



DULUTH AIRPORT AUTHORITY

DULUTH AIRPORT AUTHORITY MEETING AGENDA APRIL 19, 2022

AMATUZIO CONFERENCE ROOM DULUTH INTERNATIONAL AIRPORT

Click below to access meeting by Microsoft Teams:

<https://duluthairport.com/wp-content/uploads/2022/04/4-DAA-April-Notice.pdf>

I *EXECUTIVE DIRECTORS REVIEW

Information Letter to DAA Directors.

II *APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS

A. Approval of March 15, 2022 Meeting Minutes.

III *DAA CASH DISBURSEMENTS

A. Operating Cash Disbursement Sheets #7, #8, #9, #10, #11 and #12, 2022; Operating ACH Payment Registers #8, #9, #10, #11 and #12, 2022; Construction Fund Disbursement Sheet #3 and #4, 2022.

IV *CORRESPONDENCE

- A. March 14, 2022 Congratulation Letter from MN Council of Airports (MCOA) to DAA Executive Director, Mr. Tom Werner, for Being Selected for the Outstanding Leadership in the Promotion of Aviation in Minnesota Award.
- B. March 2, 2022, E-Mail from Monaco Air Foundation with Summary of March 2022 Activities.
- C. Link for Metropolitan Airports Commission (MAC) Minutes --
<https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx>.

V OPPORTUNITY FOR PERSONS TO BE HEARD

VI OLD BUSINESS

None

VII NEW BUSINESS

- A. Resolution to Accept Grant Agreement between the Duluth Airport Authority and MnDOT in the Amount of \$53,300.00 (100%) for the Seaplane Base Improvements and AD Building Study at Sky Harbor Airport (DYT).



- B. Resolution to Accept Grant Agreement between the Duluth Airport Authority and MnDOT in the Amount of \$63,840.00 (70%) for the Hangar 101 Environmental Assessment at Duluth International Airport (DLH).
- C. Resolution to Award 2022 DYT Apron Rehab Project to KGM Contractors in the Amount of \$344,632.50.
- D. Resolution to Approve Work Order 2022-4 Construction Administration Agreement for DYT Apron Rehab Project between Duluth Airport Authority and Short Elliot Hendrickson, Inc.
- E. Resolution to Approve the Operating Agreement for Third-Party Contractor Ramp and Passenger Service Between the Duluth Airport Authority and Unifi Aviation, LLC.
- F. Resolution to Approve the Sky Harbor Air Tour Operating Agreement Between the Duluth Airport Authority and Weidendorf Investments LLC DBA Scenic Airrides.
- G. Resolution to Approve the Sky Harbor Airport Hangar 1 Seasonal Space Lease Agreement Between the Duluth Airport Authority and Weidendorf Investments LLC DBA Scenic Airrides.
- H. Resolution Seeking Exception to Duluth City Council Resolution 01-0324R Declaring Council's Policy on Residency of Members of Boards and Commission.
- I. *February 2022 Financial Reports.
- J. *March 2022 Accounts Receivables.
- K. *March 2022 Airline, Cargo Statistics & Landline Statistics.

VIII DIRECTORS REPORTS

Items annotated by an (*) are approved by consent and require no discussion or action unless questioned by a Director (In accordance with resolution passed by Directors on March 19, 2002).



DULUTH INTERNATIONAL AIRPORT

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DATE: April 19, 2022

TO: Duluth Airport Authority Board of Directors

FROM: Executive Director

SUBJECT: Executive Director's Review

The following items will be briefed during the Executive Director's Review. If action is required of the DAA on any of these items, they will also appear on the agenda. If you have questions or desire additional information, please contact me and I will provide it at the DAA meeting.

AIR SERVICE

- Passenger statistics will be presented at the meeting

OPERATIONS/CONSTRUCTION/PLANNING

- Planning
 - AFTIL Study Update
- Construction
- Operations and Maintenance
 - Airport Management Intern
 - CY22 Capital Improvement Plan Update
 - Innovative Magnetic Technology Partnership
- Sky Harbor
 - Building Area Master Plan Update

BUSINESS/PROPERTY DEVELOPMENT

- Construction Management RFQ
- Airline Use and Lease Agreement Consultant RFQ Update
- ACDBE Annual Report Submission

FINANCIAL UPDATE

- NSR

MARKETING/COMMUNICATIONS

- Consumer Survey



DULUTH INTERNATIONAL AIRPORT

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LEGISLATIVE UPDATE

- Airport Tax Legislation
- 148th Fighter Wing Aircraft Shelter Legislation

PRESENTATIONS/TOURS/TRAVEL RECAP

- Minnesota Airport Conference

OTHER

- NSR

Submitted by,

Tom Werner, C.M.
Executive Director



DULUTH INTERNATIONAL AIRPORT

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DRAFT

MINUTES OF THE MEETING

DATE: March 15, 2022

PLACE: Amatuzio Conference Room
Duluth International Airport, Duluth, MN

DIRECTORS PRESENT: Craig Fellman
Kim Maki
Todd Fedora
Elissa Hansen

DIRECTORS PARTICIPATING VIA ELECTRONICS
MEANS:

Jeff Anderson

DIRECTORS ABSENT Kevin O'Brien

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Steve Hanke, Assistant City Attorney
Mark Papko, Director of Operations
Natalie Peterson, Director of Communications & Marketing
Jana Kayser, Business Development Manager
Joelle Bodin, Finance & Administration Director
Ryan Welch, Airside Manager
John Graves, Airport Facilities Manager
Shawn McMahon, SEH
Rob Missinne, Monaco Air
Dan Bass, Citon

OTHERS PARTICIPATING VIA ELECTRONICS

MEANS: Kathy Leon, Confidential Bookkeeper
Don Monaco, Monaco Air
Scott Sannes, SEH
Matt Stewart, SEH
Alison Andrashko, SEH

President Fellman welcomed everyone to the DAA March Board meeting and called it to order at 8:00 a.m. He performed roll call -- Dir. Fedora, Dir. Maki, Dir. Hansen present, Dir. Anderson participating virtually, and Dir. O'Brien absent. He invited Mr. Tom Werner to update on the Executive Director's review:

- Air Service: Mr. Werner presented the airport air service update reviewing February total passengers, airline load factors, seats, essential air service markets and other national and local air services news.

- Planning, Operations, and Maintenance:
 - Planning & Operations: Mr. Mark Papko, Director of Operations, updated on the AFTIL reimbursement agreement, currently 17 in the queue. Reviewed President Biden's visit, outstanding work by the team in preparation for Air Force One. Have met with Customs Border Protection (CBP) and issued letter of intent for the terminal to pursue being fully certified as FIS facility, spoke on the process; Mr. Werner detailed further. Mr. Papko spoke on the Capital Improvement Plan (CIP) which will be formally approved in April; overviewed and detailed on projects. Questions and discussion followed.
 - Sky Harbor – Mr. Papko briefed on General Aviation Facility and CBP mobile clearance option; Mr. Werner detailed further. Mr. Papko reviewed the two CIP projects for Sky Harbor.
- Business/Property Development: Ms. Jana Kayser, Business Development Manager, explained the RFQ for airport consulting services to assist with the new airline lease and use agreement, this is posted and will close on April 7th. She presented on the Hangar 104 appraisal and staff recommendations highlighting background, location, and appraisal report; the staff recommends maintaining ownership, making the necessary improvements and improve building safety. Questions and discussion followed.
- Financial: Ms. Joelle Bodin, Finance & Administration Director, briefed on the revisions for purchasing operating policy #18 and ARPA concessionaire relief. Reviewing lease management programs, anticipate moving forward with one soon.
- Marketing/Communications: Ms. Natalie Peterson, Director of Communications and Marketing, recapped the Duluth and St. Louis County at the Capitol Days held on March 9th and 10th, a very successful, fun event. The TSA pre-check started this week, event is booked up but accepting walk-ins, very high demand, positive event for the customers.
- Legislative: Mr. Werner reviewed the AAAE Legislative Conference held in Washington DC, met with congressional delegation, very good meetings and discussions.
- Presentations: Mr. Werner presented the Master Plan to the Hermantown Chamber in February, very well attended. Also spoke to the Transportation and Logistics Managements class at UWS.
- Other: Mr. Werner mentioned the Federal mandate for masks at airports and on airplanes has been extended through April 18th.

Pres. Fellman thanked everyone for their great reviews; questions and discussion followed on several executive review items. Dir. Fedora moved to approve the February 15, 2022 meeting minutes and consent items. Dir. Maki seconded. Roll call, Dir. Anderson, Dir. Fedora, Dir. Hansen, Dir. Maki and Pres. Fellman all ayes, motion carried.

CONSENT ITEMS

Operating Cash Disbursement Sheets #5, and #6, 2022; Operating ACH Payment Register #5, #6 and #7, 2022; Construction Fund Disbursement Sheet #2, 2022, and Construction ACH Register #1, 2022.

Airport news: DAA news release "Duluth International Airport to Host Precheck Pop-Up Event" and DNT article "Biden Arrives in Duluth Aboard Air Force One".

E-mail from Monaco Air Foundation with summary of February 2022 activities.

Link for Metropolitan Airports Commission (MAC) minutes -- <https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx>.

January 2022 financial report, February 2022 accounts receivables, and airport statistics; January 2022 Landline statistics.

OPPORTUNITY FOR PERSONS TO BE HEARD

Virtually, Mr. Don Monaco, Monaco Air Duluth, commented on the Hangar 104 discussion regarding the appraisal and recommendation. Monaco Air is willing to negotiate with DAA to purchase the hangar and strongly recommended discussions with tenant in mind to determine improvements and rental rates. Mr. Monaco was thanked for his comments.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Papko and Mr. Werner expressed their appreciation and spoke on the outstanding service each individual employee accomplished; they recommended approval for the incentive awards. Dir. Maki moved to approve the resolution for employee incentive awards for the above and beyond outstanding performances to Amanda McDonald, Dan Taylor, and Matt Johnson in the amount of \$600 pursuant to the Duluth Airport Authority's Operating Policy #5. Dir. Hansen seconded. Discussion followed. Roll call – all ayes. Motion carried.

Mr. Papko reviewed the construction administration for the runway lighting project. Dir. Fedora moved to approve the resolution for the Work Order 2022–3 between Duluth Airport Authority and SEH, Inc. for Runway 3-21 lighting and signage upgrade construction administration. Dir. Hansen seconded. Roll call -- Dir. Anderson abstained, Dir. Fedora, Dir. Hansen, Dir. Maki, and Pres. Fellman ayes, motion carried.

Mr. Papko spoke on the construction contract and bids, questions followed. Dir. Maki moved to approve the resolution to accept and award the construction contract for the Runway 3-21 lighting and signage upgrade project to PEC Solutions LLC for \$559,184.00. Dir. Hansen seconded. Roll call – all ayes. Motion carried.

Ms. Kayser explained the office lease agreement. Dir. Hansen moved to approve the resolution for the terminal office lease agreement between the Duluth Airport Authority and Kleen-Tech Services, LLC. Dir. Maki seconded. Roll call – all ayes. Motion carried.

Ms. Bodin overviewed the property and boiler insurance policies and recommended approval. Dir. Hansen moved to approve the resolution authorizing an agreement to insure certain Duluth Airport Authority property and equipment under the City of Duluth's property and boiler insurance policies. Dir. Anderson seconded. Roll call-- all ayes. Motion carried.

DAA Minutes
March 15, 2022
Page 4

Ms. Bodin spoke on the final relief reimbursement and CFC's; she recommended approval. Dir. Maki moved to approve the resolution to approve CFC use for payment of remaining unpaid 2020 minimum annual guarantees for rental car agencies as set forth in Exhibit A. Dir. Hansen seconded. Roll call – all ayes. Motion carried.

Dir. Hansen moved to adjourn the meeting; President Fellman seconded and adjourned the March 15th DAA board meeting at 9:20 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  DATE: 11 APR 22

**Duluth Airport Authority
DAA Operating Check Register #7-2022
March 3, 2022 - March 4, 2022**

Document Number From 11096 to 11110

Document Number	Date	Transaction Type	Payee	Amount
11096	3/4/2022	BILLPMT	Benson Electric Company	\$3,303.01
11097	3/4/2022	BILLPMT	CDW Government	\$20.31
11098	3/3/2022	CHK	Citi Cards	\$6,699.46
11099	3/4/2022	BILLPMT	Curtis Oil & Propane	\$531.03
11100	3/4/2022	BILLPMT	Dalco	\$1,388.11
11101	3/4/2022	BILLPMT	iFIDS.com Inc.	\$125.00
11102	3/4/2022	BILLPMT	MN Dept of Labor and Industry	\$700.00
11103	3/4/2022	BILLPMT	Nextera Communications	\$1,255.63
11104	3/4/2022	BILLPMT	Paul Bunyan Communications	\$1,160.00
11105	3/4/2022	BILLPMT	Republic Parking System, LLC	\$1,100.00
11106	3/4/2022	BILLPMT	Skyline	\$248.18
11107	3/4/2022	BILLPMT	Sun Control of Minnesota	\$276.50
11108	3/4/2022	BILLPMT	University of Minnesota	\$6,750.00
11109	3/4/2022	BILLPMT	Viking Automatic Sprinkler	\$460.00
11110	3/3/2022	CHK	WF Bus Payment Processing - Tom	\$1,447.32
Total				\$25,464.55



Airport Director

Airport Authority

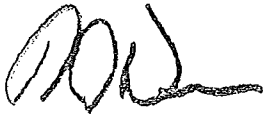


City Treasury

Duluth Airport Authority
DAA Operating Check Register #8-2022
March 10, 2022


Document Number From 11111 To 11125

Document Number	Date	Transaction Type	Payee	Amount
11111	3/10/2022	BILLPMT	AT&T Mobility	\$354.48
11112	3/10/2022	BILLPMT	Century Link	\$144.00
11113	3/10/2022	BILLPMT	City Of Duluth Comfort Systems	\$15.11
11114	3/10/2022	BILLPMT	Dalco	\$69.26
11115	3/10/2022	BILLPMT	Duluth Area Chamber Of Commerce	\$245.58
11116	3/10/2022	BILLPMT	General Security Services Corporation	\$19,437.20
11117	3/10/2022	BILLPMT	IdentiSys Incorporated	\$824.41
11118	3/10/2022	BILLPMT	iFIDS.com Inc.	\$0.01
11119	3/10/2022	BILLPMT	Landrum and Brown, Incorporated	\$2,465.63
11120	3/10/2022	BILLPMT	Matthew Snell	\$20.97
11121	3/10/2022	BILLPMT	Menards - West Duluth	\$8.25
11122	3/10/2022	BILLPMT	Minnesota Power	\$37,356.13
11123	3/10/2022	BILLPMT	State of MN Dept of Public Safety EPCRA Program	\$25.00
11124	3/10/2022	BILLPMT	Thyssen Krupp Airport Systems, Inc.	\$1,295.00
11125	3/10/2022	BILLPMT	Waste Management of WI-MN	\$4,856.77
			VOID check #11118	-\$0.01
Total				\$67,117.79



Airport Director

Airport Authority



City Treasury

Duluth Airport Authority
DAA Construction Check Register #9-2022
Operating **March 18, 2022**

Document Number From 11126 To 11154

Document Number	Date	Transaction Type	Payee	Amount
11126	3/18/2022	BILLPMT	Advanced Services, Inc	\$125.00
11127	3/18/2022	BILLPMT	Aramark	\$864.43
11128	3/18/2022	BILLPMT	Batteries Plus	\$129.58
11129	3/18/2022	BILLPMT	Border States	\$707.19
11130	3/18/2022	BILLPMT	Century Link	\$190.88
11131	3/18/2022	BILLPMT	City Of Duluth Comfort Systems	\$21,651.82
11132	3/18/2022	BILLPMT	Como Lube & Supplies	\$2,716.45
11133	3/18/2022	BILLPMT	Coyland Creek	\$1,640.00
11134	3/18/2022	BILLPMT	Curtis Oil & Propane	\$530.23
11135	3/18/2022	BILLPMT	Essentia Health	\$108.00
11136	3/18/2022	BILLPMT	Hotsy Minnesota	\$248.90
11137	3/18/2022	BILLPMT	Inter City Oil (ICO)	\$30,508.20
11138	3/18/2022	BILLPMT	Konecranes	\$525.00
11139	3/18/2022	BILLPMT	Kramer & Moen Machine Company	\$40.00
11140	3/18/2022	BILLPMT	Lumacurve Airfield Signs	\$1,005.86
11141	3/18/2022	BILLPMT	Menards - Hermantown	\$376.99
11142	3/18/2022	BILLPMT	NAPA Auto Parts	\$58.85
11143	3/18/2022	BILLPMT	Northern Business Products, Inc.	\$303.66
11144	3/18/2022	BILLPMT	Northern Engine & Supply	\$337.13
11145	3/18/2022	BILLPMT	Northern States Supply, Inc.	\$58.53
11146	3/18/2022	BILLPMT	Office Depot	\$1,800.00
11147	3/18/2022	BILLPMT	Peterson, Natalie	\$46.66
11148	3/18/2022	BILLPMT	Pomp's Tire Service, Inc.	\$241.23
11149	3/18/2022	BILLPMT	Pro Print	\$671.70
11150	3/18/2022	BILLPMT	Spectrum Business	\$165.19
11151	3/18/2022	BILLPMT	Taylor, Dan	\$60.00
11152	3/18/2022	BILLPMT	Tennant Sales and Service Company	\$701.80
11153	3/18/2022	BILLPMT	The Development Association, Inc	\$300.00
11154	3/18/2022	BILLPMT	Ziegler, Inc.	\$10,707.84
Total				\$76,821.12



Airport Director

Airport Authority



City Treasury

**Duluth Airport Authority
DAA Operating Check Register #10-2022
March 25, 2022**

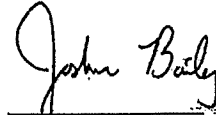
Document Number From 11161 To 11169

Document Number	Date	Transaction Type	Payee	Amount
11161	3/25/2022	BILLPMT	Dalco	\$820.20
11162	3/25/2022	BILLPMT	DSC communications	\$281.25
11163	3/25/2022	BILLPMT	iFIDS.com Inc.	\$125.00
11164	3/25/2022	BILLPMT	LBC, Inc.	\$2,280.00
11165	3/25/2022	BILLPMT	Menards - West Duluth	\$371.98
11166	3/25/2022	BILLPMT	Office Depot	\$2,880.00
11167	3/25/2022	BILLPMT	Schindler Elevator Corp	\$1,307.46
11168	3/25/2022	BILLPMT	St. Louis County	\$2,000.00
11169	3/25/2022	CHK	WF Bus Payment Processing - Tom	\$5,129.25
Total				\$15,195.14



Airport Director

Airport Authority

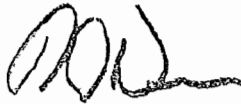


City Treasury

Duluth Airport Authority
DAA Operating Check Register #11-2022
April 1, 2022

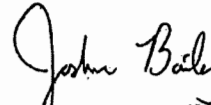
Document Number From 11170 To 11178

Document Number	Date	Transaction Type	Payee	Amount
11170	4/1/2022	BILLPMT	Blueglobes LLC	\$2,718.93
11171	4/1/2022	CHK	Citi Cards	\$2,609.85
11172	4/1/2022	BILLPMT	Driveline Specialists	\$281.38
11173	4/1/2022	BILLPMT	NAPA Auto Parts	\$572.41
11174	4/1/2022	BILLPMT	Nextera Communications	\$1,298.00
11175	4/1/2022	BILLPMT	NorthStar Ford	\$180.60
11176	4/1/2022	BILLPMT	Pomp's Tire Service, Inc.	\$44.94
11177	4/1/2022	BILLPMT	Volaire Aviation Inc.	\$2,000.00
11178	4/1/2022	BILLPMT	Ziegler, Inc.	\$655.36
Sub-Total				\$10,361.47
Ifids ACH 3/18/2022				\$ (0.01)
Void Check #11145				\$ (58.53)
Total				\$10,302.93



Airport Director

Airport Authority

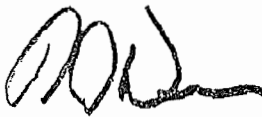


City Treasury

Duluth Airport Authority
DAA Operating Check Register #12-2022
April 8, 2022

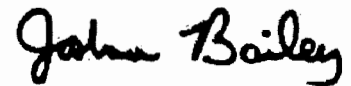
Document Number From 11180 To 11190

Document Number	Date	Transaction Type	Payee	Amount
11180	4/8/2022	BILLPMT	American Association Of Airport Executives	\$250.00
11181	4/8/2022	BILLPMT	City Of Duluth Comfort Systems	\$10.69
11182	4/8/2022	BILLPMT	LeaseQuery, LLC	\$25,000.00
11183	4/8/2022	BILLPMT	Marsden Building Maintenance	\$10,518.85
11184	4/8/2022	BILLPMT	Menards - West Duluth	\$49.20
11185	4/8/2022	BILLPMT	Minnesota Power	\$30,086.16
11186	4/8/2022	BILLPMT	Orrey, John	\$158.24
11187	4/8/2022	BILLPMT	Schindler Elevator Corp	\$1,307.46
11188	4/8/2022	BILLPMT	Sherwin-Williams Co.	\$68.26
11189	4/8/2022	BILLPMT	St. Louis County	\$1,082.00
11190	4/8/2022	BILLPMT	Twin Ports Pest and Lawn Management	\$329.00
Total				<u>\$68,859.86</u>



Airport Director

Airport Authority



City Treasury

Duluth Airport Authority
DAA Operating ACH Payment Register #8-2022
March 11, 2022

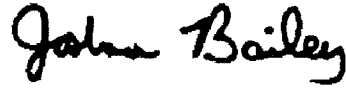
Confirmation Number 0690369

Document Number	Date	Transaction Type	Payee	Amount
00000023/1	3/11/2022	BILLPMT	Caywood Oil, LLC	\$460.31
00000023/2	3/11/2022	BILLPMT	Caywood Oil, LLC	\$368.23
00000023/3	3/11/2022	BILLPMT	Citon	\$2,874.72
00000023/4	3/11/2022	BILLPMT	Citon	\$73.37
00000023/5	3/11/2022	BILLPMT	Citon	\$388.00
00000023/6	3/11/2022	BILLPMT	Citon	\$1,440.00
00000023/7	3/11/2022	BILLPMT	Doorco Inc.	\$6,700.00
00000023/8	3/11/2022	BILLPMT	Jamar Company	\$960.00
00000023/9	3/11/2022	BILLPMT	Jamar Company	\$345.03
Total				\$13,609.66



Airport Director

Airport Authority



City Treasury

Duluth Airport Authority
DAA Operating ACH Payment Register #9-2022
March 18, 2022

Confirmation Number 0760356

Document Number	Date	Transaction Type	Payee	Amount
00000024/1	3/18/2022	BILLPMT	Bodin, Joelle	\$60.00
00000024/10	3/18/2022	BILLPMT	Papko, Mark	\$112.48
00000024/11	3/18/2022	BILLPMT	Peterson, Natalie	\$60.00
00000024/12	3/18/2022	BILLPMT	Peterson, Natalie	\$123.36
00000024/13	3/18/2022	BILLPMT	Sinnott, Paul	\$60.00
00000024/14	3/18/2022	BILLPMT	Snell, Matthew J	\$60.00
00000024/15	3/18/2022	BILLPMT	Swim Creative	\$175.00
00000024/16	3/18/2022	BILLPMT	Timm, Kenneth	\$60.00
00000024/17	3/18/2022	BILLPMT	Welch, Ryan	\$60.00
00000024/18	3/18/2022	BILLPMT	Werner, Thomas	\$60.00
00000024/19	3/18/2022	BILLPMT	Wittkop, Mary Ann	\$60.00
00000024/2	3/18/2022	BILLPMT	Graves, John	\$60.00
00000024/3	3/18/2022	BILLPMT	iFIDS.com Inc.	\$0.01
00000024/4	3/18/2022	BILLPMT	Inter City Oil (ICO)	\$218.51
00000024/5	3/18/2022	BILLPMT	Kayser, Jana	\$60.00
00000024/6	3/18/2022	BILLPMT	Leon, Kathy	\$60.00
00000024/7	3/18/2022	BILLPMT	Menards - Hermantown	\$39.86
00000024/8	3/18/2022	BILLPMT	Papko, Mark	\$60.00
00000024/9	3/18/2022	BILLPMT	Papko, Mark	\$77.61
Total				\$1,466.83



Airport Director

Airport Authority



City Treasury

**Duluth Airport Authority
DAA ACH Payment Register #10-2022
March 25, 2022**

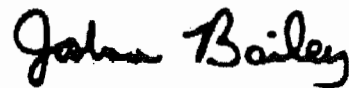
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Document Number	Date	Transaction Type	Payee	Amount
00000025/1	3/24/2022	BILLPMT	H&L Mesabi	\$1,010.00
00000025/2	3/24/2022	BILLPMT	Jamar Company	\$7,675.00
00000025/3	3/24/2022	BILLPMT	Menards - Hermantown	\$406.86
Total				<u>\$9,091.86</u>



Airport Director

Airport Authority



City Treasury

**Duluth Airport Authority
DAA ACH Payment Register #11-2022
April 1, 2022**

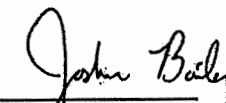
Confirmation Number 0900307

Document Number	Date	Transaction Type	Payee	Amount
00000026/1	4/1/2022	BILLPMT	Acme Tools	\$66.85
00000026/10	4/1/2022	BILLPMT	Menards - Hermantown	\$56.61
00000026/11	4/1/2022	BILLPMT	Metro Sales, Inc.	\$308.94
00000026/12	4/1/2022	BILLPMT	Northern Engine & Supply	\$48.40
00000026/13	4/1/2022	BILLPMT	Northern States Supply, Inc.	\$10.13
00000026/14	4/1/2022	BILLPMT	Parsons Electric	\$1,665.03
00000026/15	4/1/2022	BILLPMT	TKDA	\$2,039.93
00000026/2	4/1/2022	BILLPMT	Batteries Plus	\$190.76
00000026/3	4/1/2022	BILLPMT	Batteries Plus	\$33.27
00000026/4	4/1/2022	BILLPMT	Border States	\$397.98
00000026/5	4/1/2022	BILLPMT	Guardian Pest Solutions	\$48.51
00000026/6	4/1/2022	BILLPMT	Guardian Pest Solutions	\$71.50
00000026/7	4/1/2022	BILLPMT	Guardian Pest Solutions	\$72.77
00000026/8	4/1/2022	BILLPMT	Hermantown Hydraulics, LLC	\$327.30
00000026/9	4/1/2022	BILLPMT	Hermantown Hydraulics, LLC	\$327.30
Total				\$5,665.28



