



DULUTH AIRPORT AUTHORITY

NOTICE OF THE DULUTH AIRPORT AUTHORITY

BOARD MEETING

PURSUANT TO MINN. STAT. § 13D.02

NOTICE IS HEREBY GIVEN Duluth Airport Authority will hold its *regular* meeting on **Tuesday, August 20th, 2024 at 8:00 a.m.** in the Amatuzio Conference Room, Third Floor, in the Duluth International Airport Terminal Building, 4701 Grinden Drive, Duluth, MN 55811

Members of the public may monitor the meeting by clicking below to access the meeting by Microsoft Teams: "Microsoft Teams Meeting" (information below).

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 249 336 734 244

Passcode: ihi3nk

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The public may express their comments for consideration by the Duluth Airport Authority prior to the meeting by email or in writing to daa@duluthairport.com or to Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811.



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DULUTH AIRPORT AUTHORITY MEETING AGENDA AUGUST 20, 2024

AMATUZIO CONFERENCE ROOM DULUTH INTERNATIONAL AIRPORT

I. *EXECUTIVE DIRECTOR'S REVIEW

- A. Information Letter to DAA Directors

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

- A. Approval of July 16, 2024 Board Meeting Minutes

III. *DAA CASH DISBURSEMENTS

- A. Operating Check Registers #19-21; Operating ACH Payment Register #20-23; Construction ACH Register #10.

IV. *CORRESPONDENCE

- A. DLH Construction Notice
 - i. July 12, 2024
 - ii. July 19, 2024
 - iii. July 29, 2024: Runway 9/27 Closure THIS WEEKEND
 - iv. August 1, 2024: Taxiway A – Phase 3 Reconstruction Update
- B. July 2024: Letter from International 180/185 Club.
- C. July 2024: The Breeze of Park Point.
- D. July 2024: Airport of the Month – Duluth – DLH. Minnesota Flyer.
- E. July 10, 2024: Sky Harbor Airport hosts ribbon-cutting ceremony for new \$2.6 million terminal. Northern News Now.
- F. July 10, 2024: Sky Harbor Airport opens new terminal for pilots and passengers. WDIO.
- G. July 11, 2024: Sky Harbor Airport Soars to New Heights Opening New Terminal. Fox21.
- H. July 14, 2024: Sky Harbor Airport unveils new \$2.66 million terminal. Duluth News Tribune.
- I. July 16, 2024: Annual Certification Inspection Closeout. Federal Aviation Administration.
- J. July 19, 2024: DLH urges passengers to check flight status amid delays due to global IT outage. Northern News Now.
- K. July 21, 2024: July 19-22, 2024 operation, An update to Delta customers from CEO Ed Bastain. Delta News Hub.
- L. July 23, 2024: Duluth International Airport experiencing minimal issues following global tech outage. Northern News Now.



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- M. July 25, 2024: Reconstruction of Rice Lake Road to boost city's growth. Northern News Now.
- N. July 29, 2024: Letter to President Joseph Biden re: Duluth ATC Tower.
- O. July 29, 2024: Explore the Great Outdoors with Kids in Duluth, Minnesota. Chicago Parent.
- P. August 10, 2024: Discovery Flights takes off over the Iron Range. Northern News Now.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

VI. OLD BUSINESS

None

VII. NEW BUSINESS

- A. Resolution to Approve the Updated 2024 Rates and Charges Schedule for DLH.
- B. Resolution to Approve the Updated 2024 Rates and Charges Schedule for DYT.
- C. Resolution to Approve the Amended and Restated Operator Agreement between the Duluth Airport Authority and Monaco Air Duluth, LLC.
- D. Resolution to Approve the Space Lease Agreement between the Duluth Airport Authority and Monaco Air Duluth, LLC.
- E. Resolution to Approve the Peer to Peer Car Sharing Agreement between the Duluth Airport Authority and TURO Inc.
- F. Resolution to Approve Standard Space Lease between the United States of America Department of Transportation Federal Aviation Administration and Duluth Airport Authority.
- G. Resolution to Approve the Assignment of a Food, Beverage, Retail Concession, and Lease Agreement Between the Duluth Airport Authority and Oakwells Commuter Rail LLC to Tailwinds Hospitality Inc. effective August 27, 2024.
- H. Resolution to Approve the Lot 8 Land Lease Agreement between the Duluth Airport Authority and Yellow Dog Aviation, LLC.
- I. Resolution to Approve Work Order 2024-11 between Short Elliot Hendrickson, Inc and the Duluth Airport Authority for the Design of Midfield Ramp – Phase 3.
- J. *June 2024 Financial Reports
- K. *August 2024 Accounts Receivable
- L. *July 2024 Airline Statistics, Landline Statistics

