Lessor any of Lessee's obligations under this Ground Lease, nor shall they create any liability of Lessor by virtue of Lessor's having inspected the Leased Premises. Lessor shall provide ten (10) days' written notice for inspection of matters involving routine maintenance, cleaning or repairs, which shall be the sole responsibility of Lessee.

<u>Section 4.11.</u> Record Documents.

Upon the completion of the Project, the Upgrade of Facility, if any, and any subsequent construction project undertaken by Lessee , Lessee shall deliver to the Lessor, as specified in the Design Guidelines (a) complete sets of record drawings and specifications, in both paper and electronic formats, depicting the as-built conditions of the Leased Premises, (b) a complete set of bound operating and maintenance manuals for all equipment, systems and materials suppliers as required by the Plans and Specifications, (c) a complete set of guarantees and warranties from contractors, subcontractors, equipment manufacturers and materials suppliers as required by the Plans and Specifications, with assignments of each to Lessor and (d) a complete set of release of lien forms from all contractors, subcontractors, equipment manufacturers and material suppliers.

Section 4.12. Financial Documents.

Prior to the Date of Possession, Lessee shall deliver to Lessor a copy of a letter from a reputable financial institution, confirming that such lender has agreed to extend credit to Lessee sufficient for the construction of the Project on the Leased Premises (if applicable).

ARTICLE V
Rentals, Charges and Fees

In return for use of the Leased Premises, facilities, rights, licenses, and privileges granted hereunder, Lessee agrees to pay Lessor during the Initial Term and if renewed, the Renewal Term, of this Ground Lease, without deduction or set-off, certain rentals, fees, and charges as set forth herein.

Section 5.01. Rent.

a. Lessor and Lessee have agreed that the minimum square feet of property to be leased by Lessee will be Twenty Thousand Six Hundred Twenty Five(20,625) square feet. Lessee shall pay to Lessor as ground rent for the Leased Premises for the full term of the lease the rate of Sixty-Two Cents ($0.62) per square foot per year. Rental payments will be in equal monthly installments due in advance on the first day of each month upon the receipt of the As-Built Survey, the exact square footage of the Leased Premises shall be certified and the rent sat as discussed herein.

b. A CPI-U adjustment will be applied every three-years with escalation cap at no more than 12% per 9-year period. Rate will not be revised downward for any CPI-U findings. An option of first right of refusal for management and operations of the facility at the end of all lease terms will be included so that the owner of the lease will have to option to continue to operate as a commercial hangar keeper in this facility.

c. All payments required to be made by Lessee to Lessor pursuant to this Ground Lease shall be made in the lawful money of the United States of America and shall be paid to Lessor at Lessor's offices located at 2525 Highway 75, Suite 307, Blountville, Tennessee, 37617, or at such other place as Lessor may designate from time to time. Non-payment by Lessee of any amounts due and owing arising from this Ground Lease, shall be an Event of Default and Lessor shall have all rights and remedies as set forth hereon and under applicable law.

d. Lessee shall be solely responsible for all expenses to maintain the Leased Premises which shall include, but not be limited to, landscaping, road paving, striping and repairing, snow and ice removal, street light installation and maintenance.

e. Lessee also agrees to pay all other amounts, liabilities and obligations which Lessee herein assumes or agrees to pay, such amounts, liabilities and obligations are referred to as Additional Rent.

Section 5.02. Other Payment Provisions/Interest on Overdue Amounts.

Unless otherwise provided, all other charges or fees set forth herein shall be due within thirty (30) days of the date of the invoice therefor. Any payment not received within thirty (30) days after the due date shall accrue interest at the rate of 1.5% per month (18% per annum) from the due date until paid in full. Base Rent and Additional Rent charges shall be prorated for any partial month during the Initial Term or if renewed, the Renewal Term.

Section 5.03. Taxes.

Lessee and Lessor (i) recognize that under present law, the interest in the Leased Premises owned by Lessor is exempt from all taxation in the State of Tennessee, and (ii) agree that Lessee shall not be required to reimburse Lessor for any taxes that may in the future be imposed on Lessor's interest in the Leased Premises. Lessee acknowledges that its leasehold interest may be subject to taxation. Lessee shall pay all taxes of whatever character that may be lawfully levied, assessed, or charged for the Leased Premises by any governmental entity other than Lessor upon the property, real and personal, occupied, used, or owned by Lessee, or upon the rights of Lessee to occupy and use the Leased Premises, or upon Lessee's improvements, fixtures, equipment, or other property thereon, or upon Lessee' s rights or operations hereunder. Lessee shall have the right, at its sole cost and expense, to contest the amount or validity of any tax or license fee as may have been or may be levied, assessed, or charged.

<u>Section 5.04</u> Utilities and Related Charges.

Lessee shall be responsible for and shall pay when due:

a. All costs of utility services which are metered separately to the Facility, plus the cost of any utility services, if any, provided to the Facility and billed directly to the Lessor.

b. Any charges for service to fire hydrants serving the Facility, in full or pro rata, if other tenants benefit from such fire hydrants.

c. Inspection fees for Lessee's Fire Control System at the Leased Premises.

d. Any other fees and charges associated with the operation of the Facility, in full or pro rata, if other tenants benefit from the use thereof.

<u>Section 5.05.</u> Liens.

Lessee shall not permit any liens to attach to Lessor's interest in the Leased Premises as a result of any such construction permitted herein or at any time during the Initial Term or if renewed, the Renewal Term of this Ground Lease. All persons are put on notice that t Lessee shall never, under any circumstances, have the power to subject the interest of Lessor in the Leased Premises to any mechanics' or materialmen's lien or other liens of any kind. If any mechanics' liens or other lien or order for the payment of money shall be filed against the Leased Premises or building(s) or improvements thereon by reason of, or arising out of, any labor or material furnished or alleged to have been furnished to or for Lessee at the Leased Premises , or for or by reason of any change, alteration or addition by Lessee, or the cost or expense thereof or any contract relating thereto, or against Lessor, then Lessee shall within fifteen (15) days after the filing of any such lien cause the same to be canceled and discharged of record, by bond or otherwise, at the expense of Lessee. Lessee, at Lessee's sole cost and expense, shall defend on behalf of Lessor, any action, suit or proceeding which may be brought thereon or for the enforcement of such liens or orders, and Lessee shall pay any damages and discharge any judgment entered thereon and shall indemnify and hold Lessor harmless from any claim or damage resulting therefrom. If Lessee shall fail to keep this covenant, in addition to any other remedies available to Lessor under this Ground Lease or otherwise, Lessor may at its option discharge such lien or order, in which event Lessee agrees to pay Lessor, on demand, a sum equal to one hundred fifteen percent (115%) of the amount of the lien or order thus discharged by Lessor plus Lessor's costs, expenses and attorney's fees.

NOTICE IS HEREBY GIVEN THAT LESSOR SHALL NOT BE LIABLE FOR ANY LABOR OR MATERIALS FURNISHED OR TO BE FURNISHED TO LESSEE ON CREDIT, AND THAT NO MECHANIC'S, MATERIALMAN'S, OR OTHER LIEN FOR ANY SUCH LABOR OR MATERIALS SHALL ATTACH TO OR AFFECT THE REVERSIONARY OR OTHER

INTEREST OR ESTATE OF LESSOR IN AND TO THE REAL ESTATE AND IMPROVEMENTS WHICH MAKE UP THE LEASED PREMISES.

ARTICLE VI
Maintenance and Operation of Airport

Section 6.01. General Responsibilities of Lessor.

a. Lessor agrees that it will, with reasonable diligence, prudently improve, and at all times maintain and operate the Airport with adequate, efficient, and qualified personnel and keep it in good repair; will keep the Airport and its aerial approaches free from obstruction and interference for the safe and proper use thereof by Lessee and/or its customers; and will develop, maintain and operate the Airport in all respects in a manner at least equal to the standards or rating established by the FAA and any other governmental agency having jurisdiction thereof, except for conditions beyond the control of Lessor.

b. Lessor agrees that it will comply with and conform to all present and future statutes and ordinances, and regulations promulgated thereunder, of all federal, state and other government bodies of competent jurisdiction which apply to or affect, either directly or indirectly, the Lessor or Lessor's operations and activities under this Ground Lease, including maintaining in current status any federal, state or local licenses and permits required for the operation of Lessor's business.

Section 6.02. Responsibilities of Lessee.

a. Lessee shall at all times, including during construction of the Project, and Upgrade of Facility, if any, , keep its Leased Premises neat, orderly, sanitary and presentable, and shall cause to be removed from such Leased Premises, at Lessee's own expense, all toxic, hazardous and non-toxic waste, garbage and rubbish brought on the Leased Premises by Lessee, suppliers, employees, contractors, guests, and invitees , and Lessee agrees not to deposit the same on any part of Airport, except that Lessee may deposit same temporarily in its Leased Premises or in space designated by Lessor for properly documented collection and removal.

b. Lessee agrees to operate and maintain the Leased Premises in accordance with the Environmental Laws as set forth in the Lessor's Rules and Regulations, and with the rules and regulations of the Tennessee State Fire Marshal, the National Fire Protection

Association codes, applicable building codes, and commonly accepted industry practice.

c. Lessee further covenants it will, under no circumstances, release or dispose of unused or contaminated fuel, oil, solvents, paint or other petroleum or petrochemical products of any type, whether liquid or solid, or any other material deemed a Hazardous Material, by dumping or burning by fire, either at the Leased Premises or anywhere on the Airport in any manner or fashion, but shall release or dispose of the same outside of the Airport only in accordance with environmentally accepted practices and disposal procedures and practices; shall cause any soil or other portion of the Airport which has become contaminated by any Hazardous Materials stored or used by Lessee at the Airport to be remediated, decontaminated, detoxified or otherwise cleaned up in accordance with the requirements of all governmental authorities having jurisdiction over such Hazardous Materials.

d. Lessee further covenants that it will incorporate parking control mechanisms for the Facility and the Leased Premises to prevent the general public from parking on the Leased Premises if Lessor so requests and, in no event, shall Lessee operate a public parking facility and/or charge for parking on the Leased Premises.

e. Lessee's obligations upon termination of this Ground Lease shall be governed by Article IX hereof, the Operating Agreement, and Lessor's Rules and Regulations as applicable. Each capitalized term which is not defined in this Section shall have the meaning ascribed to such term in the Ground Lease or in the Rules and Regulations of Lessor.

Section 6.03. Emergency Access.

At Lessee's cost, Lessee agrees to provide Lessor with a key or keys to a fire box installed on or about the Facility containing keys or a master key to the Facility solely for the purpose of providing Lessor with access to the Facility in the event of an emergency. Said key or keys shall at all times be under the control of Lessor's Public Safety Department. The provisions contained in this section shall not impose on Lessor any obligations, nor shall they create any liability of Lessor by virtue of Lessor's having emergency access to the Leased Premises or the Project.

<u>Section 6.04.</u> Lessor's Right to Inspect and Make Repairs.

a. Lessor, by its authorized officers, employees, agents, contractors, subcontractors and other representatives, shall have the right (upon reasonable prior notice, at such times as may be reasonable under the circumstances and with as little interruption of Lessee's operations as is reasonably practicable) to enter upon the Leased Premises and the Facility, accompanied by an authorized Lessee representative, if practicable, for the following purposes:

   (i) To inspect such space to determine whether Lessee has complied and with the terms and conditions of this Ground Lease.

   (ii) Upon reasonable advance notice (except in the event of an emergency), to perform such maintenance, cleaning or repair as Lessor reasonably deems necessary, if Lessee fails to perform its obligations under this Article VI, and/or to respond to environmental or other conditions on the Leased Premises for which Lessee is not responsible under this Ground Lease.

b. It is agreed and understood that Lessor shall not be responsible for any interruption to Lessee's business or for any monetary losses suffered by Lessee associated therewith and if Lessee shall fail to maintain the Leased Premises as set forth here, Lessor shall be entitled to recover the reasonable cost of such maintenance, cleaning or repair from Lessee, plus an administrative charge of 15% of such cost from Lessee to be paid by Lessee with the next Base Rent or Additional Rent due.

<u>Section 6.05.</u> Alterations and Improvements.

After completion of the Project, Lessee shall make no additional material alterations, additions, improvements to, or installations on the Leased Premises or the Facility without the prior written approval of Lessor, which shall not be unreasonably delayed or withheld.

All alterations and improvements other than movable furniture, personal property, equipment, signage, and, subject to the provisions hereinabove, trade fixtures, shall at the Lessor's option become part of the Leased Premises and Lessor may elect to have title vest with Lessor upon termination hereof.

ARTICLE VII
Damage or Destruction

Section 7.01. Lessee to Give Notice.

In the event of any damage to or destruction of any Improvements on the Leased Premises, Lessee will give written notice thereof to Lessor, generally describing the nature and extent of such damage or destruction.

Section 7.02. Restoration.

In the event of any damage to or destruction of any portion of the Facility or Improvements, Lessee shall commence the work of restoring the Facility or Improvements and shall, subject to delays beyond the reasonable control of Lessee, prosecute the restoration to completion with all reasonable dispatch, such restoration to be completed, in any event, within twelve (12) months of the date of any damage to or destruction of any Improvements on the Leased Premises. If more than 50% of the Facility or Improvements are damaged or destroyed such that they cannot be restored or rebuilt within such 12-month period, Lessee shall also have the option to terminate this Ground Lease by written notice given to Lessor within thirty (30) days of such damage or destruction along with confirmation from a licensed contractor that such restoration and repair cannot be completed within 12 months. In the event that Lessee restores the Facility and Improvements as provided above, the Facility and Improvements shall be restored to substantially equal or better condition than prior to such damage or destruction. Lessee shall be entitled to utilize the insurance proceeds received from the insurance required under Article VIII hereof for restoration and repairs subject to the requirements of Article IV and this Article VII. Base Rent, Additional Rent and any other charges hereunder shall not abate during the period of restoration or repair. In the event Lessee terminates this Lease as provided above, all Improvements, and all refuse, shall be removed from the Leased Premises at the expense of Lessee within thirty (30) days after the termination of this Ground Lease and the Leased Premises shall be returned to the condition immediately prior to this Ground Lease, in which event Lessee shall retain the balance of all insurance proceeds.

Section 7.03. Alternative to Restoration.

In the event of damage to or destruction of any Improvements on the Leased Premises during the last Lease Year of the Initial Term or during the last Lease Year during the Renewal Term, if renewed, Lessee shall have the right to terminate this Lease by written notice to Lessor provided that the damaged or destroyed improvements, and all refuse, are moved from the Leased Premises at the expense of Lessee within thirty (30) days after the termination of the Initial Term or if during the Renewal Term, the Renewal Term and the Leased Premises is returned to the condition immediately prior to this Ground Lease, in which event Lessee shall retain all insurance proceeds.

Section 7.04. Rights of Lessor.

Except as provided in Sections 7.02 and 7.03, Lessee covenants and agrees with Lessor that no damage or destruction to any Facility or Improvement on the Leased Premises by fire, wind, storm, or any other casualty shall entitle Lessee to (i) surrender possession of the Leased Premises, (ii) terminate this Ground Lease r (iii) violate any of the provisions set forth in this Ground Lease, (iv)abate any Base Rent or Additional Rent, or (v) entitle Lessee to any rebate in the Base Rent or Additional Rent, then due or thereafter becoming due under the terms hereof.

ARTICLE VIII
Insurance and Indemnification

Section 8.01 Insurance.

Lessee shall, at Lessee's sole cost and expense maintain, in full force and effect, at all times during the Initial Term and if renewed, during the Renewal Term and during its occupancy of the Leased Premises, a policy or policies of insurance issued by a company authorized to do and doing business in the State of Tennessee and providing such insurance coverage and in such amounts as set forth below in this Section, including commercial general liability and personal injury, accidental death and property damage against losses arising from the negligence or misconduct by the Lessee its authorized agents or employees under this Ground Lease.

Section 8.02. Property Insurance.

a. Lessee shall be responsible for providing, at its sole cost, builder's risk insurance during the Project.

b. Additionally, Lessee agrees during the Initial Term and if renewed, during the Renewal Term, to carry in full force, at Lessee's expense: (a) public liability insurance covering the Leased Premises in an amount of $1,000,000.00 for injury or death to any one person and $3,000,000.00 for injury and/or death to any number of persons in any one accident and property damage insurance in an amount of $1,000,000.00; or $3,000,000.00 combined single limit coverage in companies satisfactory to Lessor in the joint name of Lessor and Lessee and to pay the premiums therefor; (b) Business

Auto Liability covering owned, non-owned and hired vehicles with a limit of not less than $1,000,000 per accident; (c) Business Interruption Insurance with limit of liability representing loss of at least approximately six (6) months of income; (d) fire and extended coverage insurance for the full replacement value of the Facility and all Improvements on the Leased Premises and for all property, including, but not limited to Lessee's betterments and improvements, Lessee's inventory, trade fixtures, furnishings and other personal property whether or not removable by Lessee in an amount sufficient to cover the full replacement cost; and (e) workman's compensation or similar insurance to the extent required by law. Lessee shall deliver said policies or certificates thereof to Lessor prior to the Date of Possession. The aforesaid policies shall name Lessor and the Board of Commissioners, officers, employees and agents of Lessor, as additional insured (General Liability) and loss payee (Property-Special Form) and be issued by an insurance company with a minimum Best's rating of "A:X" or better. Should Lessee fail to obtain the insurance herein required, or to pay the premiums thereof or to deliver said policies or certificates thereof to Lessor, Lessor may, procure said insurance and pay the requisite premiums therefor, in which event, Lessee shall pay all sums so expended by Lessor, to Lessor, as Additional Rent along with the first installment of Base Rent due following receipt of such invoice from Lessor and declare an Event of Default by Lessee. Each insurer under the policies required hereunder shall agree by endorsement on the policy issued by it or by independent instrument furnished to Lessor that it will give Lessor thirty (30) days prior notice before the policy or policies in question shall be altered or canceled.

c. Lessee agrees to require all contractors, vendors and suppliers performing work or services for Lessee to insure their vehicles for a minimum of $ 100,000 Combined Single Limit for bodily injury and property damage for work or services performed for Lessee inside the security fence of the Airport and a minimum of $ 100,000 Combined Single Limit for bodily injury and property damage for work or services performed for Lessee outside the security fence of the Airport.

d. All policies of insurance required from Lessee shall, to the extent obtainable, provide that any loss shall be payable to the claimant notwithstanding any act of negligence of Lessee which might otherwise result in a forfeiture of said insurance. Said policy or policies shall provide that they will not be reduced, allowed to lapse or canceled for any reason without thirty (30) days prior written notice to Lessor. Lessee shall furnish Lessor during the Initial Term, and if renewed, during the Renewal Term, with proper certificate or certificates evidencing that such insurance is continuously in force. These certificates of insurance must be provided prior to the Date of Possession, and if renewed, during the Renewal Term.

e. It is agreed and understood the Lessee is to bear 100% of the risk of loss or damage to its or its customers' property while on the Leased Premises (unless and to the extent any such loss or damage is caused by the gross negligence or willful misconduct of Lessor or its agents), and Lessee shall be solely responsible for providing insurance coverage for its aircraft (if any) when on the Leased Premises and/or in the hangar. It is further understood and agreed that Lessor does not carry hangar-keeper's liability insurance with limits of coverage sufficient to cover the cost of Lessee's or Lessee's customers' aircraft (if any) should such an aircraft suffer damage or destruction while on the Leased Premises, and Lessor does not intend to provide any insurance protection for such aircraft, which will remain the sole responsibility of Lessee.

f. In addition, Lessee agrees to hold harmless Lessor as respects diminution of value of Lessee's or its customers' Aircraft and loss of use of such Aircraft from aircraft damage resulting from Lessee's use of the Leased Premises (unless and to the extent any such loss or damage is caused by the gross negligence or willful misconduct of Lessor or its agents).

Section 8.03. Indemnification.

a. Lessee shall indemnify and hold harmless, and defend Lessor and its Commissioners, officers and employees ("Indemnified Parties") from and against any or all liability or loss, cost or expense, including any judgments, fines, penalties, damages, assessments, indemnities or contributions, and the reasonable fees of attorneys, auditors and consultants, arising out of or in connection with, or pertaining to the performance by the Lessee or its officers, agents, and employees of any of their respective obligations under this Ground Lease. Nothing contained herein shall require the Lessee to indemnify any Indemnified Party for any damages to the extent resulting from the gross negligence or willful misconduct of the Indemnified Parties.

b. Lessor shall give to Lessee prompt and timely notice of any such claims or actions. Lessor shall be entitled to designate counsel, subject to the approval of Lessee, to represent Lessor in connection with matters covered by the provisions of this section and said provisions shall survive the expiration or early termination of this Ground Lease.

c. Lessee agrees to insure the above contractual obligations to Lessor. Subject to the provisions herein, Lessee and its insurer, or either of them, shall have the right to compromise and defend all claims, actions, suits or proceedings to the extent of Lessee's interest therein; and in connection therewith, the parties hereto agree to cooperate fully with each other and with Lessee's insurer in the defense thereof.

d. Each policy obtained by Lessee, as required herein, shall contain a waiver by the insurer of any right of subrogation against Lessor, its agent and employees which arises from any payment under such policy or by reason of any act or omission of Lessor, its agents or employees.

ARTICLE IX
Environnemental Matters

Section 9.01. Environmental Obligations.

That portion of the Lessor's Rules and Regulations concerning Environmental Obligations of Lessees is incorporated in its entirety as though copied herein. Lessee hereby represents and acknowledges that it has received the Lessor's Rules and Regulations and agrees to by bound by the terms and conditions thereof.

Section 9.02 Termination; Indemnification; Certification.

a. Upon the expiration or earlier termination of the Initial Term or if renewed, the Renewal Term, of this Ground Lease, Lessee shall promptly in full compliance with all applicable law, including but not limited to Environmental Laws, (i) cause all Hazardous Materials previously owned, stored or used by Lessee to be safely removed from the Leased Premises and properly disposed of in one or more duly permitted facilities; (ii) unless otherwise agreed to by Lessor, remove any and all aboveground or underground storage tanks or other containers installed by Lessee to store and/or dispense any Hazardous Materials on the Leased Premises, and repair any damage to the Leased Premises caused by such removal; (iii) with respect to any and all aboveground or underground storage tanks owned by the Lessor but used by the Lessee for storage or distribution of Hazardous Materials, have such tanks inspected and certified as being in full compliance with any applicable Environmental Laws, and to the extent required by Lessor, provide a temporary or permanent Certificate of Closure for each such tank. In the event such a tank is closed temporarily, but not permanently, all leak-detection and corrosion protection systems, as well as, any other regulatory requirements under any Environmental Laws for temporarily out-of-service tanks, must be met and remain in place and be fully operational at the time the Lessee surrenders the Leased Premises to Lessor; and (iv) cause any soil or other portion of the Leased Premises that has become contaminated by any Hazardous Materials stored or used by Lessee on the Leased Premises to be decontaminated, detoxified or otherwise cleaned up in accordance with the requirements of cognizant governmental authorities; and (v) surrender possession of the Leased Premises to Lessor at a level of cleanliness in no event less than levels of the applicable state governmental cleanup standards attributable to each and every Hazardous Material generated or used by Lessee or stored or disposed of by any party other than Lessor or its agents, contractors or permittees in or on the Leased Premises during the term of this Ground Lease; provided, further, that nothing in this Section shall diminish Lessor's indemnity rights (as set forth in Section 9.2.b) or allow, permit or otherwise result in the material reduction in value, for purposes of leasing, financing or sale of Lessor's property included in the Leased Premises, and provided further that no restrictions on the use of said property or other institutional controls shall be imposed as a result of an action or inaction by Lessee, or by any local, state or federal authorities.

b. Lessee shall indemnify Lessor, defend with counsel reasonably acceptable to Lessor (which counsel may be provided by Lessee's liability carrier), and hold Lessor free and harmless from any liabilities, damages, claims, penalties, fines, settlements, causes of action, costs or expense, including reasonable attorneys' fees, environmental consultant and laboratory fees and the costs and expense of investigation and defending any claims or proceedings, resulting from or attributable to any of the following circumstances if they arise from or relate to the acts or omissions of Lessee or its employees, contractors, agents, licensees or invitees: (i) the presence, disposal, release or threatened release of any Hazardous Material that is on, from or affecting the Leased Premises including the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or relating to the Hazardous Material; (iii) any lawsuits or administrative order relating to the Hazardous Material; or (iv) any violation of any laws applicable to the Hazardous Material. For the avoidance of doubt, the aforementioned indemnity obligations shall not apply and Lessee shall not be responsible for the consequences of any Hazardous Materials on, from, or affecting the Leased Premises if they do not arise from or relate to the acts or omissions of Lessee or its employees, contractors, agents, licensees or invitees.

c. Lessee's indemnification obligations under this Section shall survive the expiration or sooner termination of this Ground Lease.

<u>Section 9.03.</u> Emergency Discharge Procedures; Storm Water Pollution Prevention Plan.

To the extent applicable to the Leased Premises and not inconsistent with any other terms of this Ground Lease, Lessee specifically adopts and agrees to be bound by the terms of the Lessor's Emergency Response and Spill Prevention Countermeasure Plan and the Storm Water Pollution Prevention Plan, as they may be amended from time to time by Lessor. Any damage to person, property or the environment resulting from Lessee's failure to comply with said procedures shall be Lessee's sole responsibility.

ARTICLE X
Assignment, and, Subletting, Right of First Refusal

Section 10.01. General

Lessee shall not (a) assign, mortgage, pledge, encumber or in any manner transfer this Ground Lease, or any part thereof, or (b) sublease all or any portion of the Leased Premises or (c) sell, transfer, mortgage, pledge, or encumber the Facility or Improvements or any rentals thereunder, without the prior written consent of Lessor in each instance. Any attempt to do any such act without such consent shall be null and void and of no effect.

Section 10.02. Lessor Rights.

If this Ground Lease shall be assigned, whether or not in violation of the provisions of this Ground Lease, Lessor may and is hereby empowered to collect Base Rent, Additional Rent and any other sums due from the assignee. In such event, Lessor may apply the net amount received by it to the rental and other payments herein reserved or provided for, and no such collection shall be deemed a waiver of the covenants herein against assignment, mortgage, encumbrance, pledge or subletting, or an acceptance of the assignee as a lessee under this Ground Lease, or a release of Lessee from the further performance of the covenants herein contained on the part of Lessee.

Section 10.03. Obligations Remain.

The making of any assignment, mortgage, pledge, encumbrance or sublease, in whole or in part, whether or not with the consent of Lessor, shall not operate to relieve Lessee from its obligations under this Ground Lease and, notwithstanding any such assignment, mortgage, pledge, encumbrance or subletting, Lessee shall remain liable for the payment of all Base Rent, Additional Rent and any other charges and for the due performance of all the covenants, agreements, terms and provisions of this Ground Lease to the full end of the Initial Term, and if renewed, the Renewal Term of this Ground Lease.

<u>Section 10.04.</u> No Waiver.

Any consent by Lessor herein contained or hereafter given to any act of assignment, sublease, mortgage, pledge or encumbrance shall be held to apply only to the specific transaction hereby or thereby approved. Such consent shall not be construed as a waiver of the duty of Lessee, or its successors, sublessee or assigns, to obtain from Lessor a consent to any other or subsequent assignment, sublease, mortgage or encumbrance or as a modification or limitation of the right of Lessor with respect to the foregoing covenant by Lessee.

<u>Section 10.05.</u> Lessor May Permit Assignment.

Lessor retains the sole right to permit an assignment or sublease by Lessee of its interest in the Ground Lease and release Lessee from all further obligations under this Ground Lease to a third person, firm, or corporation, provided:

(a) Such third person, firm, or corporation is of good reputation and is experienced in the maintenance and operations of the properties and business activities of Lessee and has sufficient financial worth, considering the nature and extend of the obligations hereunder; and, Lessee shall have supplied Lessor with satisfactory evidence thereof; and

(b) Lessee shall not then be in default under the provisions of this Ground Lease.

If Lessee shall assign its interest in the Ground Lease, together with all of its interest in the Facility and Improvements, with the consent of Lessor, as provided in this Section 10.05(a) and (b), and the assignee shall execute and deliver to Lessor a recordable instrument containing an appropriate covenants of assumption, Lessee may be released of all obligations under this Ground Lease from and after the effective date of such assignment.

<u>Section 10.06</u>. Right of First Refusal.

Notwithstanding any other provision of this Ground Lease to the contrary, in the event Lessee desires to assign its right, title and interest under this Ground Lease to a third party, Lessor shall have the right of first refusal to acquire Lessee's interest under this Ground Lease and purchase the Improvements at the same price and on the same terms and conditions as are contained within a bona fide offer that is acceptable to the recipient, made in writing, at arm's length by an independent third party. In such instance Lessee shall give Lessor not less than thirty (30) days written notice of such terms and conditions and Lessor shall have such period of thirty (30) days to determine whether to exercise its right of first refusal. If Lessor determines not to exercise its right of first refusal, Lessee may complete such transaction to the extent otherwise permitted to do so and in compliance with this Article 10; provided, however, Lessee must complete such assignment within sixty (60) days after Lessor's right of first refusal expires or is terminated. If Lessor elects to exercise its right of first refusal, it shall give written notice of such election to Lessee and shall close such purchase within thirty (30) days of such election notice.

Section 10.07. **Merger.**

Section 10.1 shall not prevent the assignment of this Ground Lease to any corporation with which Lessee may merge or consolidate, or which may succeed to the business of the Lessee pursuant to a merger or consolidation, but due notice of any such assignment shall be given to Lessor in writing within thirty (30) days after such merger, consolidation or succession.

Section 10.08. **Bankruptcy.**

Section 10.1 shall not apply to any valid assumption or assignment of this Ground Lease, the Leased Premises, or any part thereof, by a trustee, or by the Lessee as a debtor in possession under Section 365 of the Bankruptcy Code of 1978, as amended; provided, however, that adequate assurance of future performance as provided by Section 365 of the Bankruptcy Code of 1978, as amended, is to be provided, in writing, as a condition of the assumption or assignment of this Ground Lease. Such assurance shall include, but shall not be limited to:

a. Adequate assurance of the reliability of the proposed source for the rental payments due under this Ground Lease upon the assumption or assignment of this Ground Lease;

b. Adequate assurance that all other consideration due under this Ground Lease shall be forthcoming after the assumption or assignment of this Ground Lease; and

c. The procurement of a bond from a financially reputable surety covering any costs or damages incurred by the Lessor in the event that Lessor becomes entitled to and exercises any right to reassign the Leased Premises under this Ground Lease.

Section 10.09. **Consent.**

Consent by Lessor to any type of transfer provided for by this Article X shall not in any way be construed to relieve Lessee from obtaining further consent for any subsequent transfer or assignment of any nature whatsoever.

Section 10.10. **Transaction Costs.**

Lessee agrees to reimburse Lessor for any and all reasonable legal, administrative or other expenses or costs related to any transaction or event contemplated by this Article X, whether or not requiring the approval of the Lessor, and that the Lessee will pay such costs and expenses immediately and directly to Lessor upon execution of the documents necessary to conclude the transaction.

ARTICLE XI – Defaults

Section 11.01 Generally.

a. In addition to the right of the Lessor to terminate this Ground Lease as set forth in Sectio12.02, each and every one and all of the following events shall constitute an Event of Default:

(i) If Lessee shall become insolvent or files a petition in bankruptcy for insolvency or for reorganization under any bankruptcy act or voluntarily takes advantage of any such act or makes an assignment for the benefit of creditors; or

(ii) If any involuntary proceedings under any bankruptcy law, insolvency or receivership action shall be instituted against Lessee, or if a receiver or trustee shall be appointed for all or substantially all of the property of Lessee and such proceedings are not dismissed, or the receivership or trusteeship vacated, within ninety (90) days after institution or appointment; or

(iii) If Lessee fails to pay any sum due from it in strict accordance with the provisions of this Ground Lease, for the purpose hereof, all sums due from Lessee shall constitute rent whether denominated as rent or otherwise elsewhere herein and Lessee has absolutely no right of offset; or

(iv) If Lessee fails to fully perform and comply with each and every condition and covenant of this Ground Lease; or

(v) If Lessee vacates or abandons the Leased Premises (Lessor shall not be deemed to have accepted surrender or abandonment of the Leased Premises without its express written consent); or

(vi) If Lessee shall fail to vacate the Leased Premises immediately upon termination of this Ground Lease, by lapse of time or otherwise, or upon termination of Lessee's right to possession only; or

(vii) If the interest of Lessee is transferred, levied upon or assigned to any other person, firm or corporation whether voluntarily or involuntarily except as herein permitted; or

(viii) If Lessee or any principal (officer, director, major stockholder, partner, manager, etc.) of Lessee is charged with any crime, the conviction of which could result in the forfeiture of property owned or used by Lessee, regardless of whether Lessee or any principal of Lessee is convicted thereof; or

(ix) If Lessee or Lessee's officers, agents or employees repeatedly or flagrantly violate of the Rules and Regulations of Lessor, the Minimum Standards or any other written mandate approved by the Board of Commissioners of the Lessor (provided that any such written mandate does not unreasonably interfere with Lessee's use of the Leased Premises).

b. Notice and Cure. In the event Lessee fails to fully satisfy or remedy any monetary default set forth above within ten (10) days after serving of notice of such default by Lessor, or a non-monetary default within thirty (30) days after serving notice of such default by Lessor, Lessor shall be entitled, without limiting any other remedies available at law or in equity, to pursue any and all remedies set forth in Section 11.01(c) below. Notwithstanding the foregoing, Lessor's obligation to notify Lessee of a monetary default hereunder and to afford Lessee an opportunity to cure monetary defaults shall apply only to one (1) such default per Lease Year. Thereafter, Lessor, in the event of a monetary default by Lessee, shall be entitled to exercise any or all of Lessor's remedies available in the event of a monetary default hereunder without any obligation to notify Lessee of such default or afford Lessee an opportunity to cure such default.

c. Remedies. Except as otherwise provided in Section 12.01, upon the occurrence of any of the Events of Default described or referred to in this Section 11.01, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever, concurrently or consecutively and not alternatively:

(i) Lessor may, at its election, terminate this Ground Lease or terminate Lessee's right to possession only, without terminating the Ground Lease.

(ii) Upon any termination of this Ground Lease, whether by lapse of time or otherwise, or upon any termination of Lessee's right to possession without termination of the Ground Lease, Lessee shall surrender possession and vacate the Leased Premises immediately, and deliver possession thereof to Lessor, and Lessee hereby grants to Lessor full and free license to enter into and upon the Leased Premises in such event and to repossess Lessor of the Leased Premises as of Lessor's former estate and to expel or remove Lessee and any others who may be occupying or be within the Leased Premises and to remove Lessee's signs and other evidence of tenancy and all other property of Lessee therefrom without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Lessee waiving any right to claim damages for such re-entry and expulsion, and without relinquishing Lessor's right to Base Rent, Additional Rent or any other sums due under this Ground Lease, or any other right given to Lessor under this Ground Lease or by operation of law.

(iii) Upon any termination of this Ground Lease, whether by lapse of time or otherwise, Lessor shall be entitled to recover as damages, all Base Rent, Additional Rent and any other sums due and payable by Lessee on the date of termination, plus as liquidated damages and not as a penalty, an amount equal to the sum of: (a) an amount equal to the then present value of the Base Rent and Additional Rent reserved in this Ground Lease for the residue of the stated Initial Term, or if the Initial Term has been renewed for the residue of the Renewal Term; (b) the value of the time and expense necessary to obtain a replacement Lessee or Lessees, and the estimated expenses described in this Section relating to recovery of the Leased Premises, preparation for reletting and for reletting itself; and (c) the cost of performing any other covenants which would have otherwise been performed by Lessee.