Airport Director

Airport Authority



City Treasury

Duluth Airport Authority
DAA ACH Payment Register #12-2022
April 7, 2022

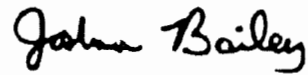
Confirmation Number #0970366

Document Number	Date	Transaction Type	Payee	Amount
00000027/1	4/7/2022	BILLPMT	Arrowhead Tap House	\$68.00
00000027/2	4/7/2022	BILLPMT	Arrowhead Tap House	\$9.55
00000027/3	4/7/2022	BILLPMT	Arrowhead Tap House	\$14.06
00000027/4	4/7/2022	BILLPMT	Citon	\$6,695.00
00000027/5	4/7/2022	BILLPMT	Como Lube & Supplies	\$15.00
00000027/6	4/7/2022	BILLPMT	Paul Bunyan Communications	\$1,160.00
00000027/7	4/7/2022	BILLPMT	Peterson, Natalie	\$4.48
00000027/8	4/7/2022	BILLPMT	Papko, Mark	\$60.00
Total				<u>\$8,026.09</u>



Airport Director

Airport Authority



City Treasury

Duluth Airport Authority
DAA Construction Check Register #3-2022
March 24, 2022

Document Number From 11155 To 11160

Document #	Date	Transaction Type	Payee	Amount
11155	3/24/2022	BILLPMT	1 Duluth Times	\$150.00
11156	3/24/2022	BILLPMT	1 MediaUSA Advertising Inc	\$500.00
11157	3/24/2022	BILLPMT	1 Reynold Smith & Hills, Inc.	\$10,972.03
11158	3/24/2022	BILLPMT	1 Short Elliott Hendrickson	\$43,212.00
11159	3/24/2022	BILLPMT	1 Short Elliott Hendrickson	\$89,720.00
11160	3/24/2022	BILLPMT	1 Swim Creative	\$10,952.38
Total				<u>\$155,506.41</u>



Airport Director



City Treasury

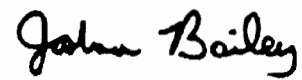
Duluth Airport Authority
DAA Construction Check Register #4-2022
April 4, 2022

Document Number 11179

Document Number	Date	Transaction Type	Payee	Amount
11179	4/4/2022	BILLPMT	1 Mobile Radio Engineering, Inc.	\$9,233.20
Total				<u>\$9,233.20</u>



Airport Director



City Treasury



IV

Minnesota Council of Airports

644 Bayfield Street, Suite #120

St. Paul, MN 55107

Web: <http://mnairports.org>



March 14, 2022

Thomas Werner
Duluth International Airport
4701 Grinden Drive
Duluth, MN 55811

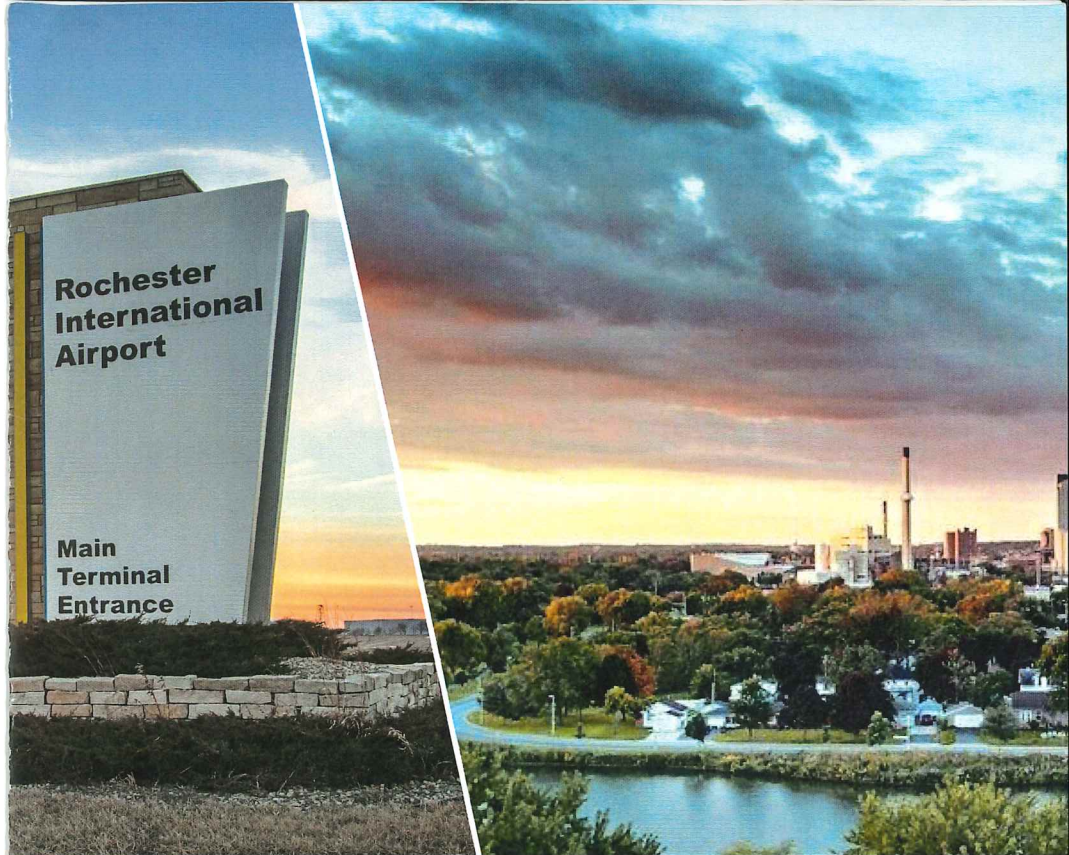
Dear Mr. Werner:

The Minnesota Council of Airports (MCOA) pleased to inform you that you have been selected to receive the MOCA Outstanding Leadership in the Promotion of Aviation in Minnesota Award. The award is reserved for those individuals whose leadership was directly or collectively responsible for making a significant contribution to the betterment of aviation in Minnesota. We would like to invite you and a guest to attend the awards luncheon at 11:45 on Thursday, April 7 at the Mayo Civic Center in Rochester, MN. MCOA provides two complimentary lunch tickets to award winner. There is a cost of \$30 per person for any additional persons.

Please let me know if you plan on attending the luncheon. If you have any questions, you can reach me at 507.995.3051. Again, congratulations and we hope you are able to make it to the conference.

Sincerely,

Mark R. Knoff
Executive Director



Minnesota Airports Conference

Annual Aviation Awards

Thursday, April 7, 2022

Mayo Civic Center

Rochester, Minnesota



2021 Aviation Awards

Award of Excellence

- Barrett Ziemer, Range Regional Airport

Outstanding Leadership in the Promotion of Aviation in Minnesota

- Tom Werner, Duluth International Airport
- Cassandra Isackson, MnDOT Office of Aeronautics

MCOA Award Winners (Project of the Year Award)

- *Intermediate GA*
Little Falls-Morrison County Airport, Construction of Runway 18/36
Airport Sponsor: City of Little Falls and Morrison County
Consultant: KLJ Engineering
Contractor: Kraemer Trucking & Excavating
- *Intermediate GA*
Fertile Municipal Airport, Runway Reconstruction and Lighting Replacement, Taxiway and Apron Reconstruction, Apron Expansion, and Taxiway Construction
Airport Sponsor: City of Fertile
Consultant: Short Elliott Hendrickson Inc.
Contractor: Agassiz Asphalt LLC, and Neo Electrical Solutions
- *Key Intermediate GA*
Detroit Lakes Municipal Airport-Wething Field, Runway 14/32 Parallel and Runway Reconstruction
Airport Sponsor: City of Detroit Lakes and Becker County
Consultant: Mead & Hunt, Inc.
Contractor: Hough, Inc.
- *Key Intermediate GA*
Mankato Regional Airport-Sohler Field, Taxiway Improvements and Runway Holding Bays
Airport Sponsor: City of Mankato
Consultant: TKDA
Contractor: Minnesota Paving and Materials
- *Key Commercial Service*
Rochester International Airport, Taxiway D Reconstruction
Airport Sponsor: City of Rochester
Consultant: Mead & Hunt, Inc.
Contractor: Hoffman Construction Company

Outstanding Leadership in Airport Planning, Environment & Strategic Initiative

- **Perham Municipal Airport**
Airport Sponsor: City of Perham
Consultant: KLJ Engineering

Mary Ann Wittkop

From: Don Monaco <donm@monacoairduluth.com>
Sent: Friday, April 1, 2022 2:50 AM
To: Tom Werner; craig.fellman
Cc: 'Dave Gaddie (dgaddie@bell.bank)'; 'Greg Fox (gregandsheilafox@hotmail.com)'; 'Bill King (skykingpilot@gmail.com)'; Michael A. Magni; 'Pat Mullen (runtrailfree@gmail.com)'; 'Richard Stewart (RStewart@uwsuper.edu)'; todd.fedora; 'Steve Overom (soverom@overomlaw.com)'; Mary Ann Wittkop
Subject: March, 2022 Monaco Air Foundation Report

Tom and Craig,

Please share this report with the Duluth Airport Authority Board at its next regularly scheduled meeting.

Summary of March, 2022 Activities

Airport Tour Program: The Foundation will offer Duluth International Airport tours to groups of high school students and to other groups upon request. We have received recent requests for tours, but tours will not resume until businesses allow visitors at their facilities.

Other Initiatives: The Foundation welcomes additional requests from the Duluth Airport Authority Board for initiatives the Board would like the Foundation to consider.

Please let me know if you have any questions about this month's report.

Respectfully submitted,

Don Monaco
President
Monaco Air Foundation, Inc.
4535 Airport Approach Road
Duluth, MN 55811
Phone: 218-727-2911
Mobile: 630-728-5571
Fax: 218-336-0001
donm@monacoairduluth.com
www.monacoairduluth.com

**STATE OF MINNESOTA
STATE AIRPORTS FUND
GRANT AGREEMENT**

This agreement is between the State of Minnesota, acting through its Commissioner of Transportation ("State"), and the **Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811** ("Grantee").

RECITALS

1. Minnesota Statutes Chapter 360 authorizes State to provide financial assistance to eligible airport sponsors for the acquisition, construction, improvement, marketing, maintenance, or operation of airports and other air navigation facilities.
2. Grantee owns, operates, controls, or desires to own an airport ("Airport") in the state system, and Grantee desires financial assistance from the State for an airport improvement project ("Project").
3. Grantee represents that it is duly qualified and agrees to perform all services described in this agreement to the satisfaction of the State. Pursuant to [Minn.Stat.§16B.98](#), Subd.1, Grantee agrees to minimize administrative costs as a condition of this agreement.

AGREEMENT TERMS**1 Term of Agreement, Survival of Terms, and Incorporation of Exhibits**

- 1.1 **Effective Date.** This agreement will be effective on the date the State obtains all required signatures under [Minn.Stat.§16B.98](#), Subd. 5. As required by [Minn.Stat.§16B.98](#) Subd. 7, no payments will be made to Grantee until this agreement is fully executed. Grantee must not begin work under this agreement until this agreement is fully executed and Grantee has been notified by the State's Authorized Representative to begin the work.
- 1.2 **Expiration Date.** This agreement will expire on June 30, 2026, or when all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Survival of Terms.** All clauses which impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this agreement, including, without limitation, the following clauses: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 11. Workers Compensation; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.
- 1.4 **Plans, Specifications, Descriptions.** Grantee has provided the State with the plans, specifications, and a detailed description of the Project (State Project 6901A-52), which are on file with the State's Office of Aeronautics and are incorporated into this Agreement by reference.
- 1.5 **Exhibits.** Exhibit A (Grant Request Letter from the Duluth Airport Authority) and Exhibit B (Credit Application) are attached and incorporated into this agreement.

2 Grantee's Duties

- 2.1 Grantee will complete the Project in accordance with the plans, specifications, and detailed description of the Project, which are on file with the State's Office of Aeronautics. Any changes to the plans or specifications of the Project after the date of this Agreement will be valid only if made by written change order signed by the Grantee and the State. Subject to the availability of funds, the State may prepare an amendment to this Agreement to reimburse the Grantee for the allowable costs of qualifying change orders.
- 2.2 If the Project involves construction, Grantee will designate a registered engineer to oversee the Project work. If, with the State's approval, the Grantee elects not to have such services performed by a registered engineer, then the Grantee will designate another responsible person to oversee such work.
- 2.3 Grantee will notify State's Authorized Representative in advance of any meetings taking place relating to the Project.
- 2.4 Grantee will comply with all required grants management policies and procedures set forth through [Minn.Stat.§16B.97](#), Subd. 4 (a) (1).
- 2.5 **Asset Monitoring.** If Grantee uses funds obtained by this agreement to acquire a capital asset, the Grantee is required to use that asset for a public aeronautical purpose for the normal useful life of the asset. Grantee may not sell or change the purpose of use for the capital asset(s) obtained with grant funds under this agreement without the prior written consent of the State and an agreement executed and approved by the same parties who executed and approved this agreement, or their successors in office.
- 2.6 **Airport Operations, Maintenance, and Conveyance.** Pursuant to Minnesota Statutes Section 360.305, subdivision 4 (d) (1), the Grantee will operate the Airport as a licensed, municipally-owned public airport at all times of the year for a period of 20 years from the date the Grantee receives final reimbursement under this

Agreement. The Airport must be maintained in a safe, serviceable manner for public aeronautical purposes only. Without prior written approval from the State, Grantee will not transfer, convey, encumber, assign, or abandon its interest in the airport or in any real or personal property that is purchased or improved with State funds. If the State approves such a transfer or change in use, the Grantee must comply with such conditions and restrictions as the State may place on such approval. The obligations imposed by this clause survive the expiration or termination of this Agreement.

3 Time

- 3.1 Grantee must comply with all the time requirements described in this agreement. In the performance of this grant agreement, time is of the essence.

4 Cost and Payment

- 4.1 **Cost Participation.** Costs for the Project will be proportionate and allocated as follows:

<u>Item Description</u>	<u>Federal Share</u>	<u>State Share</u>	<u>Grantee Share</u>
Seaplane Base Improvements (Design/Bid) and AD Building Study	N/A	100%	0%
Federal Committed:	\$0.00		
Federal Multiyear:	\$0.00		
State:	<u>\$53,300.00</u>		
Grantee:	<u>\$0.00</u>		

The federal multiyear amount is an estimate only. These funds are not committed and are only available after being made so by the U.S. Government. Federal funds for the Project will be received and disbursed by the State. In the event federal reimbursement becomes available or is increased for the Project, the State will be entitled to recover from such federal funds an amount not to exceed the state funds advanced for this Project. No more than 95% of the amount due under this Agreement will be paid by the State until the State determines that the Grantee has complied with all terms of this Agreement and furnished all necessary records.

- 4.2 **Travel Expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by Grantee as a result of this agreement will not exceed \$0.00 provided that Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.
- 4.3 **Sufficiency of Funds.** Pursuant to Minnesota Rules 8800.2500, the Grantee certifies that (1) it presently has available sufficient unencumbered funds to pay its share of the Project; (2) the Project will be completed without undue delay; and (3) the Grantee has the legal authority to engage in the Project as proposed.
- 4.4 **Total Obligation.** The total obligation of the State for all compensation and reimbursements to Grantee under this agreement will not exceed \$53,300.00.

4.5 Payment

- 4.5.1 **Invoices.** Grantee will submit invoices for payment by email. Exhibit B (Credit Application), which is attached and incorporated into this agreement, is the form Grantee will use to submit invoices. The State's Authorized Representative, as named in this agreement, will review each invoice against the approved grant budget and grant expenditures to-date before approving payment. The State will promptly pay Grantee after Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices will be submitted timely and according to the following schedule: upon the completion of services.
- 4.5.2 **All Invoices Subject to Audit.** All invoices are subject to audit, at State's discretion.
- 4.5.3 **State's Payment Requirements.** State will promptly pay all valid obligations under this agreement as required by Minnesota Statutes §16A.124. State will make undisputed payments no later than 30 days after receiving Grantee's invoices for services performed. If an invoice is incorrect, defective or otherwise improper, State will notify Grantee within ten days of discovering the error. After State receives the corrected invoice, State will pay Grantee within 30 days of receipt of such invoice.
- 4.5.4 **Grantee Payment Requirements.** Grantee must pay all contractors under this agreement promptly. Grantee will make undisputed payments no later than 30 days after receiving an invoice. If an invoice is

incorrect, defective, or otherwise improper, Grantee will notify the contractor within ten days of discovering the error. After Grantee receives the corrected invoice, Grantee will pay the contractor within 30 days of receipt of such invoice.

4.5.5 Grant Monitoring Visit and Financial Reconciliation. During the period of performance, the State will make at least annual monitoring visits and conduct annual financial reconciliations of Grantee's expenditures.

4.5.5.1 The State's Authorized Representative will notify Grantee's Authorized Representative where and when any monitoring visit and financial reconciliation will take place, which State employees and/or contractors will participate, and which Grantee staff members should be present. Grantee will be provided notice prior to any monitoring visit or financial reconciliation.

4.5.5.2 Following a monitoring visit or financial reconciliation, Grantee will take timely and appropriate action on all deficiencies identified by State.

4.5.5.3 At least one monitoring visit and one financial reconciliation must be completed prior to final payment being made to Grantee.

4.5.6 Closeout. The State will determine, at its sole discretion, whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with grant funds will continue following grant closeout.

4.5.7 Closeout Deliverables. At the close of the Project, the Grantee must provide the following deliverables to the State before the final payment due under this Agreement will be released by the State: (1) Electronic files of construction plans as a PDF and in a MicroStation compatible format; and (2) Electronic files of as-builts as a PDF and in a MicroStation compatible format.

4.6 Contracting and Bidding Requirements. Prior to publication, Grantee will submit to State all solicitations for work to be funded by this Agreement. Prior to execution, Grantee will submit to State all contracts and subcontracts funded by this agreement between Grantee and third parties. State's Authorized Representative has the sole right to approve, disapprove, or modify any solicitation, contract, or subcontract submitted by Grantee. All contracts and subcontracts between Grantee and third parties must contain all applicable provisions of this Agreement. State's Authorized Representative will respond to a solicitation, contract, or subcontract submitted by Grantee within ten business days.

5 Conditions of Payment

All services provided by Grantee under this agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law. In addition, Grantee will not receive payment for Airport's failure to pass periodic inspections by a representative of the State's Office of Aeronautics.

6 Authorized Representatives

6.1 The State's Authorized Representative is:

Matthew Lebens, North Region Airport Engineer, 395 John Ireland Blvd, St Paul MN, 55155, Phone 612-422-4171, matthew.lebens@state.mn.us, or his successor. State's Authorized Representative has the responsibility to monitor Grantee's performance and the authority to accept the services provided under this agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

6.2 Grantee's Authorized Representative is:

Mark Papko, Director of Operations, Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811, Phone (218) 625-7767, mpapko@duluthairport.com . If Grantee's Authorized Representative changes at any time during this agreement, Grantee will immediately notify the State.

7 Assignment Amendments, Waiver, and Grant Agreement Complete

7.1 Assignment. The Grantee may neither assign nor transfer any rights or obligations under this agreement without the prior written consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this agreement, or their successors in office.

7.2 Amendments. Any amendments to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.

- 7.3 Waiver.** If the State fails to enforce any provision of this agreement, that failure does not waive the provision or the State's right to subsequently enforce it.
- 7.4 Grant Agreement Complete.** This grant agreement contains all negotiations and agreements between the State and Grantee. No other understanding regarding this agreement, whether written or oral, may be used to bind either party.
- 7.5 Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.

8 Liability

In the performance of this agreement, and to the extent permitted by law, Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this agreement by Grantee or Grantee's agents or employees. This clause will not be construed to bar any legal remedies Grantee may have for the State's failure to fulfill its obligations under this agreement.

9 State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of Grantee, or other party relevant to this grant agreement or transaction, are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. Grantee will take timely and appropriate action on all deficiencies identified by an audit.

10 Government Data Practices and Intellectual Property Rights

10.1 Government Data Practices. Grantee and State must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the State under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this agreement. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either Grantee or the State. If Grantee receives a request to release the data referred to in this section 10.1, Grantee must immediately notify the State. The State will give Grantee instructions concerning the release of the data to the requesting party before the data is released. Grantee's response to the request shall comply with applicable law.

10.2 Intellectual Property Rights.

10.2.1 Intellectual Property Rights. State owns all rights, title and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks and service marks in the Works and Documents created and paid for under this agreement. "Works" means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes and disks conceived, reduced to practice, created or originated by Grantee, its employees, agents and subcontractors, either individually or jointly with others in the performance of this agreement. Works includes Documents. "Documents" are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks or other materials, whether in tangible or electronic forms, prepared by Grantee, its employees, agents or subcontractors, in the performance of this agreement. The Documents will be the exclusive property of State, and Grantee upon completion or cancellation of this agreement must immediately return all such Documents to State. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." Grantee assigns all right, title and interest it may have in the Works and the Documents to State. Grantee must, at the request of State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

10.2.2 Obligations

- 10.2.2.1 Notification.** Whenever any invention, improvement or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by Grantee, including its employees and subcontractors, in the performance of this agreement, Grantee will immediately give State's Authorized Representative written notice thereof and must promptly furnish State's Authorized Representative with complete information and/or disclosure thereon.
- 10.2.2.2 Representation.** Grantee must perform all acts, and take all steps necessary to ensure that all

intellectual property rights in the Works and Documents are the sole property of State and that neither Grantee nor its employees, agents or subcontractors retain any interest in and to the Works and Documents. Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless State, at Grantee's expense, from any action or claim brought against State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including but not limited to, attorney fees. If such a claim or action arises, or in Grantee's or State's opinion is likely to arise, Grantee must, at State's discretion, either procure for State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of State will be in addition to and not exclusive of other remedies provided by law.

11 Workers Compensation

The Grantee certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

12 Publicity and Endorsement

12.1 Publicity. Any publicity regarding the subject matter of this agreement must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant agreement. All projects primarily funded by state grant appropriation must publicly credit the State of Minnesota, including on the Grantee's website when practicable.

12.2 Endorsement. The Grantee must not claim that the State endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this agreement. Venue for all legal proceedings out of this agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Termination; Suspension

14.1 Termination by the State. The State may terminate this agreement at any time, with or without cause, upon written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

14.2 Termination for Cause. The State may immediately terminate this grant agreement if the State finds that there has been a failure to comply with the provisions of this agreement, that reasonable progress has not been made, that fraudulent or wasteful activity has occurred, that Grantee has been convicted of a criminal offense relating to a state grant agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.3 Termination for Insufficient Funding. The State may immediately terminate this agreement if:

14.3.1 It does not obtain funding from the Minnesota Legislature; or

14.3.2 If funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State will provide the Grantee notice of the lack of funding within a reasonable time of the State's

receiving that notice.

- 14.4 Suspension.** The State may immediately suspend this agreement in the event of a total or partial government shutdown due to the failure to have an approved budget by the legal deadline. Work performed by the Grantee during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.

15 Data Disclosure

Under [Minn. Stat. § 270C.65](#), Subd. 3, and other applicable law, Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

- 16 Fund Use Prohibited.** The Grantee will not utilize any funds received pursuant to this Agreement to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a State contract. This restriction applies regardless of whether the disqualified or debarred party acts in the capacity of a general contractor, a subcontractor, or as an equipment or material supplier. This restriction does not prevent the Grantee from utilizing these funds to pay any party who might be disqualified or debarred after the Grantee's contract award on this Project. For a list of disqualified or debarred vendors, see www.mmd.admin.state.mn.us/debarredreport.asp.
- 17 Discrimination Prohibited by Minnesota Statutes §181.59.** Grantee will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to grant contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this Agreement.
- 18 Limitation.** Under this Agreement, the State is only responsible for receiving and disbursing funds. Nothing in this Agreement will be construed to make the State a principal, co-principal, partner, or joint venturer with respect to the Project(s) covered herein. The State may provide technical advice and assistance as requested by the Grantee, however, the Grantee will remain responsible for providing direction to its contractors and consultants and for administering its contracts with such entities. The Grantee's consultants and contractors are not intended to be third party beneficiaries of this Agreement.
- 19 Title VI/Non-discrimination Assurances.** Grantee agrees to comply with all applicable US DOT Standard Title VI/Non-Discrimination Assurances contained in DOT Order No. 1050.2A, and in particular Appendices A and E, which can be found at: https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11149035. Grantee will ensure the appendices and solicitation language within the assurances are inserted into contracts as required. State may conduct a review of the Grantee's compliance with this provision. The Grantee must cooperate with State throughout the review process by supplying all requested information and documentation to State, making Grantee staff and officials available for meetings as requested, and correcting any areas of non-compliance as determined by State.

20 Additional Provisions

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STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15 and § 16C.05.

Signed: _____

Date: _____

SWIFT Contract/PO No(s). _____

GRANTEE

The Grantee certifies that the appropriate person(s) have executed the grant agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

DEPARTMENT OF TRANSPORTATION

By: _____
(with delegated authority)

Title: _____

Date: _____

**DEPARTMENT OF TRANSPORTATION
OFFICE OF FINANCIAL MANAGEMENT – GRANT UNIT**

By: _____

Date: _____

**DEPARTMENT OF TRANSPORTATION
CONTRACT MANAGEMENT**

By: _____

Date: _____

Airport Name _____

State Project No. _____

Federal Project No. _____

Mn/DOT Agreement No. _____

CREDIT APPLICATION

Itemized statement of cash expenditures for which credit is claimed:

Warrant Number	Date Issued	Name or Description	Unit	Rate	Total Time or Quantity	Amount
Total Expenditures						

***FINAL/PARTIAL (CIRCLE ONE)**

Municipality _____

Title

(Complete Form On Reverse Side)

STATE OF _____

COUNTY OF _____

_____, being first duly sworn, deposes and says that he/she is the
_____ of the Municipality of _____, in the County
of _____, State of Minnesota; that he/she has prepared the foregoing Credit Application,
knows the contents thereof, that the same is a true and accurate record of disbursements made, and that the same is true of his/her own
knowledge; and that this application is made by authority of the municipal council (or board) of said Municipality.

Signature

Subscribed and sworn to before me

this _____ day of _____, 20____.