VIII. DIRECTOR'S REPORTS

Items annotated by an asterisk (*) 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 AIRPORT AUTHORITY

DATE: August 20, 2024
TO: Duluth Airport Authority Board of Directors
FROM: Executive Director
SUBJECT: Executive Director's Review

The following items will be discussed 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:
 - New Air Traffic Control Tower (ATCT)
 - 2024 Air Spectacular Recap
- Construction:
 - Taxiway A – Phase 3 Construction
 - 60 Hour Closure Recap
 - Customs and Border Protection Federal Inspection Services Construction Update
- Operations and Maintenance:
 - Commercial Ground Transportation Lane Technology Update
 - Snow Removal Equipment Acquisition
- Sky Harbor:
 - New Sky Harbor Airport Terminal
 - New Snow Removal Equipment Building

BUSINESS/PROPERTY DEVELOPMENT

- Airport Economic Development Summit Recap
- Life Link Hangar Project Update
- Cirrus Hush-House and Fuel Calibration Facility Location Update
- Farewell to our summer intern Eli Strayer

FINANCIAL UPDATE

- Administrative Coordinator Position Update
- 2nd Quarter 2024 Financial Update

MARKETING/COMMUNICATIONS

- Natalie's Return Update



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LEGISLATIVE UPDATE

- ATCT Advocacy Update

PRESENTATIONS/TOURS/TRAVEL RECAP

- NSR

OTHER

- DAA Board Retreat, September 4th, at the Sheraton Hotel, Gooseberry Falls Room.

Submitted by,

Tom Werner, A.A.E.
Executive Director



II. Previous Meeting Minutes

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Duluth Airport Authority

Meeting Minutes

July 16, 2024

MEETING LOCATION: Amatuzio Conference Room, Duluth International Airport

DIRECTORS PRESENT: Kevin O'Brien, President
Michael Henderson, Vice President
Jeff Anderson, Secretary
Elissa Hansen
Jason Crawford
Sandy Hoff

OTHERS PRESENT: Tom Werner, DAA Executive Director
Mark Papko, DAA Dir. of Operations
Jana Kayser, DAA Dir. of Business Development
Jenny Delnay, DAA Administrative Coordinator
Eli Strayer, DAA Summer Intern
Briana Johnson, American Heart Association
Dante Tomassoni, Cirrus
Eric Monson, Lake Superior Helicopters
Don Monaco, Monaco Air Duluth
Rob Missinne, Monaco Air Duluth
Matthew Stewart, SEH
Mike Bown, SEH

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:

Kathy Leon, DAA Confidential Bookkeeper
Robb Enslin, Duluth City Attorney
James Gibson, Cirrus
Horeya Czaplewski, EXP
Phillip Scott, EXP
Andy Hoffmann, H+U Construction
Dexter Silvers, H+U Construction
Joe Uhlhorn, H+U Construction
Paul Huston, HNTB

CALL TO ORDER: Dir. O'Brien called the DAA board meeting to order at 8:00 a.m. He noted that all board members are in person, with Dir. Hanson arriving late at 8:14am.

Dir. O'Brien invited Mr. Tom Werner to provide the Executive Director's Review

I. *EXECUTIVE DIRECTOR'S REVIEW

A. **Air Service:** Mr. Werner provided an update on the current air service with a presentation.

- Mr. Werner presented year-to-date numbers. He shared that numbers are trending in the right direction but will need to keep the planes full in order to ensure this level of capacity in the future. Mr. Werner shared a report compiled by Mr. Mike Bown looking at advanced bookings, comparing Duluth to the national scene. There was a large spike in



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the summer months, which correlated for Great Lakes Cruising. Mr. Werner shared that this has been a great boost for the local economy, and specifically for the airport by causing an increase in frequency and bringing in larger aircraft. Mr. Werner shared that the per capita income of Duluth is the lowest in the comparator group, which has been true for a long time and directly correlates to seats per capita. He empathized that economic growth in the region is needed to grow air service. Mr. Werner shared that both Delta and United would be back to 2019 levels for July and August for the first time since the pandemic and forecasting to be within 10% of 2019 levels for the fall.