(iv) Upon any termination of Lessee's right to possession only without termination of the Ground Lease:

(A) Neither such termination of Lessee's right to possession nor Lessor's taking and holding possession thereof as provided in Section 11(c)(ii) shall terminate the Ground Lease or release Lessee, in whole or in part, from any obligation, including Lessee's obligation to pay the Base Rent, and Additional Rent, under this Ground Lease for the full Initial Term, and if the Ground Lease has been renewed for the remainder of the Renewal Term, and if Lessor so elects Lessee shall continue to pay to Lessor the entire amount of the Base Rent and Additional Rent, as and when they become due, for the remainder of the Initial Term, or if the Initial Term has been renewed, upon the Renewal Term plus any other sums provided in this Ground Lease to be paid by Lessee.

(B) Lessor shall use commercially reasonable efforts to relet the Leased Premises or portions thereof to the extent required by applicable law. Lessor and Lessee agree that nevertheless Lessor shall at most be required to use only the same efforts Lessor then uses to lease other premises in the Aerospace Park generally and that in any case that Lessor shall not be required to give any preference or priority to the showing or leasing of the Leased Premises or portions thereof over any other space that Lessor may be leasing or have available and may place a suitable prospective Lessee in any such other space regardless of when such other space becomes available and that Lessor shall have the right to relet the Leased Premises for a greater or lesser term than that remaining under this Ground Lease, the right to relet only a portion of the Leased Premises, or a portion of the Leased Premises or the entire Leased Premises as a part of a larger area, and the right to change the character or use of the Leased Premises. In connection with or in preparation for any reletting, Lessor may, but shall not be required to, make repairs, alterations and additions in or to the Leased Premises and redecorate the same to the extent Lessor deems necessary or desirable, and Lessee shall pay the cost thereof, together with Lessor's expenses of reletting, including, without limitation, any commission incurred by Lessor, within five (5) days of Lessor's demand. Lessor shall not be required to observe any instruction given by Lessee about any reletting or accept any Lessee offered by Lessee unless such offered Lessee has a credit-worthiness acceptable to Lessor and leases the entire Leased Premises upon terms and conditions including a rate of Base Rent and Additional Rent (after giving effect to all expenditures by Lessor for Lessee improvements, brokers' commissions and other leasing costs) all no less favorable to Lessor than as called for in this Ground Lease, nor shall Lessor be required to make or permit any assignment or sublease for more than the current term or which Lessor would not be required to permit under the provisions of this Section.

(C) Until such time as Lessor shall elect to terminate the Ground Lease and shall thereupon be entitled to recover the amounts specified in such case in Section 11(c)(iii), Lessee shall pay to Lessor upon demand the full amount of all Base Rent, Additional Rent and any other sums reserved in this Ground Lease for the remaining Initial Term or if renewed, the Renewal Term, together with the costs of repairs, alterations, additions, redecorating and Lessor's expenses of reletting and the collection of the

Base Rent and Additional Rent accruing therefrom, (including attorneys' fees and brokers' commissions), as the same shall then be due or become due from time to time, less only such consideration as Lessor may have received from any reletting of the Leased Premises; and Lessee agrees that Lessor may file suits from time to time to recover any sums falling due under this Section 11.01 as they become due. Lessor shall apply any rent received from reletting in the following order: (A) first, to the payment of any indebtedness other than Base Rent due or the costs and expenses of reletting hereunder; (B) second, to the payment of any cost and expense of such reletting, including brokerage fees and attorneys' fees, and costs of any alterations and/or repairs; (C) third, to the payment of Base Rent and Additional Rent, due and payable hereunder; and (D) fourth, the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. If such rent received from reletting the Leased Premises during any month is less than that to be paid by Lessee hereunder, Lessee shall pay any deficiency to Lessor. Such deficiency shall be calculated and paid monthly.

(v) If, on account of any breach or default by Lessee in Lessee's obligations under the terms and conditions of this Ground Lease, it shall become necessary or appropriate for Lessor to employ or consult with an attorney or collection agency concerning or to enforce or defend any of Lessor's rights or remedies arising under this Ground Lease or to collect any sums due from Lessee, Lessee agrees to pay all costs and fees so incurred by Lessor, including, without limitation, attorneys' fees and costs. LESSEE EXPRESSLY WAIVES ANY RIGHT TO: (A) TRIAL BY JURY; AND (B) SERVICE OF ANY NOTICE REQUIRED BY ANY PRESENT OR FUTURE LAW OR ORDINANCE APPLICABLE TO LESSORS OR LESSEE BUT NOT REQUIRED BY THE TERMS OF THIS GROUND LEASE. In the event Lessor commences any proceedings for non-payment of Base Rent, Additional Rent, or any other sums due under this Ground Lease, Lessee will not interpose any counterclaim of whatever nature or description in any such proceedings, except compulsory counterclaims. This sub-section shall not, however, be construed as a waiver of Lessee's right to assert such claims in any separate action brought by Lessee. Lessee expressly waives any right of defense which it may have to claim a merger and neither the commencement of any action or proceeding nor the settlement thereof or entering of judgment therein shall bar Lessor from bringing subsequent actions or proceedings from time to time.

(vi) Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies provided in this Ground Lease or any other remedies provided by law (all such remedies being cumulative), nor shall pursuit of any remedy provided in this Ground Lease constitute a forfeiture or waiver of any Base Rent or Additional Rent due to Lessor under this Ground Lease or of any damages accruing to Lessor by reason of the violation of any of the terms, provisions and covenants contained in this Ground Lease.

(vi) No act or thing done by Lessor or its agents during the Initial Term, or if renewed the Renewal Term, shall be deemed a termination of this Ground Lease or an acceptance of the surrender of the Leased Premises, and no agreement to terminate this Ground Lease or accept a surrender of said Leased Premises shall be valid, unless in writing signed by Lessor. No waiver by Lessor of any violation or breach of any of the terms, provisions and covenants contained in this Ground Lease shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants contained in this Ground Lease. Lessor's acceptance of the payment of rental or other payments after the occurrence of an Event of Default shall not be construed as a waiver of such default, unless Lessor so notifies Lessee in writing. Forbearance by Lessor in enforcing one or more of the remedies provided in this Ground Lease upon an Event of Default shall not be deemed or construed to constitute a waiver of such default or of Lessor's right to enforce any such remedies with respect to such default or any subsequent default.

(vii) Any and all property which may be removed from the Leased Premises by Lessor pursuant to the authority of this Ground Lease or of law, to which Lessee is or may be entitled, may be handled, removed and/or stored, as the case may be, by or at the direction of Lessor but at the risk, cost and expense of Lessee, and Lessor shall in no event be responsible for the value, preservation or safekeeping thereof. Lessee shall pay to Lessor, upon demand; any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Lessor's possession or under Lessor's control. Any such property of Lessee not retaken by Lessee from storage within thirty (30) days after removal from the Leased Premises shall, at Lessor's option, be deemed conveyed by Lessee to Lessor under this Ground Lease as by a bill of sale without further payment or credit by Lessor to Lessee.

(viii) Upon any breach hereof, regardless of whether such breach is, or becomes, an Event of Default, Lessor shall be reimbursed by Lessee for any attorneys' fees incurred by Lessor in connection with such breach.

ARTICLE XII – Termination

Section 12.01. Events Permitting Termination by Lessee.

Lessee shall have the right to terminate this Ground Lease at any time during its Initial Term, and if renewed, during the Renewal Term, after the occurrence of any one or more of the following circumstances, which termination shall be accomplished by written notice to the Lessor setting forth the effective date of termination:

a. The Lessor commits any acts preventing the Lessee from conducting reasonably normal business activities and operations for a period of more than thirty (30) days after receipt of written notice given by Lessee to Lessor provided, however, that if Lessor cannot restore the normal business activities and operations by the payment of money and cannot with due diligence be wholly cured within the thirty (30) day period, Lessor may have any longer period that is reasonably necessary to restore the normal business and activities and operations, so long as the Lessor initiates a cure within the thirty (30) day period.

b. The interruption of the normal business activities of Lessee for a period of more than thirty (30) days due to civil strife and commotion, acts of military power, damage to the runway, or issuance of a Court Order restraining the use of the Airport.

c. For any breach or default of a material term of this Ground Lease by the Lessor when any such default continues for a period of more than sixty (60) days following written notice by the Lessee to the Lessor; provided, however, that if the default cannot be cured by the payment of money and cannot with due diligence be wholly cured within the sixty (60) day period, the Lessor may have any longer period that is reasonably necessary to cure the default, so long as the Lessor initiates a cure within the sixty (60) day period.

Section 12.02. Additional Events Permitting Termination by Lessor.

a. Lessor shall have the right to terminate this Ground Lease as to any portion of the Leased Premises needed for approved airport expansion but only to the extent required by the FAA, provided the Lessor gives three hundred and sixty-five (365) days advance written notice (or less time if specifically dictated by the FAA) to Lessee of the need to reclaim the Leased Premises for approved airport expansion, and purchases from the Lessee any improvements on the Leased Premises at fair market value. In such event, Lessor shall make every effort to offer to Lessee an alternative site with similar operating area, with access to ramp and other airport facilities, and upon lease terms no different from the terms of this Ground Lease, provided that the duration of the Ground Lease may be modified upon written agreement of the Parties. Such relocation shall be at the expense of the Lessor. However, Lessor shall have no obligation to pay for construction of new leasehold improvements.

b. Any portion of the Leased Premises which is not being utilized for the purposes contemplated by this Ground Lease shall remain subject to being reclaimed by Lessor and assigned to other users. However, such reclamation must be preceded by written notice from the Lessor of its intention to terminate this Ground Lease as to a specific portion of the Leased Premises to be fully described in the notice; and, upon receipt of any such notice, Lessee shall be entitled to a period of one hundred eighty (180) days from the notice date within which to commence construction of improvements and development of the use of the subject portion of the Leased Premises for Lessee's use, pursuant to plans reviewed and approved by Lessor . The commencement of any such construction or development even if approved by Lessor, must be pursued to completion by Lessee and/or its contractor in a reasonably expeditious and timely manner; and if Lessee fails to so complete the improvements or development, Lessor may reinstitute the reclamation procedure by written notice of thirty (30) days duration. Lessor hereby acknowledges that the entire Leased Premises will be deemed to be utilized for the purposes contemplated by this Ground Lease if used as an aviation related facility and associated buildings.

Section 12.03. Events Permitting Termination by either the Lessor or the Lessee.

Either party hereto may terminate this Ground Lease if Lessee has not commenced construction of the Project by __October 1, 2025_____, by providing the other Party hereto thirty (30) days advanced written notice; provided, however, the President and CEO, in his sole discretion, may grant an extension of said date.

ARTICLE XIII
Representations, Warranties and Covenants

Section 13.01. By Lessor.

Lessor represents, warrants and covenants to Lessee as of the date of this Ground Lease and again as of the Date of Possession and of the Date of Beneficial Occupancy, as follows:

a. That Lessor is duly organized, validly existing and in good standing under the laws of the state of its incorporation, is duly qualified to do business in Tennessee, and has all corporate power and authority necessary to enter into and carry out the provisions of this Ground Lease;

b. That Lessor has no knowledge of any pending or threatened litigation, claim, investigation or condemnation against, relating to or affecting the Leased Premises, or Lessee' s rights under this Lease; and

c. That the Leased Premises are properly zoned for the operation of the Facility.

Section 13.02. By Lessee.

Lessee represents, warrants and covenants to Lessor as follows:

a. That Lessee is a duly organized, validly existing limited liability company, is in good standing under the laws of the state of Tennessee, and has all requisite power and authority necessary to enter into and carry out the provisions of this Ground Lease;

b. That Lessee will comply with all laws, rules, regulations, ordinances and orders, federal, state and local, that relate to or affect Lessee's use and occupancy of the Leased Premises or Lessee's rights therein; and

c. That Lessee shall not commit nor suffer to be committed any waste upon the Leased Premises or any nuisance or act or thing that may disturb the quiet enjoyment of other tenants, if any, of the land adjoining the Leased Premises.

d. That the execution and delivery by Lessee of this Ground Lease, and the performance of its obligations hereunder, will not violate any existing law or regulation or result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which Lessee is a party or by which it or any of its property is bound or any charter, operating agreement or any of the rules or regulations applicable to Lessee, or its property or any decree or order of any court or other governmental body; and

e. That no instrument, document or agreement, including this Ground Lease, to which Lessee is a party or by which it or its properties may be bound or affected materially adversely affects, or may reasonably be expected so to affect, the business, operations, property or financial condition of the Lessee as it relates to Lessee' s obligations under this Ground Lease.

ARTICLE XIV – Rules and Regulations

Section 14.01. Rules and Regulations; Minimum Standards.

a. Lessee shall observe and obey the Rules and Regulations and the Tri-Cities Airport Authority Minimum Standards for Commercial Aeronautical Operations ("Minimum Standards") adopted by Lessor, and as same may be amended from time to time during the term hereof, as well as any other rules, policies, executive orders or directives which may from time to time be promulgated by Lessor governing conduct on and operations at the Airport and use of its facilities; provided, however, such amendment or other rules, policies , executive orders or directives shall not unreasonably restrict or hinder Lessee's use of the Leased Premises unless such amendment or other rules, policies, executive orders or directives are imposed upon the Lessor by federal or state law, rule or regulation. Copies of the Rules and Regulations, and the Minimum Standards, as adopted, shall be forwarded upon request to Lessee's manager.

b. Lessee shall not violate, nor knowingly permit its agents, contractors, or employees or others acting on Lessee's behalf to violate any of the Rules and Regulations or Minimum Standards.

Section 14.02. Compliance with Law.

a. Lessee shall not use the Leased Premises or any part thereof, or permit the same to be used by any of its employees, officers, agents, subtenants, contractors, invitees or licensees in a manner to constitute a public or private nuisance, or for any illegal purposes, and shall, at all times during the Initial Term or if renewed, during the Renewal Term of this Ground Lease, comply with all applicable ordinances and laws of any city, county or state government or of the United States Government, and of any political division or subdivision or agency, authority or commission thereof which may have jurisdiction to pass laws or ordinances or to make and enforce rules or regulations with respect to the use hereunder of the Leased Premises, and Lessee's operations therein.

b. At all times during the Initial Term or if renewed, during the Renewal Term of this Ground Lease, Lessee shall, in connection with its activities and operations at the Airport:

   (i) Comply with and conform to all present and future statutes and ordinances, and regulations promulgated thereunder, of all federal, state and other government bodies of competent jurisdiction which apply to or affect, either directly or indirectly, the Lessee or Lessee's operations and activities under this Ground Lease, including maintaining in current status any federal, state or local licenses and permits required for the operation of Lessee's business.

(ii) Be and remain an independent contractor with respect to all installations, construction, and services performed by or on behalf of Lessee hereunder.

(iii) Pay, or guarantee payment of all lawful fines and penalties as may be assessed by the Lessor or against the Lessor for violations of federal, state or local laws, ordinances, rules or regulations, or Lessor's Rules and Regulations, by Lessee or its employees, agents or invitees, within thirty (30) days of written notice of such fines or penalties.

c. Lessee hereby acknowledges that this Ground Lease shall be subordinate to the provisions of any existing and future agreements (including, without limitation, grant agreements) between Lessor and the United States of America and the State of Tennessee (together with their boards, agencies, or commissions) relative to the operation or maintenance of the Airport, the execution of which have been, or will be, required as a condition to the expenditure of Federal or State funds for the development of the Airport.

Section 14.03. Nondiscrimination; Disadvantaged Business Enterprises (" DBE").

a. Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (i) no person on the grounds of race, color, national origin, religion, disability, sex or age shall be excluded from participation in, denied the benefits of or otherwise subjected to discrimination in the use of the Facility, (ii) in the construction of any improvements on, over or under the Leased Premises and the furnishing of services thereon, no person on the grounds of race, color, national origin, religion, disability, sex or age shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination, and (iii) Lessee shall use the Leased Premises and the Airport in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

Section 14.04. Notices.

a. Notices required herein may be given by (i) nationally recognized overnight courier service, (ii) e-mail with confirmation of receipt followed by regular mail or (iii) registered or certified mail by depositing the same in the United States mail in the continental United States, postage prepaid. Any such notice so mailed shall be presumed to have been received by the addressee seventy-two (72) hours after deposit of same in the mail. Either party shall have the right, by giving written notice to the other, to change the address at which its notices are to be received. Until any such change is made, notices shall be delivered as follows:

1) Lessor: Tri-Cities Airport Authority
2525 Highway 75
Suite 301
Blountville, TN 37617

2) Lessee: AVIATION NEW GENERATION LLC.,
6315 Kingsport Highway, Gray, TN 37615.

If notice is given in any other manner or at any other place, it will also be given at the place and in the manner specified above.

<u>Section 14.05.</u> Successors and Assigns Bound.

This Ground Lease shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

<u>Section 14.06.</u> Governing Law; Jurisdiction and Venue.

This Ground Lease has been executed by, delivered to and accepted by the Lessor in the State of Tennessee, and the provisions hereof shall be governed by the laws of Tennessee; and any disputes arising out of or related to this Ground Lease shall be resolved in accordance with said laws. The parties agree that any action or legal proceeding arising out of or related to this Ground Lease shall be brought in the state courts of Sullivan County, Tennessee or in the federal court in the district where the Airport is located; and the parties hereby consent to and waive any objection to jurisdiction or venue in said courts.

<u>Section 14.07.</u> Quiet Enjoyment.

Lessee shall, upon its payment of the Base Rent, Additional Rent and all other fees and charges required hereunder and upon its compliance with the terms, covenants, conditions and obligations on the part of Lessee to be performed and complied with hereunder, peaceably have and enjoy the rights, uses and privileges of the Airport, its appurtenances and facilities as granted herein and by the Rules and Regulations.

<u>Section 14.08</u> Nonwaiver of Rights.

No waiver of default by either Party of any of the terms, covenants and conditions hereof to be performed, kept and observed by the other Party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept and observed by the other Party.

<u>Section 14.09.</u> Consent of the Parties.

Where this Ground Lease requires the consent or approval of one or more Parties, Lessee and Lessor agree that such consent or approval shall not be unreasonably withheld, delayed or conditioned.

<u>Section 14.10.</u> Severability.

If one or more clauses, sections or provisions of this Ground Lease shall be held to be unlawful, invalid or unenforceable, it is agreed that the remainder of the Ground Lease shall not be affected thereby.

<u>Section 14.11.</u> Headings.

The headings of the several articles and sections of this Ground Lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provisions of this Ground Lease, and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

<u>Section 14.12.</u> Incorporation of Exhibits.

All exhibits referred to in this Ground Lease are intended to be and hereby are specifically made a part of this Ground Lease.

<u>Section 14.13.</u> Time of Essence.

It is specifically agreed that the timely payment of every installment of Base Rent, Additional Rent and all other sums due hereunder and performance of every term, covenant and condition hereof is of the essence of this Ground Lease.

<u>Section 14.14.</u> Entire Agreement; Amendment.

This Ground Lease, together with all exhibits attached or to be attached hereto, constitutes the entire agreement between the parties hereto as to the ground lease of the Leased Premises, and all other representations or statements heretofore made, verbal or written, are merged herein; and this Ground Lease may be amended only by a writing executed by duly authorized representatives of the parties hereto. The Parties acknowledge that Lessor and Lessee are entering into an Operating Agreement as of the date hereof, and the rights and obligations of Lessor and Lessee under the Operating Agreement shall be supplemental to their rights and obligations hereunder.

<u>Section 14.15.</u> Nonliability of Lessor.

No Commissioner of Lessor, nor any member, officer, agent, director or employee of Lessor or Lessee shall be charged personally or held contractually liable by or to the other party under any term or provision of this Ground Lease or because of any breach thereof or because of its or their execution or attempted execution hereof.

Lessor shall not be liable for Lessee's failure to perform any of the obligations under this Ground Lease or for any delay in the performance thereof, nor shall any such delay or failure be deemed a default by Lessor.

The relationship of the parties shall at all times be that of independent contractors, and nothing herein shall be deemed to create any joint venture, partnership or other such relationship between the Parties. Neither Party shall be liable for any acts or omissions of the other Party, or its agents, servants, employees or independent contractors, or for any condition resulting from the operations or activities of any such Party or concessionaire, such Party's agents, servants, employees or independent contractors, or for any damage resulting from the operations or activities of such Party's agents, employees or independent contractors either to each other or to any other person.

<u>Section 14.16.</u> Force Majeure.

An event of Force Majeure shall mean any act or event that wholly or partially prevents the affected Party from performing any of its obligations (other than the payment of money) if such act or event is beyond the reasonable control and does not arise out of the negligent act or omission of the affected Party to perform such obligation or comply with such condition. Notwithstanding the foregoing, Force Majeure Events do not include weather conditions that may reasonable be expected in the geographic location of the Leased Premises, economic hardship or design errors.

In order to claim an excuse for the failure to timely perform or in order to obtain an extension of the period for performance of an obligation as a result of a Force Majeure Event, the affected Party shall (i) use commercially reasonable efforts to mitigate the effects of a Force Majeure Event to end the suspension of performance by such Party; and (ii) give the other Party prompt written notice describing the available particulars of the Force Majeure Event.

If a Force Majeure Event gives rise to a claim for an excuse for failure to perform which, despite the exercise of commercially reasonable efforts by the affected Party, legitimately and demonstrably results in a necessary extension of time to satisfy an obligation or time constraint, then in any case where either Party is required to do an act, such delays caused by or resulting from a Force Majeure Event shall operate to extend, on a day for day basis, the period of time which shall not be counted in determining the time when the performance of such act must be completed, whether such time be designated by a fixed time, a fixed period of time or a "reasonable time."

<u>ARTICLE XV – General Provisions</u>

a. Notwithstanding anything herein contained that may be or appear to the contrary, it is expressly understood and agreed that the rights granted under this Lease are nonexclusive and the Lessor herein reserves the right to grant identical or similar privileges, in whole or in part, to another Lessee or other operator on other parts of the Airport.

b. Lessee will not discriminate against any employees or applicants for employment because of race, color, national origin, sex, or religion. The parties will take affirmative action to ensure that applicants are employed and that the employees are treated during employment without regard to their race, color, national origin, sex, or religion. Such action shall include, but not be limited to, the following: employment, referral for employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The parties agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

c. The Lessee, in offering any services to the public, shall not discriminate nor permit discrimination against any person or group of persons on the grounds of race, color, national origin, sex, or religion. The Lessor shall have the right to take such action as the United States may direct to enforce this covenant. Lessee acknowledges that it recognizes and will comply with Executive Order 11246, and with the Civil Rights Act of 1964, as amended with Part 156 of the Federal Aviation Regulations, and with all other Federal and State laws and local ordinances.

d. In accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and 49 C.F.R. Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, Lessee hereby assures that no person shall be excluded from participation in, denied the benefits of or otherwise discriminated against in connection with the bidding, award and performance of any contract, including leases, covered by 49 C.F.R. Part 23 on the grounds of race, color, sex, or national origin.

e. The Lessor reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for passage of aircraft in the airspace above the surface of the real property hereinafter described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereinafter used, for navigation of or flight in said airspace, and for use of said airspace for landing on, taking off from, or operating on the Airport.

f. The Lessee expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects or natural growth and other obstruction on the hereinabove real property such a height so as to comply with Federal Aviation Regulations Part 77, as same may be amended from time to time.

g. The Lessee expressly agrees for itself, its successors and assigns, to prevent any use of the Leased Premises which would interfere with or adversely affect the operation or maintenance of the Airport or otherwise constitute an airport hazard.

h. It is understood and agreed that major field repairs or rebuilding may take place during the Term and the Lessee accepts this Lease subject to any inconvenience or loss of use of said field or any part thereof which may become necessary because of said field repairs, construction or expansion.

i. This Lease constitutes the full and complete agreement between the parties hereto and cannot be altered or amended except by a writing executed by the duly authorized representatives of the parties hereto. This Lease has been entered into as an act of free will with no duress whatsoever.

Meaning of cell values

- REQD – a provision the sponsor must incorporate in their procurement action.
- Limited – a provision with limited applicability depending on circumstances of the procurement.
- n/a – a provision that is not applicable for that procurement type.

Table 1 – Applicability of Provisions

Provision	Dollar Threshold	Professional Services	Construction	Equipment	Property (Land)	Non-AIP Contracts
a. Access to Records and Reports	$ 0	REQD	REQD	REQD	REQD	n/a
b. Buy American Preferences	$ 0	Limited	REQD	REQD	Limited	n/a
(1) Buy American Statement	$ 0	Limited	REQD	REQD	Limited	n/a
(2) Buy American – Total Facility	$ 0	Limited	REQD	REQD	Limited	n/a
(3) Buy American – Manufactured Product	$ 0	Limited	REQD	REQD	Limited	n/a
c. Civil Rights	$ 0	REQD	REQD	REQD	REQD	REQD
d. Civil Rights – Title VI Assurances	$ 0	REQD	REQD	REQD	REQD	REQD
(1) Notice – Solicitation	$ 0	REQD	REQD	REQD	REQD	REQD
(2) Clause – Contracts	$ 0	REQD	REQD	REQD	REQD`	REQD
(3) Clause – Transfer of U.S. Property	$ 0	n/a	n/a	n/a	REQD	REQD
(4) Clause – Transfer of Real Property	$ 0	n/a	n/a	n/a	REQD	REQD
(5) Clause – Construction/Use/Access to Real Property	$ 0	n/a	n/a	n/a	REQD	REQD
(6) List – Pertinent Authorities	$ 0	REQD	REQD	REQD	REQD	REQD
e. Disadvantaged Business Enterprise	$ 0	REQD	REQD	REQD	REQD	n/a
f. Energy Conservation Requirements	$ 0	REQD	REQD	REQD	REQD	n/a
g. Federal Fair Labor Standards Act	$ 0	REQD	REQD	REQD	REQD	REQD
h. Occupational Safety and Health Act	$ 0	REQD	REQD	REQD	REQD	REQD
i. Right to Inventions	$ 0	Limited	Limited	Limited	n/a	n/a
j. Trade Restriction Certificate	$ 0	REQD	REQD	REQD	REQD	n/a
k. Veteran's Preference	$ 0	REQD	REQD	REQD	REQD	n/a
l. Seismic Safety	$ 0	Limited	Limited	n/a	n/a	n/a
m. Copeland Anti-Kickback	$ 2,000	Limited	REQD	Limited	Limited	n/a
n. Davis Bacon Requirements	$ 2,000	Limited	REQD	Limited	Limited	n/a
o. Distracted Driving	$3,000	REQD	REQD	REQD	REQD	n/a
p. Affirmative Action Requirement	$10,000	Limited	REQD	Limited	Limited	n/a
q. Equal Employment Opportunity	$10,000	Limited	REQD	Limited	Limited	n/a
(1) EEO Contract Clause	$10,000	Limited	REQD	Limited	Limited	n/a
(2) EEO Specification	$10,000	Limited	REQD	Limited	Limited	n/a
r. Prohibition of Segregated Facilities	$10,000	Limited	REQD	Limited	Limited	n/a
s. Recovered Materials	$10,000	Limited	REQD	REQD	Limited	n/a
t. Termination of Contract	$10,000	REQD	REQD	REQD	REQD	n/a
u. Debarment and Suspension	$25,000	REQD	REQD	REQD	Limited	n/a
v. Contract Work Hours and Safety Standards	$100,000	Limited	REQD	Limited	Limited	n/a
w. Lobbying Federal Employees	$100,000	REQD	REQD	REQD	REQD	n/a
x. Breach of Contract	$150,000	REQD	REQD	REQD	REQD	n/a
y. Clean Air/Water Pollution Control	$150,000	REQD	REQD	REQD	REQD	n/a

ARTICLE XVIII – Required AIP Provisions

GENERAL CIVIL RIGHTS PROVISIONS

A5.3 CONTRACT CLAUSE

A5.3.1 TCAA Contracts

The Operator agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the Operator, and its contractor and subcontractors, from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CIVIL RIGHTS TITLE VI ASSURANCE

A6.3.1 Title VI Solicitation Notice

Title VI Solicitation Notice:

TCAA in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations , hereby notifies all bidders or offerors that it will affirmatively ensure that any contract entered into pursuant to this advertisement , disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in con sideration for an award.

TITLE VI CLAUSES FOR COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

A6.4 CONTRACT CLAUSES

A6.4.1 Title VI Clauses for Compliance with Nondiscrimination Requirements with Nondiscrimination Requirements

TCAA must include this contract clause in:

- Every contract or agreement (unless the sponsor has determined, and the FAA concurs, that the contract or agreement is not subject to the Nondiscrimination Acts and Authorities); and

- Service contracts with utility companies that are not already subject to nondiscrimination requirements.

Compliance with Nondiscrimination Requirements:

During the performance of this contract, the Operator, for itself, its assignees, and successors in interest (hereinafter referred to as the "Operator"), agrees as follows:

- **Compliance with Regulations:** The Operator (hereinafter includes consultants) will comply with the Title VI List of pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

- **Nondiscrimination:** The Operator, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Operator will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

- **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Operator for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Operator of the Operator's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

- **Information and Reports:** The Operator will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by TCAA or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Operator is in the exclusive possession of another who fails or refuses to furnish the information, Operator will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

- **Sanctions for Noncompliance:** In the event of an Operator's noncompliance with the non-discrimination provisions of this contract, TCAA will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

  a.) Withholding payments to the Operator under this Agreement (if any) until the Contractor complies; and/or

  b.) Cancelling, terminating, or suspending this Agreement, in whole or in part.

- **Incorporation of Provisions:** The Operator will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Operator will take action with respect to any subcontract or procurement as TCAA or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Operator becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Operator may request the TCAA to enter into any litigation to protect the interests of the sponsor. In addition, the Operator may request the United States to enter into the litigation to protect the interests of the United States.

TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

A6.4.5 Title VI List of Pertinent Nondiscrimination Acts and Authorities

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the Operator, for itself, its assignees, and successors in interest (hereinafter referred to as the "Operator") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC§ 2000d *et seq.,* 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 460 I) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

- Section 504 of the Rehabilitation Act of 1973 (29 USC§ 794 *et seq.),* as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;

- The Age Discrimination Act of 1975, as amended (42 USC§ 6101 *et seq.)* (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982 (49 USC§ 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub- recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC§§ 12131-12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

- The Federal Aviation Administration's Nondiscrimination statute (49 USC§ 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations.

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100).

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

IN WITNESS WHEREOF, the parties have executed this Ground Lease or caused it to be executed by their respective duly authorized officers as of the day and year first written.

LESSOR

TRI-CITES AIRPORT AUTHORITY

By: ______________________________

Chairman

LESSEE

AVIATION NEW GENERATION, LLC

By: ________________________________

Zachary Green
Owner

STATE OF TENNESSEE
COUNTY OF _______________

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared __________________________, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the _________________ of Tri-Cities Airport Authority, the within named bargainor, and that he as such _____________________ executed the foregoing instrument for the purposes therein contained, by signing the name of the Tri-Cities Airport Authority by himself as ____________________.

WITNESS by hand and official seal this ____ day of __________________, 2025.

____

NOTARY PUBLIC

My commission expires: _____________________

IN WITNESS WHEREOF, the parties have executed this Ground Lease or caused it to be executed by their respective duly authorized officers as of the day and year first written.

LESSOR

TRI-CITES AIRPORT AUTHORITY

By: ______________________________

Chairman

LESSEE

AVIATION NEW GENERATION, LLC

By: ________________________________

Zachary Green
Owner

STATE OF TENNESSEE
COUNTY OF SULLIVAN

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared _Zachary Green_, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the __Owner_ of Aviation New Generation, LLC, the within named bargainor, a Tennessee limited liability company, and that he as such _duly authorized officer_ executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as _____________________.

WITNESS by hand and official seal this ____ day of __________________, 2025.

____

NOTARY PUBLIC

My commission expires: _____________________

EXHIBITS

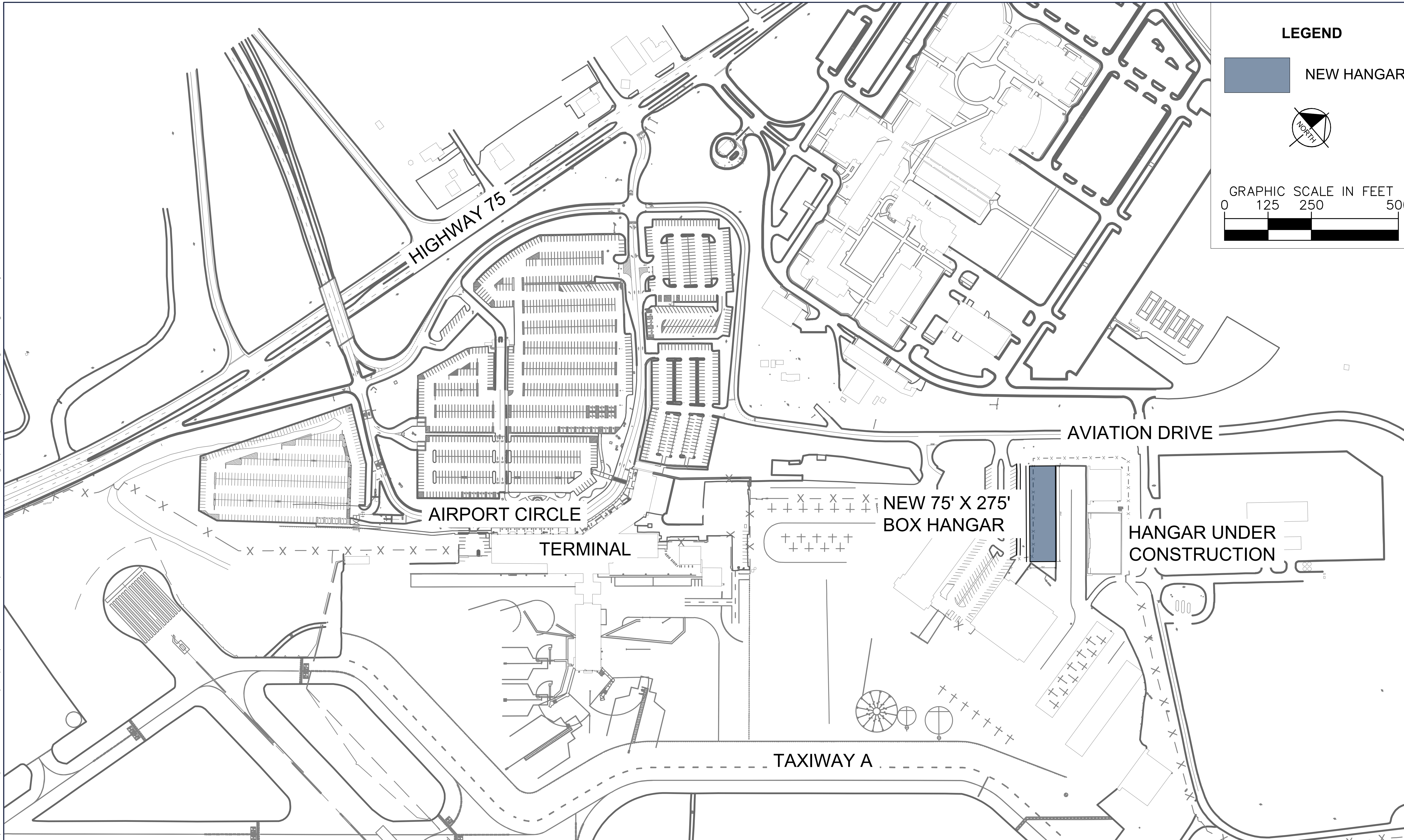
K:\NSH_Aviation\000 - References\TRI\CAD\General Exhibits\Green Tree Aviation Hangar\CAD\Exhibits\New Hangar 1.dwg February 20, 2025 - 11:16am

Kimley»Horn

TRI TRI-CITIES AIRPORT

TRI NEW HANGAR LAYOUT 75' x 275'

FEBRUARY 2025



K:\NSH_Aviation\000 — References\TRI\CAD\General Exhibits\Green Tree Aviation Hangar\CAD\Exhibits\New Hangar 2.dwg February 20, 2025 – 11:47am

Kimley»Horn TRI TRI-CITIES AIRPORT

TRI NEW HANGAR LAYOUT 75' x 275'

FEBRUARY 2025

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Changes to TRI Rates and Charges

Summary:

Specialized Aviation Services Operators (SASO) are providers that can provide any or a combination of the following commercial services on airport property:

1) Aircraft rental
2) Aircraft charter
3) Aircraft maintenance
4) Flight training
5) Aircraft storage
6) Aircraft sales
7) Specialized commercial flying services
8) Other specialized commercial aviation operations

TCAA rates and charges do not currently contain a fee schedule for these activities. To make our rates and charges consistent with our Minimum Standards document and with the fees assessed by other airports, we are suggesting the addition of the SASO fee schedules shown in Exhibits A and B.