NOTARY PUBLIC

My Commission Expires: _____

Duluth Sky Harbor DYT

SP A6901A-52

Agreement #1049512

Seaplane Base Improvements (Design/Bid) and AD Building Study

Work Item : Engineering	Total	State Share (70%) from 039	Local Share (30%) From Appropriation 037
Terminal Building Assessment and Feasibility Study	\$45,700.00	\$31,990.00	\$13,710.00
<u>Seaplane Base Improvements (Design/Bid)</u>	<u>\$7,600.00</u>	<u>\$5,320.00</u>	<u>\$2,280.00</u>
Grant Totals	\$53,300.00	\$37,310.00	\$15,990.00

RESOLUTION

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION

It is resolved by the **Duluth Airport Authority** as follows:

1. That the state of Minnesota Agreement No. **1049512**,
"Grant Agreement for Airport Improvement Excluding Land Acquisition," for
State Project No. **A6901A-52** at the **Sky Harbor Airport and Seaplane Base** is
accepted.
2. That the _____ President _____ and _____ Secretary _____ are
(Title) (Title)
authorized to execute this Agreement and any amendments on behalf of the
Duluth Airport Authority.

CERTIFICATION

STATE OF MINNESOTA

COUNTY OF St. Louis

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the

Duluth Airport Authority

(Name of the Recipient)

at an authorized meeting held on the 19th day of April, 2022

as shown by the minutes of the meeting in my possession.

Signature: _____
(Clerk or Equivalent)

CORPORATE SEAL

/OR/

NOTARY PUBLIC

My Commission Expires: _____

**STATE OF MINNESOTA
STATE AIRPORTS FUND
GRANT AGREEMENT**

This agreement is between the State of Minnesota, acting through its Commissioner of Transportation ("State"), and the **Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811** ("Grantee").

RECITALS

1. Minnesota Statutes Chapter 360 authorizes State to provide financial assistance to eligible airport sponsors for the acquisition, construction, improvement, marketing, maintenance, or operation of airports and other air navigation facilities.
2. Grantee owns, operates, controls, or desires to own an airport ("Airport") in the state system, and Grantee desires financial assistance from the State for an airport improvement project ("Project").
3. Grantee represents that it is duly qualified and agrees to perform all services described in this agreement to the satisfaction of the State. Pursuant to [Minn.Stat. §16B.98](#), Subd.1, Grantee agrees to minimize administrative costs as a condition of this agreement.

AGREEMENT TERMS**1 Term of Agreement, Survival of Terms, and Incorporation of Exhibits**

- 1.1 **Effective Date.** This agreement will be effective on the date the State obtains all required signatures under [Minn. Stat. §16B.98](#), Subd. 5. As required by [Minn.Stat. §16B.98](#) Subd. 7, no payments will be made to Grantee until this agreement is fully executed. Grantee must not begin work under this agreement until this agreement is fully executed and Grantee has been notified by the State's Authorized Representative to begin the work.
- 1.2 **Expiration Date.** This agreement will expire on June 30, 2026, or when all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Survival of Terms.** All clauses which impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this agreement, including, without limitation, the following clauses: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 11. Workers Compensation; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.
- 1.4 **Plans, Specifications, Descriptions.** Grantee has provided the State with the plans, specifications, and a detailed description of the Project (State Project 6901-200), which are on file with the State's Office of Aeronautics and are incorporated into this Agreement by reference.
- 1.5 **Exhibits** Exhibit A (Credit Application) is attached and incorporated into this agreement.

2 Grantee's Duties

- 2.1 Grantee will complete the Project in accordance with the plans, specifications, and detailed description of the Project, which are on file with the State's Office of Aeronautics. Any changes to the plans or specifications of the Project after the date of this Agreement will be valid only if made by written change order signed by the Grantee and the State. Subject to the availability of funds, the State may prepare an amendment to this Agreement to reimburse the Grantee for the allowable costs of qualifying change orders.
- 2.2 If the Project involves construction, Grantee will designate a registered engineer to oversee the Project work. If, with the State's approval, the Grantee elects not to have such services performed by a registered engineer, then the Grantee will designate another responsible person to oversee such work.
- 2.3 Grantee will notify State's Authorized Representative in advance of any meetings taking place relating to the Project.
- 2.4 Grantee will comply with all required grants management policies and procedures set forth through [Minn.Stat. §16B.97](#), Subd. 4 (a) (1).
- 2.5 **Asset Monitoring.** If Grantee uses funds obtained by this agreement to acquire a capital asset, the Grantee is required to use that asset for a public aeronautical purpose for the normal useful life of the asset. Grantee may not sell or change the purpose of use for the capital asset(s) obtained with grant funds under this agreement without the prior written consent of the State and an agreement executed and approved by the same parties who executed and approved this agreement, or their successors in office.
- 2.6 **Airport Operations, Maintenance, and Conveyance.** Pursuant to Minnesota Statutes Section 360.305, subdivision 4 (d) (1), the Grantee will operate the Airport as a licensed, municipally-owned public airport at all times of the year for a period of 20 years from the date the Grantee receives final reimbursement under this

Agreement. The Airport must be maintained in a safe, serviceable manner for public aeronautical purposes only. Without prior written approval from the State, Grantee will not transfer, convey, encumber, assign, or abandon its interest in the airport or in any real or personal property that is purchased or improved with State funds. If the State approves such a transfer or change in use, the Grantee must comply with such conditions and restrictions as the State may place on such approval. The obligations imposed by this clause survive the expiration or termination of this Agreement.

3 Time

- 3.1 Grantee must comply with all the time requirements described in this agreement. In the performance of this grant agreement, time is of the essence.

4 Cost and Payment

- 4.1 **Cost Participation.** Costs for the Project will be proportionate and allocated as follows:

<u>Item Description</u>	<u>Federal Share</u>	<u>State Share</u>	<u>Grantee Share</u>
Hangar 101 EA	N/A	70%	30%
Federal Committed:	\$0.00		
Federal Multiyear:	\$0.00		
State:	<u>\$63,840.00</u>		
Grantee:	<u>\$27,360.00</u>		

The federal multiyear amount is an estimate only. These funds are not committed and are only available after being made so by the U.S. Government. Federal funds for the Project will be received and disbursed by the State. In the event federal reimbursement becomes available or is increased for the Project, the State will be entitled to recover from such federal funds an amount not to exceed the state funds advanced for this Project. No more than 95% of the amount due under this Agreement will be paid by the State until the State determines that the Grantee has complied with all terms of this Agreement and furnished all necessary records.

- 4.2 **Travel Expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by Grantee as a result of this agreement will not exceed \$0.00 provided that Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.
- 4.3 **Sufficiency of Funds.** Pursuant to Minnesota Rules 8800.2500, the Grantee certifies that (1) it presently has available sufficient unencumbered funds to pay its share of the Project; (2) the Project will be completed without undue delay; and (3) the Grantee has the legal authority to engage in the Project as proposed.
- 4.4 **Total Obligation.** The total obligation of the State for all compensation and reimbursements to Grantee under this agreement will not exceed \$63,840.00
- 4.5 **Payment**

4.5.1 **Invoices.** Grantee will submit invoices for payment by email. Exhibit A (Credit Application), which is attached and incorporated into this agreement, is the form Grantee will use to submit invoices. The State's Authorized Representative, as named in this agreement, will review each invoice against the approved grant budget and grant expenditures to-date before approving payment. The State will promptly pay Grantee after Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices will be submitted timely and according to the following schedule: upon the completion of services.

4.5.2 **All Invoices Subject to Audit.** All invoices are subject to audit, at State's discretion.

4.5.3 **State's Payment Requirements.** State will promptly pay all valid obligations under this agreement as required by Minnesota Statutes §16A.124. State will make undisputed payments no later than 30 days after receiving Grantee's invoices for services performed. If an invoice is incorrect, defective or otherwise improper, State will notify Grantee within ten days of discovering the error. After State receives the corrected invoice, State will pay Grantee within 30 days of receipt of such invoice.

4.5.4 **Grantee Payment Requirements.** Grantee must pay all contractors under this agreement promptly. Grantee will make undisputed payments no later than 30 days after receiving an invoice. If an invoice is incorrect, defective, or otherwise improper, Grantee will notify the contractor within ten days of discovering the error. After Grantee receives the corrected invoice, Grantee will pay the contractor within 30 days of

receipt of such invoice.

4.5.5 Grant Monitoring Visit and Financial Reconciliation. During the period of performance, the State will make at least annual monitoring visits and conduct annual financial reconciliations of Grantee's expenditures.

4.5.5.1 The State's Authorized Representative will notify Grantee's Authorized Representative where and when any monitoring visit and financial reconciliation will take place, which State employees and/or contractors will participate, and which Grantee staff members should be present. Grantee will be provided notice prior to any monitoring visit or financial reconciliation.

4.5.5.2 Following a monitoring visit or financial reconciliation, Grantee will take timely and appropriate action on all deficiencies identified by State.

4.5.5.3 At least one monitoring visit and one financial reconciliation must be completed prior to final payment being made to Grantee.

4.5.6 Closeout. The State will determine, at its sole discretion, whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with grant funds will continue following grant closeout.

4.5.7 Closeout Deliverables. At the close of the Project, the Grantee must provide the following deliverables to the State before the final payment due under this Agreement will be released by the State: (1) Electronic files of construction plans as a PDF and in a MicroStation compatible format; and (2) Electronic files of as-builts as a PDF and in a MicroStation compatible format.

4.6 Contracting and Bidding Requirements. Prior to publication, Grantee will submit to State all solicitations for work to be funded by this Agreement. Prior to execution, Grantee will submit to State all contracts and subcontracts funded by this agreement between Grantee and third parties. State's Authorized Representative has the sole right to approve, disapprove, or modify any solicitation, contract, or subcontract submitted by Grantee. All contracts and subcontracts between Grantee and third parties must contain all applicable provisions of this Agreement. State's Authorized Representative will respond to a solicitation, contract, or subcontract submitted by Grantee within ten business days.

5 Conditions of Payment

All services provided by Grantee under this agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law. In addition, Grantee will not receive payment for Airport's failure to pass periodic inspections by a representative of the State's Office of Aeronautics.

6 Authorized Representatives

6.1 The State's Authorized Representative is:

Matthew Lebens, North Region Airport Engineer, 395 John Ireland Blvd, St Paul MN, 55155, Phone 612-422-4171, matthew.lebens@state.mn.us, or his successor. State's Authorized Representative has the responsibility to monitor Grantee's performance and the authority to accept the services provided under this agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

6.2 Grantee's Authorized Representative is:

Mark Papko, Director of Operations, Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811, Phone (218) 625-7767, mpapko@duluthairport.com . If Grantee's Authorized Representative changes at any time during this agreement, Grantee will immediately notify the State.

7 Assignment Amendments, Waiver, and Grant Agreement Complete

7.1 Assignment. The Grantee may neither assign nor transfer any rights or obligations under this agreement without the prior written consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this agreement, or their successors in office.

7.2 Amendments. Any amendments to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.

7.3 Waiver. If the State fails to enforce any provision of this agreement, that failure does not waive the provision or the State's right to subsequently enforce it.

7.4 Grant Agreement Complete. This grant agreement contains all negotiations and agreements between the State and Grantee. No other understanding regarding this agreement, whether written or oral, may be used to bind either party.

7.5 Electronic Records and Signatures. The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.

8 Liability

In the performance of this agreement, and to the extent permitted by law, Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this agreement by Grantee or Grantee's agents or employees. This clause will not be construed to bar any legal remedies Grantee may have for the State's failure to fulfill its obligations under this agreement.

9 State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of Grantee, or other party relevant to this grant agreement or transaction, are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. Grantee will take timely and appropriate action on all deficiencies identified by an audit.

10 Government Data Practices and Intellectual Property Rights

10.1 Government Data Practices. Grantee and State must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the State under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this agreement. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either Grantee or the State. If Grantee receives a request to release the data referred to in this section 10.1, Grantee must immediately notify the State. The State will give Grantee instructions concerning the release of the data to the requesting party before the data is released. Grantee's response to the request shall comply with applicable law.

10.2 Intellectual Property Rights.

10.2.1 Intellectual Property Rights. State owns all rights, title and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks and service marks in the Works and Documents created and paid for under this agreement. "Works" means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes and disks conceived, reduced to practice, created or originated by Grantee, its employees, agents and subcontractors, either individually or jointly with others in the performance of this agreement. Works includes Documents. "Documents" are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks or other materials, whether in tangible or electronic forms, prepared by Grantee, its employees, agents or subcontractors, in the performance of this agreement. The Documents will be the exclusive property of State, and Grantee upon completion or cancellation of this agreement must immediately return all such Documents to State. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." Grantee assigns all right, title and interest it may have in the Works and the Documents to State. Grantee must, at the request of State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

10.2.2 Obligations

10.2.2.1 Notification. Whenever any invention, improvement or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by Grantee, including its employees and subcontractors, in the performance of this agreement, Grantee will immediately give State's Authorized Representative written notice thereof and must promptly furnish State's Authorized Representative with complete information and/or disclosure thereon.

10.2.2.2 Representation. Grantee must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of State and that neither Grantee nor its employees, agents or subcontractors retain any interest in and to the Works

and Documents. Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless State, at Grantee's expense, from any action or claim brought against State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including but not limited to, attorney fees. If such a claim or action arises, or in Grantee's or State's opinion is likely to arise, Grantee must, at State's discretion, either procure for State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of State will be in addition to and not exclusive of other remedies provided by law.

11 Workers Compensation

The Grantee certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

12 Publicity and Endorsement

12.1 Publicity. Any publicity regarding the subject matter of this agreement must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant agreement. All projects primarily funded by state grant appropriation must publicly credit the State of Minnesota, including on the Grantee's website when practicable.

12.2 Endorsement. The Grantee must not claim that the State endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this agreement. Venue for all legal proceedings out of this agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Termination; Suspension

14.1 Termination by the State. The State may terminate this agreement at any time, with or without cause, upon written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

14.2 Termination for Cause. The State may immediately terminate this grant agreement if the State finds that there has been a failure to comply with the provisions of this agreement, that reasonable progress has not been made, that fraudulent or wasteful activity has occurred, that Grantee has been convicted of a criminal offense relating to a state grant agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.3 Termination for Insufficient Funding. The State may immediately terminate this agreement if:

14.3.1 It does not obtain funding from the Minnesota Legislature; or

14.3.2 If funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State will provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

14.4 Suspension. The State may immediately suspend this agreement in the event of a total or partial government

shutdown due to the failure to have an approved budget by the legal deadline. Work performed by the Grantee during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.

15 Data Disclosure

Under [Minn. Stat. § 270C.65](#), Subd. 3, and other applicable law, Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

16 Fund Use Prohibited. The Grantee will not utilize any funds received pursuant to this Agreement to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a State contract. This restriction applies regardless of whether the disqualified or debarred party acts in the capacity of a general contractor, a subcontractor, or as an equipment or material supplier. This restriction does not prevent the Grantee from utilizing these funds to pay any party who might be disqualified or debarred after the Grantee's contract award on this Project. For a list of disqualified or debarred vendors, see www.mmd.admin.state.mn.us/debarredreport.asp.

17 Discrimination Prohibited by Minnesota Statutes §181.59. Grantee will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to grant contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this Agreement.

18 Limitation. Under this Agreement, the State is only responsible for receiving and disbursing funds. Nothing in this Agreement will be construed to make the State a principal, co-principal, partner, or joint venturer with respect to the Project(s) covered herein. The State may provide technical advice and assistance as requested by the Grantee, however, the Grantee will remain responsible for providing direction to its contractors and consultants and for administering its contracts with such entities. The Grantee's consultants and contractors are not intended to be third party beneficiaries of this Agreement.

19 Title VI/Non-discrimination Assurances. Grantee agrees to comply with all applicable US DOT Standard Title VI/Non-Discrimination Assurances contained in DOT Order No. 1050.2A, and in particular Appendices A and E, which can be found at: https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11149035. Grantee will ensure the appendices and solicitation language within the assurances are inserted into contracts as required. State may conduct a review of the Grantee's compliance with this provision. The Grantee must cooperate with State throughout the review process by supplying all requested information and documentation to State, making Grantee staff and officials available for meetings as requested, and correcting any areas of non-compliance as determined by State.

20 Additional Provisions

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STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15 and § 16C.05.

Signed: _____

Date: _____

SWIFT Contract/PO No(s). _____

GRANTEE

The Grantee certifies that the appropriate person(s) have executed the grant agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

DEPARTMENT OF TRANSPORTATION

By: _____
(with delegated authority)

Title: _____

Date: _____

**DEPARTMENT OF TRANSPORTATION
OFFICE OF FINANCIAL MANAGEMENT – GRANT UNIT**

By: _____

Date: _____

**DEPARTMENT OF TRANSPORTATION
CONTRACT MANAGEMENT**

By: _____

Date: _____

Mn/DOT Agreement No. _____

(Complete Form On Reverse Side)

STATE OF _____

COUNTY OF _____

_____, being first duly sworn, deposes and says that he/she is the _____ of the Municipality of _____, in the County of _____, State of Minnesota; that he/she has prepared the foregoing Credit Application, knows the contents thereof, that the same is a true and accurate record of disbursements made, and that the same is true of his/her own knowledge; and that this application is made by authority of the municipal council (or board) of said Municipality.

Signature

Subscribed and sworn to before me

this _____ day of _____, 20____.

NOTARY PUBLIC

My Commission Expires: _____

RESOLUTION

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION

It is resolved by the **Duluth Airport Authority** as follows:

1. That the state of Minnesota Agreement No. **1049940**,
"Grant Agreement for Airport Improvement Excluding Land Acquisition," for
State Project No. **A6901-200** at the **Duluth International Airport** is accepted.
2. That the _____ and _____ are
(Title) (Title)
authorized to execute this Agreement and any amendments on behalf of the
Duluth Airport Authority.

CERTIFICATION

STATE OF MINNESOTA

COUNTY OF _____

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the

(Name of the Recipient)

at an authorized meeting held on the _____ day of _____, 2021

as shown by the minutes of the meeting in my possession.

Signature: _____
(Clerk or Equivalent)

CORPORATE SEAL

/OR/

NOTARY PUBLIC

My Commission Expires: _____

VII C

Duluth Airport Authority

Resolution to Award KGM Contractors the Contract for the Apron Rehabilitation Project at the Duluth Sky Harbor Airport, in the amount of \$344,632.50 and Approve Contract Between the Duluth Airport Authority and KGM Contractors.

Terms:

- Estimated start date of August 1, 2022
- 10 Calendar Days

Agreement Overview:

The contract is for the Apron Rehabilitation project in the amount of \$344,632.50 based on the KGM Contractors' bid dated March 31, 2022. Attached is a copy of the contract. This resolution includes the award of schedules A (FAA eligible) and B (FAA ineligible/state eligible) part of the contract. Execution of the contract will be contingent on verification and compliance of the performance bond, payment bond, and insurance certificate with contract requirements.

Background:

Bids were received using [BidExpress](#) with assistance from the City of Duluth at 2:00pm on March 31, 2022 for the above referenced project. Three contractors submitted bids. The low bid was above than the engineer's estimate.

Engineer's Estimate (Schedules A and B)	\$298,675.00
KGM Contractors (Schedules A and B)	\$344,632.50
Ulland Brothers, Inc. (Schedules A and B)	\$345,900.00
Northland Constructors (Schedules A and B)	\$445,400.00

Schedule A of the project is anticipated to be funded at 90 percent by the Federal Aviation Administration (FAA), and an additional 5 percent from MnDOT Aeronautics State grant. The local contribution to the DAA is anticipated to be 5 percent. Schedule B will be funded at 70 percent MnDOT and 30 percent local.

**STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
ON THE BASIS OF A STIPULATED PRICE**

THIS AGREEMENT is by and between the Duluth Airport Authority
(Owner) and KGM Contractors (Contractor).

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

- 1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: 2022 Apron Rehabilitation, Sky Harbor Airport.

ARTICLE 2 – THE PROJECT

- 2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: Rehabilitate existing apron at the Sky Harbor Airport.

ARTICLE 3 – ENGINEER

- 3.01 The Project has been designed by Short Elliott Hendrickson Inc. (SEH®).
- 3.02 The Owner has retained SEH (Engineer) to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

4.01 *Time of the Essence*

- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 *Contract Times: Dates*

- A. The Work will be substantially completed on or before September 30, 2022, and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before October 31, 2022.

4.03 *Contract Times: Days*

- A. The Work will be substantially completed within 10 working days after the date when the Contract Times commence to run as provided in Paragraph 4.01 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions within 45 calendar days after the date when the Contract Times commence to run.

4.04 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial loss if the Work is not complete within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of

requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):

1. Substantial Completion: Contractor shall pay Owner \$1,000.00 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above and in the Project Drawings for Substantial Completion until the Work is substantially complete.
2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$1,000.00 for each day that expires after such time until the Work is completed and ready for final payment.
3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.

4.05 *Special Damages*

- A. Should taxiway lights be damaged or knocked down, the Contractor shall be assessed \$1,000 per light occurrence.
- B. In addition to the amount provided for liquidated damages, Contractor shall reimburse Owner (1) for any fines or penalties imposed on Owner as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.
- C. After Contractor achieves Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, Contractor shall reimburse Owner for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.
- D. The special damages imposed in this paragraph are supplemental to any liquidated damages for delayed completion established in this Agreement.

ARTICLE 5 – CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

- A. For all Unit Price Work, an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the actual quantity of that item as indicated in Contractor's Bid.

The Bid Prices for Unit Price Work set forth as of the Effective Date of the Agreement are based on estimated quantities. As provided in Paragraph 13.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer as provided in Paragraph 10.06 of the General Conditions.

The Estimated Total of All Unit Price Work is: \$ 344,632.50

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions. Payments will be due 30 days after approval.

6.02 *Progress Payments; Retainage*

- A. Subject to the provisions of SC-15.01.C, Owner shall make monthly progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications of Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract:
1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract:
 - a. 95 percent of Work completed (with the balance being retainage).
 - b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

6.03 *Final Payment*

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 15.06 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.

6.04 *Interest*

All amounts not paid when due shall bear interest at the rate of 4 percent per annum.

ARTICLE 7 – CONTRACT DOCUMENTS

7.01 *Contents*

- A. The Contract Documents consist of the following:
1. Addenda (numbers 00 00 1__ to 00 00 1__, inclusive).
 2. This Agreement (pages 00 52 00-1 to 00 52 00-6, inclusive).
 3. Performance Bond (Document 00 61 13).
 4. Payment Bond (Document 00 61 14).
 5. General Conditions (pages 00 72 00-1 to 00 72 00-66, inclusive).
 6. Supplementary Conditions (pages 00 73 00-1 to 00 73 00-9, inclusive).
 7. Specifications as listed in the table of contents of the Project Manual.
 8. The Drawings listed in the index located on Drawing Sheet G000.
 9. Exhibits to this Agreement (enumerated as follows).
 - a. Contractor's Bid (Document 00 41 00).
 - b. Documentation submitted by Contractor prior to Notice of Award (pages ____ to ____, inclusive).
 - c. Certificate of Insurance.
 10. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.

- b. Field Order(s).
 - c. Work Change Directive(s).
 - d. Change Order(s).
- B. The documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

ARTICLE 8 – REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS

8.01 Contractor's Representations

- A. In order to induce Owner to enter into this Contract, Contractor makes the following representations:
 - 1. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
 - 2. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - 3. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
 - 4. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.
 - 5. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor's safety precautions and programs.
 - 6. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
 - 7. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
 - 8. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
 - 9. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
 - 10. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

8.02 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
 3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

ARTICLE 9 – MISCELLANEOUS

9.01 *Terms*

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

9.02 *Assignment of Contract*

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.03 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.04 *Severability*

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on _____, _____ (which is the Effective Date of the Contract).

OWNER:

Duluth Airport Authority

By: _____

Title: _____

[CORPORATE SEAL]

Attest: _____

Title: _____

Address for Giving Notices:

(If Owner is a corporation, attach evidence of authority to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of Owner-Contractor Agreement).

Designated Representative:

Name: _____

Title: _____

Address: 4701 Grinden Drive

Duluth, Minnesota 558811

Phone: 218.625.7767

Facsimile: _____

CONTRACTOR:

Error! Reference source not found.

By: _____

Title: _____

[CORPORATE SEAL]

Attest: _____

Title: _____

Address for Giving Notices:

License No. _____

(Where Applicable)

Agent for service of process: _____

(If Contractor is a corporation or a partnership, attach evidence of authority to sign.)

Designated Representative:

Name: _____

Title: _____

Address _____

Phone: _____

Facsimile: _____

END OF DOCUMENT

VII D

Duluth Airport Authority
Short Elliott Hendrickson Inc. (SEH) Work Order 2022-4 for Apron
Rehabilitation - Construction Administration Services Project at the Duluth
Sky Harbor Airport

Terms:

- Estimated start date of July 1, 2022
- Estimated end date of June 30, 2023

Agreement Overview:

This work order includes construction administration engineering services for the Apron Rehabilitation Project the Duluth Sky Harbor Airport (DYT).

This scope of engineering services includes construction administration, observation, and project closeout services, as well as public outreach and project management. Construction is anticipated to take place in the summer/fall of 2022, with a total working time of approximately 10 calendar days. Preparatory work prior to the project initiation and clean up and restoration work following substantial completion are expected to take one week for each.

The contract provisions included in the Master Agreement (dated 1-21-2020) between the DAA and SEH remain in effect for this work order.

Background:

The southern portion of the general aviation apron at the Sky Harbor Airport (DYT) needs pavement rehabilitation. The pavement was last reconstructed in 2004 and is exhibiting various pavement distresses including weathering and longitudinal/transverse cracking. A timely rehabilitation project will economically increase the useful life of the pavement and avoid a near term need for a major reconstruction effort.

The project will include rehabilitation on approximately 7,750 SY of apron pavement. Rehabilitation will include removing the existing bituminous pavement, recompact the existing aggregate base, and paving a fresh surface course. The project will also provide a correction to any soft spots in the existing aggregate base. Additionally, the existing tiedowns will be replaced (as needed) and the pavement markings will be restored.

Schedule A of the project is anticipated to be funded at 90 percent by the Federal Aviation Administration (FAA), and an additional 5 percent from MnDOT Aeronautics State grant. The local contribution to the DAA is anticipated to be 5 percent. Schedule B will be funded at 70 percent MnDOT and 30 percent local.

**WORK ORDER
No. 2022-4
Between**

The Duluth Airport Authority (DAA) (Owner) and
Short Elliott Hendrickson Inc. (SEH) (Consultant)

Dated: April 19, 2022

**2022 APRON REHABILITATION
SKY HARBOR AIRPORT (DYT)**

This work order includes professional services for construction administration, observation and closeout for the rehabilitation of the general aviation apron at the Sky Harbor Airport (DYT). The contract provisions included in the Master Agreement (dated 1-21-2020) between the DAA and SEH remain in effect for this work order.

Estimated start date is May 1, 2022; estimated end date is June 30, 2023.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$62,900.00. \$56,800 is considered eligible for FAA funding (Scope A-1) and \$6,100 is considered eligible for MnDOT funding (Scope A-2).