- Dir. O'Brien asked if that is due to the easing of the pilot shortage.
 - Mr. Werner stated that is correct. There are more pilots flying now, but still some issues with aircraft shortages due to the Boeing problems. Overall, it is trending well.
 - Mr. Bown added that regional airlines feel confident about the pilot situation moving forward.
- Breeze Airways Presentation: Mr. Werner invited Mr. Bown to speak and introduce a business case for Breeze Airways.
 - Mr. Bown shared that he will share his slides and is happy to answer questions or take phone calls about this information, as it can be complex. This is designed to be a P&L estimate, which can be difficult to understand.
 - Mr. Bown covered the leadership of Breeze Airlines, including Mr. David Neeleman, Founder and CEO, who has started multiple successful airlines. Thanks to his well-known reputation, Breeze has access to significant capital. All the top leadership at Breeze have a background at Allegiant Airlines, who know this market well. He noted that Mr. Werner previously had a great relationship with Allegiant.
 - Mr. Bown shared Breeze's current route map, which is mostly focused on the East Coast. They are now looking to add more routes in the center of the country. He noted that their bases are listed in red on the map and would be good to focus on. Breeze flies primarily one aircraft type, the A220, which is a unique aircraft. While Breeze is considered a ULCC, they operate a much different product. They have 3 ticket types: main cabin, economy comfort and first class.
 - Mr. Werner noted that their customer service sets them apart, especially with the multiple products they can offer.
 - Mr. Bown shared that operationally, they would be comparable to American Airlines and have a better reputation than other ULCCs. They are focused on operating point-to-point instead of the hub and spoke concept. Their prices are very reasonable and in line with other ULCCs. They are looking to add 1 aircraft per month through 2028 and therefore are likely to add new routes. They are looking to fly internationally by year end. They are already profitable, which is impressive. They have 189 seats per aircraft, instead of the ULCC standard of 137.
 - Mr. Bown noted that he compared potential Breeze routes to historical Allegiant data due to their leadership's familiarity with Allegiant.
 - Historically, Allegiant's aircraft had 166 seats. They also tracked their customers and found that on a second purchase, they purchased 25% more due to upgraded services.
 - Mr. Bown shared historical passenger data for Las Vegas. He noted to not look at if the plane was full, but rather the price per seat, since they will fill the plane by dropping prices. Once the prices started dropping, that's when the route is pulled. He noted there are three likely factors for a price drop: 1.



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- ULCC capacity at MSP increased, mostly from Spirit. 2. A strong US Dollar reduced demand from Thunder Bay. 3. Vegas burnout from customers. This would likely be a year-round route, but Breeze would likely look at the latest (and worst) data.
- The Phoenix route is very seasonal and would likely remain that way. It is understood that people want to go south during the winter months.
 - Orlando is similar to Phoenix and would likely be seasonal, but there is the possibility for a year-round market eventually.
 - There may be an option for a Mexican Market, such as Cancun, as Breeze is working on approval for international flights.
- Mr. Bown presented a P&L for Breeze based on peak demand of the historic routes, assuming load factor and revenue would stay the same. In order to maintain this revenue, the fare would need to be around \$418. Historical Allegiant data showed fares at \$379. This increase would be doable based on the products offered. Assuming the fare increase is doable, even with trough demand, there would still be around 10% profit. Mr. Bown noted that these are mature forecasts, after the brand is known to the market. The first 6 months would likely be worse, while building up customers.
 - Mr. Bown expressed that Breeze has stated some interest in Duluth. They are receiving several new routes proposed to them currently. A \$1.5 million minimum revenue guarantee (MRG) would get their attention and could start as soon as next year. With a \$500,000 MRG may have about a 3 year start time. With more communities and states providing economic support, the game is changing.
 - Mr. Bown believes that Breeze is probably the best option for Duluth to grow its air service. He could see them expanding to Denver or Cancun in the future. It would be expected to spend any money laid out in an MRG, since it will take time for the service to grow.
 - Dir. Henderson asked how they remain profitable as a start up?
 - Mr. Bown shared that community support helps. Breeze has been lucky with their aircraft, since the A220s are not having the same issues as Boeing. They already had work orders for additional A220s before the Boeing issues started.
 - Dir. Henderson asked what the risk was in offering community support. How long until the airline could be profitable.
 - Mr. Bown stated it varied by market. Typically, 6-9 months is what is expected, but it could be profitable right away or could take a couple years. If it was taking years, the route would likely be pulled. However, there is a balance, since airlines that pull routes immediately can get a bad reputation. It is likely they would start with a few seasonal routes, then build from there.
 - Mr. Werner shared that there is risk mitigation for the airline and the package the community offers to get them here. This is an unknown package in the Duluth Market. There would need to be heavy marketing support to get the customers to fly these routes. Marketing support has not been discussed thus far. Mr. Werner expects that a \$250,000-\$500,000 MRG would likely be what is able to be offered based on constraints of fundraising here. It would also include incentives from the Incentive Program recently approved by the board to include fee waivers for selected routes.