Recommendation:

Staff recommends approval of the Rates and Charges schedules shown in Exhibits A and B.

Attachments:

Exhibit A – Updated Airline Rates and Charges Schedule
Exhibit B – SASO Rates and Charges Schedule

Submitted by: Mark Canty
Director of Business Development

Table 1
Tri-Cities Regional Airport (TRI)
Tri-Cities Airport Authority
Airline Rates and Charges
FY 2025
Prepared: July 11, 2024

Summary of Airline Rates and Charges

SCHEDULED AIRLINE RATES	Current FY 2024 Rates and Charges	Proposed FY 2025 Rates and Charges
Landing Fee Per 1,000 lbs.	$2.60	$2.70
Terminal Building Rental Rates (per square foot)	$36.30	$38.00
Apron Charge Per Turn	$10.80	$10.80
Passenger Loading Bridge Charge Per Use	$18.00	$24
Joint Use Ticket Counter Fee Per Departure	$42.00	$44
Ground Handling Per Turn (TCAA crew)	$450.00	$470
CHARTER /NON-SCHEDULED RATES		
Charter/Non-Scheduled Landing Fees Per 1,000 lbs.	$3.31	$3.43
Joint Use Ticket Counter Fee Per Departure	$42.00	$44
Apron Fee Per Turn	$10.80	$10.80
Passenger Loading Bridge Fee Per Use	$18.00	$24
Terminal Facility and Public Safety Fee Per Turn		
Category 1 (0 to 9 seat aircraft)	$30.00	$31
Category 2 (10 to 19 seat aircraft)	$88.00	$90
Category 3 (20 to 30 seat aircraft)	$147.00	$150
Category 4 (30 to 75 seat aircraft)	$315.00	$320
Category 5 (76 to 169 seat aircraft)	$540.00	$550
Category 6 (170 and above seat aircraft)	$815.00	$830
Ground Handling Per Turn (TCAA crew)	$685.00	$715
AIR CARGO RATES		
Scheduled Air Cargo Airline Landing Fee Per 1,000 lbs.	$2.60	$2.70
Non-Scheduled Air Cargo Landing Fee Per 1,000 lbs.	$3.31	$3.43
Air Cargo Ramp Fee Per 1,000 lbs. of Aircraft Wt. (up to 12 hrs.)	$1.50	$1.55
Air Cargo Overnight Ramp Fee (12 hrs.-24hrs.) per 1,000 lbs.	$3.00	$3.10
Air Cargo Center Facility (building) Fee Per Use	$100	$100
Air Cargo Center Facility (building) Fee Per Day/Bay	$250	$250
OTHER		
Ice Per Bag	$3.50	$3.50

In addition to the rates and charges established in this document for commercial aeronautical use of TCAA Facilities, the TCAA Board approves that the TCAA President and CEO has the authority to set rates and charges for TCAA business operations involving Fixed Base Operations, aeronautical land leases, non-aeronautical leases and operating agreements, concession fees, and other revenues though product pricing, lease negotiations, and market evaluation.

Tri-Cities Regional Airport (TRI)
Tri-Cities Airport Authority
SASO Rates and Charges

Summary of SASO Rates and Charges

SASO Operations	Rates and Charges	
Aircraft Rentals:		
Solo Student pilot use of aircraft	0%	of gross revenue
Certified pilot use of aircraft		
Initial Rate (year one)	5%	of gross revenue
Regular Rate (after year one)	10%	of gross revenue
Aircraft Sales		
Initial Rate (year one)	1%	of gross revenue
Regular Rate (after year one)	2%	of gross revenue
Aircraft Charter and Taxi		
Initial Rate (year one)	1.5%	of gross revenue
Regular Rate (after year one)	3%	of gross revenue
Aircraft Hangar and Storage Operator		
Initial Rate (year one)	3%	of gross revenue
Regular Rate (after year one)	3%	of gross revenue
Airframe and Powerplant Maintenance and Overhaul Operations		
Initial Rate (year one)	3%	of gross revenue
Regular Rate (after year one)	3%	of gross revenue
Flight Training		
Initial Rate (year one)	0%	of gross revenue
Regular Rate (after year one)	1.5%	of gross revenue
Specialized Commerical Flying Services		
Initial Rate (year one)	3%	of gross revenue
Regular Rate (after year one)	3%	of gross revenue
Other Specialized Commerical Aviation Operations	TBD	per special situations

In addition to the rates and charges established in this document for commercial aeronautical use of TCAA Facilities, the TCAA Board approves that the TCAA President and CEO has the authority to set rates and charges for TCAA business operations involving Fixed Base Operations, aeronautical land leases, non-aeronautical leases and operating agreements, concession fees, and other revenues though product pricing, lease negotiations, and market evaluation.

Tri-Cities Airport Authority
February 27, 2025

CONSIDER
AIRPORT LIABILITY INSURANCE ANNUAL RENEWAL

Summary
Burke, Powers, Harty, and Aviation Insurance Resources, have completed the request for quotes for the annual renewal of the airport liability policies which renew April 1, 2025.

2024-2025	**COVERAGE**	**UNDERWRITER**	**Proposed PREMIUM**
$ 51,506	*Aviation* - $50M - no deductible includes ground handling support & public parking $25 M Excess coverage for Auto & Emp Liability	Chubb	$ Pending
$ 8,811	*Environmental Liability (renewed 01/2025)*	Partnerone Environmental	$ 9,235
$ 2,782	*Faithful Performance Bond*	Travelers	$ 2,771
$137,516	*Property*	Cincinnati	$ 138,481
$ 35,182	*Business Auto*	Cincinnati	$ 39,779
$ 41,259	*Workers Comp* – annual adjustment per audit	AIG Property	$ Pending
$ 22,595	*Professional Liability Employment Practices*	Darwin Select	$ Pending
$ 6,045	*Cyber Security/Crime*	Connected Risk	$ Pending
$305,696			$

AVIATION LIABILITY
Same limits include liability for SP+ Parking and the ground handling operation. This coverage will also include Aircraft Deicing that was added at a cost of $1,000 premium. There is no deductible with exception of the ground handling endorsement (Allegiant Air). It is $20,000 deductible for property damage to each aircraft.

ENVIRONMENTAL LIABILITY
A Policy with $1M limit of liability renewed January 2025 and covers any environmental exposure due to tank leakage. This type coverage was specifically excluded from our primary liability policy. The policy has a $25,000 deductible.

FAITHFUL PERFORMANCE BOND - $250,000 coverage with $25K for forgery.

PROPERTY
Cincinnati Insurance provides coverage for 15 buildings and contents, 3 fueling sites, and on-premises mobile equipment which includes snow removal/maintenance/airline services. There is a $5K deductible Values have been adjusted for inflation.

BUSINESS AUTO
The 26 vehicles currently covered include those used by Maintenance, Public Safety, Building Services, administrative, two shuttles, and on-demand over the road coverage for special events on equipment normally used on premises.

WORKERS COMPENSATION
The current MOD rate is .66 which is roughly the same as the previous year. The renewal premium is calculated for a 3-year period. Policy also reflects an increase in the total wages paid.

PUBLIC OFFICIALS/EMPLOYMENT LIABILITY
This $5M ($10K retention) policy covers directors and officers, errors and omissions, and employment practices liability.

CYBER SECURITY
Proposed premium summary provides coverage for data breach and privacy liability insurance, media liability coverage, business interruption coverage, and terrorism risk insurance.

Recommendation
Staff recommends approval of the proposed limits of liability and associated premiums for the term of 4/1/2025– 3/31/2026.

Submitted by:
Rebecca O'Quinn
Admin & HR Manager

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Passenger Facility Charge – Application 11

Summary:

Tri-Cities Airport Authority (TCAA) has participated in the Federal Aviation Administration's (FAA) Passenger Facility Charge (PFC) program since 1997. The program allows airports to collect funds for capital projects and infrastructure projects from airlines at the rate of $4.50 per passenger enplaned from TCAA. There is a formal process for approval of capital projects by the FAA and the airlines. TCAA's first two PFC applications were utilized to cover debt service for the terminal-concourse expansion. Subsequent applications have been for selected projects on a pay as you go basis. To date, TCAA has been approved for collection and approved for use of $24,529,929 in PFC funding. Presently, TCAA is collecting under authority granted with PFC Application 9 until February 28, 2025 and PFC Application 10 beginning on March 1, 2025.

Accordingly, it is time for TCAA to submit Application 11 in order to continue the PFC program. A proposal is attached from Ricondo to provide consulting services with regard to PFC Application 11. The proposal documents services to be performed with a budget not to exceed $41,206. The quoted fee for Application 10, dated April 25, 2023, was $33,787.

Recommendation:

The recommendation is to enter into the proposed consulting service agreement; not to exceed $41,206 with Ricondo & Associates, Inc. for PFC Application 11.

Submitted By: Rachel Squibb
Director of Finance

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Fuel Farm Preliminary Engineering Report (PER)
Award Kimley-Horn PER Agreement

Summary:

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 has 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. The PER will evaluate the capacity and location of a new fuel farm in Aerospace Park, the expanded capacity needs of the current fuel farm, and the potential for self-fueling of AVGAS fuel. The project will be funded using state aeronautics grant funds in the amount of $36,620. The following is the proposed project funding plan:

Fuel Farm PER – Funding Plan

Airport Administration	$ 7,500
PER	$29,120
Estimated Total	$36,620

FY 25 State Grant Funding

State Funds	95%	$34,789
Airport	5%	$ 1,831
Estimated Total		$36,620

The Authority's Legal Counsel will provide/review the consultant PER agreement contract prior to execution.

Recommendation:

Authorize the Chairman to execute the Fuel Farm PER contract with Kimley-Horn for $36,620.

Submitted By: Chris Stipo
Director of Operations

PROJECT SPECIFIC CONTRACT
BETWEEN TRI-CITIES AIRPORT AUTHORITY
AND ENGINEER OR CONSULTANT

TCAA Project No. ______________________
AIP Project No. ______________________
Project No. ______________________
Project Title: Fuel Farm Preliminary Engineer Report

THIS PROJECT SPECIFIC CONTRACT ("Contract") made and entered into effective the 27th day of February, 2025 by and between **TRI-CITIES AIRPORT AUTHORITY**, and **KIMLEY-HORN AND ASSOCIATES, INC**., whose address is 10 Lea Avenue, Suite 400, Nashville, TN 37210, its successors, affiliates, and related entities (herein referred to as "Engineer" or "Consultant").

RECITALS

WHEREAS, the Tri-Cities Airport Authority (herein, "Owner") is the owner and operator of Tri-Cities Airport, TN/VA (herein, "Airport") and is empowered, pursuant to the law of the State of Tennessee and its Charter, to enter into contracts which impact the Airport; and

WHEREAS, Engineer or Consultant was chosen to provide services on a non-exclusive basis for a term and pursuant to the terms and conditions of a STANDARD FORM CONTRACT BETWEEN TRI-CITIES AIRPORT AUTHORITY AND ENGINEER OR CONSULTANT FOR PROFESSIONAL SERVICES (2023 EDITION), ("Contract") which was effective the 26th day of October, 2023, and which is incorporated herein by reference as if reproduced verbatim and whose terms and conditions shall govern and control this Contract unless stated herein; and

WHEREAS, the Contract contemplates and requires that Owner and Engineer or Consultant enter into separate contracts for each project on which Owner chooses to utilize the services of Engineer or Consultant;

NOW THEREFORE, in consideration of the mutual covenants contained both in the Contract and herein, and for other good and valuable consideration, same being deemed wholly adequate by the parties hereto, Owner and Engineer or Consultant agree and have agreed as follows:

ARTICLE 1. <u>PROJECT DESCRIPTION</u> (See, EXHIBIT "1" hereto).

ARTICLE 2. <u>PROJECT SCOPE OF SERVICES</u> (See EXHIBIT "2" hereto).

ARTICLE 3. <u>PROJECT SCHEDULE.</u> (See EXHIBIT "3" hereto).

ARTICLE 4. <u>PROJECT SPECIFIC CONTRACT COMPENSATION</u>.

Engineer or Consultant shall be compensated for its work on the project pursuant to as follows:

____

____

____

(See, EXHIBIT "4" hereto).

ARTICLE 5. <u>OWNER'S BUDGET SUMMARY</u>

The following Budget Summary encompasses all known project costs, including, but not limited to the following: Engineer's or Consultant's Total Fixed Consultant Fees, Engineer's or Consultant's Estimated Construction Costs, Owner's Budget including Owner's Administration Costs, Owner's Representative, and Contingency Costs. (See EXHIBIT "5" hereto).

~~ARTICLE 6.~~ **~~ADDITIONAL SPECIAL PROVISIONS~~**

~~State of Tennessee; Local or Other Provisions (See, EXHIBIT 6).~~

~~ARTICLE 7.~~ **~~CONDITIONS~~** **~~(See, EXHIBIT 7)~~**

~~Owner and Engineer or Consultant acknowledge and agree that each project may have associated with it certain General Conditions, Special Conditions and/or Technical Specifications which may be contained in the contract(s) between Owner and general contractor or subcontractors. Further, said General Conditions, Special Conditions and/or Technical Specifications may place additional duties and/or responsibilities upon Owner and/or Engineer or Consultant and those additional duties and/or responsibilities are incorporated herein and made a part of this Contract by reference as if reproduced verbatim.~~

~~ARTICLE 8.~~ **~~ADDITIONAL TERMS~~**

~~The following terms, in addition to those imposed on Engineer or Consultant herein, or as contained in the Contract, and/or General Conditions/Special Conditions/Technical Specifications referenced in Article 6, Exhibit above, will be applicable to this Contract:~~

~~(See, EXHIBIT 8).~~

~~ARTICLE 9.~~ **~~DOCUMENTS, ITEMS INCORPORATED INTO PROJECT SPECIFIC CONTRACT.~~**

~~In addition to the Contract and the various Exhibits hereto mentioned above, the following documents, items and things are incorporated into this Project Specific Contract by reference and made a part hereof as if they were reproduced verbatim:~~

~~(See, EXHIBIT 9).~~

ARTICLE 10. <u>TOTAL CONTRACT: AMENDMENTS</u>

This Project Specific Contract, whose form is incorporated in and is an Exhibit to the Standard Form Contract Between Tri-Cities Airport Authority and Engineer or Consultant for Professional Services (2023 Edition), together with all Exhibits and attachments to both the Project Specific Contract and said Standard Form Contract, constitute the entire agreement between Owner and Engineer or Consultant and supersedes all prior written or oral understandings. This Project Specific Contract may only be amended, supplemented, modified or cancelled by written instrument executed by the duly authorized representatives of Owner and Engineer or Consultant. There shall be no presumption of authorship.

ARTICLE 11. INSURANCE (See, EXHIBIT 11).

IN WITNESS WHEREOF, the duly-authorized official of Owner, by authority vested in him/her, has hereunto subscribed his/her name on behalf of Owner and said Engineer or Consultant, ____, has caused this Contract to be executed by a duly authorized representative, effective the date first above written.

TRI-CITIES AIRPORT AUTHORITY

By:________________________________

Title:______________________________

ENGINEER OR CONSULTANT:

By: Chris D. Rhod

Title: Senior Vice President / February 17, 2025

Approved as to Form: ____________________________________
Attorney for Tri-Cities Airport Authority

FUEL FARM PRELIMINARY ENGINEERING REPORT

Scope of Work

Tri-Cities Airport

Blountville, TN

February 7, 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 a Fuel Farm Preliminary Engineering Report (Project) that investigates the long-term strategy for fuel storage at TRI. The proposed Project will look at alternatives for providing additional fuel storage through a combination of expanding the existing fuel farm and adding new storage capacity in the Aerospace Park area. The goal of the project is to provide a blueprint for accommodating a phased expansion of fuel capacity at TRI as needs warrant along with defining the schedule of anticipated costs for programming purposes.

Exhibit 2

Project Scope of Services

Task 1 Preliminary Engineering

The Preliminary Engineering Task consists 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) virtual kickoff meeting. The meeting shall gather information regarding the Project such as existing drawings, reports, and any project-specific information. 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 Review Requirements

The Consultant will fuel requirements outlined in the current Master Plan and contact the FBO to gather information about existing fuel demand, deliveries, equipment, and constraints with the existing fuel operations. Future capacity will not be re-evaluated at this time and is assumed to be 180,000 gallons based on the current Master Plan.

Task 1.4 Review Applicable Codes

The Consultant will review and document applicable codes related to the construction and storage of above ground fuel storage facilities at airport facilities for use in the planning and design of fuel storage solutions. This will review things like fuel tank separation, protection, containment, size restrictions and other factors that could impact the design and costs of providing additional fuel storage at TRI.

Task 1.5 Review Fuel Storage and Delivery Features

The Consultant will develop of list of options and alternatives for fuel delivery and storage along with a pros/cons evaluation of each to assist the Owner with making decisions related to the ultimate design of the fuel facilities.

Task 1.6 Concept Development

The Consultant will develop up to three alternatives for providing a phased expansion of fuel storage through a combination of expanding the existing fuel farm and the develop a new fuel storage in the Aerospace Park area. The alternatives will include a Site Layout showing the proposed tanks, access for fuel delivery, access for re-fuelers and any features identified above. The Consultant will also provide a Concept Grading Plan for each of the alternatives.

Task 1.7 Review Self-Fueling Option

The Consultant will review up to two alternatives for providing a self-fueling option for Avgas in the FBO area of the airport.

Task 1.8 Opinion of Probable Construction Costs (OPCC)

The Consultant will develop Order of Magnitude pricing for Tasks 1.5, 1.6 and 1.7 to assist the Owner with the programming of future fuel storage expansions at TRI.

Task 1.9 Preliminary Engineering Report

The Consultant will prepare a Preliminary Engineering Report that documents the findings from the above tasks. The report will be provided in .pdf format.

Task 1.10 Meetings

In addition to the Project Kick-Off meeting the Consultant will coordinate and attend two (2) virtual design review meetings to discuss the project at a Draft and Final Report stage.

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 2/27/2025 Notice to Proceed (NTP) and the assumptions outlined below. Upon receipt of the fully executed contract, The Consultant will commence the services outlined in Exhibit 2.

- 2/27/25 Notice to Proceed
- 3/4/25 Kick-Off Meeting
- 3/20/25 Draft Report Review Meeting
- 4/10/25 Final Report Review Meeting
- 4/24/25 Final Report Submittal

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	Preliminary Engineering	$ 29,120.00	LS
	Total Lump Sum Fee	$ 29,120.00	LS

LS: Lump Sum Fee

ATTACHMENT A
Breakdown of Costs - Design and Bid Services

SCOPE / TASK TITLE	Sr. Project Manager	Sr. Technical Professional	Professional Engineer	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 1 Preliminary Engineering								
Task 1.1 Project Kick-Off and Coordination	2							2
Task 1.2 Data Collection	1		2					3
Task 1.3 Review Requirements	1		2					3
Task 1.4 Review Applicable Codes	1		2					3
Task 1.5 Review Fuel Storage and Delivery Features	1		2					3
Task 1.6 Concept Development	2		4		8			14
Task 1.7 Review Self-Fueling Option	1		2					3
Task 1.8 Opinion of Probably Construction Costs (OPCC)	1		2					3
Task 1.9 Preliminary Engineering Report	2		8		16			26
Task 1.10 Meetings	4							4
TOTAL HOURS	16	0	24	0	24	0	0	64
BURDENED RATE	$ 250.00	$ 220.00	$ 160.00	$ 160.00	$ 120.00	$ 110.00	$ 90.00	
TOTAL BURDENED LABOR	$4,000	$0	$3,840	$0	$2,880	$0	$0	$10,720
OTHER DIRECT NON-SALARY COSTS								
SPECIALTY SUBCONSULTANTS								
Argus								$16,730
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)								$18,400
TRAVEL			Car @	Flight @	Lodging @	650 Miles @	Per Diem @	
	#People	#Days	$80	$600	$120	$0.66	$60	
	0	0	$0	$0	$0	$0	$0	$0
							Total	$0
TOTAL ODC's								$18,400
Total Proposed Lump Sum Fee for:	**Task 1 Preliminary Engineering**							**$29,120**

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Access Control System Preliminary Engineering Report (PER)
Award Kimley-Horn PER Agreement

Summary:

The airport's access control system is over fifteen years old and at the end of its useful life. The system provides critical access control capabilities as required Transportation Security Administration (TSA) Part 1542 mainly related to badging. Kimley-Horn prepared a PER scope of work to review the functionality of the existing access control system, review new features and technologies that could be implemented, review current badging equipment for compatibility, and review the necessary upgrades to related fiber and communication systems for $45,640. The project will be funded using state aeronautics grant funds. The following is the proposed project funding plan:

Access Control System PER – Funding Plan

Airport Administration	$ 7,500
PER	$38,140
Estimated Total	$45,640

FY 25 State Grant Funding

State Funds	95%	$43,358
Airport	5%	$ 2,282
Estimated Total		$45,640

The Authority's Legal Counsel will provide/review the consultant PER agreement contract prior to execution.

Recommendation:

Authorize the Chairman to execute the Access Control System PER contract with Kimley-Horn for $45,640.

Submitted By: Chris Stipo
Director of Operations

PROJECT SPECIFIC CONTRACT
BETWEEN TRI-CITIES AIRPORT AUTHORITY
AND ENGINEER OR CONSULTANT

TCAA Project No. ______________________
AIP Project No. ______________________
Project No. ______________________
Project Title: Access Control System Preliminary Engineer Report

THIS PROJECT SPECIFIC CONTRACT ("Contract") made and entered into effective the 27th day of February, 2025 by and between **TRI-CITIES AIRPORT AUTHORITY**, and **KIMLEY-HORN AND ASSOCIATES, INC**., whose address is 10 Lea Avenue, Suite 400, Nashville, TN 37210, its successors, affiliates, and related entities (herein referred to as "Engineer" or "Consultant").

RECITALS

WHEREAS, the Tri-Cities Airport Authority (herein, "Owner") is the owner and operator of Tri-Cities Airport, TN/VA (herein, "Airport") and is empowered, pursuant to the law of the State of Tennessee and its Charter, to enter into contracts which impact the Airport; and

WHEREAS, Engineer or Consultant was chosen to provide services on a non-exclusive basis for a term and pursuant to the terms and conditions of a STANDARD FORM CONTRACT BETWEEN TRI-CITIES AIRPORT AUTHORITY AND ENGINEER OR CONSULTANT FOR PROFESSIONAL SERVICES (2023 EDITION), ("Contract") which was effective the 26th day of October, 2023, and which is incorporated herein by reference as if reproduced verbatim and whose terms and conditions shall govern and control this Contract unless stated herein; and

WHEREAS, the Contract contemplates and requires that Owner and Engineer or Consultant enter into separate contracts for each project on which Owner chooses to utilize the services of Engineer or Consultant;

NOW THEREFORE, in consideration of the mutual covenants contained both in the Contract and herein, and for other good and valuable consideration, same being deemed wholly adequate by the parties hereto, Owner and Engineer or Consultant agree and have agreed as follows:

ARTICLE 1. PROJECT DESCRIPTION (See, EXHIBIT "1" hereto).

ARTICLE 2. PROJECT SCOPE OF SERVICES (See EXHIBIT "2" hereto).

ARTICLE 3. PROJECT SCHEDULE. (See EXHIBIT "3" hereto).

ARTICLE 4. PROJECT SPECIFIC CONTRACT COMPENSATION.

Engineer or Consultant shall be compensated for its work on the project pursuant to as follows:

____

____

____

(See, EXHIBIT "4" hereto).

ARTICLE 5. OWNER'S BUDGET SUMMARY

The following Budget Summary encompasses all known project costs, including, but not limited to the following: Engineer's or Consultant's Total Fixed Consultant Fees, Engineer's or Consultant's Estimated Construction Costs, Owner's Budget including Owner's Administration Costs, Owner's Representative, and Contingency Costs. (See EXHIBIT "5" hereto).

~~ARTICLE 6. ADDITIONAL SPECIAL PROVISIONS~~

~~State of Tennessee; Local or Other Provisions (See, EXHIBIT 6).~~

~~ARTICLE 7. CONDITIONS (See, EXHIBIT 7)~~

~~Owner and Engineer or Consultant acknowledge and agree that each project may have associated with it certain General Conditions, Special Conditions and/or Technical Specifications which may be contained in the contract(s) between Owner and general contractor or subcontractors. Further, said General Conditions, Special Conditions and/or Technical Specifications may place additional duties and/or responsibilities upon Owner and/or Engineer or Consultant and those additional duties and/or responsibilities are incorporated herein and made a part of this Contract by reference as if reproduced verbatim.~~

~~ARTICLE 8. ADDITIONAL TERMS~~

~~The following terms, in addition to those imposed on Engineer or Consultant herein, or as contained in the Contract, and/or General Conditions/Special Conditions/Technical Specifications referenced in Article 6, Exhibit above, will be applicable to this Contract:~~

~~(See, EXHIBIT 8).~~

~~ARTICLE 9. DOCUMENTS, ITEMS INCORPORATED INTO PROJECT SPECIFIC CONTRACT.~~

~~In addition to the Contract and the various Exhibits hereto mentioned above, the following documents, items and things are incorporated into this Project Specific Contract by reference and made a part hereof as if they were reproduced verbatim:~~

~~(See, EXHIBIT 9).~~

ARTICLE 10. <u>TOTAL CONTRACT: AMENDMENTS</u>

This Project Specific Contract, whose form is incorporated in and is an Exhibit to the Standard Form Contract Between Tri-Cities Airport Authority and Engineer or Consultant for Professional Services (2023 Edition), together with all Exhibits and attachments to both the Project Specific Contract and said Standard Form Contract, constitute the entire agreement between Owner and Engineer or Consultant and supersedes all prior written or oral understandings. This Project Specific Contract may only be amended, supplemented, modified or cancelled by written instrument executed by the duly authorized representatives of Owner and Engineer or Consultant. There shall be no presumption of authorship.

<u>ARTICLE 11. INSURANCE</u> (See, EXHIBIT 11).

IN WITNESS WHEREOF, the duly-authorized official of Owner, by authority vested in him/her, has hereunto subscribed his/her name on behalf of Owner and said Engineer or Consultant, ____, has caused this Contract to be executed by a duly authorized representative, effective the date first above written.

TRI-CITIES AIRPORT AUTHORITY

By:________________________________

Title:_______________________________

ENGINEER OR CONSULTANT:

By: Chris D. Rhod

Title: Senior Vice President / February 27, 2025

Approved as to Form: ___________________________________
Attorney for Tri-Cities Airport Authority

ACCESS CONTROL SYSTEM PRELIMINARY ENGINEERING REPORT

Scope of Work

Tri-Cities Airport

Blountville, TN

February 7, 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 an Access Control System Preliminary Engineering Report (Project) that reviews the functionality of the existing access control system, reviews new features and technologies that could be implemented at TRI and provides a Basis of Design report for the programming and future replacement of the system. The Project includes the review the access control point across the airport campus, a review of the TRI badging equipment for compatibility and necessary upgrades to the fiber and communications system related to the access control system. The Project does not include the assessment and review of the security cameras.

Exhibit 2

Project Scope of Services

Task 1 Preliminary Engineering

The Preliminary Engineering Task consists 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 drawings, reports, and any project-specific information. 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. Kimley-Horn will have one on-site visit with up to two (2) Kimley-Horn representatives and any stakeholders that can provide information related with the existing access control system.

Task 1.3 Assessment Report

Prepare an assessment report that documents the existing equipment, documents existing challenges for the hardware and software and documents stakeholder input. The report will be limited to the following chapters.

- An assessment of the existing conditions of the facilities and operations that describes the existing access control system.
- A description of the existing operations and challenges.
- A summary of the stakeholder meetings and challenges within the existing system and operations.

Deliverables:

- Submit one (1) Assessment Report as a digital PDF file. The report in this deliverable will be combined with the report from Task 1.4.

Task 1.4 Basis of Design Report

Th Consultant will prepare a basis of design report that documents the research performed on technologies and options that could be applied to the access control system. The report will include recommendations for the new access control system based on the site observations, stakeholder input and the options evaluated in this Task. The report will be limited to the following chapters.

- A list of features with pros/cons for implementing for the TRI access control system. Kimley-Horn will also include best practices for communications plans at a higher level to discuss components to consider.
- List a general description of recommended access control equipment.
- Develop a draft Engineer's Opinion of Probable Cost (OPC) for the recommended equipment. The Consultant has no control over the cost of labor, materials, equipment, or over the Contractor's

methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to the Consultant at this time and represent only the Consultant's judgment as a design professional familiar with the construction industry. The Consultant cannot and does not guarantee that each vendor will abide to the costs shown.

Deliverables:

- Submit one (1) Basis of Design Report as a digital PDF file.

Task 1.5 Meetings

In addition to the Project Kick-Off meeting the Consultant will coordinate and attend two (2) virtual design review meetings to discuss the project at the Assessment Report and Basin of Design Report submission stages

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 2/27/2025 Notice to Proceed (NTP) and the assumptions outlined below. Upon receipt of the fully executed contract, The Consultant will commence the services outlined in Exhibit 2.

- 2/27/25 Notice to Proceed
- 3/4/25 Kick-Off Meeting
- 4/3/25 Assessment Report Review Meeting
- 4/24/25 Basis of Design Report Review Meeting
- 5/8/25 Final Report Submittal

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	Preliminary Engineering	$ 38,140	LS
	Total Lump Sum Fee	$ 38,140	LS

LS: Lump Sum Fee

Kimley»Horn

ATTACHMENT A

Breakdown of Costs - Design and Bid Services

SCOPE / TASK TITLE	Sr. Project Manager	Sr. Technical Professional	Professional Engineer	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 1 Preliminary Engineering								
Task 1.1 Project Kick-Off and Coordination	2	2						4
Task 1.2 Data Collection and Site Visit		18	18					36
Task 1.3 Assessment Report	4	22	16		16			58
Task 1.4 Basis of Design Report	4	35	16		16			71
Task 1.5 Meetings	4	4						8
TOTAL HOURS	14	81	50	0	32	0	0	177
BURDENED RATE	$ 250.00	$ 240.00	$ 200.00	$ 160.00	$ 120.00	$ 110.00	$ 90.00	
TOTAL BURDENED LABOR	$3,500	$19,440	$10,000	$0	$3,840	$0	$0	$36,780
OTHER DIRECT NON-SALARY COSTS								
TRAVEL			Car @	Flight @	Lodging @	650 Miles @	Per Diem @	
	#People	#Days	$80	$600	$120	$0.66	$60	
Site Investigation	2	2	$160	$600	$360	$0	$240	$1,360
							Total	$1,360
TOTAL ODC's								$1,360
Total Proposed Lump Sum Fee for:	**Task 1 Preliminary Engineering**							**$38,140**

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Administration Office Renovations
Award Kimley-Horn Design and Bid Services

Summary:

The airport previously explored improving the administrative offices and boardroom in 2019 but put those improvements on hold due to Covid. Future plans and growth have created the need for additional offices space for administrative staff and a larger boardroom with a proposed floor plan presented at the October board meeting. The design and bid services include the renovation of approximately 5,200 square feet of administration offices located on the mezzanine level along with approximately 3,200 square feet of the main level in the old restaurant space. The project will be funded using state aeronautics grant funds in the amount of $124,540 and the following is the proposed project funding plan:

Administration Office Renovations Design/Bid – Funding Plan

Airport Administration		$ 7,500
Design/Bid Services		$117,040
Estimated Total		$124,540

FY 25 State Grant Funding

State Funds	95%	$118,313
Airport	5%	$ 6,227
Estimated Total		$124,540

The Authority's Legal Counsel will review the Kimley-Horn and Associates Inc. contract prior to execution.

Recommendation:

Authorize the Chairman to execute the Administration Office Renovations Design/Bid contract with Kimley-Horn for $124,540.

Submitted By: Chris Stipo
Director of Operations

PROJECT SPECIFIC CONTRACT
BETWEEN TRI-CITIES AIRPORT AUTHORITY
AND ENGINEER OR CONSULTANT

TCAA Project No.	
AIP Project No.	
Project No.	
Project Title:	Administration Office Renovations Design and Bid Services

THIS PROJECT SPECIFIC CONTRACT ("Contract") made and entered into effective the 27th day of February, 2025 by and between **TRI-CITIES AIRPORT AUTHORITY**, and **KIMLEY-HORN AND ASSOCIATES, INC**., whose address is 10 Lea Avenue, Suite 400, Nashville, TN 37210, its successors, affiliates, and related entities (herein referred to as "Engineer" or "Consultant").

RECITALS

WHEREAS, the Tri-Cities Airport Authority (herein, "Owner") is the owner and operator of Tri-Cities Airport, TN/VA (herein, "Airport") and is empowered, pursuant to the law of the State of Tennessee and its Charter, to enter into contracts which impact the Airport; and

WHEREAS, Engineer or Consultant was chosen to provide services on a non-exclusive basis for a term and pursuant to the terms and conditions of a STANDARD FORM CONTRACT BETWEEN TRI-CITIES AIRPORT AUTHORITY AND ENGINEER OR CONSULTANT FOR PROFESSIONAL SERVICES (2023 EDITION), ("Contract") which was effective the 26th day of October, 2023, and which is incorporated herein by reference as if reproduced verbatim and whose terms and conditions shall govern and control this Contract unless stated herein; and

WHEREAS, the Contract contemplates and requires that Owner and Engineer or Consultant enter into separate contracts for each project on which Owner chooses to utilize the services of Engineer or Consultant;

NOW THEREFORE, in consideration of the mutual covenants contained both in the Contract and herein, and for other good and valuable consideration, same being deemed wholly adequate by the parties hereto, Owner and Engineer or Consultant agree and have agreed as follows:

ARTICLE 1. PROJECT DESCRIPTION (See, EXHIBIT "1" hereto).