A description of the services to be provided is included in Attachments A-1 and A-2. A detailed estimate of labor cost and expenses is included in Attachments B-1 and B-2.

Point of Contact: Kaci Nowicki

APPROVED:

Duluth Airport Authority (DAA)

Short Elliott Hendrickson Inc.

Title: _____



Title: Principal

Date: _____

Date: March 21, 2022

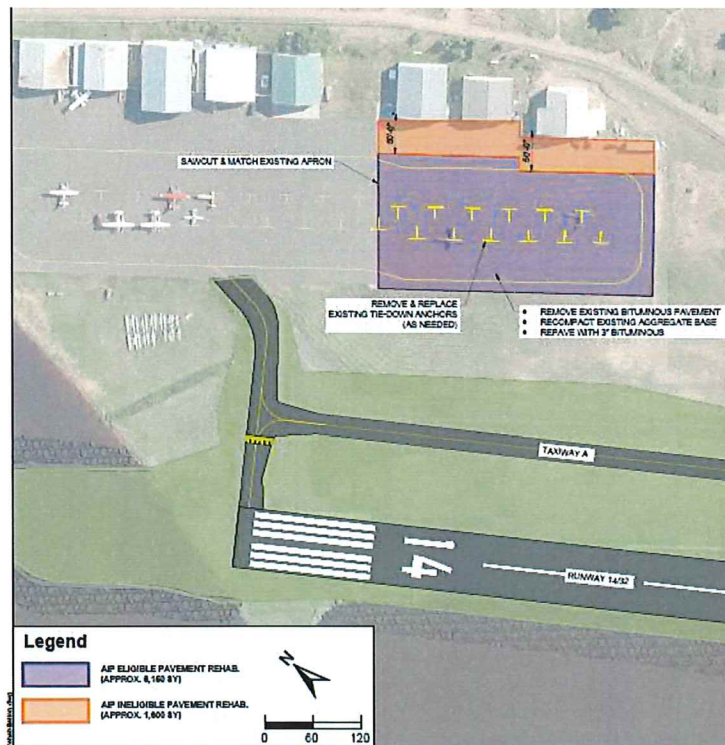
Title: _____

Date: _____

ATTACHMENT A-1
Sky Harbor Airport (DYT)
2022 Apron Pavement Rehabilitation
Scope of Work
Schedule A (FAA Eligible)
(Construction Administration, Observation, Closeout)

General – The southern portion of the general aviation apron at the Sky Harbor Airport (KDYT) needs pavement rehabilitation. The pavement was last reconstructed in 2004 and is exhibiting various pavement distresses including weathering and longitudinal/transverse cracking. A timely rehabilitation project will economically increase the useful life of the pavement and avoid a near-term need for a major reconstruction effort.

The project will include rehabilitation on approximately 7,750 SY of apron pavement, as shown in the figure below. Rehabilitation will likely include removing the existing bituminous pavement, recompacting the existing aggregate base, and paving a fresh surface course. The project will also provide a correction to any soft spots in the existing aggregate base. Additionally, the existing tiedowns will be replaced (as needed) and the pavement markings will be restored.



The majority of the apron is concerned FAA eligible, with the exception of the 50 feet adjacent to the private buildings. The pavement within 50 feet of the hangar buildings is considered ineligible for FAA funding, but eligible for MnDOT funding. The eligible scope of work is included in attachment A-1, and the ineligible scope of work is included in attachment A-2.

This work scope includes professional engineering for construction observation, management, and administration.

The proposed project schedule includes design and construction in 2022.

Project Deliverables – The project deliverables of this scope include the following:

1. Shop Drawing/Submittal Review
2. Construction Administration and Observation
3. Quality Assurance Testing
4. Project closeout
5. Project management

This work scope includes:

1. Establish Survey Control. SEH will provide survey control for the project. Control points for horizontal and vertical control will be established and provided to the Contractor.
2. Preconstruction Activities. A preconstruction conference will be held prior to beginning construction to outline and discuss project requirements, administration procedures, and other construction related information. SEH will administer the preconstruction conference, issue notifications, and record meeting minutes.
3. Submittal and Shop Drawing Review. SEH will review product and material data, shop drawings, mix design, samples, and other items required to be submitted by the contractor.
4. Construction Observation. SEH will provide construction observation for the duration of construction. A Resident Project Representative (RPR) will be on-site to assist in ensuring that construction is performed in accordance with contract documents. The RPR will document and record construction progress through a daily journal and weekly progress reports.
5. Progress Meetings. It is anticipated that progress meetings will be scheduled during construction as needed. The progress meetings will be attended either in person or by conference call by SEH, including the RPR, project manager, and/or other staff as needed or required.
6. Pay Estimates. SEH will prepare a partial pay estimate and one final pay estimate upon completion of construction. Actual completed quantities will be tabulated for use in preparing pay estimates.
7. Final Inspection / Punchlist. A final inspection will be conducted by SEH after completion of the project. SEH will issue notifications and prepare a punchlist of any outstanding items needing correction.
8. Record Drawings. Record drawings will incorporate any modifications or additions that occurred during construction. A final plan set will be plotted and distributed to the Duluth Airport Authority for their records.

9. FAA Project Closeout Report. The Consultant will prepare a "Project Closeout Report" as required by the FAA and using "Sponsors Guide to Quality Project Closeout Report Requirements" (FAA Publication).
10. Project Management. Time required for the overall administering of the project, including preparing contract modifications, reviewing quality control and testing results, and coordination with the Airport Authority, Contractor, FAA, Mn/DOT, and other regulatory agencies and utilities.

Subconsultants performing work under this proposal include the following:

1. Braun Intertec, Inc. Quality assurance testing for compaction and paving work will be performed by Braun Intertec of Duluth, Minnesota.

ATTACHMENT A-2
Sky Harbor Airport (DYT)
2022 Apron Pavement Rehabilitation
Scope of Work
Schedule B (FAA Ineligible Tasks)
(Construction Administration, Observation, Closeout)

General – Schedule B reflects the same overall project description as Schedule A, but specifically focuses on the portion of the tasks that are not federally eligible, and required to complete the federally ineligible portions of work. These tasks include the design effort required to construct the apron within 50 feet of the hangars per Table C-2, item 36 of the AIP Handbook.

This work scope includes:

1. Construction Observation. SEH will provide construction observation for the duration of construction. A Resident Project Representative (RPR) will be on-site to assist in ensuring that construction is performed in accordance with contract documents. The RPR will document and record construction progress through a daily journal and weekly progress reports.
2. Pay Estimates. SEH will prepare a partial pay estimate and one final pay estimate upon completion of construction. Actual completed quantities will be tabulated for use in preparing pay estimates.
3. Final Inspection / Punchlist. A final inspection will be conducted by SEH after completion of the project. SEH will issue notifications and prepare a punchlist of any outstanding items needing correction.
4. Record Drawings. Record drawings will incorporate any modifications or additions that occurred during construction. A final plan set will be plotted and distributed to the Duluth Airport Authority for their records.
5. Project Management. Time required for the overall administering of the project, including preparing contract modifications, reviewing quality control and testing results, and coordination with the Airport Authority, Contractor, FAA, Mn/DOT, and other regulatory agencies and utilities.

ATTACHMENT B-I
ESTIMATED FEES AND EXPENSES
2022 Apron Pavement Rehabilitation
Construction Observation, Administration and Closeout
Sky Harbor Airport

Task No.	Task Description	Project Director	Project Manager	Project Engineer	Senior Technician	Admin Technician
1	Establish Survey Control	0	0	2	2	0
2	Preconstruction Activities	4	4	4	0	0
3	Submittal and Shop Drawing Review	0	2	4	0	0
4	Construction Observation	0	6	200	0	0
5	Progress Meetings	0	4	8	2	0
6	Pay Estimates	0	4	4	0	4
7	Final Inspection/Punchlist	0	4	8	4	0
8	Record Drawings	0	2	8	8	0
9	FAA Project Close-out Report	0	1	8	0	2
10	Project Management	4	8	4	2	2
	Total hours per labor category	8	35	250	18	8

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Project Director	8	\$79.18	\$633.44
Project Manager	35	\$73.70	\$2,579.56
Project Engineer	250	\$42.99	\$10,748.15
Senior Technician	18	\$45.36	\$816.43
Admin Technician	8	\$33.23	\$265.87
Total Direct Labor Costs:	311		\$14,410.01
Direct Salary Costs plus Overhead (66.03%)			\$23,924.94
Total Labor Costs			\$38,334.95
Fee (15%)			\$5,750.24

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Employee Mileage	1500	\$0.58	\$870.00
Construction Auto Allowance	15	\$16.00	\$240.00
Per Diem	15	\$200.00	\$3,000.00
Quality Assurance Testing (Braun Intertec)	1	\$7,215.00	\$7,215.00
Equipment Usage	311	\$3.00	\$933.00
Reproductions / Miscellaneous	1	\$500.00	\$500.00
Total Expenses			\$12,758.00

SUMMARY:

Total Labor Costs + Expenses + Fees	\$56,843.19
Estimated Total	\$56,800.00

ATTACHMENT B-II
ESTIMATED FEES AND EXPENSES
2022 Apron Pavement Rehabilitation – FAA Ineligible Items
Construction Observation, Administration and Closeout
Sky Harbor Airport

Task No.	Task Description	Project Director	Project Manager	Project Engineer	Senior Technician	Admin Technician
1	Construction Observation	0	1	12	2	0
2	Pay Estimates	0	2	2	0	2
3	Final Inspection/Punchlist	0	1	2	0	0
4	Record Drawings	0	0	2	2	0
5	Project Management	2	2	2	0	2
	Total hours per labor category	2	6	20	4	4

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Project Director	2	\$79.18	\$158.36
Project Manager	6	\$73.70	\$442.21
Project Engineer	20	\$42.99	\$859.85
Senior Technician	4	\$45.36	\$181.43
Admin Technician	4	\$33.23	\$132.94
Total Direct Labor Costs:	36		\$1,774.79
Direct Salary Costs plus Overhead (66.03%)			\$2,946.68
Total Labor Costs			\$4,721.47
Fee (15%)			\$708.22

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Employee Mileage	300	\$0.58	\$174.00
Construction Auto Allowance	2	\$16.00	\$32.00
Per Diem	2	\$200.00	\$400.00
Equipment Usage	36	\$3.00	\$108.00
Total Expenses			\$714.00

SUMMARY:

Total Labor Costs + Expenses + Fees	\$6,143.69
Estimated Total	\$6,100.00

February 18, 2022

Proposal QTB153740

Lindsay Reidt, PE
SEH, Inc.
3535 Vadnais Center Drive
Saint Paul, MN 55110

Re: Proposal for Construction Materials Testing Services
Apron Rehabilitation (DYT)
Sky Harbor Regional Airport
5000 Minnesota Avenue
Duluth, Minnesota

Dear Lindsay:

Braun Intertec Corporation respectfully submits this proposal to provide quality control observation and testing services for the Apron Rehabilitation project at the Sky Harbor Regional Airport.

We have completed the geotechnical evaluation for this project, so we have a unique understanding of the site and construction challenges. We can aid the construction team by applying this experience and transferring our knowledge developed during the design phase which will provide professional continuity to the construction. Our work on the project to date gives us familiarity with the project team and design development which allows us to understand some of the considerations used when developing the project's design.

Our Understanding of Project

The project consists of the rehabilitation of a portion of the apron. The portion of the apron that is planned to be rehabilitated is approximately 10,000 square yards and consists primarily of bituminous pavement. The apron rehabilitation is planned to consist of Recycled Asphalt Aggregate Base (P-207) and Bituminous Pavement (P-401). Site work will include pavement removals/reclamation, grading and drainage improvements, and bituminous paving.

Available Project Information

This proposal is based on our review of the documents described below. We will submit a revised scope of services and cost if the project changes.

- Geotechnical report prepared by Braun Intertec Corporation under project number B2200014, dated February 2, 2022.
- Discussions with Ms. Reidt regarding the scope of the proposed project.

AA/EOE

Scope of Services

Services are performed under the direction of a licensed professional engineer. Observation and testing services will be performed on a full-time or an on-call, as-needed basis as requested and scheduled by you or your on-site project representative. After reviewing available information to determine compliance with project plans and/or specifications and other design or construction documents, our scope of services for the project will be limited to the tasks defined below.

Soil Related Services

- Perform dynamic cone penetrometer (DCP) tests on recycled asphalt aggregate base material in accordance with MnDOT Penetration Index Method requirements for Full Depth Reclamation with bitumen content $\geq 2.5\%$.
- Sample and test recycled asphalt aggregate base materials for compliance with the project documents. This task includes laboratory gradation testing of the material.

Bituminous Related Services

- Sample and test bituminous pavement materials for compliance with the project documents, including Rice specific gravity and gyratory gravity tests of the bituminous FAA P-401.
- Provide a full-time bituminous pavement technician who will provide quality acceptance testing of the bituminous pavement in accordance with FAA P-401 requirements.
- Measure the thickness and density of the compacted bituminous pavement by the core method per FAA P-401 for compliance with the project documents. All labor and equipment for obtaining core samples will be provided by the contractor.

Consulting, Project Communication and Reporting Services

- Project management, including scheduling of our field personnel.
- Review observation and test reports, and communicating with you and the parties you may designate such as the project contractor(s), and other project team members, as needed.
- Transmit test results to the project team on a weekly basis.

Scheduling Assumptions

The costs associated with the proposed scope of services were estimated using the following assumptions. If the construction schedule is modified or the contractor completes the various phases of the project at different frequencies or durations than shown in this proposal, we may need to adjust the overall cost accordingly. The scope of work and number of trips required to perform these services are as shown in the attached table. Notable assumptions in developing our estimate include:

- We assume it will take 2 trips to complete the DCP testing for the recycled asphalt aggregate base material.

- Our assumption is bituminous paving will be completed in 2 days for the project.
- We assume the project engineer of record will review and approve contractor's quality control submittals and test results.
- You, or others you may designate, will provide us with current and approved plans and specifications for the project. Modification to these plans must also be sent to us so we can review their incorporation into the work.
- We will require a minimum of 24 hours' notice for scheduling inspections for a specific time. Shorter than 24 hours' notice may impact our ability to perform the requested services, and the associated impacts will be the responsibility of others.

If the work is completed at different rates than described above, this proposal should be revised. If the pace of construction is different than described above, this proposal should be revised.

Cost and Invoicing

We will furnish the services described herein for an estimated fee of **\$7,215**. **Our estimated costs are based on industry averages for construction production. Depending on the contractor's performance, our costs may be significantly reduced or slightly higher than estimated.** A tabulation showing our estimated hourly and/or unit rates associated with our proposed scope of services is also attached. The actual cost of our services will be based on the actual units or hours expended to meet the requirements of the project documents.

This cost estimate was developed with the understanding that the scope of services defined herein will be required and requested during our normal work hours of 6:00 a.m. to 4:00 p.m., Monday through Friday. Services that we are asked to provide to meet the project requirements or the contractor's construction schedule **outside** our normal business hours will be invoiced using an overtime rate factor. The factor for services provided outside our normal work hours or on Saturday will be 1.25 times the listed hourly rate for the service provided. The factor for services provided on Sunday or legal holidays will be 1.5 times the listed hourly rate for the service provided. We have not included premiums for overtime in our cost estimate; however, we recommend that allowances and contingencies be made for overtime charges based on conversations with the contractor. You will be billed only for services provided on a time and materials basis.

Because our services are directly controlled by the schedule and performance of others, the actual cost may vary from our estimate. It is difficult to project all of the services and the quantity of services that may be required for any project. If services are required that are not discussed above, we will provide them at the rates shown in the attached table or, if not shown, at our current Schedule of Charges. We will invoice you on a monthly basis.

General Remarks

We will be happy to meet with you to discuss our proposed scope of services further and clarify the various scope components.

We appreciate the opportunity to present this proposal to you. After reviewing this proposal, **please sign and return one copy to our office as notification of acceptance and authorization to proceed.** If anything in this proposal is not consistent with your requirements, please let us know immediately. Braun Intertec will not release any written reports until we have received a signed agreement.

The proposed fee is based on the scope of services described and the assumption that our services will be authorized within 30 days and that others will not delay us beyond our proposed schedule.

Our services will be provided under the terms of our Agreement for Professional Services dated July 2, 2008.

To have questions answered or schedule a time to meet and discuss our approach to this project further, please contact Aaron Tast at 320.980.3504 or email at atast@braunintertec.com.

Sincerely,

BRAUN INTERTEC CORPORATION



Aaron M. Tast
Aviation Account Leader



Joseph C. Butler, PE
Business Unit Manager, Senior Engineer

Attachments:
Project Proposal

The proposal is accepted. We will reimburse you in accordance with this agreement, and you are authorized to proceed:

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date

Project Proposal

QTB153740

Apron Rehabilitation (DYT)

Client:

Short Elliott Hendrickson, Inc.
Lindsay Reidt
3535 Vadnais Center Dr
Saint Paul, MN 55110

Work Site Address:

Sky Harbor Regional Airport
5000 Minnesota Ave.
Duluth, MN 55802

Service Description:

Quality Acceptance Testing
Sky Harbor Airport

	Description	Quantity	Units	Unit Price	Extension
Phase 1					
QA Testing					
Activity 1.1	Soils (FDR)				\$840.00
217	Compaction Testing - DCP (FDR)	8.00	Hour	80.00	\$640.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	FDR Testing	2.00	Trips	4.00	8.00
1162	Sieve Analysis with 200 wash, per sample	1.00	Each	140.00	\$140.00
1861	CMT Trip Charge	2.00	Each	30.00	\$60.00
Activity 1.2	Pavement (P401)				\$4,705.00
222	Bituminous QA Testing	36.00	Hour	115.00	\$4,140.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Bituminous QA (P401)	1.00	Trips	28.00	28.00
	Bituminous Cores (P401)	1.00	Trips	8.00	8.00
1862	Bituminous Trip Charge	1.00	Each	215.00	\$215.00
1863	Per diem	2.00	Each	175.00	\$350.00
Activity 1.3	Project Management & Oversight				\$1,670.00
238	Project Assistant	2.00	Hour	80.00	\$160.00
226	Project Manager (Reports/Billing)	4.00	Hour	150.00	\$600.00
228	Senior Project Manager	4.00	Hour	165.00	\$660.00
1856	Vehicle mileage, site visit	250.00	Each	1.00	\$250.00
Phase 1 Total:					\$7,215.00

Proposal Total: \$7,215.00

VII E

UNIFI AVIATION OPERATING AGREEMENT FOR THIRD PARTY CONTRACTOR GROUND HANDLING SERVICES AT DLH

Terms:

- Term remains in line with Airline Agreement, ends 12-31-2022. New agreement will be complete once new airline agreement is finished for a term starting 1-1-2023.

Background:

- Expired agreement under old name, Delta Global Services needed to be updated and changed to the new name Unifi Aviation.

Agreement Overview:

- Agreement holds Unifi liable for damage to airport property and responsible for costs of employee badging and parking permits.

Why were the changes in key terms needed/wanted?

- Previous agreement expired and company name/structure changed.

DULUTH AIRPORT AUTHORITY
OPERATING AGREEMENT FOR
THIRD PARTY CONTRACTOR RAMP AND PASSENGER SERVICES
AT
DULUTH INTERNATIONAL AIRPORT
WITH
UNIFI AVIATION, LLC

December 1, 2021

**DULUTH AIRPORT AUTHORITY
OPERATING AGREEMENT FOR THIRD PARTY CONTRACTOR GROUND HANDLING
SERVICES**

THIS OPERATING AGREEMENT FOR THIRD PARTY CONTRACTOR GROUND HANDLING SERVICES ("Agreement") is made and entered into this 1st day of December 2021, by and between the Duluth Airport Authority, a governmental body organized and existing under Chapter 577 of the Laws of the State of Minnesota, 1969 ("Authority"), and Unifi Aviation, LLC ("UNIFI") a Delaware limited liability company.

WHEREAS, the Authority controls and operates the Duluth International Airport, an airport located in the City of Duluth Minnesota ("Airport"); and,

WHEREAS, the Authority has control of the Airport and has the power to establish and collect rentals, fees and other charges for services and facilities of the Airport pursuant to the laws of the Minnesota and,

WHEREAS, the Authority and UNIFI desire to enter into this Agreement related to the operations of UNIFI at the Airport, all as more fully hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the Authority and UNIFI do hereby mutually undertake, promise, and agree, each for itself and its successors and assigns, as follows:

**SECTION 1
TERM**

The Term of this Agreement shall commence on December 1, 2021 and continue until midnight on December 31, 2022 ("Term").

**SECTION 2
PREMISES**

The parties hereto agree that UNIFI will not lease any space or facilities at the Airport, that UNIFI, will use space for its operations within the space currently leased to Delta Air Lines, Inc. and United Airlines, Inc. and UNIFI hereby agrees to be bound by the terms and conditions of the Delta Air Lines, Inc. Agreement and United Airlines, Inc. Agreement.

**SECTION 3
SECURITY BADGES AND OTHER FEES**

- A. Badging: The Authority agrees to invoice UNIFI directly for the issuance of Airport ID security badges, renewal of Airport ID badges, lost Airport ID badges, employee parking, or any other services provided to UNIFI by the Authority to UNIFI employees.

The Authority is entitled to collect and UNIFI agrees to pay all charges and fees due under this Agreement. Any invoices more than thirty (30) days past due may be subject to a service charge of one and one-half percent (1 1/2 %) per month, based on an annual rate of eighteen percent (18%). The acceptance by the Authority of any late payment shall not preclude the Authority from collecting such service charge. Without prejudice to any other remedy which otherwise might be available to the Authority to resolve an

arrearage in UNIFI payments or other breach of this Agreement, if the Authority is required or it elects to pay any sum or sums or incurs any obligations or expense, by reason of failure, neglect or refusal of UNIFI to perform any one or more of the terms, conditions, or covenants of this Agreement or comply with the Airport Rules and Standards or as the result of any act or omission of UNIFI contrary to said terms, conditions, and covenants, the sum or sums so paid or the expense so incurred, including all interests, costs, damages and penalties may be added to any installment of billings thereafter due hereinabove and each and every part of the same shall be and become additional billings recoverable by the Authority in the same manner and with like remedies as if it were originally a part of the billings as set forth hereinabove. Failure to pay any such obligations within thirty (30) days following written notice by the Authority will be grounds for termination of this Agreement.

- B. Fees: The Authority reserves the right to impose at its discretion such fees or charges at a later date, at its sole discretion, upon providing thirty (30) days advance written notice to UNIFI.

SECTION 4 ACTIVITIES, USES, PRIVILEGES AND OBLIATIONS OF UNIFI

A. Rights of UNIFI:

1. Subject to the Rules and Standards promulgated by the Authority and pursuant to this Agreement, UNIFI shall have the right to use the Airport only for the specific purposes listed below:
 - a. Above Wing Passenger Services for Delta Air Lines, Inc. and United Airlines, Inc.: ticketing, check-in, loading and unloading of passengers, handling baggage, operating loading bridges, cleaning aircraft all for Delta Air Lines, Inc. United Airlines, Inc., and designated Affiliate aircraft only. For purposes of this Agreement, "Affiliate" shall mean an air transportation company that operates under contract to Delta Air Lines Inc. or United Airlines, Inc. and under a ticket issued by Delta Air Lines or United Airlines.
 - b. Below Wing Ramp Services for Delta Air Lines, Inc. and United Airlines, Inc.: operating ground support equipment, loading and unloading of luggage, mail and freight, waste and trash disposal, guiding/parking aircraft, all for Delta Air Lines, Inc., United Airlines, Inc., and Affiliate aircraft only.
 - c. Security Badge Sponsorship: all UNIFI personnel must be fingerprinted and badged as outlined in the security badging directives of the Authority. These directives are subject to change at any time by order of the TSA.
 - d. Specifically Excluded Services: aircraft maintenance and ground support equipment maintenance (except for any aircraft or equipment owned exclusively by UNIFI, Delta Air Lines, Inc., or United Airlines, Inc.) and aircraft fueling are specifically prohibited and require a separate permit/lease with the Authority.
- B. During the Term of this Agreement, UNIFI agrees to use the Airport for the purpose or activities stated above, subject to the conditions generally or particularly set forth herein, and not to use or permit the use of the Airport or any part thereof for any purposes or activities other than those specifically stated above without first

- obtaining the express, written approval of the Authority.
- C. UNIFI agrees that the rights and privileges granted herein are nonexclusive.
- D. The Authority may, from time to time, and with reasonable notice to UNIFI and during the Term of this Agreement, adopt or revise and enforce certain Rules and Standards, as may be amended from time to time, with respect to the use and operation of the Airport. UNIFI agrees to observe and obey such Rules and Standards.
- E. UNIFI shall not use the Airport or any part thereof, or knowingly permit the same to be used by any of its employees, officers, agents, subtenants, invitees, or licensees for any illegal purposes and shall, at all times during the Term of this Agreement, comply with all applicable and lawful regulations, 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 that may have jurisdiction to pass laws or ordinances or to make and enforce rules or regulations with respect to the uses hereunder of the Airport.
- F. At all times during the Term of this Agreement, UNIFI shall, in connection with its activities and operations at the Airport:
1. Comply with and conform to all applicable and lawful present and future statutes and ordinances, and regulations promulgated thereunder, of all federal, state, and other government bodies of competent jurisdiction that apply to or affect, either directly or indirectly, UNIFI or the operations and activities of UNIFI under this Agreement.
 2. Reimburse the Authority for the proportional share of UNIFI for all nonstructural improvements, repairs, and alterations to the Airport (if applicable) that are required to comply with or conform to any of such laws, ordinances and rules and regulations referred to in subsection (1) above.
 3. Be and remain an independent contractor with respect to all installations, construction, and services performed by or at the request of UNIFI hereunder.
- G. UNIFI agrees, at its own expense, to pay any and all taxes properly levied by the City, county or other governmental units.
- H. Any trade fixtures, equipment and other property placed by UNIFI in, on or about the Airport shall be and remain the property of UNIFI except as otherwise provided herein. UNIFI shall have the right at any time during the Term hereof to remove any or all of its property, subject to the obligation of UNIFI to repair all damage to the Authority property, and restore the space to its original condition, normal wear and tear excepted. UNIFI places its personal property on the Airport at its own risk. The Authority shall not be responsible for any lost or stolen personal property of UNIFI.
- I. All such trade fixtures, equipment and other property of UNIFI shall be removed by UNIFI from the Airport by the expiration or earlier termination of this Agreement.
- J. Limitation on Use of the Airport
1. In connection with the exercise of its rights under this Agreement, UNIFI:
 - a. Shall not do or permit anything to be done at or about the Airport that may interfere with the effectiveness or accessibility of the drainage and sewage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses installed or located at the Airport.
 - b. Shall not release or dispose of in any manner or knowingly permit any UNIFI employee, contractor, or agent to release or dispose of

any hazardous waste material or any chemical or petroleum product at any location or into any system or water source or body of water on or adjacent to the Airport.