B. Operations/Construction/Planning: Mr. Papko provided the following updates:

- Planning:
 - New Air Traffic Control Tower (ATCT) Update: Mr. Papko shared that this project is moving along. There is a second round of ATP funding which has applications due at the end of the month (this is where the initial \$10 million came from). This is on an expedited timeline, since applications last year were due in October with the announcements in February. This year, announcements are expected to come out before November. Mr. Papko feels that DLH is positioned well and will be asking for the remaining dollar amount for the entire project, although doesn't expect to receive the full amount.
 - Mr. Papko shared the latest renderings of the ATCT following the 50% review. He is excited about how the project is shaping up. There was \$66 million as the initial estimate, however those numbers and specifics are becoming more defined as the design work continues. The FAA hasn't updated their \$22 million for FAA reimbursable equipment, possible due to a backlog of projects. There are still contingencies built into these numbers, to supplies and inflation. Mr. Papko stated that the cost estimates today he is hoping would be the highest number presented to the board.
 - Mr. Werner noted that as the total cost estimate rises, the reality of this project sets in. It would be incredibly difficult to fully fund a \$75 million project with federal and state funding. There may be a need to start planning for a funding gap to be bonded locally. The amount of this gap is yet to be determined and won't be known for a while, as the federal and state funding opportunities are worked through. Staff will start drafting possible scenarios for the board to review.
 - Dir. O'Brien asked if the escalation contingency is the same as an inflation contingency.
 - Mr. Papko confirmed that is correct. The number grew due to the delay in the groundbreaking. While there has been a leveling off of inflation prices to a more "normal" amount of inflation, there are still additional contingencies built in.
 - Dir. Hoff asked if funding from the bonding bill at the state level would help.
 - Mr. Papko confirmed that if there is no bonding bill passed by the state next year, it would seriously hamper successful completion of this project.
 - 2024 Air Spectacular: This is happening on Wednesday, July 31st over Lake Superior with the Canadian Snowbirds. They will stage out of the airport, but the airport is not really involved in this airshow. There will be a temporary flight restriction over Sky Harbor and parts of Lake Superior. This will affect the approaches for DLH, but the airport will remain open, unlike the normal airshow at the airport.
- Construction:
 - Taxiway A – Phase 3 Construction: Construction is going and has been doing nightly closures after the last commercial flight arrives and reopening before 5am. While not the most efficient construction method, it allows for the runway to remain open. Tenants have been appreciative and cooperative thus far.
 - Customs and Border Protection Federal Inspection Services Construction Presentation: The international area of the terminal is rarely seen and isn't used often. It was never a certified CPB station when it was built. As requirements get



updated, our area would need to be updated as well. This is currently estimated to be about \$800,000 of local money to complete the current updates. There will need to be board conversations in August or September about if this is something DLH should pursue. While there is a potential business case for international flights, if there is not a compliant FIS, then could not start international flights. There are no grants or state funding available to support this project. While it can be used for diversions for emergency situations without this investment, it cannot be used for regularly scheduled service. This will go out for bids to get a firm number for updates, then will have a conversation about if this is the correct item to focus on.

- Mr. Werner added that Mr. Bown had talked earlier about the possibility of adding Cancun flights, but these would likely be twice a week flights. There is no amount of fees that could be added to these international flights or level of demand that would recoup this investment. This would need to be covered by other revenue streams, such as non-aeronautical revenue. This type of 6 figure investment would likely continue to happen every few years to continue to keep up with the requirement changes.
- Operations and Maintenance:
 - Part 139 Inspection Recap: The FAA 139 inspection has been completed. DLH is regulated by Part 139, which states the condition the airport must be in and includes an FAA inspection every two years, lasting two days. There were no discrepancies found this year, which has also been true the last couple of years. Mr. Papko passed his compliments to the airside team who manages this program to ensure the airfield is compliant. He noted that it is not uncommon for airports to have 4-5 discrepancies during these inspections. He stated that the team did a fabulous job and set a standard of excellence.
 - Mr. Werner added that it is under Mr. Papko's leadership this standard of excellence exists.
 - TSA Annual Inspection: There are not results of the TSA Inspection yet, as this inspection is longer and lasts 2 weeks. Mr. Papko had hoped to have a recap for the board meeting, but it is not complete yet. He will update on this next month.
- Sky Harbor: Mr. Papko noted that both the Terminal and SRE building are substantially complete. Both buildings are currently being used.