ARTICLE 2. PROJECT SCOPE OF SERVICES (See EXHIBIT "2" hereto).

ARTICLE 3. PROJECT SCHEDULE. (See EXHIBIT "3" hereto).

ARTICLE 4. PROJECT SPECIFIC CONTRACT COMPENSATION.

Engineer or Consultant shall be compensated for its work on the project pursuant to as follows:

____

____

____

(See, EXHIBIT "4" hereto).

ARTICLE 5. OWNER'S BUDGET SUMMARY

The following Budget Summary encompasses all known project costs, including, but not limited to the following: Engineer's or Consultant's Total Fixed Consultant Fees, Engineer's or Consultant's Estimated Construction Costs, Owner's Budget including Owner's Administration Costs, Owner's Representative, and Contingency Costs. (See EXHIBIT "5" hereto).

~~ARTICLE 6. ADDITIONAL SPECIAL PROVISIONS~~

~~State of Tennessee; Local or Other Provisions (See, EXHIBIT 6).~~

~~ARTICLE 7. CONDITIONS (See, EXHIBIT 7)~~

~~Owner and Engineer or Consultant acknowledge and agree that each project may have associated with it certain General Conditions, Special Conditions and/or Technical Specifications which may be contained in the contract(s) between Owner and general contractor or subcontractors. Further, said General Conditions, Special Conditions and/or Technical Specifications may place additional duties and/or responsibilities upon Owner and/or Engineer or Consultant and those additional duties and/or responsibilities are incorporated herein and made a part of this Contract by reference as if reproduced verbatim.~~

~~ARTICLE 8. ADDITIONAL TERMS~~

~~The following terms, in addition to those imposed on Engineer or Consultant herein, or as contained in the Contract, and/or General Conditions/Special Conditions/Technical Specifications referenced in Article 6, Exhibit above, will be applicable to this Contract:~~

~~(See, EXHIBIT 8).~~

~~ARTICLE 9. DOCUMENTS, ITEMS INCORPORATED INTO PROJECT SPECIFIC CONTRACT.~~

~~In addition to the Contract and the various Exhibits hereto mentioned above, the following documents, items and things are incorporated into this Project Specific Contract by reference and made a part hereof as if they were reproduced verbatim:~~

~~(See, EXHIBIT 9).~~

ARTICLE 10. <u>TOTAL CONTRACT: AMENDMENTS</u>

This Project Specific Contract, whose form is incorporated in and is an Exhibit to the Standard Form Contract Between Tri-Cities Airport Authority and Engineer or Consultant for Professional Services (2023 Edition), together with all Exhibits and attachments to both the Project Specific Contract and said Standard Form Contract, constitute the entire agreement between Owner and Engineer or Consultant and supersedes all prior written or oral understandings. This Project Specific Contract may only be amended, supplemented, modified or cancelled by written instrument executed by the duly authorized representatives of Owner and Engineer or Consultant. There shall be no presumption of authorship.

<u>ARTICLE 11. INSURANCE</u> (See, EXHIBIT 11).

IN WITNESS WHEREOF, the duly-authorized official of Owner, by authority vested in him/her, has hereunto subscribed his/her name on behalf of Owner and said Engineer or Consultant, ______________________________________, has caused this Contract to be executed by a duly authorized representative, effective the date first above written.

TRI-CITIES AIRPORT AUTHORITY

By:_______________________________

Title:______________________________

ENGINEER OR CONSULTANT:

By: Chit D. Rhod

Title: Senior Vice President / February 17, 2025

Approved as to Form: ___________________________________
Attorney for Tri-Cities Airport Authority

ADMINISTRATION OFFICE RENOVATIONS

Design and Bid Phase Servies Scope of Work

Tri-Cities Airport

Blountville, TN

February 7, 2024

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 Administration Office Renovations (Project). The proposed Project consists of the complete renovation of approximately 5,200 square feet of administration offices located on the mezzanine level along with the renovation of approximately 3,200 square feet of the main level in the old restaurant space to accommodate additional administration office space as shown in Figure 1.

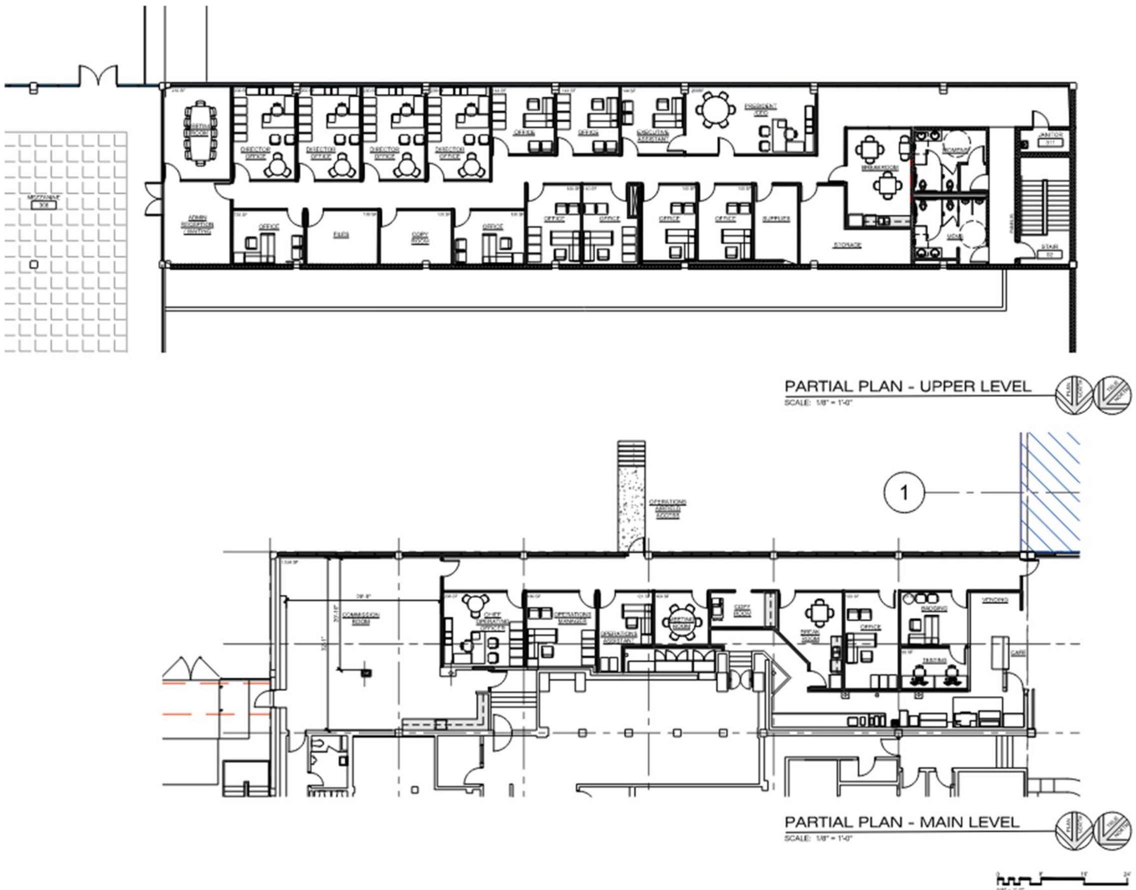


Figure 1 – Project Scope

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 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 2 Design Development Phase

The Design Development Phase will consist of the following tasks:

Task 2.1 Design Development Drawings

- Respond to any Owner concerns or comments from Schematic Design phase
- Engage structural, civil, mechanical, plumbing and electrical engineers to further develop floor plans and associated drawings
- Develop structural and MEP plans and coordinate with consultants
- Further develop interior elevations
- Develop reflected ceiling plans and interior finish plans
- Update opinion of probable construction costs
- Submit Design Development Drawings
- Review meeting with stakeholders

Task 2.2 Project Manual

The Consultant will provide a draft project manual.

Task 2.3 Project Management

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

Task 3 Construction Document Phase

The Construction Document Phase will consist of the following tasks:

Task 3.1 Construction Drawings

- Develop Design Development Phase drawings into Construction documents and specifications suitable for bidding
- Complete final coordination with all consultants
  - Consultants will work with Owner's Vendor to provide electrical power and rough-ins, boxes, conduit for low voltage wiring for data, communications, cameras, and access control
- Update opinion of probable construction costs
- Construction / Bidding Drawings will be submitted to the Owner
- Review meeting with stakeholders

Task 3.2 Project Manual

The Consultant will provide a final Project Manual for bidding.

Task 3.3 Project Management

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

Task 4 Bid Phase Services

The bid phase services will consist of the following tasks:

Task 4.1 Preparation of Bid Advertisement

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

Task 4.2 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 will attend.

Task 4.3 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 4.4 Bid Analysis and Award

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

Task 4.5 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 2/27/2025 Notice to Proceed (NTP) and the assumptions outlined below. Upon receipt of the fully executed contract, The Consultant will commence the services outlined in Exhibit 2.

- 2/27/25 Notice to Proceed
- 3/5/25 Kickoff Meeting
- 4/22/25 Design Development Review
- 6/17/25 Construction Development Review
- 7/1/25 Advertise
- 8/5/25 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	$ 7,256.00	LS
Task 2	Design Development Phase	$ 51,334.00	LS
Task 3	Construction Document Phase	$ 51,334.00	LS
Task 4	Bid Phase Services	$ 7,116.00	LS
	Total Lump Sum Fee	$ 117,040.00	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:

- Telephones, furniture and board room equipment procurement
- Renderings
- Construction phase services
- Permitting fees
- Advertisement fees
- ALP Update
- Other services as requested by the Client

INOFORMATION PROVIDED BY OWNER

We shall be entitled to rely on the completeness and accuracy of all information provided by the Client or the Client's consultants or representatives.

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.

Opinion of Probable Construction Costs	$1,900,000.00
Airport Administration	$10,000.00
Design Phase Services	$117,040.00
Construction Phase Services (Estimated, Not in Contract (NIC)	$95,000.00
Total Project Costs	$2,122,040.00

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**		12						12
Task 1.2	**Data Collection**		4	4					8
Task 1.3	**Project Management**		8						8
									0
	TOTAL HOURS	0	24	4	0	0	0	0	28
	BURDENED RATE	$ 280.00	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 110.00	$ 90.00	
	TOTAL BURDENED LABOR $	$0	$6,000	$640	$0	$0	$0	$0	$6,640
	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	
	Kick-Off Mtg (1)	1	1			$120	$436	$60	$616
									$0
								Total	$616
	TOTAL ODC's								$616
	Total Proposed Lump Sum Fee for:	**Task 1 Project Initiation**							**$7,256**

SCOPE / TASK TITLE		Group Manager	Sr. Project Manager	Professional I	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 2 Design Development Phase									
Task 2.1	**Design Development Drawings**								0
Task 2.2	**Project Manual**		2	8					10
Task 2.3	**Project Management**		16						16
									0
	TOTAL HOURS	0	18	8	0	0	0	0	26
	BURDENED RATE	$ 280.00	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 110.00	$ 90.00	
	TOTAL BURDENED LABOR $	$0	$4,500	$1,280	$0	$0	$0	$0	$5,780
	OTHER DIRECT NON-SALARY COSTS								
	SPECIALTY SUBCONSULTANTS								
	Cain Rash West Architects (Task 2.1)								$41,413
	TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)								$45,554
	TRAVEL			Car @	Airfare @	Lodging @	650 Miles @	Per Diem @	
		#People	#Days	$80	$600	$120	$0.67	$60	
		0	0			$0	$0	$0	$0
									$0
								Total	$0
	TOTAL ODC's								$45,554
	Total Proposed Lump Sum Fee for:	**Task 2 Design Development Phase**							**$51,334**

SCOPE / TASK TITLE		Group Manager	Sr. Project Manager	Professional I	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 3 Construction Document Phase									
Task 3.1	**Construction Drawings**								0
Task 3.2	**Project Manual**		2	8					10
Task 3.3	**Project Management**		16						16
									0
	TOTAL HOURS	0	18	8	0	0	0	0	26
	BURDENED RATE	$ 280.00	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 110.00	$ 90.00	
	TOTAL BURDENED LABOR $	$0	$4,500	$1,280	$0	$0	$0	$0	$5,780
	OTHER DIRECT NON-SALARY COSTS								
	SPECIALTY SUBCONSULTANTS								
	Cain Rash West Architects (Task 2.1)								$41,413
	TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)								$45,554
	TRAVEL			Car @	Airfare @	Lodging @	650 Miles @	Per Diem @	
		#People	#Days	$80	$600	$120	$0.67	$60	
		0	0			$0	$0	$0	$0
									$0
								Total	$0
	TOTAL ODC's								$45,554
	Total Proposed Lump Sum Fee for:	**Task 3 Construction Document Phase**							**$51,334**

	SCOPE / TASK TITLE	Group Manager	Sr. Project Manager	Professional I	Staff Engineer	Engineering Tech II	Engineering Tech I	Clerical	TOTAL
Task 4 Bid Phase Services									
Task 4.1	**Preparation of Bid Advertisement**		2						2
Task 4.2	**Pre-Bid Conference**		12						12
Task 4.3	**Answer Questions and Prepare Addenda**		2						2
Task 4.4	**Bid Analysis and Award**		2						2
Task 4.5	**Project Management**		8						8
	TOTAL HOURS	0	26	0	0	0	0	0	26
	BURDENED RATE	$ 280.00	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 110.00	$ 90.00	
	TOTAL BURDENED LABOR $	$0	$6,500	$0	$0	$0	$0	$0	$6,500
	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	1		0	$120	$436	$60	$616
									$0
								Total	615.5
	TOTAL ODC's								$616
	Total Proposed Lump Sum Fee for:	**Task 4 Bid Phase Services**							**$7,116**

CONSIDER:

State and Federal Grants Acceptance

Summary:

The Airport receives State, Federal and other airport capital project grants at various times during the year. Receipt and execution of the grants sometimes require a quick turnaround to get the grants signed and returned to the issuing agencies in a timely manner. These grants are part of prior Board approved capital project funding. To expeditiously receive and execute all types of capital grant funding, it is recommended to have the grants reviewed and executed by Legal Counsel and the Chairman as those grants become available throughout the year.

The legal counsel will review all applicable grants and contracts prior to the Chairman's execution.

Recommendation:

Approve the Chairman to execute State, Federal and other capital improvement project grants, as those grants become available during the calendar year.

Submitted By: David W. Jones
Chief Operating Officer

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Airport Public Parking Access and Revenue Control Systems Improvements
Award Amano McGann, Inc. Construction Contract

Summary:

The airport completed the project design, advertised and received five bids for the new Parking Access and Revenue Control System (PARCS). Kimley Horn reviewed the bids, prepared a bid tab cost and qualifications review, consulted airport staff and recommended Amano McGann, Inc. to perform the project work in the amount of $806,792.40. The project will be funded using State Aeronautics grant funds. The following is the proposed project funding plan:

Public Parking Access and Revenue Control Systems Improvements - Funding Plan		
Airport Administration		$ 10,000
Consultant (Construction Administration Services)		$ 99,058
Construction (PARCS)		$ 806,792
Construction Contingencies (10%)		$ 80,679
Total Estimated Costs		$ 996,529

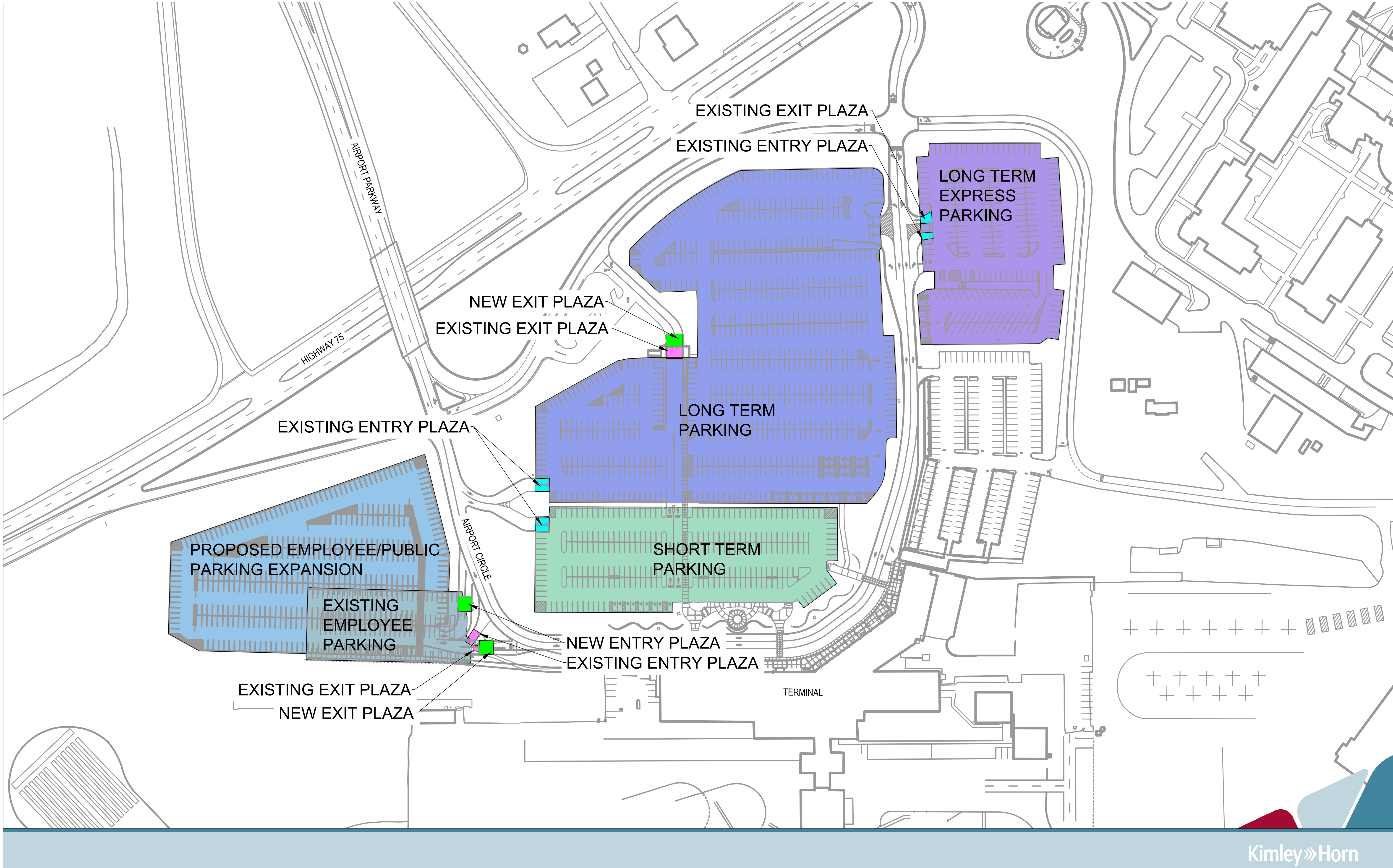
State Grant Funding Plan TEF FY25		
State Grant Funds	95%	$ 946,703
Airport Funds	5%	$ 49,826
Total Estimated Costs		$ 996,529

The Tri-Cities Airport Authority's Legal Counsel will review the Amano McGann, Inc. contract prior to execution.

Recommendation:

Authorize the Chairman to execute the construction contract in the amount of $806,792.40 with Amano McGann, Inc. for the Airport Public Parking Access and Revenue Control Systems (PARCS) improvement project, pending State grant funding.

Submitted By: David W. Jones
Chief Operating Officer


EXISTING EXIT PLAZA
EXISTING ENTRY PLAZA
LONG TERM
EXPRESS
PARKING
AIRPORT PARKWAY
NEW EXIT PLAZA
EXISTING EXIT PLAZA
HIGHWAY 75
LONG TERM
PARKING
EXISTING ENTRY PLAZA
PROPOSED EMPLOYEE/PUBLIC
PARKING EXPANSION
AIRPORT CIRCLE
SHORT TERM
PARKING
EXISTING
EMPLOYEE
PARKING
NEW ENTRY PLAZA
EXISTING ENTRY PLAZA
EXISTING EXIT PLAZA
NEW EXIT PLAZA
TERMINAL
Kimley»Horn

Kimley»Horn

February 19, 2025

Mr. David Jones
Deputy Executive Director
Tri-Cities Airport Authority
2525 Highway 75, Suite 305
Blountville, TN 37617

RE: ***Tri-Cities Airport Comprehensive Upgrade of Parking Access and Revenue Control System (PARCS) and Communication Infrastructure - Bid Tabulation***

Dear Mr. Jones,

Attached is the bid tabulation for the five (5) bids received for the above referenced project which were publicly opened and read aloud on February 10, 2025 at 2:00 pm.

In accordance with the requirements stated in the Specifications, Bid and Contract Documents Kimley-Horn performed a qualitative and quantitative evaluation of the Bids. Per the General Contract Provisions *30-01 Consideration of Proposals,* Kimley-Horn evaluated the bids on the basis of both price and qualifications.

The following is Kimley-Horn's evaluation of the Bids:

	Engineer's Estimate	SP Plus LLC	Amano McGann, Inc.	SKIDATA, Inc.	FlashParking, Inc.	TIBA Parking Systems
Addendum #1	-	☑	☑	☑	☑	☑
Addendum #2	-	☑	☑	☑	☑	☑
Proposal Requirements	-	Fail	Pass	Pass	Pass	Pass
Bid Proposal	-	Pass	Pass	Pass	Pass	Pass
Bid Bond	-	Pass	Pass	Pass	Pass	Pass
Drug-Free Workplace Affidavit	-	Pass	Pass	Pass	Pass	Pass
Bidder's Plan and Experience QA	-	Pass	Pass	Pass	Pass	Pass
Proposal Score	-	N/A	**82**	**71**	**59**	**66**
Cost (Bid Additive 1)	$1,191,720.00	$190,130.00	$806,792.40	$1,024,935.31	$1,195,360.00	$1,532,940.00

The low bidder for the project is Amano McGann, Inc. Their total bid amount was 39% below the Engineer's Estimate of Probable Cost. Review of the Amano McGann, Inc. bid indicated much of the difference between the Engineer's Estimate of Probable Costs and their bid amount were in the cost of ownership and unit costs for civil work related to the conduit installation and the island construction. Amano McGann, Inc. not only offers the lowest cost of ownership over a 5-year period but is also 13% more affordable than the proposal with the next lowest cost of ownership. Amano McGann, Inc. provided the following exception note for consideration: *Please note that the Drug-Free Workplace Affidavit has been included in our proposal; however, we do not believe we are fully compliant with T.C.A § 50-9-113. That said, we believe we can meet the intent of the code. Amano McGann maintains a strict drug-free workplace policy across our organization. While we do not conduct periodic drug testing for employees, we comply with customer requirements when a job site* *mandates testing for all personnel. In such cases, employees assigned to the site must adhere to the specified drug testing requirements.*

It should be noted that while SP Plus Inc. provided a proposal with the lowest amount, their proposal did not satisfy the technical requirements. SP Plus Inc. provided a bid for a system with low upfront costs in exchange for a portion of revenue from transactions. While this proposal presented a low upfront cost, the annual fees and long-term revenue impact may not be in the best interest of the airport.

Based on our review of the proposals, it is our opinion that Amano McGann, Inc. understands the project scope and may be qualified to complete the project. Pending TRI review and assuming all other legal and bonding requirements are met, Amano McGann, Inc. may be considered by TRI as a Contractor that provides the best value in terms of qualifications and price.

If you have any questions, please do not hesitate to call.

Sincerely,

Jeff Reilly

Jeff Reilly, P.E.
Project Manager

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Airport Public Parking Access and Revenue Control Systems Improvements
Award Kimley-Horn Construction Administration Services Agreement

Summary:

The airport completed the project design, advertised and received five bids for the new Parking Access and Revenue Control System (PARCS). Kimley Horn reviewed the bids, consulted airport staff and recommended Amano McGann, Inc. to perform the project work. Kimley-Horn prepared a construction administration services scope to include coordination of sub-consultants, on-site pre-construction and progress meetings, RPR services, equipment/material submittal and construction schedule review, change order processing, final project testing, acceptance approval and close out documentation for $99,058.00. The project will be funded using State Aeronautics grant funds. The following is the proposed project funding plan:

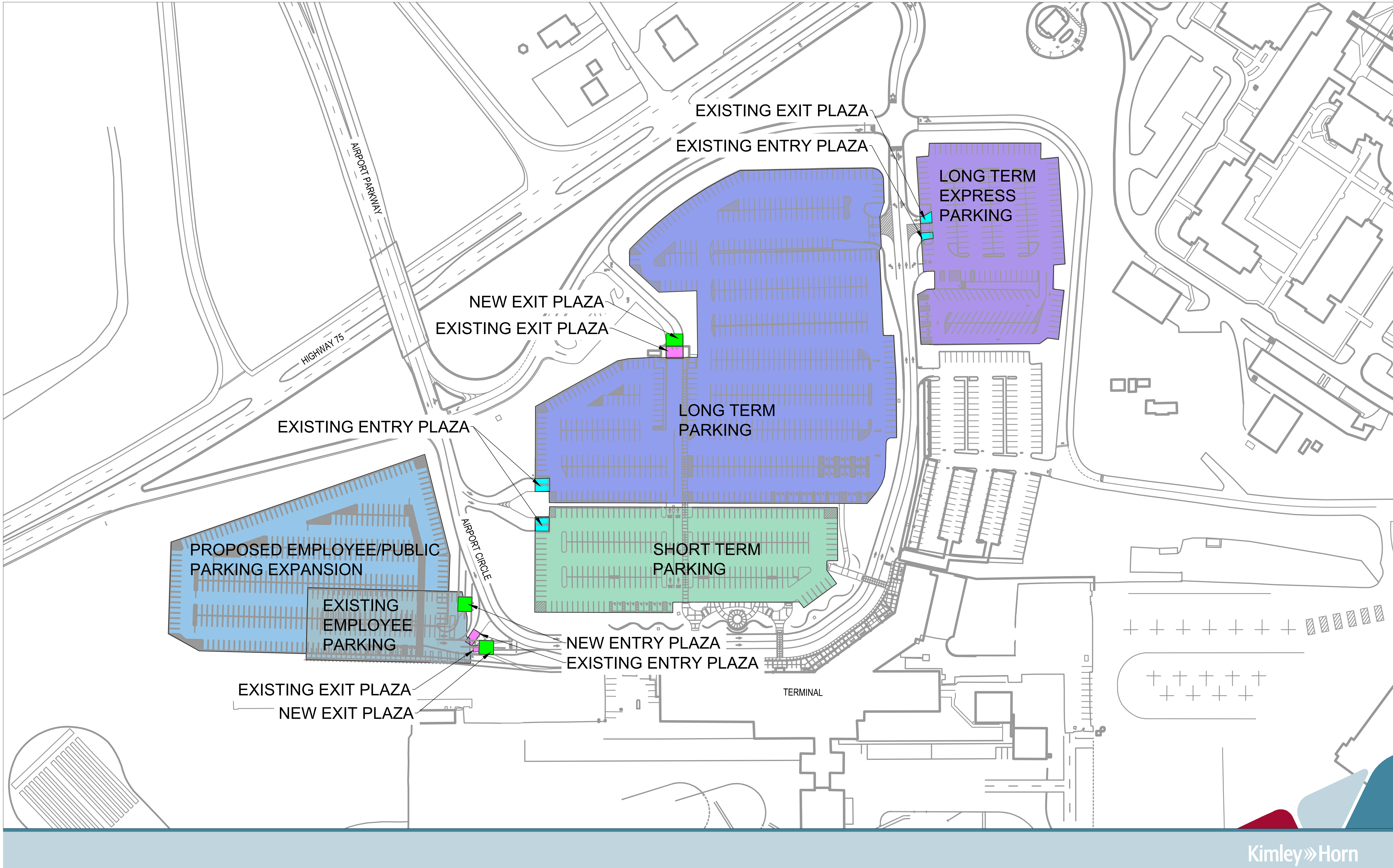
Public Parking Access and Revenue Control Systems Improvements - Funding Plan		
Airport Administration		$ 10,000
Consultant (Construction Administration Services)		$ 99,058
Construction (PARCS)		$ 941,250
Construction Contingencies (10%)		$ 94,125
Total Estimated Costs		$ 1,144,433
State Grant Funding Plan TEF FY25		
State Grant Funds	95%	$ 1,087,211
Airport Funds	5%	$ 57,222
Total Estimated Costs		$ 1,144,433

The Tri-Cities Airport Authority's Legal Counsel will review the Kimley-Horn and Associates, Inc. contract prior to execution.

Recommendation:

Authorize the Chairman to execute the construction administration services agreement with Kimley-Horn and Associates, Inc., in the amount of $99,058, for the Airport Public Parking Access and Revenue Control Systems (PARCS) improvement project, pending State grant funding.

Submitted By: David W. Jones
Chief Operating Officer


EXISTING EXIT PLAZA
EXISTING ENTRY PLAZA
LONG TERM EXPRESS PARKING
AIRPORT PARKWAY
NEW EXIT PLAZA
EXISTING EXIT PLAZA
HIGHWAY 75
LONG TERM PARKING
EXISTING ENTRY PLAZA
AIRPORT CIRCLE
PROPOSED EMPLOYEE/PUBLIC PARKING EXPANSION
SHORT TERM PARKING
EXISTING EMPLOYEE PARKING
NEW ENTRY PLAZA
EXISTING ENTRY PLAZA
EXISTING EXIT PLAZA
NEW EXIT PLAZA
TERMINAL
Kimley»Horn

COMPREHENSIVE UPGRADE OF PARCS AND COMMUNICATION INFRASTRUCTURE

Tri-Cities Airport

Blountville, TN
February 7, 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 construction phase services associated with the Comprehensive Upgrade of Parking Access and Revenue Control System (PARCS). The services under this contract shall include providing professional services for the construction contract administration, Resident Project Representation (RPR), and Lane Acceptance Testing.

The construction for this project is anticipated to last approximately 120 calendar days and is estimated to start in mid-April 2025 and will run through mid-August 2025. RPR services are anticipated to last for the entire project duration plus two weeks prior to the construction start and run up to one week after completion for a total of 20 weeks.

EXHIBIT 2

Project Scope of Services

TASK 1 CONSTRUCTION ADMINISTRATION

The Construction Administration Task consists of those services that are necessary to facilitate the construction of the Project. Specific tasks consist of the following:

Task 1.1 Coordinate and Administer Subconsultant Services

The Consultant will secure the services for Resident Project Representation (RPR) for the Project. The Consultant will review subconsultant schedules and coordinate their activities on behalf of the Owner.

Task 1.2 Notice of Award

The Consultant will prepare the Project Notice of Award and distribute conformed documents to the Contractor, and Owner.

Task 1.3 Pre-Construction Meeting

The Consultant's Sr. Project Manager and Professional Engineer will coordinate and attend one (1) pre-construction meeting at TRI with the Contractor, and the Owner to develop lines of communication, present the construction schedule, coordinate construction activities, testing and safety requirements. The Consultant will prepare and distribute meeting minutes. Up to two (2) Kimley-Horn representatives will attend the meeting in-person.

Task 1.4 Weekly Construction Progress Meetings

The Consultant's Sr. Project Manager and Professional Engineer will coordinate and attend periodic construction progress meetings via teleconference throughout the project. Meetings are anticipated to start in April 2025 and run through August 2025. The meetings will review project status, contract days expended, outstanding submittals and RFI's, the project schedule, safety and security, and a detailed look at upcoming work to be accomplished over the next two week period. The Consultant will prepare and distribute meeting minutes. It is assumed that there could be up to nineteen (19) weekly construction progress meetings.

Task 1.5 Periodic Site Visits

The Consultant will make up to two (2) periodic construction site visits for the duration of the project construction. The site visits will include observations of construction progress and quality of work, observations of construction operations, and discussions of outstanding issues. The Consultant will document the visit and provide written reports of observations made during the site visit.

Task 1.6 Schedule Review

The Consultant will review the Contractor's construction schedule and verify that it is consistent with the requirements of the contract for construction. The Consultant will review the construction schedule during progress meetings to determine if the Contractor is on schedule to complete the project within the contract time allotted, to review critical path items, identify long lead items, and to document when variances exist and schedule updates are needed.

Task 1.7 Submittal Review

The Consultant will review and comment on the shop drawings, samples, and other data which the Contractor is required to submit. The Consultant will log and track all submittals and will document submittal date, the action taken, and the date returned. It is anticipated that there will be up to 20 submittals reviewed and responded to by the Consultant during the execution of the project. The Consultant's review of all shop drawings, samples and submittals will be for general conformance with the design concept and general compliance with the requirements of the contract for construction. Such review will not relieve the Contractor from its responsibility for performance in accordance with the contract for construction, nor is such review a guarantee that the work covered by the shop drawings, samples and submittals is free of errors, inconsistencies, or omissions.

Task 1.8 Change Orders

The Consultant will prepare routine change orders when the Contractor notifies the Consultant of subsurface or physical conditions at the site which conflict with construction as shown in the contract. The Consultant will advise the Owner as to the appropriate action(s) and will assist the Owner in responding to the Contractor. It is anticipated that there could be up to three change orders issued during the construction of this project. Significant changes that may be required due to conditions beyond the control of the Consultant may be considered an Additional Service.

Task 1.9 Requests for Information

The Consultant will review and respond to Requests for Information (RFI's) and maintain a log of RFI's and their responses. It is assumed that the Consultant will log, review and respond to approximately ten (10) RFI's during the execution of the project.

Task 1.10 Correspondence and Communications

The Consultant will coordinate written communication among the Contractor, Consultant, and Owner as needed during construction. The Consultant will initiate communication regarding matters important to the Owner including items that could have an impact on project costs, contract time, or require changes to the contract documents.

Task 1.11 Contractor Pay Request

The Consultant will receive and review the Contractor's requests for payment and shall determine whether the amount requested reflects the progress of the Contractor's work and is in accordance with the contract payment milestones. The Consultant will provide recommendations to the Owner as to the acceptability of the requests and will advise the Owner as to the status of the total amounts requested, paid, and remaining to be paid under the terms of the contract for construction. It is assumed that the Consultant will review and assist in the preparation of up to seven (7) contractor pay applications during the execution of the project.

Task 1.12 Project Management

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

TASK 2 PARCS TESTING

The PARCS Testing will consist of the following tasks:

Task 2.1 Lane Acceptance Testing (LAT)

Following the installation of the PARCS, Kimley-Horn will perform a Lane Acceptance Test (LAT) with both the Client and the Contractor. It is anticipated that up to two (2) Kimley-Horn representatives will attend up to three (3) - one (1) day trips. A memo detailing the LAT observation will be submitted after each LAT. Kimley-Horn must be notified at least two (2) weeks in advance of the planned testing dates for scheduling purposes. Should the Contractor fail the LAT, Kimley-Horn can attend additional tests as additional services. In case there are minor deviations on the tests that need to be revisited before the Operational Completion Test (OCT), up to two (2) Kimley-Horn representatives will attend a one (1) day trip to review that the punch-list items have been completed by the Contractor.

Task 2.2 Operational Completion Testing (OCT)

After completion of the LAT, the Operational Completion Test (OCT) will be performed for a period of thirty (30) days. Kimley-Horn will attend up to four (4) one-hour calls during the OCT period. Kimley-Horn will review Contractor provided documentation and provide a memo at the end of the 30-day testing period to recommend passing or failing OCT. Should the Contractor fail OCT, Kimley-Horn can participate in additional tests as additional services.