- c. Shall not keep or store flammable liquids in excess of UNIFI's working requirements of UNIFI or in violation of any law or regulation on the Airport. Any such liquids having a flash point of less than 100 degrees Fahrenheit shall be kept and stored in safety containers of a type approved by the National Fire Protection Association.
- d. UNIFI shall staff the operation adequately in order to successfully fulfill the scope of services provided to Delta Air Lines Inc. and United Airlines, Inc.
- e. Shall provide to the Executive Director, or designee, on a timely basis daily activity reports in summary form to include flight and passenger information.

- K. Purchases by UNIFI: Property, including, but not limited to, fuels and lubricants, services and materials may be purchased by UNIFI from any person or corporation of its choice, and no unjust or unreasonable discriminatory limitations or restrictions shall be imposed by the Authority, directly or indirectly, against UNIFI or its supplier, for the privilege of purchasing, selling, using, storing, withdrawing, handling, consuming, loading, unloading, or delivering any personal property of UNIFI or its suppliers, or for the privilege of transporting such personal property to, from, or on the Airport; provided, however, that the foregoing shall not prevent the Authority from entering into leases of space at the Airport or concession agreements at the Airport providing for the payment of rent or other consideration to the Authority based upon the gross business or volume of business done by the tenant or concessionaire; and, further provided that with respect to food and/or beverages purchased from a supplier not presently holding an agreement with the Authority for delivery to any aircraft at loading ramps adjacent to the Passenger Terminal Building, the Authority reserves the right to require such supplier to pay the Authority a fee for the use of the ramps and facilities of the Authority.

SECTION 5

RIGHTS AND COVENANTS OF THE AUTHORITY

- A. The Authority covenants that it has full rights and authority to enter into this Agreement. The Authority reserves the following rights (and UNIFI agrees and acknowledges such rights):
- 1. To maintain and keep in repair the landing area and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of UNIFI in this regard;
 - 2. To further develop or improve the landing area and all publicly owned navigation facilities of the Airport as it sees fit, regardless of the desire or views of UNIFI, and without interference or hindrance by UNIFI;
 - 3. To temporarily close, relocate, reconstruct, change, alter or modify any means of access of UNIFI to the Airport in connection with the prudent maintenance and operation of the Airport, provided that reasonable notice to the Delta Air Lines, Inc., United Airlines, Inc. and UNIFI and a reasonably adequate means of ingress and egress shall exist or be provided in lieu thereof; and

4. During time of war or national emergency 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 the provisions of the agreement with the United States Government, shall be suspended.
- B. This Agreement shall be subordinate to the provisions of existing or future agreements between the Authority and the United States relative to the maintenance, operation, or development of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.
- C. It is understood and agreed that the rights granted by this Agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the Airport.
- D. There is hereby reserved to the Authority, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Airport, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from, or operating on or about the Airport.

SECTION 6 MAINTENANCE

- A. The Authority and its authorized officers, employees, agents, contractors, subcontractors and other representatives have the right (at such times as may be reasonable under the circumstances and with as little interruption to the operations of UNIFI as is reasonably practical) to enter any portion of the Airport for the following purposes:
 1. To inspect such premises at reasonable intervals to determine whether UNIFI has complied and is complying with the terms and conditions of this Agreement.
 2. To perform maintenance; make repairs and replacements in any case where UNIFI is obligated so to do and has failed after reasonable notice so to do; and repair or replace any facility damage caused by the actions of UNIFI and following notice of the need to make such repair and a reasonable cure period in which event UNIFI shall reimburse the Authority for the reasonable cost thereof promptly upon demand plus a fifteen percent (15%) administrative fee.
 3. To perform maintenance and make repairs and replacements in any case where the Authority is obligated so to do; and in any other case where the Authority, in its reasonable judgment, determines that it is necessary or desirable so to do in order to preserve the structural safety of such premises or the building in which they are located or to correct any condition likely to cause injuries or damages to persons or property.
 4. In the exercise of the Authority's public safety responsibilities.
 5. No such entry by or on behalf of the Authority or any portion of the Airport shall cause or constitute a termination of this Agreement or be deemed to constitute an interference with the operation thereof by UNIFI.
- B. Neither UNIFI nor its contractors have authority to create any liens upon the property of the Authority by reason of any construction or other activity on the Airport. Any such liens which may be filed shall be released immediately upon demand by the

Authority.

SECTION 7 SECURITY

UNIFI shall abide by the Authority directives, rules and regulations as may from time to time be issued and/or amended, so as to assure compliance with all security regulations and directives which are currently in effect or which may be promulgated by either the Federal Aviation Administration or the Transportation Security Administration, (Regulation 1542; Airport Security). UNIFI certifies that its personnel will be made familiar with directives, rules, and regulations prior to being assigned to the Air Operations Area of Duluth International Airport.

SECTION 8 INSURANCE REQUIREMENTS AND INDEMNIFICATION

- A. General: Operator shall indemnify, save, hold harmless, and defend the Authority and the City of Duluth ("City"), their officials, agents and employees, successors and assigns, individually or collectively, from and against any claim including a claim for contribution or indemnity, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees) based upon injury to persons, including death, or damage to property arising out of, resulting from, in conjunction with or incident to Operator's operation of its business and/or performance of its obligations under this Agreement or use and/or occupancy of the Leased Premises consisting of Preferential and Joint Use Space or of the Airport and on ten (10) days' written notice from the Authority, the Operator will appear and defend all claims and lawsuits against the Authority growing out of any such injury or damage.
- B. Violations of Regulations and Laws: Operator shall indemnify, save, hold harmless, and defend Authority and the City, their officials, agents and employees, successors and assigns, individually or collectively, from and against any claim including a claim for contribution or indemnity, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees) and any fines in any way arising from or based upon municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated, by Operator, its agents, employees, or successors and assigns in conjunction with or incident to UNIFI's operation of its business and/or performance of its obligations under this Agreement or use and/or occupancy of the Leased Premises consisting of Preferential and Joint Use Space or of the Airport and on ten (10) days' written notice from the Authority, the UNIFI will appear and defend all claims and lawsuits against the Authority growing out of any such injury or damage.
- C. Survival: The provisions of this Section shall survive the expiration, termination, or early cancellation of this Agreement.
- D. In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that UNIFI shall be responsible in all respects for UNIFI's use of, or UNIFI's generation of, or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic or dangerous substance, solid waste or a "hazardous waste" by either the United States Environmental Protection Agency or the Minnesota Pollution Control Agency. UNIFI shall specifically be responsible for the disposition of all

such waste or substances and for the environmental response activities and response costs, monitoring, or cleanup of any environmental condition deemed by those agencies, or either of them, to require environmental response, monitoring or cleanup activities of any kind whatsoever which arise out of UNIFI's use of, or generation of, such substances in its operations at the Airport, and, UNIFI specifically agrees that the obligations of Section 8.1 above shall apply specifically to any costs or obligations of the Authority or City arising out of such response, disposition and/or clean up. The provisions of this Section shall survive the expiration, termination, or early cancellation of this Agreement.

- E. Insurance Requirements: UNIFI shall, at its expense, maintain insurance in full force and effect during the term of this Agreement in such amounts as to meet the minimum limits of liability specified below.
1. Airline Liability with limits no less than \$250,000,000 combined single limit per occurrence, including but not limited to, aircraft liability, bodily injury and property damage, passenger legal liability, airport premises and products/completed operations liability, baggage and cargo liability, hull insurance, contractual liability, independent contractors liability, owned and non-owned aircraft and mobile equipment liability. Personal injury and advertising liability can be limited to \$25,000,000 each offense/aggregate.
 2. Business Automobile Liability with limits no less than \$10,000,000 each occurrence including owned and/or leased automobile liability and non-owned and hired automobile liability.
 3. UNIFI self-insures for pollution liability and has sufficient assets to cover a pollution liability loss of \$10,000,000.
 4. Fire Legal Liability with limits no less than \$1,000,000 each occurrence.
 5. Workers' Compensation Coverage in statutory amounts with "all states" endorsement including Employees Liability Insurance in limits of \$1,000,000 per employee.
- F. Requirements for All Insurance: All insurance required in this Section shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota.
- G. Additional Insureds: Authority and City shall be named as additional insureds on each of the policies above except the Workers' Compensation policy and fire legal liability. Additionally, the Aircraft Physical Damage coverage must include a waiver of subrogation in favor of the Authority and the City.
- H. Insurance Primary: All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or the City.
- I. Insurance Certificate: Certificates showing that UNIFI is carrying the above-described insurance in the specified amounts shall be furnished to Authority prior to the execution of this Agreement, and a certificate showing continued maintenance of such insurance shall be filed with Authority during the term of this Agreement. Failure of UNIFI to provide the required certificates of insurance does not invalidate or eliminate any of the insurance requirements contained herein or relieve UNIFI from any responsibility to carry the required types and amounts of insurance.
- J. Notice of Change or Cancellation: The certificates shall provide that the policies shall not be changed or canceled during the life of this Agreement without at least thirty (30) days advanced notice being given to Authority. Failure to give such notice to Authority will render any such change or changes in said policy or coverages ineffective as against Authority and City.
- K. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the UNIFI's interests and liabilities. It shall be the obligation and responsibility of UNIFI to insure, as it deems prudent, its own personal

property, against damage. Authority does not have insurance coverage for UNIFI's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to aircraft and/or vehicles and/or personal possessions of UNIFI.

- L. Waiver of Subrogation: Authority, the City and UNIFI hereby mutually waive any and all rights of recovery against the other party arising out of damage or destruction of the buildings, Airline's Leased Premises consisting of Preferential and Joint Use Space, or any other property from causes included under any property insurance policies to the extent such damage or destruction is covered by the proceeds of such policies and whether or not such damage or destruction shall have been caused by the parties, their officers, employees or agents, but only to the extent that the insurance policies then in force permit such waiver. All policies of insurance shall contain, to the extent available, this waiver of subrogation provision and the cost of such provision shall be borne by the primary insured.

SECTION 9

UNIFI RESPONSIBILITY FOR ENVIRONMENTAL COSTS AND DAMAGES

- A. UNIFI hazardous materials shall be the responsibility of UNIFI and UNIFI shall be liable for and responsible for, including without limitation, at UNIFI's sole cost :
1. Removal, remediation, assessment, transportation, testing and disposal of UNIFI hazardous materials as directed by any governmental agency, as required by any law, or as necessary to prevent or eliminate any nuisance, trespass, waste or diminution in the value of the Airport;
 2. Damages for injury to persons, property, the Airport and surrounding lands and waters caused by UNIFI hazardous materials;
 3. Claims resulting therefrom;
 4. Fines, costs, fees, assessments, taxes, demands, orders, directives or any other requirements imposed in any manner by any governmental agency asserting jurisdiction, or under any applicable law with respect to UNIFI hazardous materials;
 5. Costs and expenditures for cleanup, remediation, assessment, testing, investigation, transportation and disposal required hereunder for UNIFI hazardous materials;
 6. Damages, costs and expenditures for injury to natural resources as required by applicable law for UNIFI hazardous materials;
 7. Compliance with laws regarding the use, storage, transportation, or disposal thereof; and
 8. Any other liability related to UNIFI hazardous materials.
- B. While the Authority is not required to incur any costs, fees (including attorney, consultant and expert witness fees) or expenses for environmental compliance, testing, investigation, assessment, remediation, or cleanup relating to UNIFI's hazardous materials, should the Authority incur any such costs, expenses or fees relating to the Airport or surrounding lands, waters, or air, UNIFI shall promptly reimburse the Authority for said costs, expenses or fees.
- C. Unifi Indemnification of the Authority: In addition to any other indemnities in this Agreement, UNIFI shall defend, indemnify and hold harmless the Authority, its officers, agents and employees from any and all responsibilities, damages, claims, fines, liabilities, costs, expenditures, attorneys' fees, litigation expenses and court costs relating to UNIFI hazardous materials, including without limitation, those

liabilities and responsibilities referred to elsewhere in this provision.

SECTION 10 ASSIGNMENT

- A. The activities, uses, privileges and obligations authorized herein are personal to UNIFI and UNIFI agrees that it will not assign or subcontract the same or any portion thereof, or assign or subcontract this Agreement or any portion thereof without the prior express written consent of the Authority in its sole and absolute discretion and any purported assignment or subcontract in violation hereof shall be void.
- B. Without limiting the foregoing, the following shall be considered an assignment for purposes hereof: (a) the sale, exchange or transfer on a cumulative basis, whether in one transaction or multiple transactions, of fifty percent (50%) or more of the stock or other ownership interests of UNIFI or any entity which, either directly or indirectly, owns or controls UNIFI (including but not limited to a merger, consolidation or reorganization) ; or (b) the sale, exchange or transfer of all, or substantially all, of the assets or the business related to the performance of this Agreement. In the event the Authority consents to an assignment this Agreement shall be binding upon both UNIFI and the successors and assigns of UNIFI and under such circumstances, UNIFI agrees to have executed and delivered all assignment and assumption documents requested by the Authority. No assignments shall relieve UNIFI of its obligations hereunder absent the express written consent of the Authority.
- C. The Authority in its absolute discretion shall be the sole judge as to the reliability, capability, character, and desirability of any parties proposed as assignees of this Agreement or any part thereof.

SECTION 11 TERMINATION

- A. Termination by the Authority:
 - 1. The Authority, at its option, may declare this Agreement terminated in its entirety upon the happening of any one or more of the following events and may exercise all rights of entry and re-entry upon the Airport:
 - a. If UNIFI shall be divested of its rights, powers and privileges under this Agreement by operation of law.
 - b. If UNIFI shall default in or fail to make any payments at the times and in the amount as required of it under this Agreement
 - c. If UNIFI shall discontinue their operations at the Duluth International Airport.
 - d. If UNIFI shall fail to perform or observe all the covenants and conditions contained in this Agreement to be performed and observed by it.
 - e. If UNIFI shall fail to abide by all applicable laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, City of Duluth, or the Authority.
- B. Termination by UNIFI:
 - 1. UNIFI, at its option, may declare this Agreement terminated in its entirety upon the happening of any one or more of the following events:
 - 2. The issuance by any court of competent jurisdiction of any injunction

preventing or restraining the use of the Airport for airport purposes in its entirety, or the use of any part thereof which may be used by UNIFI and which is substantially necessary to UNIFI for its operations, and if such injunction remains in force for a period of ninety (90) days or more.

3. If the Airport becomes untenable in whole or substantial part; and the Authority does not proceed as promptly as reasonably practical with the repairs and rebuilding necessary to restore the Airport to its condition prior to the occurrence of the damage.

4. If by reason of any willful act, wrongful omission wrongfully done or omitted to be done in violation of this Agreement, the Authority shall substantially interfere with the use by UNIFI of the Airport for the purposes for which the use thereof at that time is authorized by the Agreement.

- C. Effective Date of Termination: Anything to the contrary in this Agreement notwithstanding, this Agreement shall not be deemed to be in default and no termination declared by either party shall be effective unless and until no less than thirty (30) days have elapsed after written notice to the other specifying the date upon which such termination shall take effect and the cause for which it is being terminated (and if such termination is by reason of a breach under this Agreement for which termination is authorized, specifying such breach with reasonable certitude) and no such termination shall be effective if such cause shall have been cured or obviated during such thirty (30) day period, or in the event such cause is a breach under this Agreement (for which termination is authorized) and if, by its nature, such breach cannot be cured within such thirty (30) day period, such termination shall not be effective if the party in breach commences to correct such breach within said thirty (30) days and corrects the same as promptly as reasonably practical, provided that the thirty (30) day period specified in this subparagraph shall not apply to termination declared for, 1) failures of UNIFI to make payments hereunder for which termination may be declared by the Authority upon fifteen (15) calendar days written notice; however if payment is made within said period of fifteen (15) calendar days said notice shall be of no force and effect, or 2) failures of UNIFI to correct security defects attributed to them for which termination may be declared by the Authority upon five (5) days written notice; however, if the security defect is cured within said period of five (5) days said notices shall be of no force and effect. The Authority may, however, require, at its sole discretion, that any person causing any such security defect be suspended immediately based upon the nature of the defect.

- D. Surrender and Holding Over:

- a. UNIFI covenants that at the expiration of this Agreement or at the earlier termination of the Agreement, UNIFI will quit and surrender its use of the Airport in good state and condition, reasonable wear and tear excepted, and also excepting damage arising from acts, events or conditions beyond the control of UNIFI and UNIFI shall forthwith remove therefrom all equipment, trade fixtures and personal property belonging to it. UNIFI further covenants and agrees that the Airport and all structures, and improvements thereon which by and under the terms of this Agreement are to remain on such premises as the property of the Authority, shall be in good usable order and condition, with allowance for reasonable wear and tear and damage by the elements, and also excepting damage arising from acts, events or conditions beyond the control of UNIFI, and the Authority shall have the right on such

- termination, to enter upon and take possession of the Airport.
- b. All of the personal property of UNIFI located on the Airport shall be maintained on the premises at the risk of UNIFI only, and the Authority shall not be liable for damage to said personal property.
 - c. In the event UNIFI shall hold over and remain on the property of the Airport after expiration of this Agreement without any written renewal thereof such conduct shall not be deemed to operate as a renewal or extension of this Agreement.

SECTION 12 BANKRUPTCY OR INSOLVENCY

- A. Events of Bankruptcy: For purposes of this Agreement the following will be deemed "Events of Bankruptcy" of UNIFI;
 - a. UNIFI becomes "insolvent," as defined in any insolvency laws; or
 - b. If UNIFI files a voluntary petition under any insolvency laws; or
 - c. If a receiver or custodian is appointed for any or all of UNIFI's property or assets, or if there is instituted a foreclosure action on any of UNIFI's property; or
 - d. If there is filed an involuntary petition against UNIFI as the subject debtor under any insolvency laws, which is not dismissed within thirty (30) days of filing, or results in issuance of an order for relief against the debtor; or
 - e. If UNIFI makes or consents to an assignment of its assets, in whole or in part, for the benefit of creditors, or undertakes a common law composition of creditors.
- B. Petition Filing: Upon the filing of a petition by or against UNIFI under any insolvency laws, UNIFI as debtor and as debtor in possession, and any trustee whom may be appointed, agree as follows:
 - a. To perform each and every obligation of UNIFI under this Agreement until this Agreement is either rejected or assumed by order of the United States Bankruptcy Court;
 - b. To pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Airport an amount equal to all rent due pursuant to this Agreement;
 - c. To give at least thirty (30) days prior written notice of any abandonment of the Airport, and any abandonment will be deemed a rejection of this Agreement;
 - d. To do all other things of benefit to the Duluth Airport Authority otherwise required under any insolvency laws; and
 - e. To be deemed to have rejected this Agreement in the event of the failure to comply with any of the above.
- C. Assumption or Assignment in Bankruptcy: If UNIFI becomes the subject debtor in a case pending under the Bankruptcy Code, the Authority's right to terminate this Agreement under this section will be subject to the applicable rights of the Trustee in Bankruptcy to assume or assign this Agreement as then provided for in the Bankruptcy Code. However, the Trustee in Bankruptcy must give to the Authority and the Authority must receive proper written notice of the Trustee's assumption or rejection of this Agreement within one-hundred twenty (120) days after the entry of the Order for Relief, or the date of the entry of an order confirming a Chapter 11 Plan, or such other applicable period as is provided for in the Bankruptcy Code. It is further agreed that failure of the Trustee to give notice of the assumption within the specified

period will conclusively and irrevocably constitute the Trustee's rejection of this Agreement and a waiver of any rights of the Trustee to assume or assign this Agreement. The Trustee will not have the right to assume or assign this Agreement unless the Trustee:

- a. Promptly and fully cures all defaults under this Agreement;
 - b. Promptly and fully compensates the Authority and any party to the Agreement other than UNIFI for all monetary damages and any actual pecuniary loss to each party incurred as a result of the default;
 - c. The Bankruptcy Court, or other court of competent jurisdiction, enters an order authorizing the assumption or assignment;
 - d. The assumption or assignment is not prohibited under applicable law, including, but not limited to, Section 365 of the Bankruptcy Code;
 - e. Provides to the Duluth Airport Authority "adequate assurance of future "performance" as defined below:
 - i. The Authority and UNIFI hereby agree in advance that "adequate assurance of future performance," as used in Subsection 12.C.E above will mean that all of the following minimum criteria must be met:
 - a. UNIFI's gross receipts at the Airport, if any, in the ordinary course of its business during the thirty (30) days immediately preceding the initiation of the case under the Bankruptcy Code must be at least three (3) times greater than the next installment of fees due under this Agreement;
 - b. Both the average and median of UNIFI's monthly gross receipts at the Airport, if any, in the ordinary course of its business during the six (6) months immediately preceding initiation of the case under the Bankruptcy Code must be at least three (3) times greater than the next installment of fees due under this Agreement;
 - c. UNIFI must pay in advance to the Authority all fees payable by UNIFI hereunder including, but not limited to, its share as estimated by the Authority of the cost of all services provided by the Authority whether directly or through agents or contractors, and whether or not the cost of the services is to be passed through to UNIFI, in advance of the performance or provision of the services; and
 - d. UNIFI must agree by writing delivered to the Authority that UNIFI's business will be conducted in a first class manner, and that no liquidating sales, auctions, or other non-first class business operations will be conducted at the Airport, and that the use of the Airport as stated in this Agreement will remain unchanged, and that the assumption or assignment of this Agreement will not violate or adversely affect the rights of other tenants located on the Airport.
- D. Failure by UNIFI. In the event UNIFI is unable to:
- a. Cure its defaults;
 - b. Reimburse the Authority or any other party to this Agreement for its monetary damages or actual pecuniary loss to a party resulting from the defaults;
 - c. Pay the fees due under this Agreement or any other payments required of UNIFI under this Agreement on time; or
 - d. Meet the criteria and obligations imposed by subsection 11.3jE(1)(a) through 11.3(E)(1)(d).

Then UNIFI hereby agrees in advance that it has not met its burden to provide

- adequate assurance of future performance and therefore cannot assume or assign this Agreement, and this Agreement may be immediately terminated by the Authority.
- E. No Default Waived: No default of this Agreement by UNIFI, either prior to or subsequent to the filing of a bankruptcy petition, will be deemed to have been waived unless expressly agreed to in writing by the Authority.
 - F. Agreement: It is understood and agreed that this Agreement is deemed to be for the use of real property under Agreement with Delta Air Lines Inc. and United Airlines, Inc. as described in the Bankruptcy Code.
 - G. Obligations: Included within and in addition to any other conditions or obligations imposed upon UNIFI, or its successor in the event of assumption and/or assignment, in accordance with this Section XI are the following obligations:
 - a. The cure of any monetary defaults and the reimbursement of pecuniary loss immediately upon assumption and or assignment;
 - b. The deposit of a sum equal to three (3) months of projected fees to be held as a security deposit;
 - c. The use of the Airport as set forth in this Agreement;
 - d. The reorganization debtor or assignee of the debtor in possession or of UNIFI's Trustee must demonstrate in writing that it has sufficient background including, but not limited to, substantial experience in managing operations of comparable type and size and the financial ability to operate the business at the Airport in the manner contemplated in this Agreement and to meet all other reasonable criteria of the Authority as did UNIFI upon execution of this Agreement and that any assignee of the debtor will represent a competitive environment at the Airport for the provision of aeronautical services and will not result in aeronautical services being provided or controlled by a single entity; and
 - e. No physical changes of any kind may be made to the Airport unless in compliance with the applicable provisions of this Agreement.
 - H. Remedies: In the event of any default or breach by UNIFI, in addition to any and all other remedies available to the Authority at law and in equity, the Authority will have the right at any time thereafter, with or without notice or demand:
 - a. To declare this Agreement terminated and to reenter the Airport and take possession thereof and remove all persons therefrom, and UNIFI will have no further claim thereon or thereunder; or
 - b. Without declaring this Agreement terminated, to reenter the Airport and occupy the whole or any part thereof for and on account of UNIFI and to collect the sums that may thereafter become due and payable; or
 - c. Without declaring this Agreement terminated, to collect fees, including but not limited to interest and late charges, as they become due and payable.

SECTION 13 GENERAL PROVISIONS

- A. Notices, Consents, and Approvals: All notices, consents, and approvals required or authorized by this Agreement to be given by or on behalf of either party to the other, shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given.

Until further notice to UNIFI, the Authority hereby designates its Executive Director as its representative to sign such notices, consents and approvals on its behalf and until further notice to the Authority UNIFI, hereby designates its president or any vice

president, as its authorized representative to sign such notices, consents and approvals on its behalf.

Notices to the Authority shall be addressed to it at 4701 Grinden Drive, Duluth, MN 55811, and delivered either by hand or by certified or registered mail, postage prepaid, telefax, electronic mail or at such other office in the continental United States as the Authority hereafter may designate by notice to UNIFI in writing.

Notices to UNIFI shall be addressed to it and delivered at 3399 Peachtree Rd NE Suite 1500, Attention: Contracts Director, Atlanta, GA 30326, either by hand or by certified or registered mail, postage prepaid, telefax, electronic mail to contracts@unifiservice.com, or at such other office in the continental United States as UNIFI hereafter may designate by notice to the Authority in writing.

B. Federal Requirements:

- a. UNIFI, as part of the consideration hereof, does hereby covenant and agree that it shall provide services in compliance with 49 CFR Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.
- b. UNIFI, as a part of the consideration hereof, does hereby covenant and agree that:
 - i. no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Airport;
 - ii. that in the construction of any improvements on, over or under the Airport and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;
 - iii. that UNIFI shall use the Airport in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.
- c. Noncompliance with Section 12.2(A), or (B) above, after timely notice by the FAA to the Authority of UNIFI noncompliance and a failure of UNIFI to substantially remedy such noncompliance within a reasonable period, shall constitute a material breach thereof, and in the event of such noncompliance, the Authority shall have the right to terminate this Agreement.

- C. Governing Law and Forum Selection: This Agreement is entered into pursuant to the provisions of the appropriate statutes of the State of Minnesota and St. Louis County. This Agreement shall be governed exclusively by the provisions hereof and by the laws of the State of Minnesota as the same from time to time exist, subject to the waivers and exclusions herein contained. Any litigation or suit brought relating to this Agreement shall be brought in the state or federal court sitting in Duluth, Minnesota. The Authority and UNIFI each waive any claim or defense that such forum is not convenient or proper. The Authority and UNIFI each agree that any such court shall have personal jurisdiction over each party and each party hereby consents to service of process by any means authorized by Minnesota law.