C. Business/Property Development: Ms. Kayser provided an update on the following:

- Airport Economic Development Summit: Ms. Kayser shared that the Summit is happening today and expressed her thanks to those who signed up and are planning to attend. The event is split between DAA and MNDOT with lunch provided by SEH. There are about 40 people registered in person plus an additional 20 online. There is good diversity in the audience.
 - Mr. Werner expressed his thanks to Ms. Kayser for handling all the logistics for this Summit. She did a great job bringing this to fruition.
- Life Link Hangar Construction Progress: Ms. Kayser has received a high-level cost estimate for this project from SEH which has been sent to Life Link. She is currently working on that design with them and will bring forward design changes to the board soon.
- FBO Acquisition Due Diligence: Mr. Werner shared that the DAA put together a great offer, but in the end, it was not accepted by Monaco. He felt good about exploring this opportunity and thought that the DAA put its best foot forward. He stated that Mr.



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Monaco continues with his process and looks forward to the new ownership structure and how the DAA can support it.

D. Financial Update: Ms. Bodin provided an update on the following:

- Administrative Positions Update: Ms. Delnay has accepted the Finance Technician position and has been training in that role. She also passed an AAAE ACE Finance Course. Ms. Bodin is working to backfill the Administrative Coordinator position and is currently reviewing applicants. In the meantime, board communication will continue to go through Ms. Delnay at the daa@duluthairport.com email at this time.
- MNDOT will be at DLH tomorrow to complete an audit of state grants.
- Ms. Bodin has completed the System for Award Management renewal to be able to receive federal awards for the next 12 months.
- Ms. Bodin noted that there was a transposed number in the finance reports regarding the cash balance goal in the board packet. The cash balance goal is 2.9, and as of July 9th, the DAA had 2.6, but that excluded the grants receivable that are about 3.8. Ms. Bodin noted that the DAA is still in an ok spot with cash but is looking forward to having more grants come through.

E. Marketing/Communications: Mr. Werner provided an update on the following:

- Sky Harbor Art Show Recap: Mr. Werner shared that this partnership with a local artist highlighted the new building. The Art Show was July 15-30 with an opening event, which had great local turnout. He stated that events like this bring the general public closer to aviation, even indirectly.
- Ranch Hangar Ribbon Cutting Recap: Mr. Werner noted that there was great coverage of this event and expressed his thanks to everyone who attended. The furniture was the last major element to come into place for the new terminal, which has now been delivered. He noted that the tenants seem very happy with the new building.

F. Legislative Update: Mr. Werner provided an update on the following:

- NSR

G. Presentations/Tours/Travel Recap: Mr. Werner provided an update on the following:

- NSR

H. Other: Mr. Werner provided an update on the following:

- Mr. Werner noted that he will be out the remainder of the week for a family obligation and Mr. Papko will be the Acting Executive Director.

- Dir. O'Brien thanked everyone for their reviews and moved to item II of the agenda.

II. *APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS AS INDICATED BY *:

A. Approval of June 18, 2024 Meeting Minutes

- Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Hansen
 - Second: Dir. Henderson
 - Abstain: None
 - Result: This resolution was adopted unanimously.



III. *DAA CASH DISBURSEMENTS

- A. Operating Check Register Sheets #16-18; Operating ACH Payment Register #17-19; Construction ACH Register #8-9.