Task 2.3 Final Acceptance

The Consultant's Sr. Project Manager and Professional Engineer will perform, together with the Owner's authorized representatives, an inspection of the project after the Contractor has substantially completed work on the project, and prior to the acceptance of work. The Consultant will provide written documentation of any items of work found to be out of compliance with the contract documents or incomplete in the form of a punch-list. A final inspection of the project may be completed after the Contractor has completed the punch-list to observe that the punch-list items have been completed.

Task 2.4 Record Drawings

The Consultant will review the As-Builts for up to 14 lanes and the communications infrastructure submitted by the Contractor. This will involve a review of as-built conditions against the provided as-built documentation. The assumed deliverable for our as-built review will consist of one round of PDF mark-ups on the Contractor provided as-builts. Kimley-Horn's review of the as-builts will be limited to readily identifiable conditions that can be observed in the field. Additional reviews will be considered additional services. Kimley-Horn will not be opening panels, rooms, or equipment as part of this review.

Task 2.5 Project Closeout Manual

The Consultant will prepare a Project Closeout Manual to provide adequate project documentation. The manual will include record drawings, material warranties, a record of approved material submittals, a record of RFI's, material testing results, copies of approved change orders, copies of approved pay applications, inspection reports, and required project completion forms.

TASK 3 SPECIAL SERVICES

The Special Services will consist of the following tasks:

Task 3.1 Resident Project Representative (RPR)

The Consultant's RPR will provide part-time RPR to observe and monitor project construction. It is anticipated to last for the entire project duration plus two weeks prior to the construction start and run up to one week after completion. The scope of work includes the following RPR staffing assumptions:

- Lead RPR working 10 hours per week for 20 weeks.

The RPR will photograph the work in progress by the Contractor at regular intervals. These photographs will be made available to the Owner. Some of the photos will be provided in the Project Closeout Manual.

The RPR's observation of the work is not an exhaustive observation of all work performed by the Contractor. The RPR's observations will not relieve the Contractor from responsibility for performing the work in accordance with the contract for construction, and Consultant will not assume liability in any respect for the construction of the project. The Consultant will obtain written plans from the Contractor for quality control of its work and will monitor the Contractor's compliance with its plan. The Consultant will not be responsible for the Contractor's means, methods, techniques, equipment choice and usage, sequence, schedule, safety programs, or safety practices, nor will the Consultant be responsible for the Contractor's failure to perform in accordance with the contract documents. The Consultant neither guarantees the performance of the Contractor, nor assumes responsibility for any Contractor's failure to perform its work in accordance with the Contract Documents.

Should the RPR discover or believe that any work by the Contractor is not in accordance with the contract for construction, or is otherwise defective, or not conforming to requirements of the contract or applicable rules and regulations, the Consultant may bring this to the attention of the Contractor and the Owner. The Consultant will thereupon monitor the Contractor's corrective actions and may advise the Owner as to the acceptability of the corrective actions.

EXHIBIT 3

Project Schedule

The Consultant will provide the services listed above as expeditiously as practicable to meet a mutually agreed upon schedule. The dates listed below are only an estimate of project duration and a detailed schedule will be prepared and submitted for review by the Contractor upon receipt of a fully executed construction contract. Any changes to the scope of work identified herein may require revision of the approved schedule.

- March 2025 Consultant Notice to Proceed
- Mid-April 2025 Contractor Notice to Proceed (anticipated)
- Mid-August 2025 Construction Completion
- Early October 2025 Project Closeout

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	Construction Administration	$ 41,223.00	LS
Task 2	PARCS Testing	$ 37,375.00	LS
Task 3	Special Services (RPR)	$ 20,460.00	LS
	Total Contract Fee	$ 99,058.00	LS

LS: Lump Sum Fee

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 (NIC)	$1,338,015.00
Airport Administration (NIC)	$10,000.00
Planning and Design Phase Services (NIC)	$116,062.00
Construction Phase Services	$99,058.00
Total Project Costs	$1,563,135.00

Kimley»Horn

TRI-CITIES AIRPORT
Comprehensive Upgrade of PARCS and Communications Infrastructure

ATTACHMENT A
Breakdown of Costs - Construction Phase Services

SCOPE / TASK TITLE	Sr. Project Manager	Professional Engineer	Staff Engineer	Engineering Tech II	Senior Field Construction Rep	Clerical	TOTAL
Task 1 Construction Administration							
Task 1.1 Coordinate and Administer Subconsultant Services	4						4
Task 1.2 Notice of Award	1						1
Task 1.3 Pre-Construction Meeting	12			12			24
Task 1.4 Weekly Construction Progress Meetings	19			19			38
Task 1.5 Periodic Site Visits		9		18			27
Task 1.6 Schedule Review	4			8			12
Task 1.7 Submittal Review	4	20				4	28
Task 1.8 Change Orders	4			24			28
Task 1.9 Requests for Information	2			20		4	26
Task 1.10 Correspondence and Communications	4			4		4	12
Task 1.11 Contractor Pay Request				8		4	12
Task 1.12 Project Management				40			40
							0
TOTAL HOURS	54	29	0	153	0	16	252
BURDENED RATE	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 160.00	$ 90.00	
TOTAL BURDENED LABOR	$13,500	$4,640	$0	$18,360	$0	$1,440	$37,940
OTHER DIRECT NON-SALARY COSTS							
SPECIALTY SUBCONSULTANTS							
N/A							$0
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)							$0
TRAVEL		Car @	Flight @	Lodging @	650 Miles @	Per Diem @	
	#People	$80	$600	$120	$0.67	$60	
Pre-Con, Site Visits (3)	2	$160	$2,400	$480	$3	$240	$3,283
	Days						
	2					Total	$3,283
TOTAL ODC's							$3,283
Total Proposed Lump Sum Fee for:	**Task 1 Construction Administration**						**$41,223**

Kimley»Horn

TRI-CITIES AIRPORT
Comprehensive Upgrade of PARCS and Communications Infrastructure

ATTACHMENT A
Breakdown of Costs - Construction Phase Services

SCOPE / TASK TITLE	Sr. Project Manager	Professional Engineer	Staff Engineer	Engineering Tech II	Senior Field Construction Rep	Clerical	TOTAL
Task 2 PARCS Testing							
Task 2.1 Lane Acceptance Testing (LAT)	54			60			114
Task 2.2 Operational Completion Testing (OCT)	12			30			42
Task 2.3 Final Acceptance	12			12			24
Task 2.4 Record Drawing	2			8			10
Task 2. Project Closeout Manual	2			16			18
TOTAL HOURS	82	0	0	126	0	0	208
BURDENED RATE	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 160.00	$ 90.00	
TOTAL BURDENED LABOR $	$20,500	$0	$0	$15,120	$0	$0	$35,620
OTHER DIRECT NON-SALARY COSTS							
SPECIALTY SUBCONSULTANTS							
TOTAL SPECIALTY SUBCONSULTANTS							$0
TRAVEL		Car @	Airfare @	Lodging @	650 Miles @	Per Diem @	
	#People	$80	$600	$120	$0.67	$60	
Substial Inspection, Final Inspection	2	$240	$3,600	$720	$435	$360	$1,755
	Days						$0
	3					Total	$1,755
TOTAL ODC's							$1,755
Total Proposed Lump Sum Fee for:	**Task 2 PARCS Testing**						**$37,375**

ATTACHMENT A

Breakdown of Costs - Construction Phase Services

SCOPE / TASK TITLE	Group Manager	Professional Engineer	Staff Engineer	Engineering Tech II	Senior Field Construction Rep	Clerical	TOTAL
Task 3 Special Services							
Task 3.1 RPR							0
							0
							0
TOTAL HOURS	0	0	0	0	0	0	0
BURDENED RATE	$ 250.00	$ 160.00	$ 140.00	$ 120.00	$ 160.00	$ 90.00	
TOTAL BURDENED LABOR $	$0	$0	$0	$0	$0	$0	$0
SPECIALTY SUBCONSULTANTS							
Task 3.1 Armstrong Aviation - RPR							$18,600
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)							$20,460
TRAVEL		Car @	Airface @	Lodging @	650 Miles @	Per Diem @	
	#People	$80	$600	$120	$0.67	$60	
RPR (20 weeks, 1 days/wk)	1			$0	$0	$0	$0
	Days						$0
	0					Total	$0
TOTAL ODC's							$20,460
Total Proposed Lump Sum Fee for:	**Task 3 Special Services**						**$20,460**

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Airport - Twy A Bank Slide Rehabilitation
Award Kimley-Horn Design-Bid and Construction Administration Agreement

Summary:

The airport's Twy A support bank along Highway 75 and Gammon Creek received an earth slide during the Hurricane Helene weather event, requiring urgent rehabilitation. Kimley-Horn combined both a design-bid and construction administration agreement to include geotechnical subsurface investigation, field survey, design/bid and construction administration services for $85,630. The FAA ADO was notified and provided guidance with the project's BIL FY25 grant funding. The following is the proposed project funding plan:

Estimated Project Cost Summary Plan		
Administration (Legal/Advertisement)	$	5,000
Engineering Design/Bid Services	$	52,030
Engineering Specialty Services	$	23,900
Engineering CA Services	$	9,700
Construction (Estimated)	$	250,000
Total Estimated Project	$	340,630

Proposed Project FY25 BIL/PFC Funding Plan			
Federal BIL Funds	95%	$	323,599
PFC Funds	5%	$	17,031
Total Estimated Project		$	340,630

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

Recommendation:

Authorize the Chairman to execute a design-bid/construction administration services agreement with Kimley-Horn in the amount of $85,630 for the Twy A Bank Slide Rehabilitation project, pending final FAA grant funding approval.

Submitted By: David W. Jones
Chief Operating Officer

Figure 1 – Project Limits

TAXIWAY A BANK SLIDE REHABILITATION

Design, Bid, and Construction Phase Services Scope of Work

Tri-Cities Airport

Blountville, TN

January 27, 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, bid and construction phase services associated with the Taxiway A Bank Slide Rehabilitation project (Project). The project to include services to investigate the geotechnical conditions and provide a repair design for the slope failure that Taxiway A, adjacent to TN Highway 75, experienced in the aftermath of Hurricane Helen the dropped heavy rains at the Tri-Cities Airport on September 27th, 2024 as shown in Figure 1.

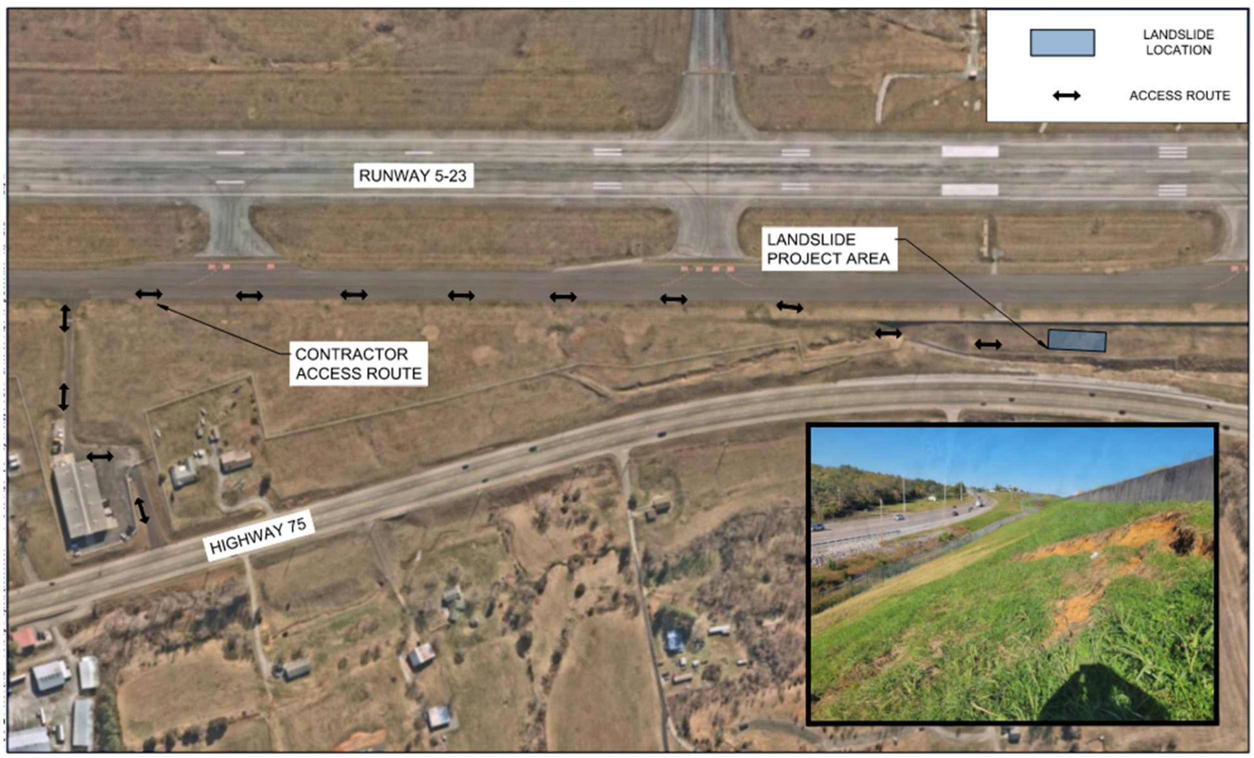


Figure 1 – Project Limits

Exhibit 2

Project Scope of Services

Task 1 Subsurface Investigation

Subconsultant S&ME will provide the Subsurface Investigation and consists of the following tasks:

Task 1.1 Site Visits

S&ME personnel performed a site visit on October 17, 2024 to observe the slope failure area and provided temporary recommendations regarding the existing Taxiway A.

An S&ME project professional and a staff professional will visit the site and take additional field measurements of the slough area in conjunction with other field work to aid in designing slope repairs.

Task 1.2 Site Visit and Hand Auger Borings

Drill rig access along the existing slope with conventional drilling equipment is not possible to the slope inclination and distance and proximity to the retaining wall. Therefore, S&ME proposes to perform hand auger borings along the slough area to investigate the near surface subsurface conditions.

S&ME proposes to perform approximately 6 hand auger borings along the perimeter and interior of the slough area. The hand auger borings will be extended to depths of 6 to 8 feet below the existing ground surface by manually twisting a 3-inch diameter hand auger into the ground.

The hand auger boring cuttings will be visually classified in the field in general accordance with ASTM Visual-Manual classification procedures and recorded. Samples of the hand auger cuttings will be obtained at regular intervals and recorded, sealed in plastic bags, and transported to our laboratory for additional visual classification and potential laboratory testing.

Dynamic Cone Penetrometer (DCP) testing will be performed in the hand auger boreholes at approximately 1-foot intervals within the zone of influence of the slide. When properly evaluated, the DCP tests provide an index of soil strength and stiffness. The DCP test depths and readings will be recorded.

Water level measurements will be attempted in the hand auger boreholes shortly after termination. The hand auger borings will be backfilled with soil cuttings after water level measurements are attempted.

A bulk sample of soil will be obtained from the slough area and transported to our laboratory for additional laboratory testing.

Hand Auger Boring Logs will be prepared summarizing the apparent geologic origin, soil classification, DCP readings, and water levels, if encountered.

Task 1.3 Public Utility Location Coordination

Upon your authorization, S&ME will contact Tennessee 811 (Tennessee One Call). Tennessee 811 will facilitate the location of public member utilities; location of other utilities will be the responsibility of the owner. We request current property owner/manager personnel with knowledge of existing underground utilities be present during our boring layout to help identify potential conflicts. We will move our exploration locations to avoid known or suspected underground utilities. We are not responsible for damage or loss of service to any utilities which have not been marked for us or which are improperly located by others. Should existing utilities be determined to exist within the exploration area, Tri-Cities Airport can subcontract a private utility locator to use Ground Penetrating Radar (GPR) and electro-magnetic location techniques to locate potential utility locations at the exploration locations to mark utilities..

Task 1.4 Test Boring Layout

A member of our professional staff will initially establish the provided exploration locations in the field using a commercial grade, hand-held global positioning system (GPS) device with points established using Google Earth™. Tri-Cities Airport will provide an escort for these activities and confirm the location of the test borings. In addition, field measurements will be obtained from nearby site features as a reference to location of the soil test borings if necessary.

Task 1.5 Soil Test Borings

S&ME proposes to perform two soil test borings within the grassed area to the east of the concrete retaining wall along Taxiway A to evaluate the deeper subsurface conditions within the slope area. Our proposed services include:

- Coordinate with airport personnel regarding access to the boring locations.
- Mobilization of one truck or ATV mounted drill rig to the site to perform the field exploration.
- A geotechnical field professional will coordinate the field activities, log the obtained soil samples, and interface with airport personnel.
- Drill one (1) soil test boring and one (1) offset boring in alignment with the slope failure behind the concrete retaining wall area. The deeper boring will be extended to a depth of 50 feet or to auger refusal, whichever occurs first. A second offset auger boring will be extended to a depth of 25 feet for the purpose of obtaining relatively undisturbed, intact soil samples. The borings will be advanced using hollow stem auger (HSA) drilling with Standard Penetration Testing (SPT) testing.
- Standard Penetration Testing will be performed in general accordance with ASTM D1586 starting at 1 foot below ground surface (bgs) and at 2.5-foot intervals in the upper 10 feet and 5-foot intervals thereafter to the proposed termination depth or to auger refusal, whichever occurs first.
- Relatively undisturbed, intact thin-walled Shelby tube samples will be obtained in general accordance with ASTM D1587 at selected intervals for potential laboratory testing. A total of 3 Shelby tube samples is proposed.
- An S&ME staff professional will attempt water level measurements and record the water depths, if encountered shortly after termination. Once water level depths have been attempted, the boreholes will be abandoned by backfilling the borings with soil cuttings and using a near-surface a hole closure device.
- Soil samples collected during the field exploration will be transported to the S&ME laboratory at the end of the field exploration. The samples will be examined by a project professional for additional soil classification. Sample will be selected for additional laboratory soil testing.

Task 1.6 Laboratory Testing

We propose to perform laboratory testing of selected split-spoon and intact soil samples to estimate engineering properties of the on-site soils. We propose to perform the following laboratory testing:

- Natural moisture content – 25 tests
- Soil Plasticity – 3 tests
- Wash No. 200 Sieve – 3 tests
- Standard Proctor Compaction (2 tests)
- Unit weight and moisture – 2 tests
- Consolidated-undrained triaxial shear – 1 test

Task 2 Topographic Survey

Subconsultant S&ME will provide a registered TN Land Surveyor to perform a topographic survey of the slough area and potential access area to the north of the slough and west of the retaining wall. The survey will be prepared with 1-foot contour intervals using aerial, drone, and/or ground survey techniques.

Task 3 Engineering Design Services

Subconsultant S&ME will provide the following Engineering Design Services:

Task 3.1 Environmental Permitting

The Consultant will coordinate with the FAA to ensure NEPA requirements are satisfied. Assumes no CATEX is necessary, just coordination and at most a Simple Written Record.

Task 3.2 Slope Stability Analysis

S&ME proposes to perform slope stability analysis for the proposed slope repairs. It is anticipated that the slope repairs will consist of excavating soft or loose materials in the existing slough area, excavation benching, and replacement with rockfill and a rockfill stability buttress.

The existing slope conditions will be analyzed for long-term conditions to back-calculate strength parameters for the existing embankment soils. The proposed conditions slope repairs will be analyzed to verify that the proposed slope repair meets the industry slope stability factor of safety.

Task 3.3 Design Report

S&ME will prepare a design report summarizing the results of the subsurface investigation including a site location plan, site boring location plan, hand auger borings, soil test borings, and laboratory test results. The results of the slope stability analysis and repair design will be summarized. Design drawings and technical specifications for the proposed slope repairs will be prepared.

Task 3.4 Construction Drawings

Construction Drawings will be prepared for the slope repair and road relocation project. The following drawings are expected to be required:

1. Cover
2. Existing Conditions
3. Proposed Conditions
4. Cross-Sections
5. Construction Details
6. Erosion and Sediment Control Plan
7. Erosion and Sediment Control Details

The Construction Drawings will be prepared under the supervision of a Professional Engineer registered in the State of Tennessee.

Task 3.5 Project Manual

The Consultant will prepare a complete Project Manual with Technical Specifications for bidding purposes.

Task 3.6 Opinion of Probable Construction Cost

S&ME can prepare an Opinion of Probable Construction Cost for the proposed slope repairs. The Opinion of Probable Construction Cost will be based on estimated construction tasks, quantities, and unit pricing based on recent bid tab information and/or RS Means unit pricing.

Excluded Services

Without attempting to be a complete list or description of all services or potential services excluded from this proposal and not performed by S&ME, the following services are specifically excluded from this proposal:

- Preparation of a formal Stormwater Pollution Protection Plan. It is anticipated that the repairs will disturb less than one acre;
- Construction permitting services;
- Natural resources permitting services;
- Construction observations and materials testing services;
- Construction certification;
- Contract documents, bid documents, bid request, bid review, and letter of recommendation of award;
- Construction meetings; and
- Private utility location services;

If these or other services are required during this Project, we can provide Kimley-Horn and Tri-Cities Airport with an addendum to this Proposal, describing the additional services and their associated fee.

Client Responsibilities

It is our understanding that Kimley-Horn and Tri-Cities Airport will provide timely authorization to proceed and information necessary to perform this scope of work. To perform our tasks, S&ME will require the following:

- Formal acceptance of this proposal;
- Site access;
- Payment of, or reimbursement for, required permit review, regulatory fees, or mitigation fees for all tasks outlined above; and
- Original signatures on the application forms; and
- Coordination related to the locations of existing underground utilizes.

Task 4 Bid Phase Services

The bid phase services will consist of the following tasks:

Task 4.1 Preparation of Bid Advertisement

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

Task 4.2 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 4.3 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 4.4 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 4.5 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 5 Construction Services

Subconsultant S&ME will visit the site during the pre-construction meeting, after excavation of the slough material and after repairs are complete and shall provide a summary report documenting the visits. Subconsultant Armstrong Aviation Construction Services will provide 40 hours of resident project representation to oversee the construction efforts.

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 12/12/2024 Notice to Proceed (NTP) and the assumptions outlined below. Upon receipt of the fully executed contract, The Consultant will commence the services outlined in Exhibit 2.

- Site Visit 1-2 days
- Drill Mobilization 3 weeks
- Laboratory Testing 3 weeks
- Design 8 weeks
- Construction (est.) 4 weeks

Assumptions:

Kimley-Horn and Associates, Inc. has no control over the schedule of jurisdictional agencies or other parties.

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 – Amendment 1		**Labor Fee**	**Fee Type**
Task 1	Geotechnical Investigation	$ 17,800.00	LS
Task 2	Topographic Survey	$ 6,100.00	LS
Task 3	Engineering Design Services	$ 44,040.00	LS
Task 4	Bid Phase Services	$ 7,990.00	LS
Task 5	Construction Services	$ 9,700.00	LS
	Total Lump Sum Fee	$ 85,630.00	LS

LS: Lump Sum Fee

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	$248,999.50
Geotechnical Investigation	$17,800.00
Topographic Survey	$6,100.00
Engineering Design Services	$44,040.00
Bid Phase Services	$7,990.00
Construction Services	$9,700.00
Total Project Costs	$334,629.50

ATTACHMENT B
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 Subsurface Investigation										
Task 1.1 Site Visits										0
Task 1.2 Site Visit and Hand Auger Borings										0
Task 1.3 Public Utility Location Coordination										0
Task 1.4 Test Boring Layout										0
Task 1.5 Soil Test Borings										0
Task 1.6 Laboratory Testing										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										
S&ME (Tasks 1.1 - 1.6)										$16,175
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)										$17,800
TOTAL SPECIALTY SUBCONSULTANTS										$17,800
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										$17,800
	Task 1 Subsurface Investigation									**$17,800**

SCOPE / TASK TITLE	Group Manager	Sr. Project Manager	Sr. Prof. Engineer	Staff Engineer	Engineering Tech II	Engineering Tech I	Contract Administrator	Admin Grade V	Admin Grade II	TOTAL
Task 2 Topographic Survey										
										0
										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	$ -	$ 68.00	
TOTAL BURDENED LABOR $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
OTHER DIRECT NON-SALARY COSTS										
SPECIALTY SUBCONSULTANTS										
S&ME										$5,500
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)										$6,100.00
TOTAL SPECIALTY SUBCONSULTANTS										$6,100
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										$6,100
Total Proposed Lump Sum Fee for:	**Task 2 Topographic Survey**									**$6,100**

ATTACHMENT B

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 3 Engineering Design Services										
Task 3.1 Environmental Permitting		2		4						0
Task 3.2 Slope Stability Analysis										0
Task 3.3 Design Report										0
Task 3.4 Construction Drawings										0
Task 3.5 Project Manual		4	12							0
Task 3.6 Opinion of Probably Construction Cost										0
										0
										0
TOTAL HOURS	0	6	12	4	0	0	0	0	0	22
BURDENED RATE	$ 280.00	$ 250.00	$ 190.00	$ 140.00	$ 120.00	$ 110.00	$ 100.00			$197
TOTAL BURDENED LABOR $	$0	$1,500	$2,280	$560	$0	$0	$0	$0	$0	$4,340
OTHER DIRECT NON-SALARY COSTS										
SPECIALTY SUBCONSULTANTS										
S&ME (Tasks 3.1 - 3.5)										$36,130
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)										$39,700
TOTAL SPECIALTY SUBCONSULTANTS										$39,700
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										$39,700
Total Proposed Lump Sum Fee for:	**Task 3 Engineering Design Services**									**$44,040**

SCOPE / TASK TITLE	Group Manager	Sr. Project Manager	Sr. Prof. Engineer	Staff Engineer	Engineering Tech II	Engineering Tech I	Contract Administrator			TOTAL
Task 4 Bid Phase Services										
Task 4.1 Preparation of Bid Advertisement		2								0
Task 4.2 Pre-Bid Conference		12								0
Task 4.3 Answer Questions and Prepare Addenda		2	4							0
Task 4.4 Bid Analysis and Award		2	4							0
Task 4.5 Conformed Documents		2			8					0
										0
										0
TOTAL HOURS	0	20	8	0	8	0	0	0	0	36
BURDENED RATE	$ 280.00	$ 250.00	$ 190.00	$ 140.00	$ 120.00	$ 110.00	$ 100.00			$207.78
TOTAL BURDENED LABOR $	$0	$5,000	$1,520	$0	$960	$0	$0	$0	$0	$7,480
OTHER DIRECT NON-SALARY COSTS										
SPECIALTY SUBCONSULTANTS										
										$0
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)										$0
TOTAL SPECIALTY SUBCONSULTANTS										$0
TRAVEL			Car @	Airface @	Lodging @	500 Miles @	Per Diem @	Per Diem @	Per Diem @	
	#People	#Days	$80	$600	$120	$0.66	$60	$60	$60	
Meeting	1	1			$120	$330	$60	$60	$0	$510
										$0
							Total	Total	Total	$510
TOTAL ODC's										$510
Total Proposed Lump Sum Fee for:	**Task 4 Bid Phase Services**									**$7,990**

SCOPE / TASK TITLE	Group Manager	Sr. Project Manager	Sr. Prof. Engineer	Staff Engineer	Engineering Tech II	Engineering Tech I	Contract Administrator			TOTAL
Task 4 Construction Services										
										0
TOTAL HOURS	0	0	0	0	0	0	0	0	0	#REF!
BURDENED RATE	$ 280.00	$ 250.00	$ 190.00	$ 140.00	$ 120.00	$ 110.00	$ 100.00		$ 8.00	
TOTAL BURDENED LABOR $	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
OTHER DIRECT NON-SALARY COSTS										
SPECIALTY SUBCONSULTANTS										
S&ME										$5,058
AACS										$3,720
TOTAL SPECIALTY SUBCONSULTANTS (w/ 10% markup)										$9,700
TOTAL SPECIALTY SUBCONSULTANTS										$9,700
TRAVEL			Car @	Airfare @	Lodging @	850 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										$9,700
Total Proposed Lump Sum Fee for:	**Task 4 Construction Services**									**$9,700**

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Consent Agenda

A. **Project: GA Box Hangar – Phase 2 – JA Street - Change Order # 3**

B. **Airport: Terminal/GA Landscape/Mowing Services – Award Klean Kut Lawn Care One-Year Extension**

C. **Project: ARFF Truck Acquisition – Rosenbauer Change Order # 1, 2 & NTP**

D. **Project: Airport Facilities Roofing Project – Eskola, LLC - Change Order # 2**

E. **Project: Airport Facilities Roofing Project – Atkins Realis, Addendum 1**

F. **Project: Airport Runway 5 Approach Surface – TVA Tree Obstruction Mitigation Permit Fee**

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

Submitted by: David W. Jones
Chief Operating Officer

Tri-Cities Airport Authority
February 27, 2025

CONSIDER:

Consent Agenda

A. Project: (State)

Contractor: JA Street and Associates (Construction)

Original Agreement Sum:	$ 2,497,855.20
Previous Request	
Change Order 1	$ 7,617.48
Corrective Change Order	$ (0)
Change Order 2	$ (6,237.00)
Current Request	
Change Order 3	**$ 34,833.76**
Total Revised Contract to Date	$ 2,534,069.44

Project State Grant Funding

State	95%	$ 2,738,526
Airport	5%	$ 144,133
	Total Project	$ 2,882,659

Project Estimated Costs

Administration	$ 15,000
Engineering/Architectural Services (Design/Bid)	$ 145,411
Engineering/Architectural Services (CA)	$ 128,800
Construction (JA Street)	$ 2,534,069
Construction Contingency (Remaining)	$ 59,379
Total Project	$ 2,882,659

Previous Request: Change Order 1, 2, Corrective: Add 8" sanitary sewer line, add 8" sanitary sewer line testing, add aircraft rated manhole lids, deduct 6" sanitary sewer line, add sanitary sewer line testing. Add Builder's Risk insurance, Deduct JCWS fire and domestic water taps; Correcting Original Bid and Contract amount.
Current Request: Change Order 3: Modify access road drainage impacted by hangar construction, Add hangar floor concrete saw joint sealant.

Submitted By: David W. Jones
Chief Operating Officer

CONTRACT CHANGE ORDER NO. 3

Tri-Cities Airport Authority

Blountville, TN

Date: January 27, 2025 — Project: **TCA – Box Hangar - Phase 2**

To: **J.A. Street & Associates**
245 Birch Street
Blountville, TN 37617

Terms: The following described changes to the above project being completed for the Tri-Cities Airport Authority are hereby authorized. This Change Order constitutes a formal amendment to the Contract entered into between parties on the 12th day of August, 2024 upon execution by duly authorized representatives of each party in the spaces below.

Change: This lump sum based change order shall provide all labor, equipment, material, and incidentals for construction of the items listed below to address those items omitted from the work and to address field conditions that were different from that which was anticipated on the plans.

Change Item No.	Description	Unit	Quanity	Unit Price	Sub-Total Cost
1	Caulk for Saw Cut Joints	L.S.	1	$5,399.18	$5,399.18
2	Airport Gate M Access Road grading improvements	L.S.	1	$29,434.58	$29,434.58
				TOTAL	***$34,833.76***

Justification and Need:

Item #1-Owner asked that the Contractor provide caulking in all saw cut joints within the hangar. Item #2- Owner asked that the existing access road be regraded to improve drainage to address existing conditions in this area with poor drainage / ponding.

Total Additions or Reduction to Contract Price: $34,833.76
(Note: Numbers in parentheses are deductions).

ORIGINAL BID AMOUNT (See Noted CO#1)	$	2,495,000.00
Net Total of Previous Supplemental Agreement/Change Orders	$	4,235.68
Previous Revised Contract Price	$	2,499,235.68
This Change Order No. 3 ☑ Add ☐ Deduct	$	34,833.76
Revised Contract Price this Date	$	2,534,069.44

Extension of Time Resulting from this Change Order - Hangar 0 (Indicate number of calendar days).
Additional time beyond Hangar Contract Completion for this work 30 (Indicate number of calendar days).

This Contract Modification constitutes full and mutual accord and satisfaction for all time and all cost related to this change. By acceptance of this Contract Modification, the Contractor hereby agrees that the modification represents an equitable adjustment to the Contract, and further, agrees to waive all right to file any further claims or changes arising out of or as a result of this change, or the accumulation of executed Contract Modifications on this Contract.

The Contractor and Owner(s) hereby agree to the terms of this Change Order as contained herein.

Consent of Surety:

Western Surety Company
(Company)

By: Date: 01/28/2025
Aaron R. Jensen, Attorney-in-fact

Contractor:

JA Street & Associates

By: Date: 1-28-25

Architect:

CainRashWest Architects

By: Date: 1/27/25
Kevin Pugsley

Owner:

Tri-Cities Airport Authority

By: Date:

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Aaron R Jensen, Christie Swinney, Individually

of Kingsport, TN, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 1st day of July, 2021.

WESTERN SURETY CORPORATE SEAL SOUTH DAKOTA

WESTERN SURETY COMPANY

Paul T. Bruflat

Paul T. Bruflat, Vice President

State of South Dakota } ss
County of Minnehaha }

On this 1st day of July, 2021, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

March 2, 2026

M. BENT
SEAL NOTARY PUBLIC SOUTH DAKOTA SEAL

M. Bent

M. Bent, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 28th day of January, 2025.

WESTERN SURETY CORPORATE SEAL SOUTH DAKOTA

WESTERN SURETY COMPANY

L. Nelson

L. Nelson, Assistant Secretary

Form F4280-7-2012

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.

Authorizing By-Law

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

B. Airport: (Landscape and Mowing)

Terminal & GA Landscape/Mowing Services – Award Klean Kut Lawn Care

The terminal and GA entrance landscape areas require yearly maintenance, which include irrigation systems, mulch, fertilizer, weed/pest control, pruning and periodic plant replacement. The airport also requires mowing services for the terminal front area, airfield security fence area, weed eating for several steep bank areas and Gammon Creek brush clearing services, mainly during the spring, summer and fall seasons.

Klean Kut Lawn Care provided a three-year proposal, with the airport entering a one-year service agreement for an estimated at $107,605 in February 2023. Maintenance and operations staff reviewed last year's costs with Klean Kut Lawn Care, developed a revised estimated services cost and recommended Klean Kut Lawn Care for a third year's extended services agreement in the amount of $135,785. The landscape maintenance and mowing service agreement will run February 2025 through February 2026 and is included in the airport's FY26 operating budget. The proposal and site maps of the work areas and recommendation letter are also included. The following is a budget breakdown.

Estimated Operating Budget FY25 and FY26	One-Year
Terminal, GA, Airfield Mowing & Maintenance	$ 83,445
Terminal Frontage Landside and Airside Mowing	$ 52,340
Estimated Total	$ 135,785

Landscape and Mowing Funding Summary	
Airport 100%	$ 135,785
Estimated Total	$ 135,785

Recommendation:

Approve the Chief Operating Officer to proceed with a one-year agreement extension with Klean Kut Lawn Care to provide the, airfield fence, terminal and GA entrance landscape maintenance in the amount of $83,445 and the airfield airside security fence mowing, weed eating, brush clearing, along with landside area mowing in the amount of $52,340, for an estimated total of $135,785.

Submitted By: David W. Jones
Chief Operating Officer

CONTRACT AGREEMENT: AIRPORT AND AIRFIELD MOWING AND LANDSCAPING SERVICES

This agreement, made this 27th day of February, 2025 by and between **Klean Kut Lawn Care** designated as contractor and **Tri-Cities Airport** designated as the owner, or client.