D. Rights of the Authority:

Notwithstanding anything herein, this Agreement shall be subordinate to the provisions of any outstanding agreement between the Authority and the United States relative to the maintenance, operation, or development of the Airport. During time of war or national emergency, the Authority shall have the right to

enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly-owned air navigation facilities and/or other areas or facilities of the Airport. If any such agreement is executed, the provisions of this Agreement insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended and fees shall be adjusted accordingly.

UNIFI covenants that any rights granted by this Agreement shall not be exercised in such a way as to interfere with or adversely affect the Authority's use, operation or maintenance of the Airport.

E. Nonliability of Agents and Employees of the Authority:

No director, officer, member, agent, or employee of the Authority shall be liable for any acts or omissions of UNIFI, or its agents, servants, employees or independent contractors, or for any conditions resulting from the operations or activities of UNIFI, its agents, servants, employees, or independent contractors either to UNIFI or to any other person, nor shall the Authority be liable for any loss of or damage to any personal property, fixtures or equipment of UNIFI installed or stored on the Airport as these shall be at the risk of UNIFI only. The Authority shall not be liable for the failure of UNIFI to perform any of the obligations under this Agreement or for any delay in performance thereof.

F. Incorporation of Required Provisions:

UNIFI and the Authority incorporate herein by reference all provisions lawfully required to be contained herein by any governmental body or agency having jurisdiction over the Airport.

G. Nonwaiver of Rights:

No waiver or default by the Authority or UNIFI of any of the terms, covenants, and conditions hereof to be kept, performed, 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 contained herein, to be performed, kept, observed by the other party.

H. Invalid Provision:

In the event any covenant, condition, or provision in this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition, or provision shall in no way affect any other covenant, condition, or provision herein contained; provided that the validity of any such covenant, condition, or provision does not materially prejudice either the Authority or UNIFI in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

I. Force Majeure:

Neither the Authority nor UNIFI shall be deemed to be in breach of this Agreement by reason of failure to perform any of its obligations hereunder if, while and to the extent that such failure is due to strikes, boycotts, labor disputes, embargoes, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which are not within its control. This provision shall not apply to failures by UNIFI to pay the fees required by this Agreement.

J. Headings:

The paragraph headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

K. Incorporation of Exhibits:

All exhibits referred to in this Agreement are intended to be and hereby are

specifically made a part of this Agreement.

L. Entire Agreement:

This Agreement, together with all exhibits attached hereto, constitute the entire agreement between the parties hereto, and all other representations or statements heretofore made, verbal or written, are merged herein, and this Agreement may be amended only in writing, and executed by duly authorized representatives of the parties hereto. UNIFI represents that it has carefully reviewed the terms and conditions of this Agreement and is familiar with such terms and conditions and agrees faithfully to comply with the same to the extent to which said terms and conditions apply to its activities, authorized and required by this Agreement.

M. Definitions:

Capitalized terms in this agreement shall have the same meaning as capitalized terms in that Airline Use and Lease Agreement between the Authority and Delta Air Lines Inc. and United Airlines, Inc. dated January 1, 2019.

M. Counterparts:

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, UNIFI and the Authority have caused this Agreement to be executed by their duly authorized representatives on the dates written below to be effective as of the Commencement Date.

DATE: _____

AUTHORITY

UNIFI AVIATION, LLC

Signature: _____

Signature: _____

Title: _____

Title: _____

Signature: _____

Title: _____

VII F

Duluth Airport Authority Sky Harbor Scenic Airrides Operator Agreement

Terms:

- 5-year term
- 1 additional 5-year option term
- Either party may terminate agreement upon 45 days' written notice to the other party
- Includes month to month provision upon expiration cancellable with 30 days' notice

Background:

- Brian Weidendorf owner of Scenic Airrides would like to offer wheeled aircraft scenic tours at Sky Harbor seasonally.

Agreement Overview:

- Operator agreement to allow for scenic tours at Sky Harbor
- Concession rates are consistent with other operating agreements

Why were the changes in key terms needed/wanted?

- New operation at Sky Harbor

**SKY HARBOR AIRPORT
AIR TOUR OPERATOR AGREEMENT
SCENIC AIRRIDES**

PARTIES TO THIS AGREEMENT ARE the DULUTH AIRPORT AUTHORITY, an airport authority organized and existing under the Laws of Minnesota, 1969, Chapter 577, hereinafter referred to as "Authority", and WEIDENDORF INVESTMENTS LLC DBA SCENIC AIRRIDES, hereinafter referred to as "Operator";

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Authority is the operator of the Duluth International Airport and the Sky Harbor Airport, located in the City of Duluth, State of Minnesota and is in the business of promoting and managing aviation activity at these airports; and
2. Operator desires to offer air tours/scenic rides to the public at the Sky Harbor Airport.
3. The Authority desires to allow this service to be provided at Sky Harbor Airport.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

**SECTION 1
DEFINITIONS**

The following terms, as used in this Operator Agreement, shall have the meanings as ascribed to them hereunder.

- A. Airport: shall mean the Sky Harbor Airport located in the City of Duluth, County of St. Louis, State of Minnesota.
- B. Consent or Approval of Authority and of Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document dated and signed by him/her or by a person designated by him/her to sign such document.
- C. Executive Director: shall mean the Executive Director of the Authority, or designee
- D. Licensed Premises: shall refer to space located at Sky Harbor Airport and described in Section 2.
- E. Storage Space: shall refer to leased space approved by the Executive Director for the expressed purpose of a portable ticket sales facility material to the Operator's services not including the aircraft as outlined in the Agreement and depicted in Exhibit A.

**SECTION 2
LICENSED PREMISES AND OPERATIONS AT THE AIRPORT**

- A. Licensed Premises
Operator is granted a license to the non-exclusive use of space at Sky Harbor Airport that is defined and approved in writing by the Executive Director from time to time (the "Licensed Premises"). Operator may use the Licensed Premises for the purpose of providing air tours as defined by Federal Aviation Administration to the public for a fee. Operator may, by approved signs or handbills, solicit customers on the public business areas of the Airport that

are approved by the Executive Director in writing. Operator shall not engage in any other business at the Airport.

B. Common Premises

Authority does grant to Operator and to its employees' access in common with the access granted to members of the general public to all public portions of the Airport, roads, dock and parking facilities.

C. Operation

Air tours may be operated only during the days of the week and hours of the day approved in writing by the Executive Director. Operator shall escort passengers to and from the Airport lobby, located in the DAA owned terminal building, to the aircraft. Passengers shall wait in the Airport lobby until escorted. Operator shall not allow any passenger to be on the movement areas unescorted.

D. Flight Patterns

The aircraft's flight patterns shall be conducted so as to minimize noise impacts over residential areas.

E. Licenses

Operator shall ensure that the pilots and aircraft be licensed, registered and insured in accordance with the Minnesota Department of Transportation Standards (MNDOT). Operator shall comply with all applicable MnDOT and Federal Aviation Administration laws, rules, regulations and certifications.

SECTION 3 EQUIPMENT

Operator agrees to provide or cause to be provided equipment needed for its business. Authority will not be responsible for Operator's equipment. Equipment must be kept on leased premises.

SECTION 4 FEES, TAXES AND OTHER CHARGES

A. Operator Fee: Operator agrees to pay the Authority a monthly fee of:

1. Two and one-half percent (2.5%) of gross sales and services derived from its flying operations pursuant to this Agreement.
2. Ten percent (10%) of gross sales derived from its sales of related merchandise.
3. Twenty-three cents (\$0.23) per square foot per month for outdoor storage of approved ancillary items and equipment.

B. "Gross Sales" Defined: The term "Gross Sales", for the purposes of this Agreement, shall include all monies paid or payable to the Operator for sales made and for services rendered at the Airport pursuant to this Agreement; provided, however, that any sales taxes or similar taxes imposed by law which are separately stated and paid by the consumer or customer and which are directly payable to the taxing Authority by Operator shall be excluded therefrom.

C. Monthly Statements: Within ten (10) days of the month following the month in which Gross Sales are received, Operator shall submit to Authority a monthly statement, showing the amount of Gross Sales for the preceding month and an itemization of all claimed exclusions therefrom. This duty shall survive termination of this Agreement.

- D. Payment Dates: All payments of the monthly consideration referred to in Paragraph A.1, A.2 and A.3. above shall be due and payable within ten (10) days of the month following the month in which Gross Sales arose. All other payments required by this Agreement shall be due and payable immediately upon being billed to Operator by Authority. If Operator is delinquent for thirty (30) days or longer in paying any amounts owed to the Authority under this Agreement, Operator shall pay to the Authority a late payment charge assessed on the delinquent amount at the Authority's then-prevailing rate on delinquent accounts (the rate at the date of execution of this Agreement is one and one-half percent (1½%) per month). The late payment charge shall accrue from the date the delinquent amount was due until paid. The remedy provided by this Section is in addition to all the other remedies the Authority may have for a breach of this Agreement by Operator, and nothing in this Section shall be deemed to be a waiver by the Authority or prevent the Authority from asserting any other remedy.
- E. Utilities: No utilities will be provided by Authority as part of this Agreement.
- F. Refuse and Garbage: Operator assumes all responsibility at its sole cost for the disposal of refuse and garbage generated by its operations on the Licensed Premises during the term this Agreement.
- G. Fee for Failure to Maintain: Operator agrees to keep the Licensed Premises and the Airport in a clean, neat, orderly and sanitary condition. In the event that Operator fails to keep the Licensed Premises in a neat, clean, orderly and sanitary condition and the Executive Director has issued a written notice of such deficiency and provided a reasonable cure period as determined solely by the Executive Director, Authority may itself clean or cause to be cleaned those portions of the Licensed Premises not so kept, and Operator agrees to reimburse Authority for the direct and indirect costs incurred by Authority for the performance of said work plus a fifteen percent (15%) administrative fee, due and payable upon receipt.
- H. Fee for Repair and Replacement: Operator shall promptly repair or replace any property of the Authority lost, destroyed or damaged by its operations hereunder. If Operator fails to promptly repair or replace such property following written notice by the Executive Director of such deficiency and a reasonable cure period as determined solely by the Executive Director, Authority may repair or replace it and Operator agrees to reimburse for the direct and indirect costs incurred by Authority for such repair or replacement plus a fifteen (15%) percent administrative fee, due and payable upon receipt.
- I. Fee for Unpaid Licenses, Fees, Taxes, and Assessments: Operator shall be liable for the payment of all taxes, assessments, license fees or other charges that may be levied or assessed during the term of this Agreement arising in any manner out of this Agreement, or on account of the transaction of business thereon by Operator, charged by any governmental agency and to provide evidence of payment of any of such taxes, assessments, license fees or other charges when the same become due. Should Operator fail to pay such amounts following written notice of such deficiency and a reasonable cure period as determined solely by the Executive Director, it is expressly agreed that Authority may pay the same on behalf of Operator, and Operator agrees to reimburse Authority for said amounts paid plus a fifteen percent (15%) administrative fee due and payable upon receipt.
- J. Payment Obligations Unconditional: The obligations of Operator to pay any amounts due to Authority under this Lease Agreement in accordance with the terms hereof shall be absolute and unconditional, irrespective of any defense or rights of set off, recoupment or counterclaim which may at any time be available against Authority. Such payments shall be due without notice or demand therefore except as specifically provided for herein.
- K. Books and Records: Operator shall maintain full and accurate financial books of accounts and records conforming to sound and accepted accounting principles consistently applied from which Gross Sales can be determined. These books of accounts and records shall be

kept at the Airport or at a convenient location which Operator shall designate within the City of Duluth. Any and all books and records shall be kept, maintained and preserved by the Operator throughout the course of this Agreement and for not less than six (6) years after the termination or expiration of this Agreement. The records so required to be kept and maintained shall include all federal, state and local tax returns; records of daily bank deposits of the entire receipts from transactions at the Airport; sales slips; daily dated cash register tapes; sales books; duplicate bank deposit slips, and bank statements. Until the end of the six-year period, the Authority shall have the right to inspect and audit all books and records and all other papers and files of the Operator relating to Gross Sales. Any such inspection or audit shall be conducted during regular business hours and Operator shall produce the appropriate books and records upon the request of the Authority. In the event any audit discloses that the amount of Gross Sales on any statement was understated by one percent (1%) or more of Gross Sales for any month, the Operator shall pay to the Authority the cost of its audit and investigation, plus any arrearage in fees due to the Authority under this Agreement.

SECTION 5 TERM

- A. Base Term: Notwithstanding the date of execution of this Agreement by the parties, the Base Term of this Agreement shall be seasonal beginning on May 1, 2022 until October 31, 2022 and shall continue on a seasonal basis annually beginning May 1st extending to October 31st of each year until April 30, 2027.
- B. Option Term: The parties reserve the right to exercise one (1) additional five (5) year Option Term beyond the Base Term provided that the parties mutually agree to exercise the Option Term ninety (90) days prior to the end of the Base Term. The Option Term shall be under the same terms and conditions as set forth herein.
- C. Holding Over: During the Term, either party may terminate this Agreement without cause upon forty-five (45) days' written notice to the other party. In the event that the Term expires, and a new agreement has not been executed, at the sole discretion and upon the prior written consent of the Executive Director, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of fees. The written consent of the Executive Director may be withdrawn upon thirty (30) days' written notice to Operator.

SECTION 6 OPERATOR'S OBLIGATIONS

- A. Diligent Operation: Operator covenants and agrees that it shall be diligent in the prosecution of its business, including the activities listed in Section 2, on the Airport and do all things reasonably necessary and advisable to serve the customer adequately and fairly and to conduct its business in such a manner as will not reflect discredit upon the Authority or cause Authority loss or damages and will furnish prompt and efficient service as shall be adequate to meet the demands of the customers.
- B. Fair and Nondiscriminatory Services: Operator, in the conduct of its authorized activities on the Airport, shall furnish good, prompt and efficient service adequate to meet the demands for

its services at the Airport, and shall furnish such service on a fair, equal and not unjustly discriminatory basis to all users thereof, and shall charge fair, reasonable, and not unjustly discriminatory prices for each such unit of sale or service; provided, however, that Operator shall be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types or price reductions to volume purchasers.

- C. Authority's Fire Insurance: Operator covenants that it will not do or permit to be done any act which:
1. will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereof
 2. will increase the rate of any fire insurance on the Airport or any part thereof or upon the contents of any building thereof
 3. in the opinion of the Authority, will constitute a hazardous condition so as to increase the risks normally attendant upon the operations contemplated by this Agreement.

If, by reason of Operator's failure to comply with the provisions of this section, any fire insurance rate on the Airport or any part thereof or upon the contents of any building thereof, at any time, be higher than it otherwise would be, then the Operator shall, upon demand, reimburse the Authority for that part of all fire insurance premiums paid or payable by the Authority which shall have been charged because of such violation by the Operator.

- D. Airport Promotion: Operator agrees to use its best efforts to actively promote the Airport and its utilization by members of the flying public. Operator shall, at all times, purchase fuel at the Airport while operating as defined herein.

SECTION 7 INDEMNITY

- A. Defense and Indemnity: Operator shall indemnify, save, hold harmless, and defend Authority and the City of Duluth (the "City"), their officials, agents and employees, successors and assigns, individually or collectively, (1) from and against any and all claims including a claim for contribution or indemnity, demands, causes of action, loss, injury, liability, costs and expenses of whatsoever kind or nature (including but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) and damages for or related to injury to or death of persons or damage to property, and (2) from and against any fines in any way arising from or based upon the violation by Operator, its agents, employees, successors and assigns of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated; all arising out of, resulting from, in conjunction with or incident to any act or omission of Operator, its officials, agents or employees, successors or assigns, Operator's performance of obligations under this Agreement, or the use and/or occupancy of the Licensed Premises or of the Airport by Operator, its officials, agents or employees, or successors or assigns, and on ten (10) days' written notice from the Authority, the Operator shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage. The provisions of this paragraph shall survive the expiration, termination or early cancellation of this Agreement.
- B. Environmental Liability: In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Operator shall be responsible in all respects for

the use of or generation of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or a "hazardous waste" by either the Environmental Protection Agency of the Government of the United States or the Minnesota Pollution Control Agency by Operator, its officials, agents or employees, successors or assigns. Operator shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring, or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises directly or indirectly out of the use of or generation of such substances by Operator, its officials, agents or employee, successors or assigns in its operations at the Airport; and Operator specifically agrees that the obligations of Paragraph A above shall apply specifically to any costs or obligations of Authority arising out of any such disposition, cleanup, or environmental response.

- C. Survival: The provision of this Section shall survive the expiration, termination and early cancellation of this agreement.

SECTION 8 INSURANCE

- A. Insurance: Operator shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Operator shall carry workers' compensation insurance on all of its employees employed on the Airport. Operator may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. The Authority reserves the right and Operator agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.

1. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 property damage per occurrence and \$1,500,000 in aggregate.
2. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 per occurrence.
3. Aircraft Liability insurance from an admitted aviation insurance carrier in limits per each occurrence of not less than \$1,000,000 and Aircraft Passenger Liability insurance in limits of not less than \$100,000 for each passenger seat.
4. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.

- B. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- C. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Operator under this Section.
- D. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Operator's interests and liabilities. It shall be the obligation and responsibility of Operator to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Operator's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Operator.

SECTION 9

LAWS, ORDINANCES, RULES AND NON-DISCRIMINATION

- A. Laws, Ordinances and Rules: The Operator agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of Minnesota, the City of Duluth, and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Operator agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.
- B. Non-discrimination: The Operator for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
1. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
 2. In the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
 3. That the Operator shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended; and
 4. That all activities to be conducted pursuant to this Agreement shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code and any regulations and executive orders which may be affected with regard thereto.

SECTION 10 INDEPENDENT CONTRACTOR

Operator is an independent contractor and not an employee of the Authority or the City. No statement contained in this Agreement shall be construed so as to find Operator to be an employee or agent of the Authority or the City, and Operator shall not be entitled to any of the rights, privileges, or benefits of Authority or City employees. Nothing contained herein is intended nor shall be construed as in any manner creating or establishing a partnership relationship or as constituting Operator to be the agent representative or employee of the Authority or the City for any purpose.

SECTION 11 AUTHORITY'S RIGHTS UPON DEFAULT

- A. Authority's Rights: If at any time Operator shall be in Default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may at any time thereafter:
1. Immediately, or at any time thereafter without further notice to Operator, re-enter into or upon the Licensed Premises or any part thereof and take possession of the same fully and absolutely without such re-entry working a forfeiture of the charges to be paid and of the covenants, terms and conditions to be performed by Operator for the full term of this Agreement, and in the event of such re-entry, the Authority may proceed with the collection of charges to be paid under this Agreement or to recover properly measured damages
 2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter and the Operator covenants in case of such termination to indemnify the Authority against all loss of all operator fees, rents, revenues and expenses which the Authority has suffered or paid by reason of such termination, during the residue of the term
 3. The Authority shall further have all other rights and remedies including injunctive relief, ejectment or summary proceedings for unlawful detainer, and any or all legal remedies, actions and proceedings and all such remedies shall be cumulative.
- B. Default Defined: For the purposes of this Section only, "Default" shall be defined when any of the following circumstances exist:
1. If the Operator has failed to pay rent, operator fees, taxes or other charges when due hereunder and such failure to pay shall continue for ten (10) days after notice in writing to the Operator in the manner hereinafter provided for.
 2. If the Operator fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for thirty (30) days after Authority has given Operator written notice, or the Operator shall have failed to commence the rectification of such failure within thirty (30) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (30) days
 3. If a petition to reorganize the Operator or for its arrangement of its unsecured debts shall be filed
 4. If the Operator shall be adjudicated bankrupt
 5. If a receiver or trustee of the Operator's property shall be appointed by any court

6. If the Operator shall make a general assignment for the benefit of creditors
 7. If all of the interest of the Operator in its property shall be taken by garnishment, attachment, execution or other process of law, or
 8. If the Licensed Premises shall be deserted or vacated.
- C. Attorneys' Fees: In the event Authority shall prevail in any action or suit or proceeding brought by Authority to enforce compliance with this Agreement or for the failure to observe any of the covenants of this Agreement, Operator agrees to pay Authority such sums as the court may adjudge reasonable as attorneys' fees and costs to be allowed in such action, suit or proceeding.

SECTION 12 WAIVER OF BREACH

The waiver by the Authority of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

SECTION 13 ASSIGNMENTS

The Operator shall not assign or transfer this Agreement in whole or in part, in any manner, nor any interest therein, nor permit the foregoing agreement to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the written consent of the Executive Director shall first be obtained in each and every case of assignment or transfer. It is expressly agreed by the parties that a change in ownership of the controlling share of stock in Operator, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Operator that in the event consent is granted by the Executive Director as herein provided, the assignee or transferee shall be required to assume and agree to perform the covenants of this Agreement.

SECTION 14 ERECTION OF SIGNS - DECORATIONS

The Operator shall be allowed to erect suitable advertising signs on the Airport to advertise its business in the Licensed Premises at its sole expense and at the discretion of the Executive Director. Requests shall be submitted in writing and the Executive Director shall have thirty (30) days to respond. Decorations, graphics outdoor advertising, paint schemes, promotional structures, must comply with all regulations, be safe for air terminal operations, and be approved in writing by the Executive Director in writing. No audio advertising or amplified audio solicitation shall be allowed.

SECTION 15 WAIVER OF CLAIMS

Operator waives all claims or causes of action against the Authority, its officers, agents or employees for any failure of the Authority to properly maintain, operate and manage the Airport at all times in a safe manner resulting from any reason or cause beyond the control of the

Authority, including, but without the generality of the foregoing: war, strikes, riots, civil commotion and similar causes.

SECTION 16 NON-EXCLUSIVE RIGHTS

Operator shall have the non-exclusive right and privilege of engaging in and conducting a limited service on the premises of the Airport under the terms and conditions as set forth herein. However, this Agreement shall not be construed in any manner to grant Operator or those claiming under it the exclusive right to the use of the premises and facilities of said Airport. The parties to this Agreement do not intend to create any rights in any third party beneficiary.

SECTION 17 GOVERNMENTAL COMMITMENTS

This Agreement shall be subordinate to the provisions of and requirements of any existing or future agreements between the Authority and the United States, or other governmental authorities, relative to the development, operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds, or other governmental authority funds, for the development of the Airport, to the extent that the provisions of any such existing or future agreements are generally required by the United States, or other governmental authorities, of other civil airports receiving such funds.

SECTION 18 SPONSOR ASSURANCES

Should the FAA determine that any term or provision of this Agreement results in, or could result in, a violation by the Authority of its obligations as an airport sponsor under grant assurances contained or incorporated in any grant agreement, existing or future, to which the Authority is a party ("Sponsor Assurances"), Operator and the Authority unconditionally agree to modify or amend this Agreement to remedy any such violation, or potential violation, and bring this Agreement into strict compliance with the Authority's Sponsor Assurances.

SECTION 19 SEVERABILITY

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in force and effect and shall be binding upon the parties to this Agreement.

SECTION 20 MODIFICATION OF THE AGREEMENT

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Operator, but to be valid any such changes must be in writing, dated and duly executed by the parties.

**SECTION 21
NOTICES**

All notices to be given by Operator to the Authority shall be deemed to have been given by depositing written notice in the United States Mail addressed to Authority at the Duluth International Airport, 4701 Grinden Drive, Duluth, Minnesota, 55811. All notices to be given by Authority to Operator shall be deemed to have been delivered by depositing the same in writing in the United States Mail addressed to Operator at 24266 Lone Pine Road Hinckley, MN 55037.

**SECTION 22
IMMUNITY**

Nothing in this Agreement shall be construed as a waiver by the Authority or the City of any immunities, defenses, or other limitations on liability to which the Authority or the City is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466.

**SECTION 23
APPLICABLE LAW**

This Agreement, together with all of its sections, terms and provisions, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder will be those courts located in St. Louis County, Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota.

**SECTION 24
ENTIRE AGREEMENT**

This Agreement, including Exhibit A, constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto. There are no representations, warranties, or stipulations either oral or written not herein contained.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this _____ day of _____, 2022.

DULUTH AIRPORT AUTHORITY

**WEIDENDORF INVESTMENTS LLC
DBA SCENIC AIRRDIES**

By _____
President

By _____

By _____
Secretary

Its _____

EXHIBIT A

Sky Harbor Airport Hangar 1



VII G

Sky Harbor Airport Hangar 1 Seasonal Space Lease Agreement Scenic Airrides

Terms:

- Seasonally from May 1 to October 31 for a period of 5 years

Agreement Overview:

- Hangar agreement for aircraft used for air tour operation
- Community hangar space
- Rate is based on annually adopted rates and charges for Sky Harbor
- Rate comparable to other airports in the region

Why were the changes in key terms needed/wanted?

- New hangar lease for new air tour operations

**SKY HARBOR AIRPORT
HANGAR 1 SEASONAL SPACE LEASE AGREEMENT
SCENIC AIRRIDES**

PARTIES TO THIS AGREEMENT ARE the DULUTH AIRPORT AUTHORITY, an airport authority organized and existing under the Laws of Minnesota, 1969, Chapter 577, hereinafter referred to as "Authority", and WEIDENDORF INVESTMENTS LLC DBA SCENIC AIRRIDES, hereinafter referred to as "Lessee".

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Authority is the operator of the Duluth International Airport and the Sky Harbor Airport, located in the City of Duluth, State of Minnesota and is in the business of promoting and managing aviation activity at these airports; and
2. Lessee desires to lease space in Authority owned Hangar 1 at the Sky Harbor Airport.
3. The Authority desires to lease space in Authority owned Hangar 1 at Sky Harbor Airport.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

**SECTION 1
DEFINITIONS**

The following terms, as used in this Agreement, shall have the meanings as ascribed to them hereunder.

- A. Airport: shall mean Sky Harbor Airport located in the City of Duluth, County of St. Louis, State of Minnesota.
- B. Consent or Approval of Authority and/or of Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document signed by him/her.
- C. Executive Director: shall refer to the Executive Director of the Authority or his/her designee.
- D. Leased Premises: shall refer to that portion of the Airport leased to Lessee for its exclusive use as further described in SECTION 2, Subparagraph A of this Agreement and Exhibit A attached hereto and incorporated herein.
- E. Leasehold Improvements: shall refer collectively to all items located on, within, and attached to the Leased Premises provided or purchased by Lessee or a previous lessee, including such items as buildings, structures, insulation, utilities, systems, ramps and taxiways.