IV. *CORRESPONDENCE

- A. DLH Construction Notice
- i. June 14, 2024
 - ii. June 21, 2024
 - iii. June 28, 2024
 - iv. July 8, 2024
- B. June 26, 2024: Two Weeks Away! Ribbon Cutting Ceremony.
- C. June 15, 2024: Local artist exhibits work at Sky Harbor Airport Saturday. Northern News Now.
- D. June 16, 2024: Sky Harbor Airport Unveils New Terminal By Hosting Art Gallery. Fox21.
- E. July 8, 2024: Letter from FBO Advisors, LLC, Re: DAA Offer for Monaco Air Duluth and Duluth Flying Club.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- A. Mr. Don Monaco signed up to be heard regarding FBO Sale.
- Mr. Monaco echoed what Mr. Werner stated earlier, stating that the DAA put forth a good proposal, which stood out, but there were better proposals submitted. Yesterday, Mr. Monaco accepted an offer from Aero Centers, a small FBO chain with 7 locations. He stated they have a very good leadership team and he sees this as a great opportunity for the community. They will likely be coming to the board in August or September to introduce themselves. Mr. Monaco is hoping to close in September and have the DAA approve the transfer of ownership in September. The current local leadership will remain in place and they will not be appointing a new general manager to replace Mr. Monaco. Aero Centers' COO lives in Minneapolis, so will be able to come up to Duluth as needed.
 - Multiple Directors expressed their thanks and congratulations to Mr. Monaco for his years of service.
- B. Mr. Dante Tomassoni signed up to be heard regarding Cirrus/IPO.
- Mr. Tomassoni shared that last Friday, there was an official announcement publicly regarding Cirrus's IPO. He noted that the IPO does not change any domestic operations, number of local employees, or their commitment to parts and supply chain based in America.
 - Dir. Hoff asked which exchange and which percentage of ownership was affected.
 - Mr. Tomassoni noted it was the Hong Kong exchange. There previously was Chinese ownership, but now vested approximately 15% to the public market.
 - Mr. Werner stated while he understood they were not expecting changes in operation, but with this increase in capital, he asked if there were expected growth opportunities.
 - Mr. Tomassoni shared they raised about \$200 million and are hoping to increase growth and productivity locally, but still working on the exact plan.

VI. OLD BUSINESS

- A. None.



VII. NEW BUSINESS

- A. Resolution to Award Construction Contract in the Amount of \$11,335,704.00 to Ulland Brothers, Inc. for the Construction of Taxiway A – Phase 5 and associated Alternate Schedules.
- Mr. Papko shared that construction is underway for Phase 3, with Phase 4 being done last year. Phase 5 is expected to happen next year. There were great bids received back for this phase. This project was initially estimated to cost \$13-14 million, but this bid came in for \$11.3 million. This also includes Midfield Ramp Phase 2. Previously, Mr. Papko had informed the board of the rejection of all Midfield Ramp Phase 2 bids due to high costs. When it was re-bid concurrently with Phase 5, it dramatically reduced costs. Mr. Papko recommended approval.
 - Dir. O'Brien entertained questions or a motion.
 - Dir. O'Brien appreciated Mr. Papko looking after DAA funds as if they were his own.
 - Motion: Dir. Crawford
 - Second: Dir. Hoff
 - Abstain: None
 - Result: This resolution was adopted unanimously.
- B. Resolution to Approve Work Order 2024-6 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Construction Administration of Taxiway A – Phase 5.
- Mr. Papko shared that the construction project awarded in Resolution A needs construction administration oversight and closeouts, which would fall under the SEH Master Plan. This did go out for Independent Fee Estimate (IFE), where it goes to a competitor who was not planning to bid on the project and needs their proposed bid to come within 10% of SEH's proposal. Mr. Papko noted that SEH's proposal was below the IFE.
 - Dir. O'Brien asked what the cost of doing an IFE was.
 - Mr. Papko noted it ranges from \$2,000-4,000 depending on the size of the project.
 - Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Hoff
 - Second: Dir. Hansen
 - Abstain: Dir. Anderson
 - Result: This resolution was adopted unanimously by all voting members.
- C. Resolution to Approve Work Order 2024-7 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Construction Administration of Midfield Ramp – Phase 2.
- Mr. Papko noted that the same services for Phase 5 in Resolution B are also needed for Midfield Ramp Phase 2. This also went through the IFE process and came in lower. Mr. Papko noted that there was a benefit in continuity of companies for these projects.
 - Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Crawford
 - Abstain: Dir. Anderson
 - Result: This resolution was adopted unanimously by all voting members.



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- D. Resolution to Approve Work Order 2024-9 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Design of Taxiway A – Phase 6.
- Mr. Papko noted that with the favorable bids received for Phase 5, there are funds to continue working on the design for Phase 6. Continuing with what has happened with previous phases, Phase 6 design will happen now, then will come back with construction bids to start construction of Phase 6 in Summer 2026. This resolution would allow for design to be covered by grants now and not have to cash flow the project.
 - Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Hansen
 - Second: Dir. Hoff
 - Abstain: Dir. Anderson
 - Result: This resolution was adopted unanimously by all voting members.
- E. Resolution to Approve Amendment 1 to Work Order 2023 – 5 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Design of North Business Development Hangar Construction Project at Duluth International Airport (DLH).
- Ms. Kayser mentioned this is the resolution for Life Link hangar that was received in March 2023, but then had to go out for RFP. There has been inflation since then, so this is an amendment to the original work order in the amount of \$4,700.
 - Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Hoff
 - Second: Dir. Crawford
 - Abstain: Dir. Anderson
 - Result: This resolution was adopted unanimously by all voting members.
- F. Resolution to Approve License Agreement between the Duluth Airport Authority and the Duluth Aviation Institute.
- Ms. Kayser shared that Ms. Baker had brought the request from the Duluth Aviation Institute forward for naming rights of Sky Harbor Terminal previously and this is the agreement for that naming space. Ms. Kayser showed pictures of where the name would be added, including exterior signage on the lakeside of the terminal, above the door in the vestibule, and a plaque inside the terminal. The plaque will include information about Robert Gilruth. There is no term on the agreement, but all maintenance and other costs are the responsibility of the Duluth Aviation Institute for as long as they are in existence at the terminal. If they are not maintained, then the DAA could make the decision to remove the signs.
 - Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Anderson
 - Abstain: None
 - Result: This resolution was adopted unanimously.
- G. *May 2024 Financial Reports
- H. *July 2024 Accounts Receivable
- I. *June 2024 Airline Statistics, Landline Statistics