Witnessed: That, in consideration of covenants, agreements and stipulations contained herein, the contractor and the client hereby covenant, promise and agree to the following terms and conditions listed below.

TERMS AND CONDITIONS

ARTICLE I – SERVICE:
The contractor agrees to furnish all supervision, labor, materials, supplies and equipment as may be necessary to complete and provide the following maintenance for the Terminal Area & Airfield Mowing (see attached maps for areas):

A. Terminal Frontage Area (EX. 1.1)
B. FBO Terminal Frontage (EX. 1.2)
C. Highway 75 Bank (Village Market to Wysong)
D. Perimeter Fence (Minimum 4' inside/outside)
E. Gammon Creek (Shrub Cleaning)
F. ANR Bank
G. Fertilization
H. Weed Control (As needed)

These areas and items are detailed in the attached drawings, and mowing guidelines, are considered as part of this contract agreement.

ARTICLE II – QUALITY
All work will conform to the standards set forth by the American Association of Nurseymen, Inc. All work will be done subject to the schedule and approval of the Owner's Maintenance Supervisor, or designated representative. All decisions and questions which may arise as to the quality or acceptability of materials furnished, work performed, progress of the work, interpretation of drawings and specifications and all questions as to an acceptable fulfillment of the contract by the contractor shall be made by the Owner.

ARTICLE III – LOCATION
These services, materials, etc. to be provided by the contractor shall be at the location of the job site.

ARTICLE IV – TIME & CANCELLATION

The contractor agrees to promptly begin work and provide as noted covering the period of one year from contract date. This contract may be cancelled by receipt of thirty days written notice from either party.

ARTICLE V – EXTRAS

Only those services, materials, etc. as herein specified are agreed upon. No extras or add-ons, as well as deviation from the work and services as specified will be permitted by or on behalf of either party unless a written "extra work" order or change order has first been prepared, agreed upon, and properly signed by both the Owner/Client and the contractor.

ARTICLE VI – INSURANCE

The contractor agrees to obtain and pay for the following insurance coverage: workmen's compensation, public liability, property damage and any other insurance coverage as required by Federal, State or Local laws. See attached insurance sample form(s).

ARTICLE VII – ASSIGNMENT

No assignment by the contractor of this agreement may be made to other contractors or sub-contractors without prior written permission by the client.

ARTICLE VIII – LICENSES, PERMITS AND FEES

The contractor agrees to obtain, provide and/or pay for all necessary licenses, permits, and fees as required to properly perform and/or provide as required in this contract.

ARTICLE IX – TAXES

The contractor agrees to pay any and all Federal, State or Local taxes which are or may be legally assessed upon the materials, labor or services furnished by said contractor under this contract. The Owner is a government tax exempt entity.

ARTICLE X – PAYMENT

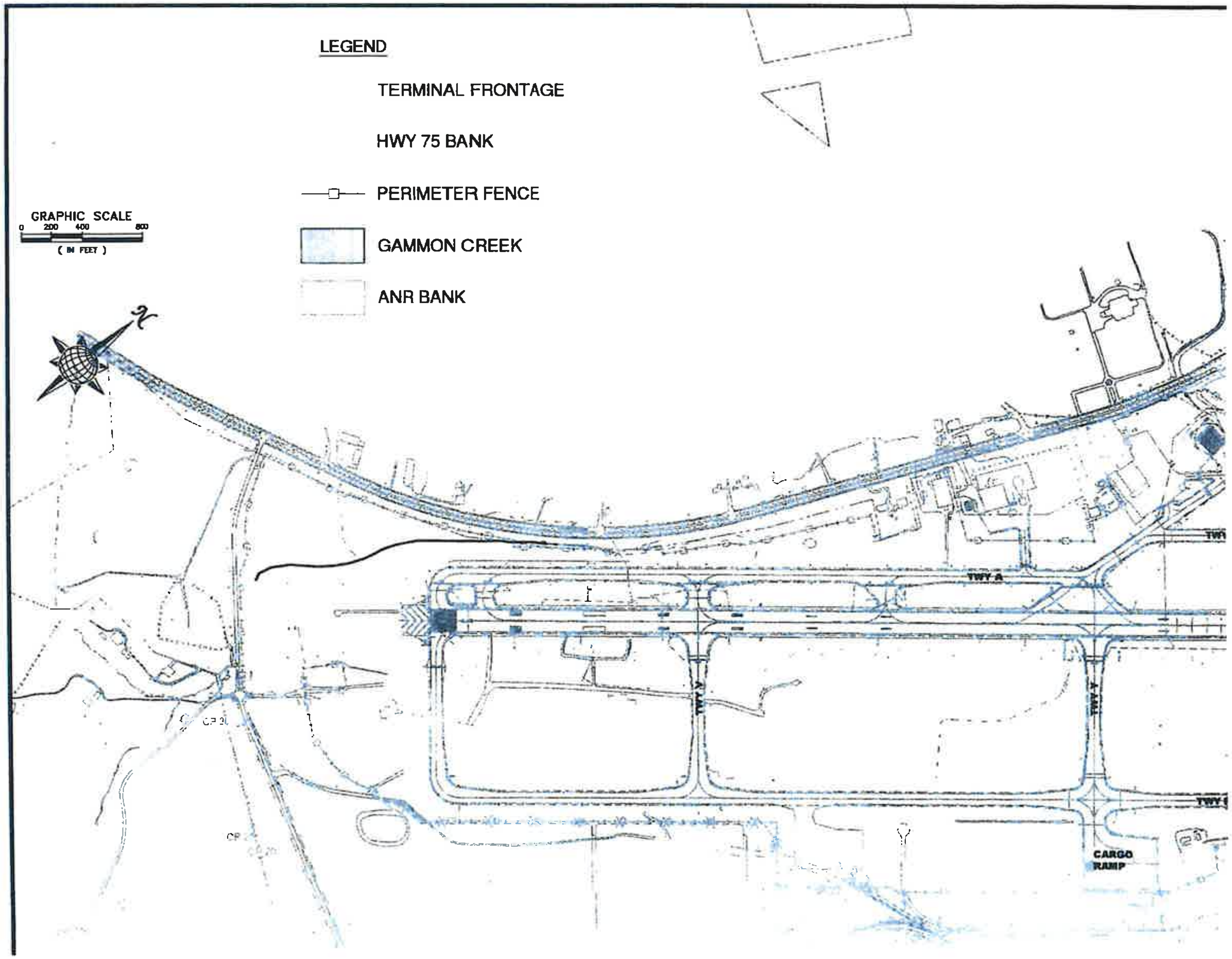
In consideration whereof the client agrees to pay the contractor total fee on a per item/per time bid basis based on the itemized Bid Form Sheet submitted by the contractor. Payments shall be made per each completed work item once an invoice is submitted and approved.

THE OWNER AND THE CONTRACTOR for themselves, their successors, executors, administrators and assigns hereby agree to the full performance of the covenants, agreements and stipulations contained herein and on all related support documents as may be attached and agreed upon.

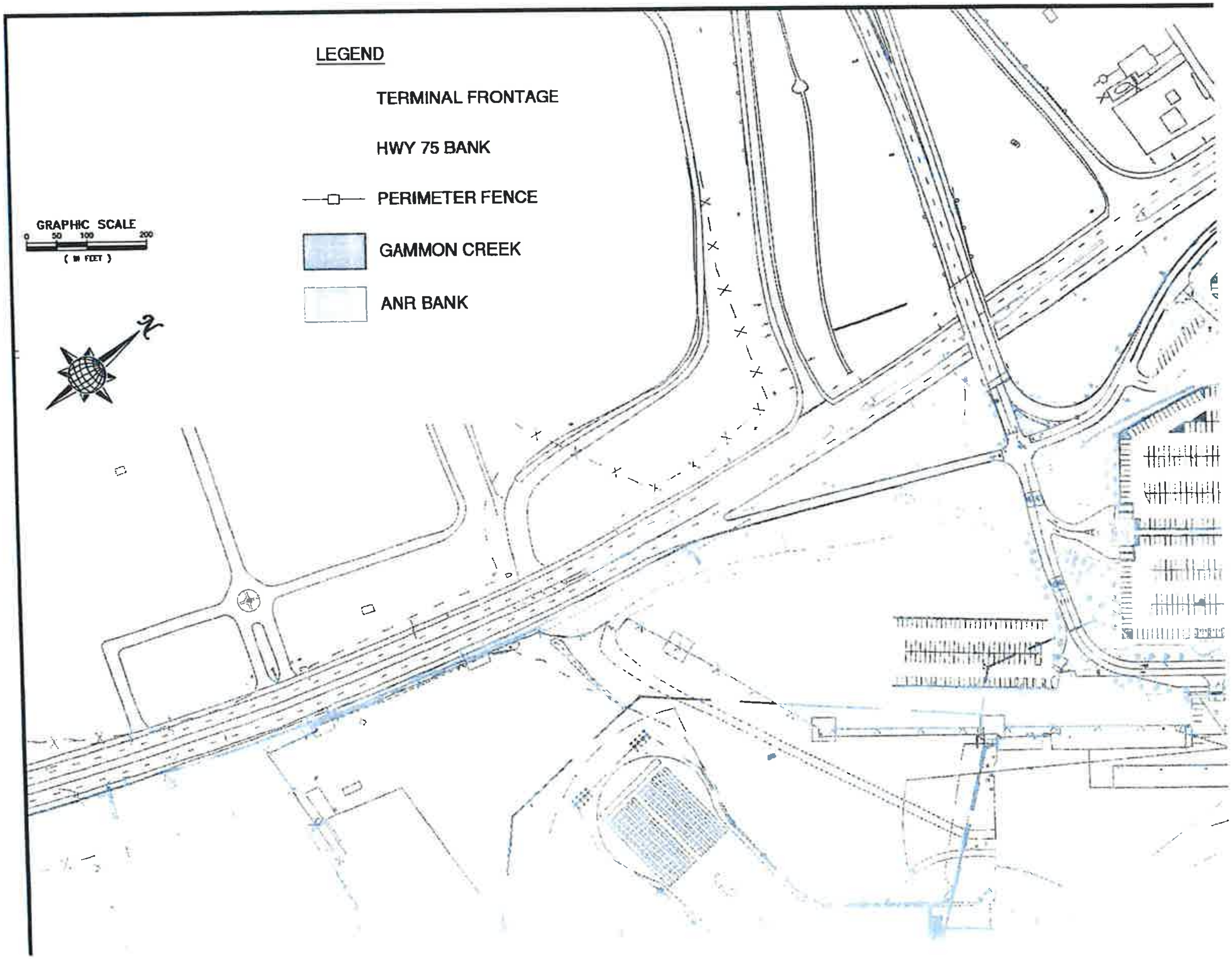
In WITNESS WHEREOF, do execute this agreement this 27th day of February, 2025.

	Klean Kut Lawn Care, LLC
TRI-CITIES AIRPORT AUTHORITY	CONTRACTOR
	Jason Hill
BY	BY
	Owner
TITLE	TITLE

26-3505864 TN# 1001270350-BUS
LICENSE #



LEGEND
TERMINAL FRONTAGE
HWY 75 BANK
PERIMETER FENCE
GAMMON CREEK
ANR BANK
GRAPHIC SCALE
0
200
400
800
(IN FEET)
TWY A
CARGO RAMP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HWY 75 BANK
PERIMETER FENCE
GAMMON CREEK
ANR BANK
GRAPHIC SCALE
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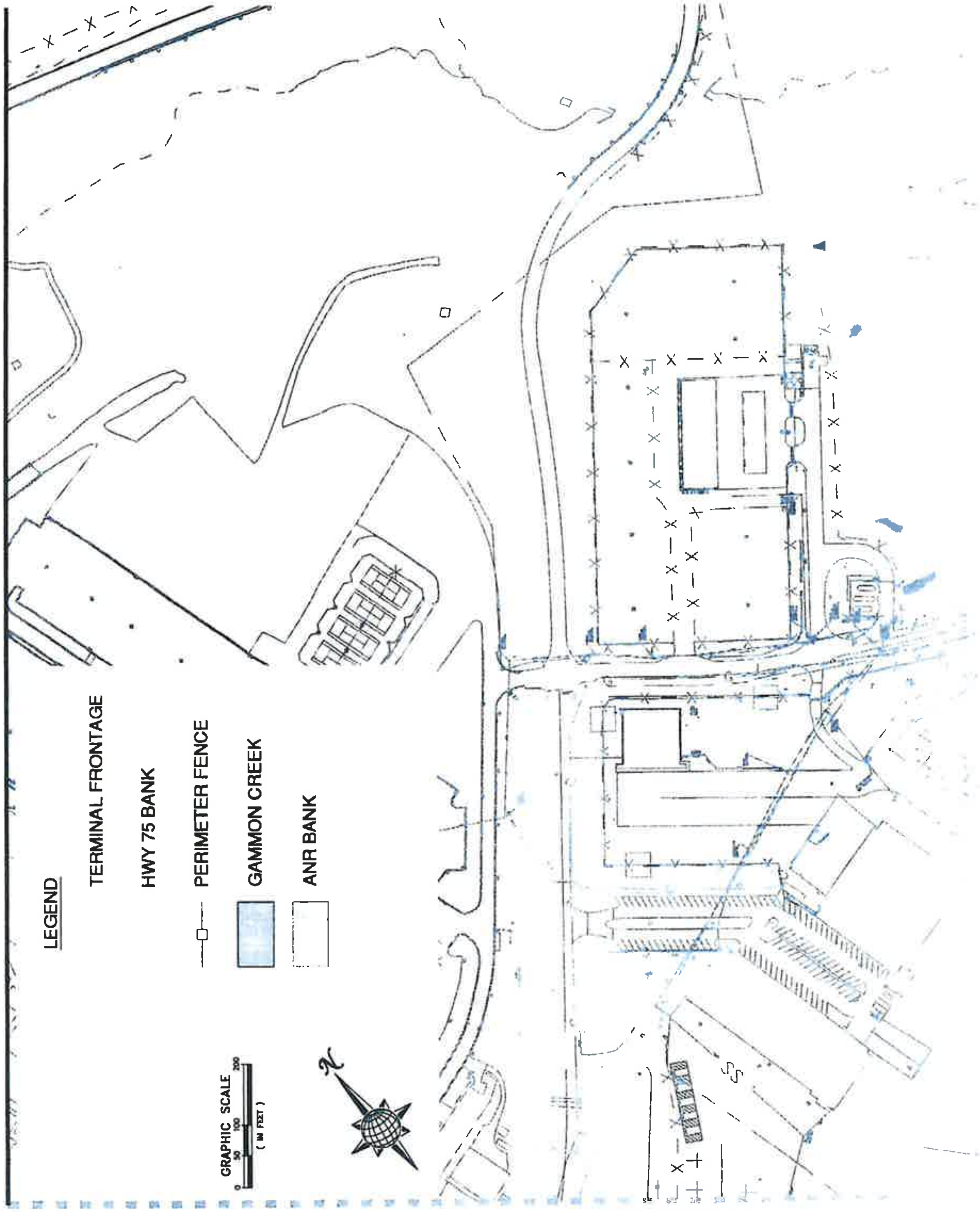
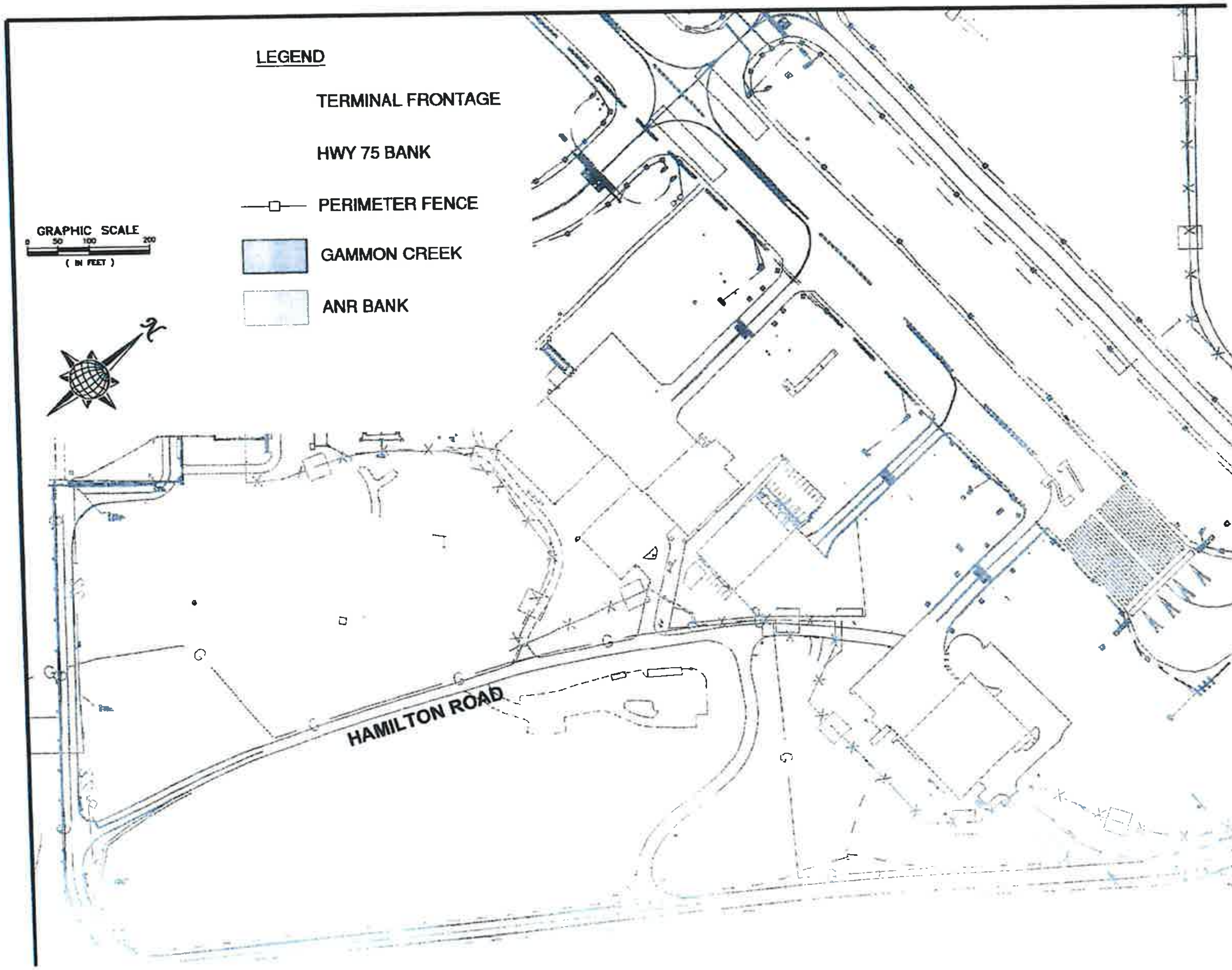
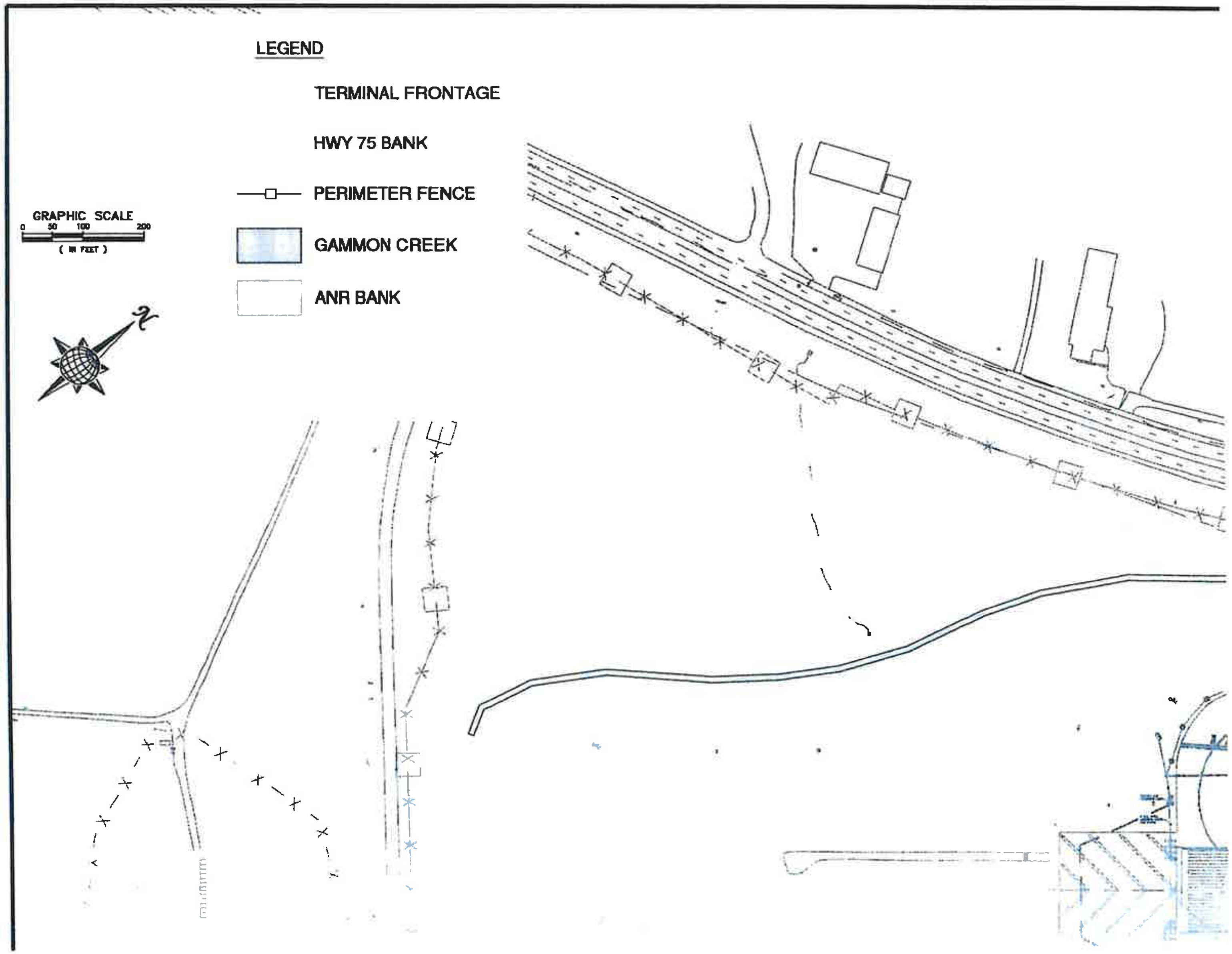
(IN FEET)



MATCHLINE - SEE SHEET EX. 1.1


LEGEND
TERMINAL FRONTAGE
HWY 75 BANK
PERIMETER FENCE
GAMMON CREEK
ANR BANK
GRAPHIC SCALE
0 50 100 200
(IN FEET)
HAMILTON ROAD



LEGEND
TERMINAL FRONTAGE
HWY 75 BANK
PERIMETER FENCE
GAMMON CREEK
ANR BANK
GRAPHIC SCALE
0 50 100 200
(IN FEET)

TRI
TRI-CITIES AIRPORT

TERMINAL FRONTAGE (EX. 1.1 – CORE CONTRACT ITEMS
(Submitted for an estimated one-year period)

Item	2025
A. Watering (Irrigation System) (Include Planter Beds in winter as needed)	$ 1250
B. Pruning of Trees and Shrubs (Maintain natural form while allowing plant to fill out. See Maintenance Manual)	$ 16995
C. Pre-emergent weed/fungicide control (Once per year)	$ 4800
D. Bi-Annual Mulching (Estimated 120 yards per occurrence – 2" hardwood bark)	$ 27720
E. Fertilize planting beds shrubs/trees (See maintenance manual)	$ 1575
F. Insecticide/disease control (TN HLT Licensed – Horticulture, Lawn, & Turf)	$ See below
TOTAL FOR TERMINAL FRONTAGE	$ 52340

*This is for a contract length of one year.

HLT Charter #4912
price will depend on what is found
and what pesticide is used

TRI-CITIES AIRPORT

TERMINAL/AIRFIELD MOWING – CORE CONTRACT ITEMS
(Submitted for an estimated one-year period)

Item	2025
A. Terminal Frontage (EX. 1.1)	$ 38000
B. FBO Terminal Frontage (EX. 1.2)	$ 6930
C. Highway 75 Bank (Village Market to Wysong)	$ 7490
D. Perimeter Fence (Minimum 4' inside/outside)	$ 5100
E. Gammon Creek (Shrub Cleaning)	$ 19520
F. ANR Bank	$ 1680
G. Fertilization	$ 4725
H. Weed Control (As needed)	$ see below
TOTAL FOR TERMINAL/AIRFIELD MOWING AREA	$ 83445

*This is for a contract length of one year.

H. Weed Control
1. Terminal Frontage + FBO
   Spring Treatment - $2600
   Fall Treatment - $2600
   Spot spray - Dependant on time/material used

TRI
TRI-CITIES AIRPORT

TOTAL 2025 COST FOR MAINTENANCE SHALL BE:

One Hundred Thirtyfive Thousand Seven Hundred Eightyfive **DOLLARS**
(Bid in ALPHA notation)

$ 135785.00
(Bid in Numeric notation)

SUBMITTED BY: Jason Hill Klean Kut Lawn Care

DATE: 2/7/2025

C. Passenger Facility Charge (PFC)

Contractor: Rosenbauer - Minnesota, LLC (ARFF Truck Acquisition)

Original: Agreement Sum - Base Bid Amount	$ 1,004,285
Original: Add Alternate Bid Amount	$ 16,949
Current Request	
Change Order 1 (Add Alternate)	**$ (611)**
Change Order 2 (Add Alternate)	**$ 2,462**
Total Revised Contract to Date	$ 1,023,085

Project PFC Funding

PFC	100%	$ 1,030,485
Airport	100%	$ 18,800
	Total Project	$ 1,049,285

Project Estimated Costs

Administration	$ 7,500
Engineering Procurement Services	$ 18,700
Rosenbauer ARFF Truck (Base Bid)	$ 1,004,285
Rosenbauer ARFF Truck (Add Alternate)	$ 18,800
Total Project	$ 1,049,285

Current Request: Change Order 1: Balance ARFF vehicle specification order
Change Order 2: Add/install 2 owner supplied radios

Submitted By: David W. Jones
Chief Operating Officer

TRI-CITIES AIRPORT

1/2/2025

Mr. David Jones, COO
Tri-Cities Airport Authority
2525 Highway 75, 305
Blountville, TN 37617

Project: Rosenbauer ARFF Vehicle

Mr. Jones,

Attached is the change order for the previously approved Rosenbauer Panther 4X4 production. A lengthy pre-construction meeting was held after Rosenbauer was the bid winner. The Public Safety Department discovered items that were not needed that were included in the base package with costs. Other items were also added to fit the needs of our firefighters and airport. With those deletions and additions, the price came out to $1,752.00 to the good. You will also see that the previously approved items, at the end of the change order, are added. That reflects the $16,338.00 difference.

All change order items still hold the truck in compliance under AC 150/5220-10E and we recommend this change order be made final to officially begin the building of the ARFF truck

Respectfully submitted,

Denton Hall
Chief of Public Safety
Tri-Cities Airport Authority

CHANGE ORDER #1

rosenbauer

Tri-Cities, TN.

DEALER/CUSTOMER/FACTORY APPROVED

Body Job #: **106131**

DATE: January 2, 2025
Initiated By: **Dealer/Customer**

BODY CHANGES

	Action	Qty.	QW No.	DESCRIPTION OF CHANGE	PRICE
1	CLARIFY	1		Left side rear compartment - Electrical hose reel	$0
2	CLARIFY	1		110 auto eject in rear	$0
3	CLARIFY	1		Dry chem plummed to bumper turret	$0
4	DELETE	-1		USB Manual	($59)
5	DELETE	-1		Winterization system	($825)
6	DELETE	-1		High idle switch	($24)
7	DELETE	-1		Siren footswitch	($96)
8	DELETE	-1		Wall mount SCBA holder	($23)
9	DELETE	-1		Pneumatic hose reel	($1,250)
10	DELETE	-1		2 1/2 pump suction inlet	($221)
11	DELETE	1		Halotron System	($22,500)
12	DELETE	-1		Right side preconnect discharge, handline and nozzle	($1,954)
13	DELETE	-1		Front license plate	($78)
14	DELETE	-1		Foam concentrate	($7,600)
15	ADD	1		Final inspection (Includes travel, hotel and food for 2 people)	$4,900
16	ADD	1		Factory maintenance training (all inclusive for 1 person)	$4,900
17	ADD	1		Black rear chevrons	$1,055
18	ADD	1		Tire pressure monitoring system	$1,431
19	ADD	1		Cab door arrestor system	$1,054
20	ADD	1		Tint all windows	$3,129
21	ADD	1		Right side rear compartment - Pull out tool board	$658
22	ADD	1		Air compressor instead of air auto eject	$2,117
23	ADD	1		Exterior water indicator level lights	$3,098
24	ADD	1		Pike pole mounting on ladder gantry 8'	$487
25	ADD	1		Undertank nozzles	$1,688
26	ADD	1		Lower warning disable switch	$0
27	ADD	1		Airfield driving lights	$1,133
28	ADD	1		Fixed rear mounted DC scene lights	$689
29	ADD	1		Rosenbauer RST diagnostic software with 1 year subscription	$3,447
30	ADD	1		Radio speaker to structural panel (airfield radio)	$395

CHANGE ORDER #1

rosenbauer

Tri-Cities, TN.

DEALER/CUSTOMER/FACTORY APPROVED

Body Job #: **106131**

DATE: January 2, 2025
Initiated By: **Dealer/Customer**

BODY CHANGES

	Action	Qty.	QW No.	DESCRIPTION OF CHANGE	PRICE
31	CLARIFY	1		Left side undertank compartment - 1 1/2" structural line on floor, left side	$0
32	ADD	1		3 Hose roll holder (1 1/2, 2 1/2, 5) slide out tray	$997
33	ADD	1		Right side under tank compartment - swing out, single agent (dry chem) hose reel	$2,841
34	ADD	1		Storz connection for 2.5" water tank fill	$295
35	ADD	1		360 Degree Camera System	$3,178
36	ADD	1		Electric ladder gantry	$12,606
37	ADD	1		Dual interior outlets	$870
38		1			$0
39		1			$0
40		1			$0
41		1			$0

We hereby agree to make change(s) specified above at this price	$16,338
PREVIOUS CONTRACT AMOUNT	$1,004,285
REVISED CONTACT AMOUNT	$1,020,623

ACCEPTED - The above price and specifications of the Change Order are satisfactory and are hereby accepted. All work to be performed under same terms and conditions as specified in original contract unless otherwise stipulated.

Authorized Signature (Customer): David Jones , COO

Date: January 2, 2025

CHANGE ORDER #2

rosenbauer

Tri-Cities, TN.

DEALER/CUSTOMER/FACTORY APPROVED

Body Job #: **106131**

DATE: January 10, 2025
Initiated By: **Dealer/Customer**

BODY CHANGES

	Action	Qty.	QW No.	DESCRIPTION OF CHANGE	PRICE
1	ADD	1		Install two (2) Customer provided radios.	$2,462
2		1			$0
3		1			$0

We hereby agree to make change(s) specified above at this price	$2,462
PREVIOUS CONTRACT AMOUNT	$1,020,623
REVISED CONTACT AMOUNT	$1,023,085

ACCEPTED - The above price and specifications of the Change Order are satisfactory and are hereby accepted. All work to be performed under same terms and conditions as specified in original contract unless otherwise stipulated.

Authorized Signature (Customer): David Jones, COO

Date: 1-14-25

January 21, 2025

Dear Tri-Cities Airport Authority Representative,

Rosenbauer has completed the final production specification, which is the specification submitted with our original bid package combined with the information from the preconstruction conference and change orders to date. The Rosenbauer Production specifications must be used for building the Panther ARFF unit moving forward.

Attached is the final production specification for the 4x4 Panther ARFF Unit being purchased by Tri-Cities Airport Authority. Please review these final production specifications and ensure everything is outlined the way your organization intends for the vehicle to be provided in accordance with the Purchase Order or Contract agreement, preconstruction conference details, and change orders to date. Any adjustments to the build process moving forward will be completed via a Change Order document and not reflected in these final production specifications.

Thank you for your attention and tremendous support already provided on this project. Rosenbauer is extremely proud to be awarded your contract and is excited to begin the build process. We will keep you informed on progress of your Panther ARFF unit and look forward to working with your team. Thank you for being part of the Rosenbauer family – Please let us know if you ever have any questions or concerns.

I agree the attached Panther 4x4 specification is approved for release to production for Tri-Cities Airport Authority.

David W. Jones, COO ______________ Date 1/22/25

Authorized Representative

**This document begins our major component ordering process. Any delay in providing this signed document signifying agreement to the final production specifications may cause a delay in the production timeline, potentially increasing the build and delivery schedules.

www.rosenbaueramerica.com info@rosenbaueramerica.com

ROSENBAUER SOUTH DAKOTA, LLC.
100 THIRD STREET
P.O. BOX 57
LYONS, SOUTH DAKOTA 57041
P: 605.543.5591

ROSENBAUER MINNESOTA, LLC.
5181 260TH STREET
P.O. BOX 549
WYOMING, MINNESOTA 55092
P: 651.462.1000

ROSENBAUER MOTORS, LLC.
5190 260TH STREET
P.O. BOX 549
WYOMING, MINNESOTA 55092
P: 651.462.1000

ROSENBAUER AERIALS, LLC.
870 SOUTH BROAD STREET
FREMONT, NEBRASKA 68025
P: 402.721.7622

D. Project: (State)

Contractor: Eskola LLC (Construction)

Original Agreement Sum:	$ 1,538,221.00
Change Order 1	$ 39,932.16
Current Request	
Change Order 2	**$ 130,128.08**
Total Revised Contract to Date	$ 1,708,281.24

Project State Grant Funding		
State	95%	$ 1,884,200
Airport	5%	$ 99,168
	Total Project	$ 1,983,368

Project Estimated Costs	
Administration	$ 15,000
Engineering/Architectural Services (D/B)	$ 104,341
Engineering/Architectural Services (CA)	$ 30,368
Subconsultant	$ 35,810
Construction	$ 1,708,281
Construction Contingency (Remaining)	$ 89,568
Total Project	$ 1,983,368

Current Request: Change Order 2: Add new roofing section, coping and vents to the lower level roofing system on Wysong Building 610.

Change Order 1: Add new skylight fixtures, gutter with downspouts on two locations at Wysong Building 610.

Submitted By: David W. Jones
Chief Operating Officer

ESKOLA

2418 N Morelock Road
Morristown, TN 37814
423-250-5681

February 12, 2025

Attn: David Jones, KTRI

Re: TriCities Airport Wysong Hanger – Roofing
Blountville, TN

David,

Thank you for entrusting us with the opportunity to provide you with this proposal for your roofing project. At Eskola Roofing and Waterproofing, we are committed to being your partner in protecting your assets by providing unmatched customer experience, total water protection, and overall cost savings. We aim to build your trust, keep water out, and give you peace of mind.

After careful review of your needs and preferences, scope of work, specifications, and all contributing factors, our team of professional tradesmen and women have developed this customized solution specifically for you. The following pages contain all details relevant to existing conditions, proposed scope of work, pricing, and terms & conditions.

Our team has taken great care to customize this solution for you and is backed by over 50 years of industry experience. No two projects are exactly alike, which is why this solution has been customized for you and your project requirements.