**SECTION 2
LEASED PREMISES & USE OF FACILITIES**

- A. Leased Premises: Subject to the terms and conditions set forth herein, the Authority grants to Lessee use of indoor hangar rental space for a single engine GippsAero GA8 aircraft tail number N291BW (the "Aircraft") in Hangar 1 at the Sky Harbor Airport (the "Airport") as shown on the attached Exhibit A for the use and term set forth below, the precise location of which (the "Leased Premises") shall be designated in writing from time to time by the Authority's

Executive Director or designee (the Executive Director). The area of the Leased Premises shall be approximately the outline of the Aircraft.

- B. Use of the Leased Premises: The Authority agrees to allow Lessee the use of the Leased Premises for the sole purpose of storage of a single engine aircraft. No other use of the Leased Premises shall be made other than as set forth above.
- C. No Warranty: The Authority makes no representation that the Leased Premises is suitable for specific uses, and Lessee accepts the Leased Premises in an "as is" condition without representations or warranties of any kind. The Authority shall not be obligated to make any alterations or improvements on or to the Leased Premises. Lessee understands and agrees that this is a minimally heated storage space.
- D. Facility Supervision: Authority agrees that at all times during the term of this Agreement, the Leased Premises will be properly supervised and overseen by an employee or agent of the Authority with sufficient empowerment and decision-making authority to act on behalf of Authority. The name and cell phone number of such employee or agent shall be provided to Lessee. Lessee shall provide Authority with a contact telephone number and/or e-mail address that will be answered at all times during the term of this Agreement.
- E. Smoking and Alcohol: Lessee shall not permit smoking or alcohol on the Leased Premises.
- F. Improvements: Lessee shall not make any alterations or improvements to the Leased Premises without the prior written consent of Executive Director.
- G. Maintenance: The Authority shall be responsible for performing or paying for maintenance to the structure of Hangar 1 during the term of this Agreement. Lessee agrees to exercise reasonable care in the use of the Leased Premises during the term of this Agreement. Lessee agrees to remove all equipment, and supplies used by Lessee at the Leased Premises upon the termination of this Agreement. Lessee agrees to pay upon demand any damage done to the Leased Premises during its use thereof.
- H. Authority Access: The Authority expressly reserves the right to the unlimited access to the Leased Premises for authorized personnel during the time that this Agreement is in force for the purpose of inspection, display or showing, and ensuring that the provisions of this Agreement are complied with by Lessee.

SECTION 3 TERM

- A. Base Term: Notwithstanding the date of execution of this Agreement by the parties, the Base Term of this Agreement shall be seasonal beginning on May 1, 2022 until October 31, 2022 and shall continue on a seasonal basis annually beginning May 1st extending to October 31st of each year until April 30, 2027.
- B. Option Term: The parties reserve the right to exercise one (1) additional five (5) year Option Term beyond the Base Term provided that the parties mutually agree to exercise the Option Term ninety (90) days prior to the end of the Base Term. The Option Term shall be under the same terms and conditions as set forth herein.
- C. Holding Over: During the Term, either party may terminate this Agreement without cause upon forty-five (45) days' written notice to the other party. In the event that the Term expires, and a new agreement has not been executed, at the sole discretion and upon the prior written consent of the Executive Director, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of

fees. The written consent of the Executive Director may be withdrawn upon thirty (30) days' written notice to Lessee.

SECTION 4 RENT, TAXES, ASSESMENTS, LICENSE FEES, AND UTILITIES

- A. Rent: As consideration to the Authority under this Agreement, beginning on the commencement date and in advance on the first day of each month thereafter during the term of this Agreement, Lessee agrees to pay to the Authority rent in the amount of two hundred seventy five dollars (\$275.00) per month. In addition, October 1st through April 30th of each year, there will be a utility surcharge of twenty-five dollars (\$25.00) per month. The utility surcharge will be added to the monthly amount due during this period.

Beginning January 1, 2023, the rental rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Lessee will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority.

- B. Taxes, Assessments and License Fees: Lessee shall be liable for the payment of all real property and personal taxes, assessments, license fees or other charges that may be levied or assessed during the term of this Agreement arising in any manner out of this Agreement, charged by any governmental agency and shall provide evidence of payment of any such taxes to Authority as such taxes shall become due. If Lessee shall fail or neglect to pay any of said taxes, assessments, license fees or other charges when the same become due, the Authority may pay the same, together with any cost or penalty which may be accrued thereon, and collect the entire amount so paid from Lessee, and Lessee hereby agrees to pay such entire amount due to the Authority upon demand therefor.

SECTION 5 INDEPENDENT CONTRACTOR

It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto or of constituting Lessee or any of its officers, agents, servants, volunteers, contractors and employees as an officer, agent, servant, volunteer, contractor, representative or employee of the Authority for any purpose or in any manner whatsoever. Lessee's officers, agents, servants, volunteers, contractors and employees shall not be considered employees of the Authority, and any and all claims which may or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of said officers, agents, servants, volunteers, contractors and employees while engaged in performing any work under this Agreement, and any and all claims whatsoever on behalf of said officers, agents, servants, volunteers, contractors and employees arising out of employment, including, without limitation, claims of discrimination, shall in no way be the responsibility of the Authority. Lessee's officers, agents, servants, volunteers, contractors and employees shall not be entitled to any compensation or right or benefits of any kind whatsoever for leave or vacation pay, Workers' Compensation, Unemployment Insurance, disability pay or severance pay.

SECTION 6 INDEMNITY, INSURANCE AND WAIVER OF CLAIMS

- A. Defense and Indemnity: Lessee shall indemnify, save, hold harmless, and defend Authority and the City of Duluth (the "City"), their officials, agents and employees, successors and assigns, individually or collectively, (1) from and against any and all claims including a claim for contribution or indemnity, demands, causes of action, loss, injury, liability, costs and expenses of whatsoever kind or nature (including but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) and damages for or related to injury to or death

of persons or damage to property, and (2) from and against any fines in any way arising from or based upon the violation by Lessee, its agents, employees, successors and assigns of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated; all arising out of, resulting from, in conjunction with or incident to any act or omission of Lessee, its officials, agents or employees, successors or assigns, Operator's/Lessee's performance of obligations under this Agreement, or the use and/or occupancy of the Leased Premises or of the Airport by Lessee, its officials, agents or employees, or successors or assigns, and on ten (10) days' written notice from the Authority, the Lessee shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage.

- B. Environmental Liability: In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Lessee shall be responsible in all respects for the use of or generation of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or a "hazardous waste" by either the Environmental Protection Agency of the Government of the United States or the Minnesota Pollution Control Agency by Lessee, its officials, agents or employees, successors or assigns. Lessee shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring, or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises directly or indirectly out of the use of or generation of such substances by Lessee, its officials, agents or employee, successors or assigns in its operations at the Airport; and Lessee specifically agrees that the obligations of Paragraph 12 above shall apply specifically to any costs or obligations of Authority arising out of any such disposition, cleanup, or environmental response.
- C. Survival: The provisions of this section shall survive the expiration, termination and early cancellation of this agreement.
- D. Insurance: Lessee shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Lessee shall carry workers' compensation insurance on all of its employees employed on the Airport. Lessee may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Certificates of insurance evidencing the coverages below shall be delivered to the Authority prior to the execution of this Agreement. The Authority reserves the right and Lessee agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.
1. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 property damage per occurrence and \$1,500,000 in aggregate.

2. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 per occurrence.
 3. Aircraft Liability insurance from an admitted aviation insurance carrier in limits per each occurrence of not less than \$1,000,000 and Aircraft Passenger Liability insurance in limits of not less than \$100,000 for each passenger seat.
 4. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.
- E. Insurance Primary: All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- F. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Lessee under this Section.
- G. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Lessee's interests and liabilities. It shall be the obligation and responsibility of Lessee to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Lessee's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles, aircraft and/or personal possessions of Lessee.
- H. Authority's Fire Insurance: Lessee covenants that it will not do or permit to be done any act which:
- a. will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereof; or
 - b. will increase the rate of fire insurance on the Airport or any part thereof or upon the contents of any building thereof; or
 - c. in the opinion of the Authority, will constitute a hazardous condition so as to increase the risks normally attendant upon the operations contemplated by this Agreement.
- If, by reason of Lessee's failure to comply with the provisions of this section, any fire insurance rate on the Airport or any part thereof or upon the contents of any building thereof, at any time, be higher than it otherwise would be, then the Lessee shall, upon demand, reimburse the Authority for that part of all fire insurance premiums paid or payable by the Authority which shall have been charged because of Lessee's failure to comply with this section.
- I. Waiver of Claims: Lessee waives all claims or causes of action against the Authority, its officers, agents or employees for any failure of the Authority to properly maintain, operate and manage the Airport at all times in a safe manner resulting from any reason or cause beyond the control of the Authority, including, but without the generality of the foregoing, war, strikes, riots, civil commotion and similar causes.

SECTION 7 AUTHORITY'S RIGHTS UPON DEFAULT

- A. Rights Upon Default: If at any time Lessee shall be in default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may:
1. Immediately, or at any time thereafter without further notice to Lessee, re-enter into or upon the Leased Premises under this Agreement or any part thereof and take possession of the same fully and absolutely without such re-entry representing a

forfeiture of the rentals, fees, and charges to be paid and of the covenants, terms and conditions to be performed by Lessee for the full term of this Agreement, and in the event of such re-entry, the Authority may proceed with the collection of rentals, fees, and charges to be paid under this Agreement or to recover properly measured damages.

2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon said Leased Premises as of its former estate therein, and the Lessee covenants in case of such termination to indemnify the Authority against all loss of rentals, fees, and charges which the Authority has suffered or paid by reason of such termination, during the remainder of the term of this Agreement.
3. The Authority shall further have all other rights and remedies at law or in equity including injunctive relief, or summary proceedings for unlawful detainer, and any or all legal remedies, actions and proceedings shall be deemed cumulative.

B. Default Defined: "Default" shall be defined when any of the following circumstances exist:

1. If the Lessee has failed to pay rentals, fees, charges, or taxes when due hereunder and such failure to pay shall continue for fifteen (15) days.
2. Failure to provide and/or maintain the insurance coverages required herein.
3. Lessee shall permit any liens on the Leased Premises with the exception of assignments approved pursuant to the terms of this Agreement or liens contested in accordance with this Agreement.
4. If the Lessee fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for fifteen (15) days after Authority has given Lessee written notice, or the Lessee shall have failed to commence the corrective action of such failure within fifteen (15) days after such notice and to diligently prosecute the same where the same cannot be completed within fifteen (15) days.
5. If a petition to reorganize the Lessee or for its arrangement of its unsecured debts shall be filed.
6. If the Lessee shall be adjudicated bankrupt.
7. If a receiver or trustee of the Lessee's/Operator's property shall be appointed by any court.
8. If the Lessee shall make a general assignment for the benefit of creditors.
9. If all of the interest of the Lessee in its property shall be taken by garnishment, attachment, execution or other process of law.
10. If the Leased Premises shall be deserted or vacated.

SECTION 8 LESSEE'S TERMINATION RIGHTS

Lessee shall have the right upon written notice to the Authority to terminate this Agreement upon the happening of one or more of the following events, if said event or events are then continuing:

- A. The issuance by any court of competent jurisdiction of an injunction, order or decree: (1) preventing or restraining the use by Lessee of all or any substantial part of the Leased Premises used and occupied by Lessee hereunder, or (2) preventing or restraining the use of all or a part of the Airport for normal airport purposes which may be used by Lessee and which is necessary for its operations on the Airport.

- B. If Authority defaults in any of the terms, covenants or conditions under this Agreement and fails to cure the default or make substantial progress with regard thereto within ninety (90) days following receipt of written demand from Lessee to do so.
- C. If all or a material part of the Leased Premises used and occupied by Lessee hereunder is damaged or destroyed or all or a part of the Airport or Airport facilities which are necessary to the operation of Lessee's business are damaged or destroyed or the use thereof disrupted for causes beyond Lessee's control.
- D. If, by reason of any action of any governmental authority, Lessee is unable to conduct its business for a period of in excess of ninety (90) consecutive days in substantially the same manner or substantially to the same extent as prior to such action.
- E. Permanent abandonment of Airport for scheduled airline service.

SECTION 9 SURRENDER OF POSSESSION

Upon the termination of this Agreement, Lessee's authority to use the Leased Premises, rights, facilities and equipment herein granted shall cease and Lessee shall, upon expiration or termination, promptly and in good condition, normal wear and tear excepted, surrender the same to the Authority. In the event that Lessee has in any way changed, altered or modified the Leased Premises demised herein, Lessee covenants to return the same to the condition they were in at the time of the occupancy under this Agreement, normal wear and tear excepted, or, in the alternative, to pay the Authority for the cost of returning them to said condition. Upon termination, any improvements which have become part of the realty shall become the property of the Authority, and the same shall be immediately returned to the ownership and control of the Authority. Any improvements not part of the realty shall be removed therefrom within ten (10) days after the termination of this Agreement or the same shall be deemed to have been abandoned to the Authority and the right of the Lessee to possession thereof shall cease.

SECTION 10 LAWS, ORDINANCES, RULES, AND NON-DISCRIMINATION

- A. Laws, Ordinances and Rules: The Lessee agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of Minnesota, the City of Duluth, and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this Agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Lessee agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.
- B. Non-discrimination: The Lessee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
 - a. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
 - b. In the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

- c. That the Lessee shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

SECTION 11 ASSIGNMENT AND SUBLEASE

Lessee shall not assign or sublease its interest under this Agreement or any part hereof without the prior written consent of the Executive Director.

SECTION 12 NOTICES

Any notice to be given by either party shall be deemed to be properly served if deposited with the United States Postal Service, or other acceptable mailing service, postage prepaid, addressed to the other party as follows:

To Authority: Duluth Airport Authority
Duluth International Airport
4701 Grinden Drive
Duluth, MN 55811
Attn: Executive Director

To Lessee: Scenic Airrides
Brian Weidendorf
24266 Lone Pine Road
Hinckley, MN 55037

SECTION 13 WAIVER OF BREACH

The waiver by the Authority or the Lessee of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

SECTION 14 PROVISION AGAINST LIENS

Lessee shall not create or permit any mortgage, encumbrance or lien or allow any mechanics' or materials liens to be filed or established or to remain against the Leased Premises, or any part thereof, provided that if Lessee shall first notify the Authority of its intention to do so and post such security as the Authority reasonably deems necessary, Lessee may, in good faith, contest any such mechanics' or other liens filed or established as long as the Authority does not deem its interest or rights in this License Agreement to be subject to foreclosure by reason of such contest.

SECTION 15 LIMIT OF LIABILITY

The liability of the Authority and the City shall be governed by the provisions of the Minnesota Municipal Limitation of Liability Statute, Minnesota Statutes, Section 466 et. seq.

**SECTION 16
SUBORDINATION**

This License Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States, the State of Minnesota or the City of Duluth relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal, State or local funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.

**SECTION 17
MODIFICATION**

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Lessee, but to be valid any such changes must be in writing, dated, and must be executed with the same formalities as this Agreement. In the event that any provision of this Agreement is determined to violate any local, state, or federal rule or regulation or is deemed to cause a violation of any rate covenants, the Agreement shall be modified upon consultation with Lessee to cause such violation to be compliant with such provision and an amendment will be executed on a timely basis to incorporate the required changes.

**SECTION 18
ENTIRE AGREEMENT**

This Agreement, including exhibits constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto. There are no representations, warranties, or stipulations either oral or written not herein contained.

**SECTION 19
COUNTERPARTS**

This Lease Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties have set their hands the day and date first above shown.

DATE: _____

DULUTH AIRPORT AUTHORITY

**WEIDENDORF INVESTMENTS LLC DBA
SCENIC AIRRIDES**

By _____
Its President

By _____

By _____
Its Secretary

Its _____

EXHIBIT A

Sky Harbor Airport Hangar 1



VII H

**Duluth Airport Authority Resolution
Seeking Exception to Duluth City Council Resolution 01-0324R
April 12, 2022**

WHEREAS, the Laws of Minnesota, 1969, Chapter 577, Sec 3, Subd 3 authorizes the Mayor of Duluth to appoint members to the Duluth Airport Authority (DAA) Board of Directors to 3-year terms, subject to confirmation by the Duluth City Council; and

WHEREAS, the city council established general criteria to be used when considering such appointments in Resolution 01-0324R including requiring residency within the city limits with some limited exception; and

WHEREAS, the DAA Board of Directors governs Duluth's airports with a service area including Northeast Minnesota and Northwest Wisconsin; and

WHEREAS, the DAA Board of Directors desires to achieve greater diversity of thought and expertise from the broader region that would enrich the decisions it makes;

NOW, THEREFORE, BE IT RESOLVED, that the DAA Board of Directors requests a carte blanche exception to City Council Resolution 01-0324R subject to the following restrictions:

- a. The DAA's 7-member board of directors will be composed of no more than 3 at-large members who maintaining residency outside Duluth's City limits;
- b. All at-large candidates shall be subject to appointment by the Mayor of Duluth and confirmation by the Duluth City Council.

President
Duluth Airport Authority

Date

Secretary
Duluth Airport Authority

Date



DULUTH AIRPORT AUTHORITY

TO: Duluth Airport Authority Board of Directors

FROM: Duluth Airport Authority Executive Director

DATE: April 11, 2022

SUBJECT: Duluth Airport Authority (DAA) Board of Directors Residency Requirement Proposal

The DAA Board of Directors is comprised of volunteers who maintain residency in the City of Duluth. Periodically, the DAA has been challenged to fill open board positions with people interested in service from within the city limits. I believe allowing qualified candidates from outside the City of Duluth, who bring highly sought expertise and perspective, would enhance the DAA in the execution of its mission.

The Mayor of Duluth appoints members to the DAA Board of Directors to 3-year terms. Board appointments are confirmed by the Duluth City Council. This process is in accordance with Laws of Minnesota, 1969, Chapter 577, Sec 3, Subd 3.

In 2001 the Duluth City Council enacted a residency policy for members of boards and commissions, including the DAA. Resolution 01-0324R states, "The council shall confirm the appointment of only citizen applicants who are residents of the city, unless special exception from this policy be made by the council." Exceptions can be proposed and must be brought before the council of deliberation.

The DAA is the governing body of the Duluth International Airport whose service area includes all Northeast Minnesota and Northwest Wisconsin. Allowing representation from citizens within the broader service area could bring additional perspective to the governance of Duluth International and Sky Harbor Airports. For additional context, I have enclosed a summary of other peer airports' board composition within our region.

I recommend seeking an ongoing blanket exception to Resolution 01-0324R that would allow for no more than 3 at-large members of the DAA Board of Directors at any one time. This would preserve the City of Duluth's majority representation on the 7-member board but allow non-residents to participate in the governance of Duluth's airports commensurate with the Duluth International Airport's regional service area.



DULUTH AIRPORT AUTHORITY

I do not recommend pursuing changes to the DAA's enabling legislation that would authorize joint powers arrangements with other municipal entities. Joint powers agreements are overly rigid and typically include other terms and conditions that support the airport authority's role in the region. Other terms can include property tax subsidy or use of emergency services such as police or firefighting assets. I do not believe the DAA should seek additional support from area municipalities at this time. This approach is the least evasive way to achieve broader regional representation.

The DAA would benefit from limited broader representation that would enhance its role in the governance of Duluth's airports. A larger pool of candidates from throughout the area would assist the DAA in filling vacancies in a timely manner. I recommend the DAA Board of Directors pursue a blanket exception to Resolution 01-0324R.

I'm happy to assist in anyway. Should you have any questions, please feel free to contact me.

Attachment: Summary of Peer Airports' Board Composition as of April 2022



DULUTH AIRPORT AUTHORITY

Summary of Peer Airports' Board Composition as of April 2022

1. Brainerd Regional Airport Authority (BRD)
 - a. Joint Powers Airport Authority
 - b. 3 Commissioners from City of Brainerd
 - c. 3 Commissioners from Crow Wing County
2. Range Regional Airport Authority (HIB)
 - a. Joint Powers Airport Authority
 - b. 3 Directors from Hibbing
 - c. 3 Directors from Chisholm
3. St Cloud Regional Airport Authority (STC)
 - a. Joint Powers Airport Authority
 - b. 2 Commissioners from City of St Cloud
 - c. 2 Commissioners from Stearns County
 - d. 2 Commissioners from Sherburne County
 - e. 2 Commissioners from Benton County
 - f. 1 At-Large Commissioner
4. Fargo Municipal Airport Authority (FAR)
 - a. 5 Directors from City of Fargo
5. Grand Forks Regional Airport Authority (GFK)
 - a. 5 Commissioners At-Large from Grand Forks County
 - b. 1 Commissioner Appointed by City of Grand Forks
 - c. 1 Commissioner Appointed by County of Grand Forks.
6. Central Wisconsin Joint Airport Board (CWA)
 - a. Joint Powers Airport Authority
 - b. 4 Directors from Marathon County
 - c. 3 Directors from Portage County.

COUNCIL COPY

01-0324R

RESOLUTION DECLARING COUNCIL'S POLICY ON RESIDENCY OF
MEMBERS OF BOARDS AND COMMISSION.

BY COUNCILOR STEWART:

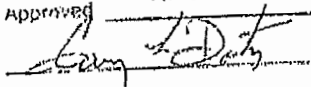
BE IT RESOLVED, that the city council of Duluth declares the following
policy for evaluation of applicants for service on a city board or commission:

Before deliberating upon the appointment of a citizen to a city of Duluth
board or commission, the council shall be informed of the residency of the
citizen-applicant. The council shall confirm the appointment of only citizen-
applicants who are residents of the city, unless special exception from this
policy be made by the council. Should the administration propose to appoint a
non-resident, the reason for the proposal, and the special circumstances that
justify an exception from the council's policy, should be communicated to the
council so that it can deliberate about the matter.


Resolution 01-0324R unanimously
adopted.

APR 24 2001

Approved

 MAYOR

Approved as to form:


Attorney

ATTY. BFB:nmj 04/20/01

STATEMENT OF PURPOSE: This resolution declares a policy to favor Duluth
residents being selected for service on boards and commissions.

VII I

Duluth Airport Authority

Balance Sheet

End of Feb 2022

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
Checking Account	\$0.01
Lottery Account	\$8,937.97
Petty Cash	\$231.19
Pooled Cash - City Balance	\$6,425,377.35
Total Bank	\$6,434,546.52
Accounts Receivable	
Accounts Receivable - Restricted PFC	\$90,810.81
Accounts Receivable Billed	\$759,061.45
Grants Receivable	\$9,391.33
Total Accounts Receivable	\$859,263.59
Other Current Asset	\$85,838.89
Total Current Assets	\$7,379,649.00
Fixed Assets	
Accumulated Depreciation	(\$142,013,979.58)
Capital Assets	\$254,982,333.49
Work in Progress	\$1,111,218.95
Total Fixed Assets	\$114,079,572.86
Other Assets	
Accumulated Amortization	(\$2,317,052.26)
Airport Planning Projects - Contributed	\$4,290,091.51
Airport Planning Projects - Invested	\$585,465.05
Deferred Outflows - OPEB	\$22,744.00
Deferred Outflows - Pension	\$121,939.00
Total Other Assets	\$2,703,187.30
Total ASSETS	\$124,162,409.16
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$143,946.85
Contracts Payable	\$154,856.41
Credit Cards Payable	(\$375.00)
Lottery Payable	\$6,379.08
Total Accounts Payable	\$304,807.34
Credit Card	\$8,385.46
Other Current Liability	
Accrued Interest	\$26,738.96
Accrued Sales Taxes Payable - All	(\$253.71)
Accrued Vacation	\$122,226.92
Deferred Inflows - OPEB Liabilities	\$155,208.00
Deferred Inflows - Pension	\$72,479.00
Loans Payable to City of Duluth	\$920,000.00
Unearned Revenue - Current	\$182,351.75
Unearned Revenue - Non Current	\$141,283.62
Total Other Current Liability	\$1,620,034.54
Total Current Liabilities	\$1,933,227.34
Long Term Liabilities	\$9,178,083.87
Equity	
Contributed Equity	\$16,621,668.70
Retained Earnings	\$97,484,461.41
Net Income	(\$1,055,032.16)
Total Equity	\$113,051,097.95
Total Liabilities & Equity	\$124,162,409.16

Duluth Airport Authority
Income Statement
From Jan 2021 to Feb 2022

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$11,450.00
Concession Revenue	
ATM	(\$110.00)
Car Rental Concession	\$552,380.04
Food & Beverage Concession	(\$4,232.83)
Lottery Concessions	\$1,320.59
Parking	\$1,039,767.48
Per Passenger Fee	\$21,063.00
Services/Other	\$700.00
TNC Per Trip Fee	\$9,228.00
Vending	\$953.66
Total - Concession Revenue	\$1,621,069.94
Customer Facility Charges	\$221,504.00
Miscellaneous Revenues	\$95,746.60
Parking	\$194,431.88
Permits	\$13,272.12
Plowing Services	\$10,725.00
Reimbursed Expenses	\$69,374.01
Rent	\$293,096.40
Sponsorship Income	\$124,000.00
State Aid	\$288,298.88
Total - Non-Aeronautical Revenue	\$2,942,968.83
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$65,531.58
Concession Revenue	\$157,941.69
Event Income	\$34,600.00
Landing Fees	\$38,527.24
Ramp Fees	\$21,695.52
Rent	\$1,335,881.12
Security Reimbursement	\$117,529.34
Tie Downs	\$195.00
Total - Non-Passenger Aeronautical Revenue	\$1,771,901.49
Passenger Airline Aeronautical Revenue	
Landing Fees	\$326,612.94
Terminal Office/Space Rental	\$1,240,721.44
Total - Passenger Airline Aeronautical Revenue	\$1,567,334.38
Total - Income	\$6,282,204.70
Gross Profit	\$6,282,204.70
Expense	
Amortization Expense	\$332,197.84
Depreciation	\$10,859,208.75
Miscellaneous Expenses	\$96,264.93
Personnel Compensation & Benefits	
Benefit Administration Fees	\$549.30
Employer Contributions for Retirement	\$235,325.32
Employer Paid Insurance	\$434,922.15
Retiree Benefits	\$126,546.62
Wages & Salaries	\$1,797,180.86
Worker's Compensation	\$39,935.50
Total - Personnel Compensation & Benefits	\$2,634,459.75
Services and Charges	
Advertising	\$3,944.50
Badging	\$2,000.00