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VIII. DIRECTOR'S REPORTS

- A. Mr. Werner noted that Ms. Briana Johnson is in attendance today and will be joining the board next month. She went through the interview process last night with the city council and is waiting official appointment. He is looking forward to having her join the board next month.
- B. Dir. O'Brien expressed his congratulations to Ms. Delnay on her new position.

ADJOURN: The motion to adjourn was made by Dir. Henderson and seconded by Dir. Hansen. The meeting was adjourned at 9:23 a.m.

Respectfully submitted,

Jenny Delnay
Administrative Coordinator

Tom
Werner

Digitally signed by
Tom Werner
Date: 2024.07.25
16:46:00 -05'00'

Approved: _____

DAA Executive Director

III. Cash Disbursements

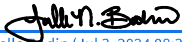
DAA Operating Check Register #19-2024
July 5, 2024

Document Number From 12197 through 12204

Document Number	Date	Transaction Type	Payee	Amount
12197	7/5/2024	BILLPMT	AT&T Mobility	\$476.14
12198	7/5/2024	BILLPMT	City Of Duluth Comfort Systems	\$855.50
12199	7/5/2024	BILLPMT	Curtis Oil & Propane	\$1,106.57
12200	7/5/2024	BILLPMT	Diamond Mowers, Inc.	\$957.10
12201	7/5/2024	BILLPMT	Duluth Tire And Oil, Inc.	\$54.27
12202	7/5/2024	BILLPMT	NAPA Auto Parts	\$271.89
12203	7/5/2024	BILLPMT	Nextera Communications	\$473.11
12204	7/5/2024	BILLPMT	Superior Shooters Supply LTD	\$215.91
			Total	\$4,410.49



Airport Director



Joelle Bodin (Jul 3, 2024 08:34 CDT)

Finance Director

Tom Werner

Executive Director



Kevin O'Brien (Jul 3, 2024 09:16 CDT)

Board President



Jos Bailey (Jul 3, 2024 08:27 CDT)

City Treasury












Operating Check Register #19-2024


Final Audit Report

2024-07-08

Created:	2024-07-03
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAqpYkqw7GFEaBMZF1C4DsAx9eQZH7TMV

"Operating Check Register #19-2024" History

-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-07-03 - 1:26:26 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-07-03 - 1:26:29 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-07-03 - 1:26:29 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature
2024-07-03 - 1:26:29 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-07-03 - 1:26:29 PM GMT
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-07-03 - 1:27:15 PM GMT
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2024-07-03 - 1:27:23 PM GMT - Time Source: server
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-07-03 - 1:34:27 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-07-03 - 1:34:40 PM GMT - Time Source: server
-  Email viewed by info@kevinobrienrealtor.com
2024-07-03 - 2:15:55 PM GMT
-  Signer info@kevinobrienrealtor.com entered name at signing as Kevin O'Brien
2024-07-03 - 2:16:54 PM GMT

 Document e-signed by Kevin O'Brien (info@kevinobrienrealtor.com)

Signature Date: 2024-07-03 - 2:16:56 PM GMT - Time Source: server

 Email viewed by Tom Werner (twerner@duluthairport.com)

2024-07-08 - 12:23:04 PM GMT

 Document e-signed by Tom Werner (twerner@duluthairport.com)

Signature Date: 2024-07-08 - 12:23:13 PM GMT - Time Source: server

 Agreement completed.