Please review your proposal carefully. Should you have any questions regarding the information contained herein, please do not hesitate to reach out at any time.

Sincerely,

Ty Konkle
____

Ty Konkle
Senoir Estimator, Morristown Branch
P: (423) 438-8202
E: ty@eskolaroofing.com

2418 N Morelock Road
Morristown, TN 37814
423-250-5681

TriCities Airport Wysong Hanger – Roofing
Blountville, TN

Scope of Work:

Option 1: (Recommended)

KEE System (Approx 10,742 SF)

Our Scope of work includes the following:

- Provide a job specific safety plan
- Provide SDS sheets as requested
- Set up jobsite to meet site specific safety plan
- Power Broom and Clean Surface, assuring surface is completely dry prior to any new roof installation.
- Mechanically fasten one layer of ½” dens deck prime through to metal deck. (per wind uplift calculations at ASCE 7-16)
- Install a KEE .060mil membrane with KEE Bonding adhesive at manufacturer’s specified rate.
- Flash all walls and curbs with KEE NF 55mil using KEE Bonding Adhesive and striping in joints with 6” detail membrane.
- Install new PVC and KEE/PVC pipe boots at plumbing stacks. Flashing according to manufacturer’s details.
- Install approved KEE mastic with reinforced mesh at any projection not exceeding 8”
- Terminate all vertical flashings with a termination bar then seal above the termination bar with approved sealant.
- Install 24-gauge counterflashing around all wall flashings.
- Install new PVC and KEE/PVC pipe boots at plumbing stacks. Flashing according to manufacturer’s details.
- Install approved KEE mastic with reinforced mesh at any projection not exceeding 8”
- Cut a 4” diameter opening through existing roof and insulation. Install 12 new one way OMG aluminum roof vents in four (4) rows attached to roof decks with FM approved fasteners. Flash vents per OMG and roofing manufacturer’s details.
- Replace existing coping with new 24ga Kynar ES1 rated coping
- Roofing contractor to perform all work in accordance with all IBC, NCRA, OSHA, and all applicable codes.
- Maintain clean jobsite from roofing construction activity.
- Provide Eskola 2-Year Installer Warranty

Eskola is proposing to provide all tools, labor, equipment, and supervision necessary to perform the scope of work previously described within this proposal.

2418 N Morelock Road
Morristown, TN 37814
423-250-5681

Exclusions: All other trades including, but not limited to, electrical, plumbing, engineering, mechanical, masonry, carpentry (outside of repairs and wood nailers if explicitly listed in scope of work), unscheduled down time, all structural framing and decking, roof access ladders, through wall flashings, asbestos testing, abatement, and disposal.

- Consequential, incidental, or liquidated damages
- Payment & performance bonds, bid bond
- HUB/MWBE/SBE Minority Participation
- After hours, over time or weekend work
- ACM (Asbestos Containing Materials) testing, identification, manifesting, abatement, mitigation, or removal
- Any type of 3rd party testing that will be performed on the roof
- Any approval of attachment by FM Global, TDI, etc.
- Engineering, engineering reports, calculations, or investigation
- Any type of canopy roofs, sunshades, or screens
- Structural metal and/or support framing for any roofing areas
- Framing, building, sheathing of any walls
- Thru-wall flashing, saw cuts, or any wall construction of any type
- Any wall materials such as; masonry, siding, stucco, EFIS, tilt walls, control joints, pre-cast panels, or metal panels
- Any type of decking such as; metal, wood, structural or light weight concrete, gypsum, tectum, etc.
- Any type of deck boring, cutting, replacement, repair, alteration, or enhancement
- Skylights, daylights, tubes, or vents of any kind
- Any plumbing, mechanical, electrical, HVAC, medical gas, ammonia systems, lightning protection, fire protection, life safety work, welding, steel, painting, paving or concrete work, including parking lots, sidewalks, driveways, or roadways
- Furnishing, spotting, leveling, or securing roof curbs, sleepers, supports, pipes, duct, or roof top equipment of any kind
- Any lifting, removal, replacement, disconnect/reconnect, or relocation of any equipment or materials
- Leaks occurring from mechanical, electrical, or plumbing equipment, ductwork, louvers, windows, doors, wall penetrations
- All plumbing connections to downspouts or downspouts boots
- Any type of davits to attach safety equipment
- Any type of roof overburden such as; pavers, soil, planters, etc.
- Any internal or built-in gutters or downspouts
- Roof doors, door thresholds, steel fixed ladders, walkways, crossovers, steps, or other roof to roof ladders or access items
- Any type of wood blocking, nailers, plywood, gypsum, fiberboard, or the replacement of such items if found rotten/damaged
- Any type of landscaping or repairs to landscaping
- Interior protection
- Odor mitigation
    - Demo of existing roofs
    - Dumpsters, portajons

Notes:

- Work is proposed to be completed in 1 mobilization. Additional mobilization may require additional charges. Please see the pricing.
- Eskola has priced a standard metal color from the manufacturers color chart, unless otherwise noted. Any special-order colors are subject to change-order pricing. All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accident or delays beyond our control. This proposal subject to acceptance within 30 days and it is void thereafter at the option of the undersigned.
- Eskola plans to use the best possible solution to access the work site while maintaining safety and cleanliness per the approved plan.
- Due to the current volatile market for raw materials, Eskola is only able to hold the quoted price for a maximum of sixty (60) days.
- After sixty (60) days, Eskola will revisit the material costs and apply any adjustments as needed.
- Any price changes will be presented to the customer, contractor or owner prior to contract signing.

2418 N Morelock Road
Morristown, TN 37814
423-250-5681

Terms and Conditions

1. **Nature of Work.** ESKOLA LLC. ("ESKOLA") shall furnish the labor and material to perform the work described herein or in the referenced contract documents. ESKOLA does not provide design, engineering, consulting or architectural services. It is the Customer's responsibility to retain a licensed architect or engineer to determine proper design and code compliance, including a determination as to whether and what type of a vapor or air retarder is needed. If plans, specifications or other design documents have been furnished to ESKOLA, Customer warrants that they are sufficient and conform to all applicable laws and building codes. ESKOLA is not responsible for any loss, damage or expense due to defects in plans or specifications or building code violations unless such damage results from a deviation by ESKOLA from what is specified. ESKOLA is not responsible for condensation, moisture migration from the building interior or other building components, location or size of roof drains, adequacy of drainage, ponding on the roof, structural conditions or the properties of the roof deck or substrate on which ESKOLA's roofing work is installed.

2. **Deck.** Customer warrants that structures on which ESKOLA is to work are in sound condition and capable of withstanding roof construction, equipment and operations. ESKOLA's commencement of roof installation indicates only that ESKOLA has visually inspected the surface of the roof deck for visible defects. ESKOLA is not responsible for the structural sufficiency, quality of construction (including compliance with FMG criteria), undulations, fastening or moisture content of the roof deck or other trades' work or design. ESKOLA is not responsible to test or assess moisture content of the deck or substrate.

3. **Asbestos and Toxic Materials.** This proposal is based on ESKOLA's not coming into contact with asbestos-containing or toxic materials ("ACM"). ESKOLA is not responsible for expenses, claims or damages arising out of the presence, disturbance or removal of ACM. ESKOLA shall be compensated for additional expenses resulting from the presence of ACM. Customer agrees to indemnify ESKOLA from and against any liability, damages, losses, claims, demands or citations arising out of the presence of ACM.

4. **Payment.** Unless stated otherwise on the face of this proposal, Customer shall pay the contract price plus any additional charges for changed or extra work within ten (10) days of substantial completion of the Work. If completion of the Work extends beyond one month, Customer shall make monthly progress payments to ESKOLA by the fifth (5th) day of the month for the value of Work completed during the preceding month, plus the value of materials suitably stored for the project. All sums not paid when due shall earn interest at the rate of 1-1/2% per month or at such rate as permitted by Tennessee law. ESKOLA shall be entitled to recover from Customer all costs of collection incurred by ESKOLA, including reasonable attorney's fees, resulting from Customer's failure to make proper payment when due. ESKOLA's entitlement to payment is not dependent upon criteria promulgated by Factory Mutual Global, including wind uplift testing.

5. **Right to Stop Work.** The failure of Customer to make proper payment to ESKOLA when due shall, in addition to all other rights, constitute a material breach of contract and shall entitle ESKOLA, at its discretion, to suspend all work and shipments, including furnishing warranty, until full payment is made. The time period in which ESKOLA shall perform the work shall be extended for a period equal to the period during which the Work was suspended, and the contract sum to be paid ESKOLA shall be increased by the amount of ESKOLA's reasonable costs of shut-down, delay and start-up.

6. **Insurance.** ESKOLA shall carry worker's compensation, automobile and commercial general liability insurance. ESKOLA will furnish a Certificate of Insurance upon request. Customer shall purchase and maintain builder's risk and property insurance, including, but not limited to fire, tornado, and any other necessary insurance, including labor and materials furnished by ESKOLA, covering fire, extended coverage, malicious mischief, vandalism and theft on the premises to protect against loss or damage to the work and the building where the work is performed until the job is completed and accepted. Moneys owed to ESKOLA shall not be withheld by reason of any damage or claim against ESKOLA covered by liability, property or builder's risk insurance.

7. **Additional Insured.** If Customer requires and ESKOLA agrees to make Customer or others additional insureds on ESKOLA's liability insurance policy, Customer and ESKOLA agree that the naming of Customer or others as additional insureds is intended to apply to claims made against the additional insured to the extent the claim is due to the negligence of ESKOLA and is not intended to make ESKOLA's insurer liable for claims that are due to the fault of the additional insured.

8. **Interior Protection.** Customer acknowledges that re-roofing of an existing building may cause disturbance, dust, debris or fireproofing to fall into the interior. Customer agrees to remove or protect property directly below the roof in order to minimize potential interior damage. ESKOLA shall not be responsible for disturbance, damage, clean up or loss to interior property that Customer did not remove or protect prior to commencement of roofing operations. Customer shall notify tenants of re-roofing and the need to provide protection underneath areas being re-roofed. Customer agrees to hold ESKOLA harmless from claims of tenants who were not so notified and did not provide protection.

9. **Deck Repairs and Unforeseen Conditions.** Any work required to replace rotten or missing wood or deteriorated decking shall be done on a labor and material or unit price basis as an extra unless specifically included in the scope of work. When re-roofing over an existing roof, replacement of visible wet or deteriorated insulation shall be an extra or billed at unit prices unless otherwise stated on the face of this proposal. Unforeseen conditions that may affect the work will be reported to Customer and authorization requested prior to permanent repairs being performed.

10. **Damages and Delays.** ESKOLA will not be responsible for damage done to ESKOLA's work by others, including damage to temporary tie-ins. Any repairing of the same by ESKOLA will be charged as an extra. ESKOLA shall not be liable for liquidated or delay damages due to a delay in completion of the Project unless the delay was caused by ESKOLA. ESKOLA shall not be responsible for loss, damage or delay caused by circumstances beyond its reasonable control, including but not limited to acts of God, accidents, fire, weather, vandalism, regulation, strikes, jurisdictional disputes, failure or delay of transportation, shortage of or inability to obtain materials, equipment or labor. In the event of these occurrences, ESKOLA's time for performance under this proposal shall be extended for a time sufficient to permit completion of the Work. ESKOLA SHALL NOT BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES. The acceptance of this proposal by the Customer signifies his agreement that this warranty shall be and is the exclusive remedy against ESKOLA. A manufacturer's warranty shall be furnished to Customer if a manufacturer's warranty is called for on the face of this proposal. It is expressly agreed that in the event of alleged defects in the materials furnished pursuant to this contract, Customer shall have recourse only against the manufacturer of such material.

ESKOLA

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11. **Roof Projections.** ESKOLA will flash roof projections that are in place prior to installation of roofing or shown on the architectural plans provided to ESKOLA. Penetrations not shown on the plans provided to ESKOLA prior to submittal of this proposal or required after installation of roofing shall be considered an order for extra work, and ESKOLA shall be compensated at its customary time and material rates for additional expense resulting from additional penetrations.

12. **Wind Loads or Uplift Pressures.** Design Professional is responsible to design the work to be in compliance with applicable codes and regulations and to specify or show the work that is to be performed. ESKOLA is not responsible for design, including calculation or verification of wind-load design. To the extent minimum wind loads or uplift pressures are required, ESKOLA's bid is based solely on manufacturer's printed test results. ESKOLA itself makes no representation regarding wind uplift capacity and assumes no liability for wind uplift.

13. **Tolerances.** All labor and materials shall be furnished in accordance with normal industry standards and industry tolerances for uniformity, color, variation, thickness, size, weight, finish and texture. Specified quantities are intended to represent an average over the entire roof area.

14. **Fumes and Emissions**. Customer acknowledges that odors and emissions from roofing products will be released as part of the roofing operations to be performed by ESKOLA. Customer shall be responsible for interior air quality, including controlling mechanical equipment, HVAC units, intake vents, wall vents, windows, doors and other openings to prevent fumes and odors from entering the building. Customer is aware that roofing products emit fumes, vapors and odors during the application process. Some people are more sensitive to these emissions than others. Customer shall hold ESKOLA harmless from claims from third parties relating to fumes and odors that are emitted during the normal roofing process.

15. **Material Cost Escalation.** Steel products, asphalt, Polyisocyanurate and other roofing products are sometimes subject to unusual price volatility due to conditions beyond the control of ESKOLA. If there is a substantial cost increase in roofing products between the date of this proposal and when the work is performed, the contract may be increased to reflect the additional cost to ESKOLA, upon submittal of written documentation and advance notice.

16. **Backcharges.** No backcharges or claims for payment of services rendered or materials and equipment furnished by Customer to ESKOLA shall be valid unless previously authorized in writing by ESKOLA and unless written notice is given to ESKOLA within five (5) days of the event, act or omission which is the basis of the backcharge.

17. **Roof Top Safety.** Customer warrants there will be no live power lines on or near the roof servicing the building where ESKOLA will be working and that Customer will turn off any such power supplies to avoid an electrocution risk to ESKOLA employees. Customer will indemnify ESKOLA from personal injury and other claims and expenses if Customer fails to turn-off power so as to avoid injury to ESKOLA personnel or resulting from the presence of concealed electrical conduit and live electrical power. ESKOLA is not responsible for costs of repair or damages, including disruption of service, resulting from damage to undisclosed or concealed electrical or other utility lines. Customer shall shut down roof located electronic equipment that emits or receives radio frequency waves while roofing contractor is to be working on the roof so that roofing personnel will not be subject to radio frequency waves or electromagnetic radiation while working on the roof and shall indemnify and hold ESKOLA and its personnel harmless from any personal injury claims resulting from a failure by Customer to do so. ESKOLA is not responsible for the safety of persons on the roof other than its own employees. Customer and general contractor agree to indemnify and hold ESKOLA harmless, including attorney's fees, from claims for personal injury by persons or entities whom customer or general contractor have allowed or authorized to be on the roof.

18. **Conduit and Materials Attached to Deck.** ESKOLA's price is based upon there not being electrical conduit, cables, wires or other materials embedded within the roof assembly or attached directly to the underside or topside of the roof deck upon which ESKOLA will be installing the new roof. ESKOLA is not responsible for conduit, wires, cables, pipes, fireproofing or any objects attached to the underside of the roof decking which could be damaged during installation of the new roof system or repairs.

19. **Availability of Site.** ESKOLA shall be provided with direct access to the work site for the passage of trucks and materials and direct access to the roof. ESKOLA shall not be required to begin work until underlying areas are ready and acceptable to receive ESKOLA's work and sufficient areas of roof deck are clear and available and free from water or debris to allow for continuous full operation. The expense of any extra trips by ESKOLA to and from the job as a result of the job not being ready for the Work after ESKOLA has been notified to proceed will be charged as an extra.

20. **Price Volatility**: Asphalt products, isocyanurate insulation, adhesives, steel products, and other roofing products are sometimes subject to unusual and severe price volatility and availability due to circumstances that are beyond the control of the roofing contractor. If there is a substantial increase in these or other roofing products between the date of this proposal and the time when the work is to be performed, the amount of this proposal/contract may be increased to reflect the additional cost to obtain the materials, upon submittal of written documentation and advance notice to contractor.

21. **Compliance**: Eskola LLC will maintain a safe work environment as required by OSHA and will clean and dispose of any debris of any and all work-related debris, unless otherwise specified in the scope of work listed on previous page. All work will be completed in accordance with generally accepted trade organization and industry guidelines. Eskola LLC will provide all necessary permits and handle all inspections that are required in order to comply with the building codes for the specific municipalities in which the work is performed.

22. **Existing Conditions.** ESKOLA is not responsible for leakage through the existing roof or other portions of the building that have not yet been reroofed by ESKOLA.

23. **Mold.** ESKOLA and Customer are committed to acting promptly so that roof leaks are not a source of potential interior mold growth. Customer will make periodic inspections for signs of water intrusion and act promptly including prompt notice to ESKOLA if Customer believes there are roof leaks, to correct the condition. Upon receiving notice, ESKOLA will make reasonable roof repairs. Customer is responsible for monitoring any leak areas and for indoor air quality.

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24. ESKOLA is not responsible for mold or indoor air quality. Customer shall hold harmless and indemnify ESKOLA from claims due to indoor air quality and resulting from a failure by Customer to maintain the building in a manner to avoid growth of mold. ESKOLA will not be held liable for any of the conditions in performing roof services pertaining to the scope of this proposal: indirect, special, incidental, punitive, or consequential damages, including but not limited to building structure, contents, or health problems, attributable to past, present, or future water intrusion and associated algae, fungus, mildew, or mold presence.

25. **Material References.** ESKOLA is not responsible for the actual verification of technical specifications of product manufacturers; i.e., R-value or ASTM or UL compliance, but rather the materials used are represented as such by the material manufacturer.

26. **Oil-canning.** Metal roofing and especially lengthy flat-span sheet-metal panels often will exhibit waviness, commonly referred to as “oil-canning.” The degree of oil-canning and the appearance of the panels will vary depending on factor such as the length and color of the panels, alloy, gauge, galvanizing process, substrate condition, and exposure to sunlight. Oil-canning pertains to aesthetics and not the performance of the panels and is not controlled by the roofing ESKOLA. The type of metal roofing panels specified can affect the degree of oil-canning. ESKOLA is not responsible for oil-canning or aesthetics. Oil-canning shall not be grounds to withhold payment or reject panels of the type specified.

27. **Notice of Construction Defects.** ANY CLAIMS FOR CONSTRUCTION DEFECTS ARE SUBJECT TO THE LAWS OF TENNESSEE AS IT REALTES TO NOTICE AND CURE. ESKOLA must be provided with written notice of claim of any alleged construction defect and allowed an opportunity to inspect, correct and/or repair the defect, prior to the initiation of any legal claim.

28. **Dispute Resolution.** If a dispute shall arise between ESKOLA and Customer with respect to any matters or questions arising out of or relating to this Agreement or the breach thereof, ESKOLA and Customer will seek to mediate the dispute. If mediation is not successful, arbitration shall be administered by and conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association unless the parties mutually agree otherwise. This Agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in any Court having jurisdiction thereof. Any legal claim against ESKOLA alleging any breach of this contract or negligence by ESKOLA must be initiated no later than two (2) years after ESKOLA performed the roofing installation covered by this contract. Collection matters may be processed through litigation.

ESKOLA

2418 N Morelock Road
Morristown, TN 37814
423-250-5681

TriCities Airport Wysong Hanger – Roofing
Blountville, TN

Payment Terms: Net 30 on all invoices

Pricing

- Total Project Cost……… $128,205.00
- Additional Pricing:
  - Additional Mobilization Cost: ………. $3,000.00 / Mobilization
  - P&P Bond: …………………………….+1.5%

Approved amount
$128,205.00 +
1.5% Bond - $1,923.08
=$130,128.08

Eskola hereby offers to furnish labor, materials, equipment, and supervision necessary to complete the preceding on said job in accordance with the scope of work and specifications described above and attached to this proposal in accordance with all terms and conditions of this proposal/agreement. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from the above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. This proposal subject to acceptance within 30 days and it is void thereafter at the option of the undersigned and is conditioned upon the usage of an AIA Standard Form of Agreement between contractor, owner, subcontractor, or an otherwise acceptable agreement to Eskola LLC.

Eskola, LLC Authorized Representative:

Name: Ty Konkle, Sr. Estimator Date: 02/13/2025

Authorized Signature: Ty Konkle

ACCEPTANCE OF PROPOSAL

The above prices, specifications, terms and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Customer/Owner's Authorized Representative:

Name: Kevin Pugsley, Architect Date: 2/17/25

Signature:

Kevin Pugsley

From: Dave Jones <DJones@flytri.com>
Sent: Thursday, February 13, 2025 4:23 PM
To: Kevin Pugsley; Bobot Jr., Stefan; jbates@eskolaroofing.com
Subject: FW: Wysong Hangar
Attachments: TriCities Airport Wysong Hanger Roof Rehab Proposal.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Contract, Attachement Saved

Team,
Proceed with preparing the project change order forms for the proposed roofing change order work.
Please send a schedule for the additional work as soon as you can, so I can get it to Chris/Brent/Jason and especially Paul at Wysong.
Also, Gracie said the re-issuing the security badges may not take much effort, since the access only involves the Wysong building(s)/apron area.
Stefan/Kevin,
Please forward the Atkins addendum request as well.

Thanks for everyone's help on this additional Wysong roofing work.

David W. Jones
Chief Operating Officer
Tri-Cities Airport
2525 Hwy 75, Suite 305
Blountville, TN 37617
(O) 423-325-6006
(C) 423-502-6006

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To: Dave Jones <DJones@flytri.com>; Kevin Pugsley <kevin@grcinc.com>
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Hey Guys,
Was great to meet this afternoon. Attached is the proposal for the Kee lay over. Let me know on this as soon as possible and I'll get things rolling on my end.

Thanks,

Josh Bates
Project Manager

company	Eskola Roofing & Waterproofing
mobile	(865)919-0611
email	jbates@eskolaroofing.com
website	www.eskolaroofing.com
office	2418 N. Morelock Rd. Morristown, TN 37814 (423)318-2196

CLICK HERE TO LEARN MORE

Kevin Pugsley

From: Dave Jones <DJones@flytri.com>
Sent: Monday, February 17, 2025 8:07 AM
To: Josh Bates; Kevin Pugsley
Cc: Bobot Jr., Stefan
Subject: RE: Wysong Hangar

Follow Up Flag: Follow up
Flag Status: Flagged

Team,
Send me the proposed change order on the standard CO form with the correct amount for Eskola. (I have Atkins addendum form) I won't need the bonds/signatures until next week's board meeting on Thursday.
Thanks,
David J.

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Agreed Kevin!

Get Outlook for iOS

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Thank you.

Kevin

Kevin Pugsley
RA
Senior Architect
Mobile: 410.746.1895 | Direct: 423.723.1523

CainRashWest Architects
Office: 423.349.7760 | Fax: 423.349.7413
130 Regional Park Drive
Kingsport, TN 37660
www.grcinc.com

EXPERIENCE RELIABILITY **INTEGRITY**

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CONTRACT CHANGE ORDER NO. 2

Tri-Cities Airport Authority
Blountville, TN

Date: February 17, 2025

Project: **TCA – Roofing Project, GA Hanger (Bldg 200), Wysong Hanger (Bldg 610) and Maintenance (Bldg 600) AKA – 2023 Roofing Project**

To: **Eskola, LLC – Commercial Roofing / Waterproofing**
2933 NW Park Drive
Knoxville, TN 37921

Terms: The following described changes to the above project being completed for the Tri-Cities Airport Authority are hereby authorized. This Change Order constitutes a formal amendment to the Contract entered into between parties on the 17th day of January, 2024 upon execution by duly authorized representatives of each party in the spaces below.

Change: This lump sum based change order shall provide all labor, equipment, material, and incidentals for construction of the items listed below to address those items omitted from the work and to address field conditions that were different from that which was anticipated on the plans.

Change Item No.	Description	Unit	Quanity	Unit Price	Sub-Total Cost
1	EskolaProposal - Wysong Roofing Rehab	L.S.	1	$130,128.08	$130,128.08
				TOTAL	***$130,128.08***

Justification and Need:

Item #1: Additional roof leaks were reported by the Wysong Tenants in an area of the building were we understood the only active leaks were associated with the skylights, which were replaced. This roof rehab work is to address this roof area to add about 15 years to the roof's life expectancy.

Total Additions or Reduction to Contract Price: $130,128.08
(Note: Numbers in parentheses are deductions).

ORIGINAL CONTRACT PRICE	$	1,538,221.00
Net Total of Previous Supplemental Agreement/Change Orders	$	39,932.16
Previous Revised Contract Price	$	1,578,153.16
This Change Order No. 2 ☑ Add ☐ Deduct	$	130,128.08
Revised Contract Price this Date	$	1,708,281.24

Extension of Time Resulting from this Change Order 28 (Indicate number of calendar days).

This Contract Modification constitutes full and mutual accord and satisfaction for all time and all cost related to this change. By acceptance of this Contract Modification, the Contractor hereby agrees that the modification represents an equitable adjustment to the Contract, and further, agrees to waive all right to file any further claims or changes arising out of or as a result of this change, or the accumulation of executed Contract Modifications on this Contract.

The Contractor and Owner(s) hereby agree to the terms of this Change Order as contained herein.

Consent of Surety:

____
(Company)

By: ____________ Date: ________

Contractor:

Eskola, LLC – Commercial Roofing / Waterproofing

By: ____________ Date: ________

Architect:

CainRashWest Architects

By: Kevin Pugsley Date: 2/17/25

Owner:

Tri-Cities Airport Authority

By: ____________ Date: ________

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email jbates@eskolaroofing.com

website www.eskolaroofing.com

office 2418 N. Morelock Rd.
Morristown, TN 37814
(423)318-2196

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E. Project: (State)

Consultant: Atkins Realis (Construction Administration)

Original Agreement Sum:	$ 59,998.00
Current Request	
Addendum 1	**$ 6,180.00**
Total Revised Contract to Date	$ 66,178.00

Project State Grant Funding		
State	95%	$ 1,884,200
Airport	5%	$ 99,168
	Total Project	$ 1,983,368

Project Estimated Costs	
Administration	$ 15,000
Engineering/Architectural Services (CA)	$ 30,368
Subconsultant	$ 35,810
Construction	$ 1,708,281
Construction Contingency (Remaining)	$ 89,568
Total Project	$ 1,983,368

Current Request: Addendum 1: Additional services for the Wysong Building 610 roof construction change order.

Submitted By: David W. Jones
Chief Operating Officer

AtkinsRéalis

Addendum No.1

Professional Service Agreement Addendum

THIS ADDENDUM to the AGREEMENT made and entered into December 5, 2023, by and between AtkinsRéalis USA Inc. and the Client identified herein, provides for the Additional Services described under Item 1 of this Agreement.

CLIENT: Tri-Cities Airport Authority

PROJECT NUMBER: 100088205

SHORT TITLE OF MAIN CONTRACT: GA-Maint-Wysong Roof CA

SHORT TITLE OF ADDENDUM: Additional services for Wysong Repair

1. DESCRIPTION OF ADDITIONAL PROFESSIONAL SERVICES TO BE PROVIDED BY ATKINSRÉALIS (If additional pages are necessary, they are identified as Attachment A): The original scope of work originally designed for the repair to the Wysong Hangar Roof did not fix the issue related to leaks.Therefore, the contractor, Eskola has proposed a solution to the repair/rehabilitate the existing roof to stop the leaking. The rework of the Wysong Hangar roof will require additional Engineer, Architect, and RPR services while Eskola performs the repair to the Wysong Hangar Roof.

2. THE COMPENSATION TO BE PAID ATKINSRÉALIS for providing the requested services shall be as specified below and will adjust the total price of this agreement to $66,178.00 (If additional pages are necessary, they are identified as Attachment B):

   ☐ “Time & Materials” identified in Attachment B. Time - Actual or averaged labor rate fully burned with overhead and profit. Material - travel, materials or equipment, printing and reproduction costs, and survey supplies.

   ☒A “Fixed Price” (Lump Sum) amount of $6,180.00 paid in accordance with Attachment B.

   ☐“Unit Rates”/”Unit Prices” identified in Attachment B. (Unit Rate/Price includes the cost of fully loaded labor, expenses, equipment, inclusive of profit.)

   ☐Pricing in accordance with the provisions for additional services compensation set forth in the aforementioned Agreement.

   ☐Other - Identified in Attachment B.

IN WITNESS WHEREOF, this Addendum is accepted on the later date written below, subject to the terms and conditions above-stated, and in the aforementioned Agreement.

CLIENT: Tri-Cities Airport Authority

SIGNED: ____________________
TYPED NAME: David W. Jones
TITLE: COO
DATE: ____________________

ATKINSRÉALIS USA INC.

SIGNED: ____________________
TYPED NAME: Darin Larson
TITLE: Sr. Operations Director
DATE: ____________________

ATTACHMENT B (ADDENDUM NO. 1)

ENGINEER'S ESTIMATE OF COMPENSATION
TRI-CITIES AIRPORT
GA - MAINTENANCE - WYSONG HANGAR ROOF - CONSTRUCTION ADMINISTRATION (CA)
February 14, 2025

I. BASIC SERVICES

4 Construction Administration

Phase / Activity	Manhours	Labor Rate	Total
Labor			
Program Manager	0	$245.00	$0.00
Sr. Project Manager	4	$180.00	$720.00
Design Engineer	0	$135.00	$0.00
Senior Cadd Technician	4	$125.00	$500.00
Administrative Assistant	0	$60.00	$0.00
		Subtotal:	$1,220.00
Expenses			
N/A			$0.00
		Subtotal:	$0.00
Sub Consultants			
Architectural/MEP (Cain Rash West)			$1,250.00
		Subtotal:	$1,250.00
		Adminstrative Fee on Sub Consultants:	$125.00
		Sub-Total Added Services (Lump Sum):	**$2,595.00**

II. SPECIAL SERVICES

1 Subconsultants

Resident Project Representative - 35 hrs (Armstrong Aviation at $93.00/hr)		$3,255.00
	Subtotal:	$3,255.00
Adminstrative Fee on Subconsultants	Subtotal:	$330.00
	Total Added Not-To-Exceed Special Services Compensation:	***$3,585.00***
	TOTAL ADDENDUM NO. 1 AMOUNT:	***$6,180.00***
	ORIGINAL CONTRACT AMOUNT:	*$59,998.00*
	COMBINED TOTAL (ORIGINAL AMOUNT + ADDENDUM NO. 1):	***$66,178.00***

F. Project: (Airport)

Rwy 5 Approach Surface Tree Obstruction Mitigation
TVA Reservoir Land Use Application Agreement

Summary:

The airport identified tree obstructions located on TVA property for the Rwy 5 approach surface and coordinated with TVA to prepare a tree mitigation plan. TVA agreed to a tree mitigation plan which would remove the trees which includes a Reservoir Land Use Application fee of $1,500. The tree mitigation will occur on two separate tracts of TVA land upon FAA approval to proceed with the overall airport tree obstruction mitigation program. The following is the proposed project funding plan:

Previously Approved Tree Obstruction Mitigation – TVA Property		
Airport Administration (Legal)		$ 5,000
Consultant (Design)		$ 10,228
Current		
Reservoir Land Use Application Permit (Additional Fee)		$ 1,500
Total Estimated Costs		$ 16,728
Tree Obstruction Mitigation – TVA Property Funding		
Airport	100%	$ 16,728
Total Estimated Costs		$ 16,728

Recommendation:

Authorize the President/CEO to execute the TVA - Reservoir Land Use Application and permit fee in the amount of $1,500 for the future Rwy 5 approach surface - tree obstruction mitigation.

Submitted By: David W. Jones
Chief Operating Officer

TRI IDENTIFICATION AND MITIGATION OF TVA TREES FORECAST TO PENETRATE CRITICAL AIRCRAFT APPROACH SURFACES

PURPOSE and NEED for PROJECT:
The *purpose* of this effort is to establish an agreement between the Gray Region of Tennessee Valley Authority (TVA) and Tri-Cities Airport (TRI) for the management of trees, within a certain area of TVA property, in such a manner that those trees will not become hazards to aircraft operations at TRI.

The *need* for this effort: a small parcel of TVA property within the approach surface to TRI's Runway 5 currently has trees that are within 20 feet of penetrating into approach surfaces that are required to be clear of all objects.

DESCRIPTION of the TRI APPROACH SURFACE:
TRI's Runway End 5 has a Precision Instrument Approach system that allows aircraft operations in poor weather conditions. A review of the various Federal Aviation Administration (FAA) approach surfaces, each designed to maximize the safety of aircraft using the runway, reveals that the Visual Approach Surface (VAS) is the appropriate surface to use to identify trees that could become hazards to air navigation. The VAS must be maintained free of all objects, including trees.

For this runway, the VAS surface begins 200 feet from the end of the runway pavement and is 500 feet wide, centered on the extended runway centerline. From that point, out from the runway the approach surface flares to 1,500 feet wide, 5,200 horizontal feet out from the runway end, rising with a slope of 34:1. Therefore from Runway 5 the surface begins with an elevation of 1488 msl (above mean sea level) and ends with an elevation of 1614 msl.

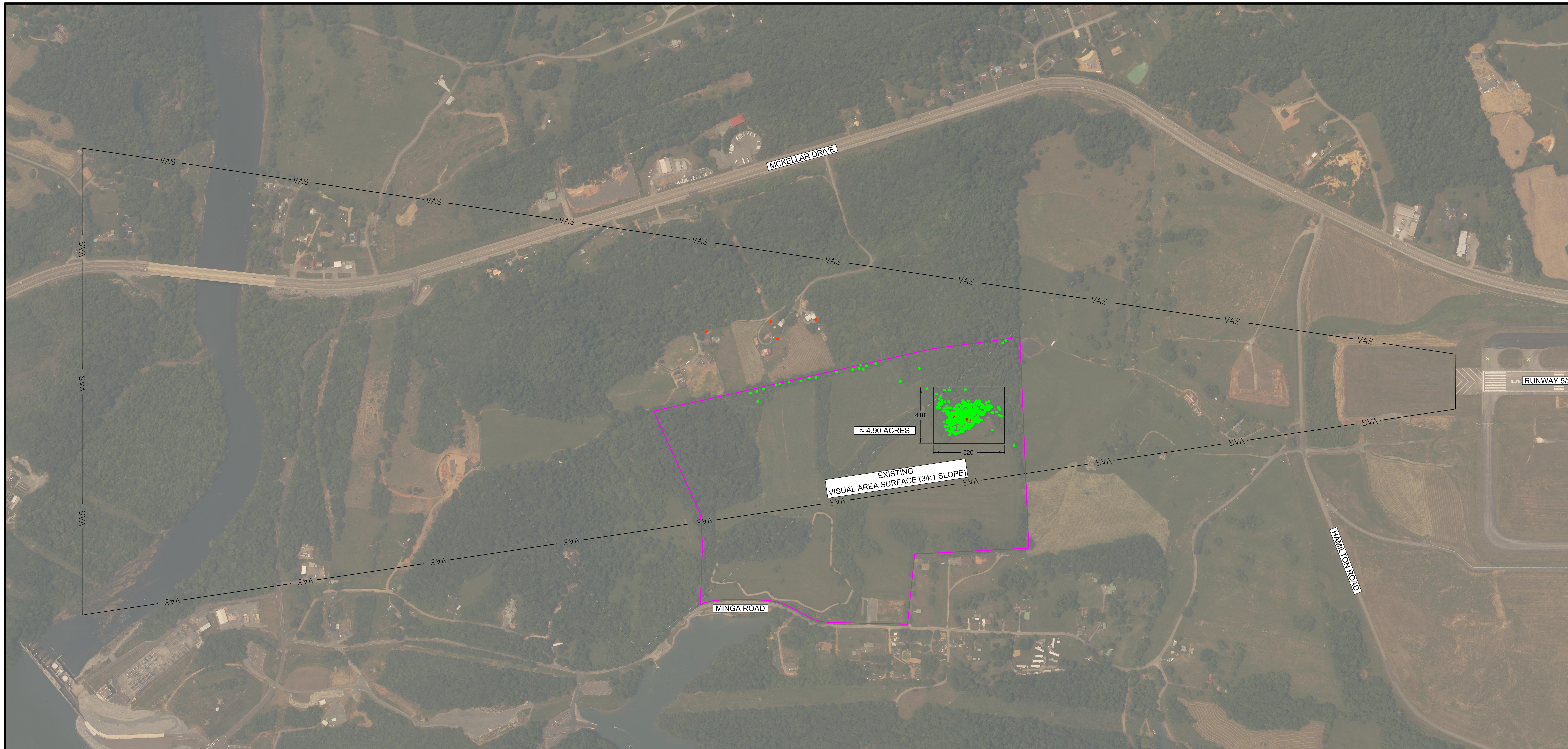
DESCRIPTION of TVA PROPERTY:
A portion of the approximately 123-acre parcel of TVA land, Sullivan County parcel # 108 018.00, north of Minga Road lies beneath the Visual Approach Surface (VAS) to TRI's Runway 5. This parcel, approximately one mile northeast of the Boone Lake Dam, consists of rolling terrain having ground elevations of 1,400 to 1,542 feet msl. Approximately 50 percent of the parcel is forested while the remainder consists of open fields of native grasses and some pastureland.