Financial Row	Amount
Central Services Fee	\$45,200.00
Communications & Technology	\$289,330.45
Employee Development Services	\$46,761.75
Employee Physicals	\$3,473.00
Finance Charge	\$1,033.83
Insurance	\$112,829.98
Marketing	\$184,039.73
Professional Services	\$384,231.40
Rentals	\$6,080.47
Repairs and Maintenance - Contractual/Services	\$500,811.24
Sponsorship Expenses	\$817.00
Transportation	\$853.52
Utility Services	\$630,355.99
Total - Services and Charges	\$2,211,762.86
Supplies	
Merchandise for Resale	\$63,339.73
Office Supplies	\$94,841.08
Operating Supplies	\$171,092.36
Repairs & Maintenance Supplies	\$420,813.48
Total - Supplies	\$750,086.65
Total - Expense	\$16,883,980.78
Net Ordinary Income	(\$10,601,776.08)
Other Income and Expenses	
Other Income	
Capital Contributions	\$3,323,621.38
Non-Operating Revenue	\$595,121.35
Total - Other Income	\$3,918,742.73
Other Expense	
Non-Operating Expense	\$209,779.16
Total - Other Expense	\$209,779.16
Net Other Income	\$3,708,963.57
Net Income	(\$6,892,812.51)

Duluth Airport Authority
DAA Board Packet Budget vs. Actual Summary
Jan 2022, Feb 2022

UNAUDITED

Financial Row	Prior Year Actual (Jan 2021 - Feb 2021)	Current Year Actual (Jan 2022 - Feb 2022)	Budget Amount (Jan 2022 - Feb 2022)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2022 - Adjust 2022)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	655,148	345,971	440,091	78.61%	(309,177)	(94,121)	2,907,180
Non-Passenger Aeronautical Revenue	249,513	259,482	251,514	103.17%	9,970	7,968	1,485,468
Passenger Airline Aeronautical Revenue	222,812	197,164	194,208	101.52%	(25,648)	2,956	1,236,318
Total - Income	1,127,473	802,617	885,813	90.61%	(324,856)	(83,196)	5,628,966
Gross Profit	1,127,473	802,617	885,813	90.61%	(324,856)	(83,196)	5,628,966
Expense							
Miscellaneous Expenses	3,704	3,967	5,461	72.64%	263	(1,494)	36,670
Personnel Compensation & Benefits	308,443	315,626	389,305	81.07%	7,183	(73,679)	2,639,812
Services and Charges	344,565	320,284	361,401	88.62%	(24,281)	(41,117)	2,127,207
Supplies	81,445	104,051	100,618	103.41%	22,606	3,433	674,195
Total - Expense	738,157	743,928	856,786	86.83%	5,771	(112,858)	5,477,884
Net Ordinary Income	389,315	58,689	29,027	202.19%	(330,627)	29,661	151,083
Other Income and Expenses							
Other Income	57,753	228,643	267,865	85.36%	170,891	(39,222)	1,675,674
Other Expense	41,441	26,739	47,585	56.19%	(14,702)	(20,846)	285,512
Net Other Income	16,312	201,905	220,280	91.66%	185,592	(18,375)	1,390,162
Net Income Exclusive of Project Expenses, Depreciation & Amortization	405,628	260,593	249,307	104.53%	(145,034)	11,286	1,541,244
Projects/Grants	(4,433,806)	(1,315,625)	1,962,286	-67.05%	3,118,181	(3,277,911)	11,773,715
Depreciation & Amortization	(1,860,482)	0	(1,850,467)	0.00%	1,860,482	1,850,467	(11,102,803)
Net Income	(5,888,661)	(1,055,032)	361,126	-292.15%	4,833,628	(1,416,158)	2,212,157

- The results of this report are expected to change slightly with audit adjustments as well as delayed revenue and expense postings.
- At this time the DAA is at a favorable variance budget vs actual of over \$11k.
- The largest variance from budget in operating revenues comes the concessions due to the application of the APRA concessionaire relief the total appears to be over \$78k under budget due to the credit. Non-passenger aeronautical revenue is 7.9k over budget and passenger airline aeronautical revenue is nearly flat. We assumed SY enplaned passengers would be 17.86% of our total enplanements and for the month of February they were 21%.
- The largest variance from budget in expenses comes from personnel costs which are over 73\$k under budget. Services and charges are both running under budget as well. Operating expenses are over \$112k under budget.
- Non-operating income is under budget. ARPA Concessionaire Relief has been requested thus far. PFCs came in slightly over budget while expenses are down \$20k from budget due to budgeted line of credit interest as well as the reduced interest due to the refinanced last Fall for a total unfavorable variance vs budget of \$18k.
- **OPERATING POLICY #28 MINIMUM CASH BALANCE REPORTING AS OF 4/13/22:**
 - Minimum Cash Balance Goal: \$2,204,113
 - Current Balance: \$5,074,598 - Exceeds goal
 - Days Cash on Hand: 414 days currently vs 180 day benchmark

Duluth Airport Authority
Duluth A/R Aging Report
As of April 12, 2022

Filters: Transaction Type (equal to Invoice, Payment, Credit Memo)

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	3/13/2022 - 4/11/2022 (30)	2/11/2022 - 3/12/2022 (60)	1/12/2022 - 2/10/2022 (90)	BEFORE 1/12/2022 (>90)	TOTAL
						Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Aeronautical Radio, Inc.	Invoice	2/1/2022	9269	3/3/2022	70	\$0.00	\$0.00	\$0.00	\$8.00	\$0.00	\$8.00
Avis Rent A Car						\$0.00	\$2,456.37	(\$49.50)	\$0.00	\$0.00	\$2,406.87
Azbell, Austin	Invoice	4/1/2022	9559	5/1/2022	11	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
BKR Investments DBA Duluth Pack	Invoice	4/1/2022	9513	5/1/2022	11	\$0.00	\$225.00	\$0.00	\$0.00	\$0.00	\$225.00
Brown, James	Invoice	12/15/2021	9015	1/14/2022	118	\$0.00	\$0.00	\$0.00	\$0.00	\$7.00	\$7.00
Case, Ronald Jr.	Invoice	4/1/2022	9560	5/1/2022	11	\$0.00	\$102.00	\$0.00	\$0.00	\$0.00	\$102.00
Chandler, Daniel	Invoice	4/1/2022	9567	5/1/2022	11	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
Churchill, Sean						\$0.00	\$197.56	\$199.35	\$0.00	\$65.00	\$461.91
Cirrus Design Corporation						\$0.00	\$19,149.61	\$18,714.61	\$0.00	\$0.00	\$37,864.22
City of Duluth						\$0.00	\$1,668.72	\$1,668.72	\$0.00	\$0.00	\$3,337.44
Clobes, Nathan	Invoice	4/1/2022	9561	5/1/2022	11	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
Compudyne	Invoice	4/1/2022	9535	5/1/2022	11	\$0.00	\$32.44	\$0.00	\$0.00	\$0.00	\$32.44
Dal Santo, Frances M	Invoice	4/1/2022	9549	5/1/2022	11	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Delta Airlines						\$786.62	\$66,706.46	\$0.00	\$0.00	\$0.00	\$67,493.08
Divine Carriers						\$0.00	\$132.65	\$132.65	\$132.65	\$132.65	\$530.60
Duluth Flying Club	Invoice	4/4/2022	9569	5/4/2022	8	\$0.00	\$577.88	\$0.00	\$0.00	\$0.00	\$577.88
Duluth Hangar, LLC	Invoice	4/1/2022	9537	5/1/2022	11	\$0.00	\$765.35	\$0.00	\$0.00	\$0.00	\$765.35
Dunker, Christopher L	Invoice	3/17/2022	9478	4/16/2022	26	\$0.00	\$9,678.20	\$0.00	\$0.00	\$0.00	\$9,678.20
Federal Aviation Administration						\$0.00	\$65.00	\$133,243.00	\$0.00	\$0.00	\$133,308.00
Federal Express Corporation						\$0.00	\$2,120.00	\$0.00	\$0.00	\$1,520.00	\$3,640.00
FEMA	Invoice	10/19/2021	8788	11/18/2021	175	\$0.00	\$0.00	\$0.00	\$0.00	\$9,391.33	\$9,391.33
General Services Administration	Invoice	4/1/2022	9529	5/1/2022	11	\$0.00	\$5,298.61	\$0.00	\$0.00	\$0.00	\$5,298.61
Goritchan Boris						\$0.00	\$0.00	\$0.00	\$0.00	\$879.00	\$879.00
Grimsbo, Gerald						\$0.00	\$153.00	\$0.00	\$153.00	\$0.00	\$306.00
GSSC	Invoice	3/2/2022	9431	4/1/2022	41	\$0.00	\$0.00	\$125.00	\$0.00	\$0.00	\$125.00
Gunderson, Gregory	Invoice	1/11/2022	9132	2/10/2022	91	\$0.00	\$0.00	\$0.00	\$0.00	\$125.00	\$125.00
Hagberg, Rick	Invoice	4/1/2022	9548	5/1/2022	11	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Hall John	Invoice	4/1/2022	9515	5/1/2022	11	\$0.00	\$298.32	\$0.00	\$0.00	\$0.00	\$298.32
Harris, Melissa	Invoice	4/1/2022	9563	5/1/2022	11	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
Hatfield, Dan	Invoice	4/1/2022	9545	5/1/2022	11	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Hermantown Hydraulics						\$0.00	\$656.21	\$293.47	\$0.00	\$0.00	\$949.68
Hillman Colin	Invoice	4/1/2022	9556	5/1/2022	11	\$0.00	\$300.00	\$0.00	\$0.00	\$0.00	\$300.00

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT Open Balance	3/13/2022 - 4/11/2022 (30) Open Balance	2/11/2022 - 3/12/2022 (60) Open Balance	1/12/2022 - 2/10/2022 (90) Open Balance	BEFORE 1/12/2022 (>90) Open Balance	TOTAL Open Balance
Hydro Solutions, Inc.	Invoice	4/1/2022	9516	5/1/2022	11	\$0.00	\$3,466.75	\$0.00	\$0.00	\$0.00	\$3,466.75
Johnson, Josiah H	Invoice	4/1/2022	9526	5/1/2022	11	\$0.00	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
Johnson, Richard	Invoice	4/1/2022	9542	5/1/2022	11	\$0.00	\$462.20	\$0.00	\$0.00	\$0.00	\$462.20
Johnston, Paul	Invoice	4/1/2022	9553	5/1/2022	11	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Kleen-Tech Services, LLC						\$0.00	\$1,803.09	\$0.00	\$0.00	\$0.00	\$1,803.09
Lake Superior Helicopters						\$0.00	\$2,087.82	\$0.00	\$0.00	\$0.00	\$2,087.82
Larsen, Shane						\$0.00	(\$447.96)	\$0.00	\$0.00	\$434.86	(\$13.10)
Love Creamery	Payment	11/16/2021	7893	11/16/2021	147	\$0.00	\$0.00	\$0.00	\$0.00	(\$30.00)	(\$30.00)
Marsden BLD Maint. DBA Crystal Clean of the North	Invoice	1/24/2022	9202	2/23/2022	78	\$0.00	\$0.00	\$0.00	\$96.00	\$0.00	\$96.00
Messerer Jon	Invoice	6/9/2021	8341	7/9/2021	307	\$0.00	\$0.00	\$0.00	\$0.00	\$0.48	\$0.48
Minnesota Power						\$0.00	\$0.00	\$0.00	\$0.00	\$1,379.10	\$1,379.10
Monaco Air Duluth						\$0.00	\$6,223.22	\$0.00	\$0.00	\$0.00	\$6,223.22
Mountain Air Cargo	Invoice	4/1/2022	9521	5/1/2022	11	\$0.00	\$1,549.68	\$0.00	\$0.00	\$0.00	\$1,549.68
National Bank of Commerce	Invoice	12/15/2021	9006	1/14/2022	118	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00
Northland Constructors, Inc.	Invoice	4/1/2022	9522	5/1/2022	11	\$0.00	\$181.50	\$0.00	\$0.00	\$0.00	\$181.50
Oakwells CR, LLC						\$0.00	\$8,804.18	\$6,431.15	(\$23,748.92)	\$0.00	(\$8,513.59)
On Site Enterprises, Inc	Credit Memo	2/3/2022	279	2/3/2022	68	\$0.00	\$0.00	\$0.00	(\$5,572.49)	\$0.00	(\$5,572.49)
Opack Matthew Jr.	Invoice	4/1/2022	9554	5/1/2022	11	\$0.00	\$198.50	\$0.00	\$0.00	\$0.00	\$198.50
Palmer, John	Invoice	4/1/2022	9555	5/1/2022	11	\$0.00	\$198.50	\$0.00	\$0.00	\$0.00	\$198.50
Parsons Electric	Invoice	4/5/2022	9582	5/5/2022	7	\$0.00	\$65.00	\$0.00	\$0.00	\$0.00	\$65.00
Parthe, Lance	Invoice	4/1/2022	9544	5/1/2022	11	\$0.00	\$264.64	\$0.00	\$0.00	\$0.00	\$264.64
Paulson, Jason						\$0.00	\$153.00	\$0.00	\$102.00	\$0.00	\$255.00
Payne, Robert	Invoice	4/1/2022	9540	5/1/2022	11	\$0.00	\$264.64	\$0.00	\$0.00	\$0.00	\$264.64
QMS, INC.						\$0.00	\$250.00	\$250.00	\$450.83	\$323.68	\$1,274.51
Rasier, LLC	Payment	4/8/2022	8465	4/8/2022	4	\$0.00	(\$448.50)	\$0.00	\$0.00	\$0.00	(\$448.50)
Rathbun, David	Invoice	4/1/2022	9547	5/1/2022	11	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Rehabilitation Counselors, Inc.	Payment	8/19/2019	5002	8/19/2019	967	\$0.00	\$0.00	\$0.00	\$0.00	(\$75.00)	(\$75.00)
RS&H	Invoice	4/1/2022	9538	5/1/2022	11	\$0.00	\$2,177.05	\$0.00	\$0.00	\$0.00	\$2,177.05
Safstrom Jon	Payment	2/1/2022	8194	2/1/2022	70	\$0.00	\$0.00	\$0.00	(\$153.00)	\$0.00	(\$153.00)
Security Jewelers	Invoice	4/1/2022	9539	5/1/2022	11	\$0.00	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00
SEH	Invoice	4/5/2022	9583	5/5/2022	7	\$0.00	\$125.00	\$0.00	\$0.00	\$0.00	\$125.00
Shelter Dog Inc.						\$0.00	(\$54.00)	\$0.00	(\$617.00)	\$41.50	(\$629.50)
Snihurowych, Mark						\$306.00	\$0.00	\$0.00	\$0.00	(\$153.00)	\$153.00
Stevens, Mike	Invoice	4/1/2022	9550	5/1/2022	11	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Sun Country, Inc. dba Sun Country Airlines						\$0.00	\$120.00	\$0.00	\$0.00	\$160.00	\$280.00
Sundquist, Margie						\$0.00	\$0.00	\$0.00	\$0.00	\$306.00	\$306.00
Sydow Dan	Invoice	4/1/2022	9543	5/1/2022	11	\$0.00	\$264.64	\$0.00	\$0.00	\$0.00	\$264.64
The Landline Company						\$0.00	\$6,134.14	\$0.00	\$0.00	\$0.00	\$6,134.14
Transportation Security Administration						\$0.00	\$7,622.00	\$0.00	\$8,866.33	\$0.00	\$16,488.33

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT Open Balance	3/13/2022 - 4/11/2022 (30) Open Balance	2/11/2022 - 3/12/2022 (60) Open Balance	1/12/2022 - 2/10/2022 (90) Open Balance	BEFORE 1/12/2022 (>90) Open Balance	TOTAL Open Balance
unifi						\$0.00	\$300.00	\$2,260.00	\$0.00	\$0.00	\$2,560.00
United Parcel Service	Invoice	4/5/2022	9585	5/5/2022	7	\$0.00	\$65.00	\$0.00	\$0.00	\$0.00	\$65.00
Urban Electric	Invoice	2/9/2022	9323	3/11/2022	62	\$0.00	\$0.00	\$0.00	\$175.00	\$0.00	\$175.00
Weeks, Christopher G	Invoice	1/24/2022	9227	2/23/2022	78	\$0.00	\$0.00	\$0.00	\$12.00	\$0.00	\$12.00
Werpy, Jonas						\$0.00	\$197.56	\$199.35	\$0.00	\$0.00	\$396.91
Wicklein, John						\$0.00	\$153.00	\$0.00	\$153.00	\$153.00	\$459.00
Williams, Ron	Invoice	4/1/2022	9551	5/1/2022	11	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Total						\$1,092.62	\$155,108.95	\$163,467.80	(\$19,942.60)	\$16,660.60	\$316,387.37

VII K
DULUTH AIRLINE STATISTICS
ALL SCHEDULED AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2021/2022 PASS. INCREASE/DECREASE			
	2020	2021	2022	2020	2021	2022	2020	2021	2022	ORIG	% DIFF	TOTAL	% DIFF
JAN	12,946	5,183	9,558	11,437	4,677	8,809	24,383	9,860	18,367	4,375	84.41	8,507	86.28
FEB	12,774	5,182	10,312	12,337	5,041	9,590	25,111	10,223	19,902	5,130	99.00	9,679	94.68
MAR	7,703	7,169	12,680	8,842	6,544	12,250	16,545	13,713	24,930	5,511	76.87	11,217	81.80
APR	577	6,758		666	7,055		1,243	13,813	-				
MAY	849	9,519		638	10,262		1,487	19,781	-				
JUN	1,494	9,403		1,526	9,598		3,020	19,001	-				
JUL	3,121	11,778		3,327	11,791		6,448	23,569	-				
AUG	5,727	12,727		5,754	12,128		11,481	24,855	-				
SEP	5,664	11,820		5,666	11,207		11,330	23,027	-				
OCT	5,652	11,285		5,059	10,305		10,711	21,590	-				
NOV	4,418	9,070		4,349	8,965		8,767	18,035	-				
DEC	4,449	10,575		4,533	10,587		8,982	21,162	-				
TOTAL	65,374	110,469	32,550	64,134	108,160	30,649	129,508	218,629	63,199	15,016	86.76	29,403	87.58

TOTALS WITH CHARTER INCLUDED

Month	Enplanements			Deplanements			Total
	2019	2020	2022	2020	2021	2022	
JAN	9,876	13,252	9,735	11,743	4,677	8,986	18,721
FEB	8,663	12,950	10,312	12,513	5,073	9,590	19,902
MAR	12,818	7,703	12,856	8,842	6,579	12,427	25,283
APR	11,666	577	-	666	7,055	-	-
MAY	12,687	849	-	638	10,262	-	-
JUN	14,895	1,494	-	1,526	9,598	-	-
JUL	16,390	3,121	-	3,327	11,791	-	-
AUG	16,982	5,727	-	5,754	12,128	-	-
SEP	15,400	5,664	-	5,666	11,207	-	-
OCT	15,224	5,823	-	5,230	10,478	-	-
NOV	12,761	4,508	-	4,439	8,965	-	-
DEC	12,850	4,449	-	4,533	10,767	-	-
Total	160,212	66,117	32,903	64,877	108,580	31,003	63,906

DULUTH AIRLINE STATISTICS

DELTA AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2021/2022 PASS. INCREASE/DECREASE			
	2020	2021	2022	2020	2021	2022	2020	2021	2022	ORIG	%DIFF	TOTAL	%DIFF
JAN	6,698	3,814	5,461	6,026	3,629	4,845	12,724	7,443	10,306	1,647	43.18	2,863	38.47
FEB	6,401	3,916	5,996	6,244	3,890	5,612	12,645	7,806	11,608	2,080	53.12	3,802	48.71
MAR	3,973	4,668	6,877	4,777	4,379	6,545	8,750	9,047	13,422	2,209	47.32	4,375	48.36
APR	331	4,045		438	4,396		769	8,441	-				
MAY	374	7,106		377	7,573		751	14,679	-				
JUN	685	6,589		680	6,828		1,365	13,417	-				
JUL	2,122	6,788		2,277	6,823		4,399	13,611	-				
AUG	3,487	7,484		3,595	7,281		7,082	14,765	-				
SEP	3,941	7,608		3,908	7,159		7,849	14,767	-				
OCT	3,576	7,483		3,411	6,721		6,987	14,204	-				
NOV	3,000	7,746		2,985	7,613		5,985	15,359	-				
DEC	3,029	6,588		3,131	6,610		6,160	13,198	-				
TOTAL	37,617	73,835	18,334	37,849	72,902	17,002	75,466	146,737	35,336	5,936	47.87	11,040	45.18

2022 Month	Non Rev	Revenue	2022 Non Rev	Revenue	Total
JAN	141	5,320	157	4,688	10,306
FEB	161	5,835	159	5,453	11,608
MAR	180	6,697	194	6,351	13,422
APR					-
MAY					-
JUN					-
JUL					-
AUG					-
SEP					-
OCT					-
NOV					-
DEC					-
Total	482	17,852	510	16,492	35,336

DULUTH AIRLINE STATISTICS

UNITED AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2021/2022 PASS. INCREASE/DECREASE			
	2020	2021	2022	2020	2021	2022	2020	2021	2022	ORIG	%DIFF	TOTAL	%DIFF
JAN	4,031	1,369	2,234	3,300	1,048	2,079	7,331	2,417	4,313	865	63.18	1,896	78.44
FEB	3,850	1,266	2,179	3,678	1,151	2,114	7,528	2,417	4,293	913	72.12	1,876	77.62
MAR	2,168	2,501	2,903	2,351	2,165	2,763	4,519	4,666	5,666	402	16.07	1,000	21.43
APR	122	2,713		128	2,659		250	5,372	-				
MAY	475	2,413		261	2,689		736	5,102	-				
JUN	809	2,814		846	2,770		1,655	5,584	-				
JUL	999	4,990		1,050	4,968		2,049	9,958	-				
AUG	2,240	5,243		2,159	4,847		4,399	10,090	-				
SEP	1,723	4,212		1,758	4,048		3,481	8,260	-				
OCT	2,076	3,802		1,648	3,584		3,724	7,386	-				
NOV	1,418	1,324		1,364	1,352		2,782	2,676	-				
DEC	1,420	2,635		1,402	2,812		2,822	5,447	-				
TOTAL	21,331	35,282	7,316	19,945	34,093	6,956	41,276	69,375	14,272	2,180	50.46	4,772	59.16

Month	2022		2022		Total
	Non Rev	Revenue	Non Rev	Revenue	
JAN	56	2,178	57	2,022	4,313
FEB	93	2,086	89	2,025	4,293
MAR	71	2,832	69	2,694	5,666
APR					
MAY					
JUN					
JUL					
AUG					
SEP					
OCT					
NOV					
DEC					
Total	220	7,096	215	6,741	14,272

DULUTH AIRLINE STATISTICS SUN COUNTRY AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2021/2022 PASS. INCREASE/DECREASE			
	2020	2021	2022	2020	2021	2022	2020	2021	2022	ORIG	%DIFF	TOTAL	%DIFF
JAN			1,863			1,885		-	3,748	1,863	-	3,748	-
FEB			2,137			1,864		-	4,001	2,137	-	4,001	-
MAR			2,900			2,942		-	5,842	2,900	-	5,842	-
APR								-	-				
MAY													
JUN													
JUL													
AUG													
SEP													
OCT													
NOV													
DEC		1,352			1,165			2,517	-	(1,352)	-	(2,517)	-
TOTAL	-	1,352	6,900		1,165	6,691	-	2,517	13,591	5,548	-	11,074	-

Month	2022		2022		Total
	Non Rev	Revenue	Non Rev	Revenue	
JAN	3	1,860	20	1,865	3,748
FEB	7	2,130	6	1,858	4,001
MAR	8	2,892	10	2,932	5,842
APR					
MAY					-
JUN					-
JUL					-
AUG					-
SEP					-
OCT					-
NOV					-
DEC	6	1,346	5	1,160	2,517
Total	24	8,228	41	7,815	16,108

DULUTH AIRLINE STATISTICS CHARTERS

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2021/2022 PASS. INCREASE/DECREASE			
	2020	2021	2022	2020	2021	2022	2020	2021	2022	ORIG	% DIFF	TOTAL	% DIFF
JAN	306	-	177	306	-	177	612	-	354	177	100.00	354	100.00
FEB	176	32	-	176	32	-	352	64	-	(32)	(100.00)	(64)	(100.00)
MAR	-	35	176	-	35	177	-	70	353	141	402.86	283	404.29
APR	-	-	-	-	-	-	-	-	-				
MAY	-			-			-	-	-				
JUN	-			-			-	-	-				
JUL							-	-	-				
AUG							-	-	-				
SEP	-			-			-	-	-				
OCT	171	213	-	171	173	-	342	386	-				
NOV	90	250	-	90			180	250	-				
DEC	-	-	-	-	180	-	-	180	-				
TOTAL	743	530	353	743	420	354	1,486	950	707	286	134.29	573	134.76

Month	2022						Total
	Endeavor	SUN CO.	JET BLUE	VISION	Hillwood	Allegiant	
JAN		354					354
FEB		-					-
MAR		353					353
APR							-
MAY							-
JUN							-
JUL							-
AUG							-
SEP							-
OCT							-
NOV							-
DEC							-
Total	-	707		-	-	-	707

DLH Cargo Stats

Mountain Air Cargo / Fed Ex			Bemidji Air UPS			Combined Total		Combined Total		Difference	
2022			2022			2022		2021		Increase/(Decrease)	
Month	Freight In	Freight Out	Month	Freight In	Freight Out	Freight In	Freight Out	Freight In	Freight Out	Freight In	Freight Out
January	91,277	38,751	January	33,489	22,036	124,766	60,787	117,686	63,453	7,080	(2,666)
February	98,869	38,020	February	33,435	21,627	132,304	59,647	104,107	60,026	28,197	(379)
March	88,368	50,917	March	34,866	23,148	123,234	74,065	150,825	71,421	(27,591)	2,644
April			April					165,012	84,519		
May			May					170,644	72,673		
June			June					167,254	82,290		
July			July					172,320	83,694		
August			August					159,230	82,627		
September			September					172,721	88,249		
October			October					154,556	94,143		
November			November					138,863	87,836		
December			December					173,710	74,203		
<u>278,514 127,688</u>			<u>101,790 66,811</u>			<u>380,304 194,499</u>		<u>1,846,928 945,134</u>		<u>7,686 (401)</u>	

2022 Landline Passengers

	Arrivals			Departures			2021 Grand		
	Revenue	Non-Rev	Total	Revenue	Non-Rev	Total	Grand Total	Total	Inc /Dec
January	774	62	836	912	56	968	1804	501	1303
February	904	44	948	1195	46	1241	2189	391	1798
March	1123	47	1170	1261	43	1304	2474	447	2027
April			0			0	0	636	
May			0			0	0	1193	
June			0			0	0	1981	
July			0			0	0	2550	
August			0			0	0	2317	
September			0			0	0	1448	
October			0			0	0	1885	
November			0			0	0	2059	
December			0			0	0	2423	
	2801	153	2954	3368	145	3513	6467	17831	5128