One of the forested areas, approximately 4.90 acres, has the combination of high ground and fast-growing immature trees that could lead to penetrations of the approach surface. The ground highpoint of this section is 3,755 feet from the runway end with an elevation of 1,542 feet msl. The VAS elevation at this point is 50 feet above the ground. Many of the fast-growing immature trees in this area are currently within 15-30 feet of the VAS.

MITIGATION & MANAGEMENT PLAN:

Conversations between Hanson, TRI and TVA have resulted in a working outline of a mitigation and management agreement for this area. The goal of the proposal is to present a long-term mitigation plan to ensure that vegetation in this parcel does not interfere with aircraft operations at TRI. Hanson will prepare a specification bid package for TVA and TRI to review and approve, using this outline.

- TRI:
    - Will clear the area of vegetation.
    - Will create windrows around the perimeter from the debris.
    - Will seed the area using mix of wild/native grasses as defined by TVA
- TVA
    - Will maintain the area as open pastureland and/or open prairie of native grasses in early successional vegetation.



NOTE

REFER TO EXHIBIT 2 FOR PLAN AND PROFILE.

LEGEND

— VAS —	VISUAL AREA SURFACE (VAS) 34:1 SLOPE
	TVA PARCEL BOUNDARY
●	TREE ON TVA PARCEL - WITHIN 20 FEET OF VAS
●	TREE ON TVA PARCEL
●	TREE CLOSELY CORRESPONDS TO 2014 AND 2023 SURVEY
●	TREE CLOSELY CORRESPONDS TO 2014 AND 2023 SURVEY AND WITH LESS THAN 1-FOOT OF GROWTH SINCE 2014 SURVEY

N

0' 100' 400' 800'

HALF SIZE SCALE: 1"= 800'
FULL SIZE SCALE: 1"= 400'

HANSON
Engineering | Planning | Allied Services

Offices Nationwide
www.hanson-inc.com

Hanson Professional Services Inc.
555 Marriott Drive
Suite 315
Nashville, TN 37214
Phone: 615-928-1251

TRI
TRI-CITIES AIRPORT

TRI-CITIES AIRPORT
2525 HIGHWAY 75
BLOUNTVILLE, TENNESSEE 37617

NO.	DATE	DESCRIPTION		
		DES	DWN	REV

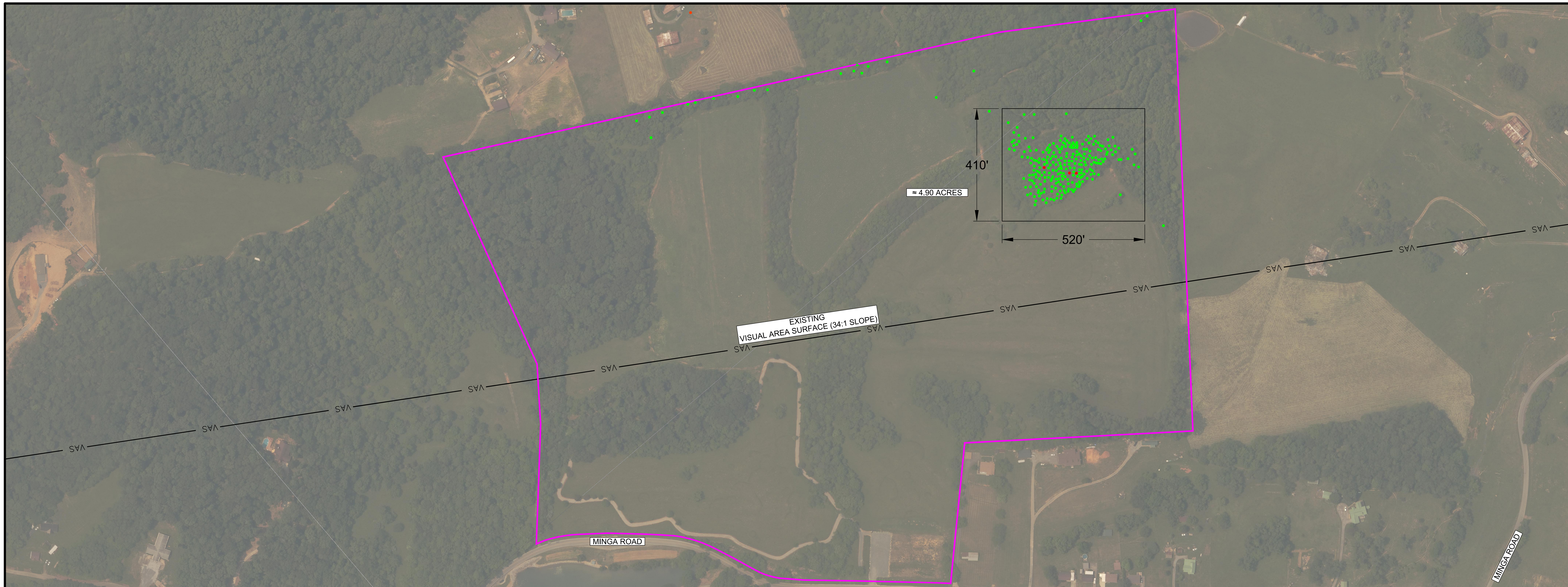
ISSUE:
PROJECT NO: 19A0014
CAD FILE:
DESIGNED BY:
DRAWN BY:
REVIEWED BY:

SHEET TITLE

TREES LOCATED ON TVA PARCEL - OVERVIEW

EXHIBIT 1

JAN 22, 2025 2:37 PM ALEXA02176
I:\19JOBS\19A0014\CAD\AIRPORT\SHEET\EXHIBITS\DISTANCE BETWEEN EX. SURFACE AND EASEMENT\PARCEL 11 - BREWER\TVA PROPERTY_RUNWAY 5 END_1_20250122.DWG

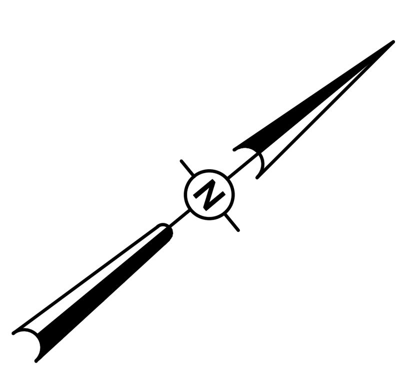


NOTES

1. REFER TO EXHIBIT 1 FOR SITE OVERVIEW.
2. TREES THAT CLOSELY CORRESPOND TO BOTH THE 2014 AND 2023 SURVEYS HAVE AN AVERAGE GROWTH OF 7 FEET.

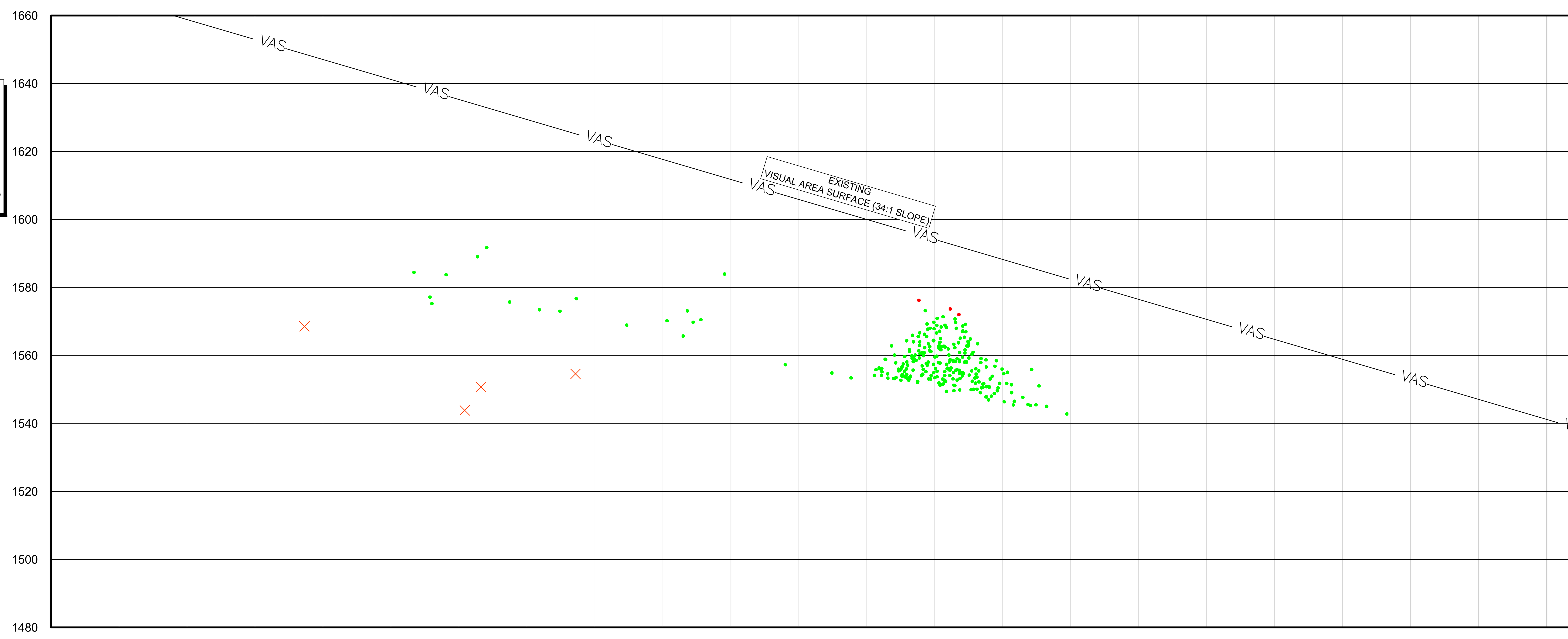
LEGEND

- VISUAL AREA SURFACE (VAS) 34:1 SLOPE
- TVA PARCEL BOUNDARY
- TREE ON TVA PARCEL - WITHIN 20 FEET OF VAS
- TREE ON TVA PARCEL
- TREE CLOSELY CORRESPONDS TO 2014 AND 2023 SURVEY
- TREE CLOSELY CORRESPONDS TO 2014 AND 2023 SURVEY AND WITH LESS THAN 1-FOOT OF GROWTH SINCE 2014 SURVEY



0' 100' 200' 400'

HALF SIZE SCALE: 1"= 400'
FULL SIZE SCALE: 1"= 200'



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TRI-CITIES AIRPORT

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2525 HIGHWAY 75
BLOUNTVILLE, TENNESSEE 37617

NO.	DATE	DESCRIPTION		
		DES	DWN	REV

ISSUE:
PROJECT NO: 19A0014
CAD FILE:
DESIGNED BY:
DRAWN BY:
REVIEWED BY:

SHEET TITLE

TREES LOCATED ON TVA PARCEL - PLAN & PROFILE

EXHIBIT 2

JAN 22, 2025 2:39 PM ALEXA02176
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TENNESSEE VALLEY AUTHORITY

RESERVOIR LAND USE APPLICATION

The Tennessee Valley Authority (TVA) is the steward for public lands and shorelines in the Tennessee Valley pursuant to the TVA Act. To apply for use of TVA reservoir land, consult with staff in the Regional Watershed Office that serves the reservoir of your request. TVA staff will help determine the appropriate initial application fee rate. Submit your completed application with the appropriate initial fee to the regional office to start application review. Your request will be examined in relation to TVA's statutory and operational interests reservoir land management plans, and its current Land Policy as determined by the TVA Board of Directors. The review is subject to the National Environmental Policy Act (NEPA). Submitting an application and payment of the initial fee or other costs does NOT guarantee approval of your request.

TVA OFFICIAL USE ONLY

RLR No.: ________ **Tract No. Assigned by Realty:** ________

1. Name and Mailing Address of Applicant:

Tri-Cities Airport
2525 Highway 75 Suite 301
Blountville, TN 37617

Telephone No. - Home: ________
Office: 423.325.6000
Cell: ________
E-mail Address: ________

2. Name, Address, and Title of Authorized Agent: *(i.e., builder, engineer) Include a letter confirming authorization.*

Gene Cossey, President & CEO,. Tri-Cities Airport
2525 Highway 75 Suite 301
Blountville, TN 37617

Telephone No. - Home: ________
Office: 423.325.6001
Cell: ________
E-mail Address: GCossey@triflight.com

3. Location:
Attach a location map and a map showing boundaries of TVA land needed.

Subdivision: ________

Subdivision Plat Lot No.: ________
Tax Map & Parcel No.: 108 018.00
Reservoir: ________
River: ________
River Mile: ________

4. Type of Land Use and TVA Action Level:
Please contact your regional watershed office to help determine the appropriate level of TVA action needed.

Approval by TVA Regional Watershed Office:
- ☒ Land Use Permit
- ☐ License Agreement
- ☐ Sufferance Agreement

(For these requests, complete only sections 1-7 and 13)

Approval by TVA Board or CEO:
- ☐ Easement
- ☐ Deed Modification
- ☐ Lease (_____ *years needed)*
- ☐ Abandonment
- ☐ Land Transfer

5. Proposed Time Schedule for your Project:

Start Date: October 2025 -- May 2026 Projected Completion Date: May 31, 2026

6. Describe your project and its purpose and intended use:
Describe the proposed development, on or off TVA land. Include a general description of proposed structures to be erected and land disturbance, including vegetation removal, fills, and/or excavations. Attach a copy of detailed plans as appropriate.
To ensure that fast maturing trees within this 4.90 acre hilltop will not penetrate the Visual Approach Surface to Runway 5.This surface, as defined by the Federal Aviation Administration (FAA), must remain free of objects including vegetation.TRI proposes to clear the area of vegetation by grinding and creating mulch. Area will be seeded with mixture of native grasses stipulated by TVA.

7. Will federal assistance be used as part of this project?
☐ Yes ☒ No If "yes", describe activity and complete Applicant Information Pre-Award Form.

Skip sections 8-12 and proceed to section 13 if your request requires approval by the Regional Watershed Office. Complete all sections (1 through 13) if your request requires approval by the TVA Board of Directors or TVA Chief Executive Officer. (Section 4)

8. Alternative Site(s) Considered: *(Include justification for rejecting alternate locations; attach explanation if needed)*

9. **Anticipated Economic Impacts of your Project:**
   A. Projected cost estimate and funding source *(if project is to be completed in phases, please include time schedule and costs for each phase)*:

   B. Number of jobs to be created - *(including construction)* Near-Term ______ Long-Term ______

   C. Negative socioeconomic impacts considered:

   D. Expected public and investor benefits:

10. **Describe Anticipated Environmental Impacts:** *(Include copies of reviews, assessments, or letters from federal or state agencies)*
    This project includes the removal of 4.90 acres of trees from Runway End 5. This tree removal was part of a larger project evaluated under a Federal Aviation Administration (FAA) Environmental Assessment (EA). The EA looked at tree removal across all four runway ends at the Airport. The FAA reviewed the project and issued a Finding of No Significant Impact (FONSI) on June 10, 2022. See Attached FONSI and EA. The EA also contains copies of the agency letters in question 11.

11. **List all permits, approvals, or certifications required by other federal, state, or local agencies:**
    (Include those required for any structure, construction activity, discharge, or other activities described in this application. Attach copies)

Issuing Agency	Type of Approval	Identification Number	Date of Application	Date of Approval
U.S Fish and Wildlife	Concurrance	2022-0033623	April 1, 2019	April 22, 2022
U.S Army Corps of Engineers	Concurrance	LRN-0-4973200	April 1, 2019	April 17, 2019
TN Historical Commission	Concurrance	SHPO0001776	April 1, 2019	March 02, 2023

12. **Has any agency denied approval for the project described herein or any activity related to the project?**
    ☒ No ☐ Yes *(If "Yes", attach explanation)*

13. **AUTHORIZATION FOR TVA TO PROCESS YOUR APPLICATION:**

Application is hereby made for approval of the land use described herein. I certify that I am familiar with the information contained in this application, and that to the best of my knowledge and belief such information is true, complete, and accurate. I further certify that I possess the authority to undertake the proposed activities. By submitting this request, I understand credit checks will be performed as part of the normal business procedure. Additional financial information may be requested.

PAYMENT TERMS: Payment for land use application processing fees, land transactions, and any related costs are due Net thirty (30) days from the date of invoice. On any overdue payment, TVA shall charge interest at the rate payable by TVA under the United States Prompt Payment Act (31 U.S.C. §§#3901-3906) from the date payment is due until the date TVA receives payment. Payment of interest shall be due within thirty (30) days after TVA's invoice for such interest is dated. Failure by the Applicant to pay all invoices within sixty (60) days will result in termination of the request.

I understand TVA charges an initial application fee that is appropriate to the type of request, and that full cost recovery is required for certain actions. I understand and agree to pay all of TVA's costs associated with the processing of this application. Upon receipt of a complete application and the appropriate initial application fee, TVA will initiate a review of my land use request. I understand TVA will invoice me monthly for any review processing costs that exceed the initial application fee. Upon completion of the draft instrument, a standard closing cost fee, if applicable, will be assessed for deed execution, mailing, and filing. Payment of any fee does not guarantee TVA approval. TVA may impose terms and conditions at the time of the approval. The processing fees are in addition to any payment required for the purchase or use of the TVA land. Any unused portion of the initial processing fee will be refunded.

Date ______ **Signature of Applicant** ______

FOR TVA USE ONLY					
Date Application & Fee Received	*BSR Initials*	*Date PL ready to request shortcode*	*Project Lead Initials*	*Date of Manager Concurrence*	*Manager Signature*

Legal Counsel,
Stephen Darden

Verbal Report

Director of Finance,
Rachel Squibb

Verbal Report

Tri-Cities Airport Authority
February 27, 2025

REPORT:

December 2024 Budget Report

Summary:

Revenues for the first half of fiscal year 2025 were greater than budgeted amounts by $315,109 or 7%. The most significant positive variance revenue categories, revenues greater than budgeted, were Parking Revenues, Rental Car and Other Revenues. The significant increase in Parking Revenue was approximately 14% over the year-to-date budget in the amount of $197,818. The actual increase in car count from Dec 2023 to Dec 2024 was up 9.5%.

Actual expenditures for the first half of fiscal year 2025 were more than budgeted by $74,092 or 1.5%. Results in the various categories of expenses are mixed. The most significant negative variance, expenses greater than budgeted, was for Terminal Area. Terminal Area cost center accounts for expenses related to the daily operations of the terminal as well as repairs and maintenance. Within the first 6 months, we have experienced numerous repairs on HVAC system in both the administrative hall and baggage claim area; roof leaks in baggage claim and terminal area; drain line repairs; and significant repairs to the jetway bridge. Another area of overbudget is Airfield Area ($59,867) or (-51%). The overrun of budget for Airfield Area is due to a sinkhole repair cost.

To summarize, actual results yielded Net Operating Income of $530,062 for the first half of FY2025 ended December 31, 2024. This result was $241,017 greater than the budgeted Net Operating Income amount of $289,045 expected for the period. While it is still early in the FY 2025 year, with concerns about the economy and current inflation, the positive results for the first six months of FY 2025 are welcomed. The overall net result appears reasonable and in line with statistics for the current year (FY 2025) versus last year (FY 2024).

Submitted by: Rachel Squibb
Director of Finance

Tri-Cities Airport Authority

FY 2025 Operating Budget

12/31/2024

8:38:49 AM 2/10/2025

Current Actual	Current Budget	Dollar$ Variance	General Ledger		Year-to Date	Approved Budget	Year-to-Date Budget	Year-to-Date $ Variance
$57,810	$63,883	($6,073)		Airline Landing Fees	$392,952	$766,600	$383,298	$9,654
145,868	149,766	(3,898)		Airline Rents	882,720	1,797,200	898,596	(15,876)
203,678	**213,649**	**(9,971)**		**TOTAL AIRLINE REVENUE**	**1,275,672**	**2,563,800**	**1,281,894**	**(6,222)**
92,674	95,292	(2,618)		General Aviation	590,924	1,143,500	571,752	19,172
8,058	9,050	(992)		Air Cargo	48,147	108,600	54,300	(6,153)
254,918	243,708	11,210		Parking Revenue	1,660,066	2,924,500	1,462,248	197,818
156,519	145,307	11,212		Rental Car Revenue	961,004	1,743,700	871,842	89,162
38,471	20,809	17,662		Terminal Concessions	132,616	249,700	124,854	7,762
(13,122)	9,374	(22,496)		Terminal Space Rents	35,697	112,500	56,244	(20,547)
33,285	29,792	3,493		Other Revenues	212,869	357,500	178,752	34,117
570,803	**553,332**	**17,471**		**TOTAL NON-AIRLINE REVENUE**	**3,641,323**	**6,640,000**	**3,319,992**	**321,331**
774,481	**766,981**	**7,500**		**TOTAL REVENUE**	**4,916,995**	**9,203,800**	**4,601,886**	**315,109**
23,914	24,467	(553)		Airfield Area	176,996	245,500	117,129	59,867
9,491	7,127	2,364		Aviation Properties	52,390	59,000	39,828	12,562
153,900	123,753	30,147		Terminal Area	586,312	884,100	459,342	126,970
3,238	2,939	299		Air Cargo Center	19,635	31,000	23,620	(3,985)
14,120	11,252	2,868		Other Properties	65,071	114,600	62,731	2,340
108,286	128,007	(19,721)		Public Safety	750,955	1,542,000	773,695	(22,740)
86,541	73,180	13,361		Maintenance Dept.	447,443	908,800	466,489	(19,046)
46,524	56,426	(9,902)		Janitorial Dept.	309,842	719,200	358,902	(49,060)
5,604	20,768	(15,164)		Airport Services	35,047	184,000	87,150	(52,103)
41,395	41,454	(59)		Public Parking	248,764	515,900	266,581	(17,817)
13,364	16,439	(3,075)		Trade Development	83,691	182,500	90,456	(6,765)
48,519	48,320	199		Marketing Dept.	406,371	934,600	368,127	38,244
13,037	18,290	(5,253)		Ground Handling Services	91,465	196,600	102,757	(11,292)
5,243	7,966	(2,723)		Airport Business Dev	41,861	181,000	52,456	(10,595)
209,796	227,433	(17,637)		Administrative	1,071,090	1,975,600	1,043,578	27,512
782,972	**807,821**	**(24,849)**		**TOTAL EXPENSES**	**4,386,933**	**8,674,400**	**4,312,841**	**74,092**
($8,491)	**($40,840)**	**$32,349**			**$530,062**	**$529,400**	**$289,045**	**$241,017**

Tri-Cities Airport Authority
December 12, 2024

REPORT:

CASH BALANCE REPORT - December 31, 2024

Operating Cash	$	12,798,562
Dedicated Funds		5,443,049
PFC Funds - Restricted		852,284
CFC Funds - Restricted		767,865
Bond Fund - Aerospace Park - Restricted		2,348,716
Total Funds	$	22,210,476

Note: Above does not include cash on deposit with the Sullivan County Trustee; in the amount of $35,979; constituting the debt service reserve fund for the Series 2014A. Bonds

BONDED DEBT- December 31, 2024

$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

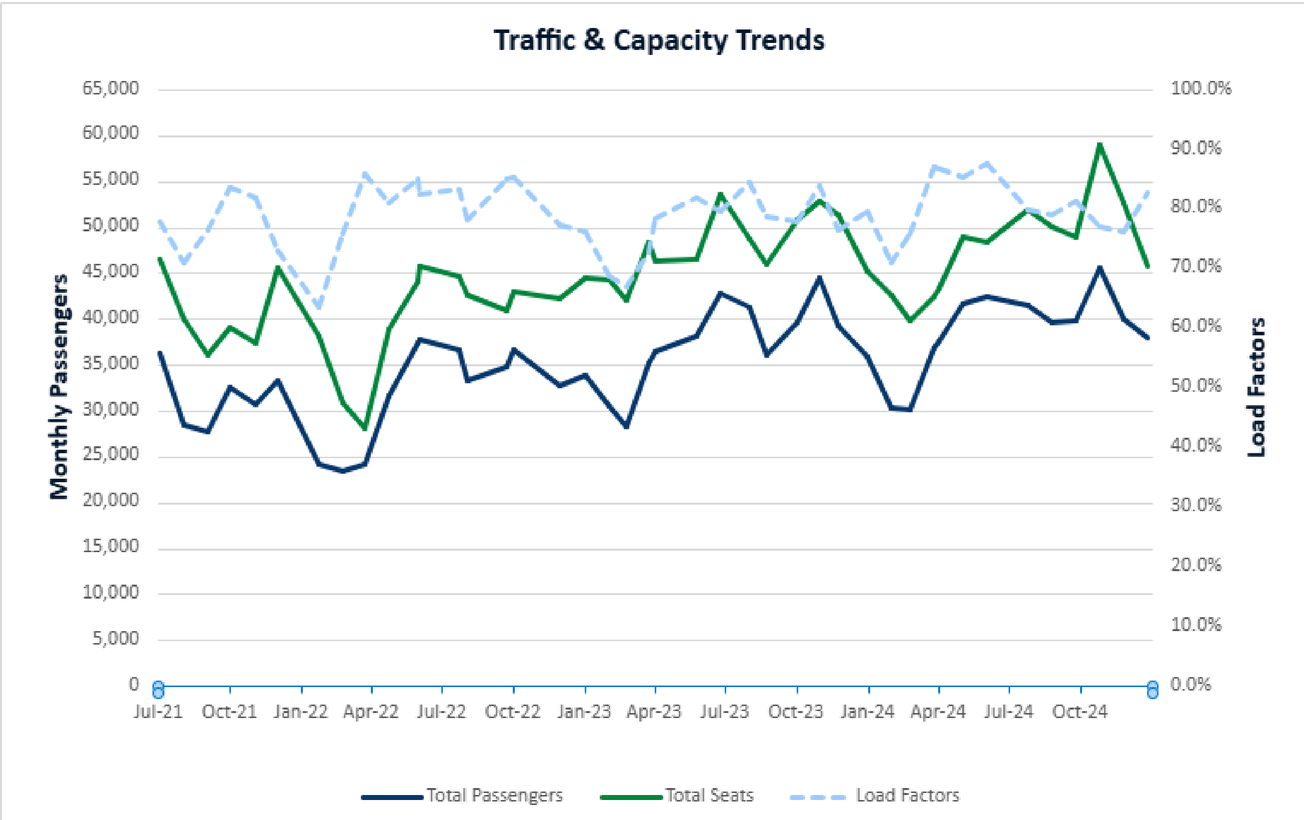
Marketing and Communications Specialist,
Kylie Toler

Verbal Report

REPORT:

Air Service Development & Marketing Report

Air Service Development:



- **Passenger Trends and Capacity:**
  - December passenger counts were 37,919 reflecting a 5.2% increase year-over-year.
  - December seat capacity was 45,820 reflecting a 1.4% increase year-over-year.
  - December load factors were 82.8%, reflecting a 3.9% increase year-over-year.
  - April 2025 seat capacity is projected at 24,371, reflecting a 7.7% increase year-over-year.
- **Airline Schedules: *(March – July)***
  - Allegiant Air
    - Monthly Frequency
      - March – May: 4x/week
      - June – July: 5x/week
  - PIE (St. Petersburg-Clearwater): Seasonal service 2x/week through August.
  - SFB (Orlando-Sanford): Year-round service 3x/week through August.
  - American Airlines
    - CLT (Charlotte):
      - Average of 6 daily flights.

            - Aircraft: primarily ERJ-145s.
        - DFW (Dallas/Fort Worth):
            - March, June, and July – 2x/day.
            - Aircraft: ERJ-175s & 170s
    - Delta Air Lines
        - ATL (Atlanta):
            - Average of 6 daily flights
            - B717 returns June and July.
            - Aircraft: primarily CRJ-700s and CRJ-900s

- Participated in monthly ACI-NA Air Service Committee Steering Group meeting.
- Met with regional organization that will be supporting air service development efforts through airline incentives.
- Met virtually with Sun Country Airlines.
- Hosted site visit for potential airline and provided tour of airport.

Advertising, Community Relations, Customer Experience:

- The fly local advertising campaign continues with a mix of deployed tactics such as programmatic display, paid search, paid social, cable, OTT, billboards, mixed digital and broadcast, and radio.
- The TRI social media strategy continues to see success across channels. On Facebook and Instagram we have seen an increase in followers and high levels of engagement, which indicates growing interest in our brand and a strong community. LinkedIn continues to grow, providing a unique environment that fosters professional connections and offering different opportunities for interaction compared to other platforms. X continues to fluctuate, but we're holding steady, maintaining our presence and providing updates on the platform. Paid social strategy continues to increase reach and promote high levels of engagement to support our objectives and enhance marketing efforts.
- Our revamped email strategy has led to a notable increase in sends and open rates, while also significantly reducing unsubscribes. This is a positive indicator of a more engaged and receptive audience, demonstrating that our content is resonating and connecting with our audience.
- We continue to connect with our community and passengers to improve customer experience. Recent events include our Pol-Air Express holiday event and a Valentine's Day giveaway with cards and candy.
- Since the December TCAA meeting:
    - Staff attended AAAE Social Media Summit December 9-11.
    - Staff participated in internal meetings to discuss FBO transition.
    - Marketing Team met regularly to discuss current and upcoming projects.
    - Held Marketing & Air Service Development Committee.
    - Represented TRI at Chamber and community events.
    - Staff attended Regional Legislative Breakfast.
    - Staff met with HandsOn! To discuss current partnership and other opportunities.
    - Participated in internal meetings discussing various updates and possible improvements at TRI.
    - Hosted Bristol Chamber Executive Leadership class.
    - Met with potential vendor for CX program assistance.

- Staff met with Six Rivers Media Editorial Board.
- Met with potential in-airport advertisers.
- Provided multiple airport tours.
- Handled media inquiries and scheduled interviews.
- Staff will be attending Northeast Tennessee Tourism Association Legislative Day on the Hill February 25-27.
- Staff will be attending ACI-NA Customer Experience Symposium March 3-5.

Submitted by: Trevor Rice
Director of Marketing & Air Service Development

Staff Report:

Director Business Development

Mark Canty

REPORT:

Business Development

Summary:

- On January 20, 2025, we published a Request for Qualifications (RFQ) to identify qualified developers interested in designing, financing, and constructing a large spec hangar in Aerospace Park for the purpose of attracting aviation-related industry. The closing date for the RFQ of February 20 occurred after this report was written so a verbal update will be provided to the TCAA Board.

- We are working with a local businessperson to lease office space and to lease land for hangar construction. The office and the hangar will each potentially be used for aircraft storage, aircraft rentals, flight training, and other activities which fall under the category of Specialized Aviation Services Operations (SASO). SASO activities require an agreement between the Airport and the Operator and have a fee structure based on which activities are performed.

- The Economic Development Committee met on February 12 and discussed, among other things, the recently implemented emergency tariffs places on goods from Mexico, Canada, and China as well as the across-the-board 25% tariffs placed on steel and aluminum. In addition to the tariffs themselves we discussed Foreign-Trade Zone and how it ties in with both increasing tariffs in general as well as emergency / national security tariffs.

- We are preparing for MRO Americas 2025 to be held in Atlanta from April 8-10. As always, we will have a booth at the show and will be joined by our partners NETWORKS Sullivan Partnership as well as our aviation industrial development consultant David Lotterer of JLL.

- We continue to follow up on two site relocation / development projects brought to us by NETWORKS Sullivan Partnership and JLL.

- I presented on Foreign-Trade Zone at the Bristol, TN IDB Meeting on February 24.

Submitted by: Mark Canty
Director of Business Development

Staff Report:

Operations Report

Deputy Executive Director, David Jones

REPORT:

Capital Project Update

FY 2023 CAPITAL PROJECTS

1. **Airport Master Plan Update Project (Professional Services)**

   Atkins Realis - FAA approved the Forecast and aerial survey mapping. The Inventory and Sustainability sections are complete. Alternatives are being finalized into the ALP, with financials and Exhibit A in progress.

   Project Amount $ 1,432,847.00
   Estimated Project Percent Completion 70%

2. **Airport Terminal Public Adress System Improvements Project (Design/Bid)**

   Meade & Hunt - The consultant is currently performing project design, cost analysis, planning and budget estimating for a construction project.

   Project Amount $ 141,070.00
   Estimated Project Percent Completion 60%

FY 2025 CAPITAL PROJECTS

1. **Airport - Public Parking Lot Expansion (Construction)**

   Summers and Taylor, Inc. - The contractor mobilized with on-site material deliveries and erosion controls. Construction is scheduled to begin in April 2025.

   Project Amount $ $ 1,538,221.00
   Estimated Project Percent Completion 5%

2. **Airport - Twy A Extension, Twy C Removal West of Rwy 23 and Rwy 5 RSA Improvements (Construction)**

   Summers and Taylor, Inc. - The contractor is in the process of submitting product materials for review and approval along with programming construction work to begin in April 2025.

   Project Amount $ $ 7,375,279.00
   Estimated Project Percent Completion 5%

3. **Airport – General Aviation Box Hangar – Phase 2 (Construction)**

JA Street and Associates - The contractor installed concrete footings and flooring along with utility installations to support the new hangar. The metal building structural framing is complete with siding and roofing underway. Hangar door installation, sprinkler system and final utility installation are underway. Lighting and heating to be completed in February.

Project Amount	$ $ 2,497,855.00
Estimated Project Percent Completion	85%

4. **Airport – Rental Car QTA Facility - EV Charger Installation (Construction)**

Allen Brothers Construction, Inc. - The contractor substantially completed the project and is in the close out and warranty phase.

Project Amount	$ $ 106,841.00
Estimated Project Percent Completion	100%

Submitted by: David W. Jones
Chief Operating Officer

President/CEO,
Gene Cossey

Verbal Report