2024-07-08 - 12:23:13 PM GMT

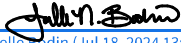
DAA Operating Check Register #20-2024 July 19, 2024

Document Number From 12205 through 12217

Document Number	Date	Transaction Type	Payee	Amount
12205	7/19/2024	BILLPMT	Baker, Natalie	\$60.00
12206	7/19/2024	BILLPMT	Cintas	\$120.89
12207	7/19/2024	BILLPMT	City Of Duluth Comfort Systems	\$13,387.39
12208	7/19/2024	BILLPMT	City Of Duluth, Minnesota	\$81.60
12209	7/19/2024	BILLPMT	Denny's Lawn And Garden	\$143.99
12210	7/19/2024	BILLPMT	Johnson Carpet One	\$23,192.00
12211	7/19/2024	BILLPMT	Linde Gas & Equipment Inc.	\$58.57
12212	7/19/2024	BILLPMT	Minnesota Power	\$31,790.25
12213	7/19/2024	BILLPMT	NAPA Auto Parts	\$19.04
12214	7/19/2024	BILLPMT	Security Jewelers	\$64.80
12215	7/19/2024	BILLPMT	St. Joseph Equipment Inc.	\$482.15
12216	7/19/2024	BILLPMT	Taylor, Dan	\$60.00
12217	7/18/2024	BILLPMT	Todd Signs, LLC	\$752.50
Total				<u>\$70,213.18</u>



Airport Director

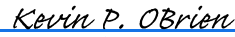


Joelle Bodin (Jul 18, 2024 13:16 CDT)

Finance Director

Tom Werner

Executive Director



Kevin P. O'Brien (Jul 18, 2024 13:26 CDT)

Board President



Jos Bailey (Jul 18, 2024 13:54 CDT)

City Treasury












Operating Check Register #20-2024


Final Audit Report

2024-07-18

Created:	2024-07-18
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAIXpo2n_Wc6kZ7OIFGmCoe67mROyOhvw8

"Operating Check Register #20-2024" History

-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-07-18 - 6:01:25 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-07-18 - 6:01:28 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-07-18 - 6:01:28 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature
2024-07-18 - 6:01:28 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-07-18 - 6:01:28 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-07-18 - 6:16:08 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-07-18 - 6:16:29 PM GMT - Time Source: server
-  Email viewed by info@kevinobrienrealtor.com
2024-07-18 - 6:25:39 PM GMT
-  Signer info@kevinobrienrealtor.com entered name at signing as Kevin P. OBrien
2024-07-18 - 6:26:15 PM GMT
-  Document e-signed by Kevin P. OBrien (info@kevinobrienrealtor.com)
Signature Date: 2024-07-18 - 6:26:17 PM GMT - Time Source: server
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-07-18 - 6:54:17 PM GMT

 Document e-signed by Josh Bailey (jbailey@duluthmn.gov)

Signature Date: 2024-07-18 - 6:54:25 PM GMT - Time Source: server

 Email viewed by Tom Werner (twerner@duluthairport.com)

2024-07-18 - 7:28:12 PM GMT

 Document e-signed by Tom Werner (twerner@duluthairport.com)

Signature Date: 2024-07-18 - 7:28:32 PM GMT - Time Source: server

 Agreement completed.

2024-07-18 - 7:28:32 PM GMT

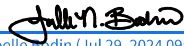
DAA Operating Check Register #21-2024 July 30, 2024

Document Number From 12218 through 12225

Document Number	Date	Transaction Type	Payee	Amount
12218	7/30/2024	BILLPMT	Bobcat Of Duluth, Inc.	\$761.82
12219	7/30/2024	BILLPMT	Cintas	\$526.63
12220	7/30/2024	CHK	Citi Cards	\$4,338.06
12221	7/30/2024	BILLPMT	Kwik Trip	\$103.06
12222	7/30/2024	BILLPMT	Locksmith Services	\$190.85
12223	7/30/2024	BILLPMT	NAPA Auto Parts	\$158.83
12224	7/30/2024	BILLPMT	Shred-it USA LLC	\$679.34
12225	7/30/2024	CHK	WF Bus Payment Processing - Tom	\$646.17
Total				\$7,404.76




Airport Director


Joelle Bodin (Jul 29, 2024 09:52 CDT)

Finance Director

Tom Werner

Executive Director


Kevin O'Brien (Jul 29, 2024 10:25 CDT)

Board President


Jos Bailey (Jul 29, 2024 09:54 CDT)

City Treasury












Operating Check Register #21-2024

Final Audit Report

2024-07-29


Created:	2024-07-29
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAVgjQtlC_52H8qjuTcocvRcbO-NdqYFdb

"Operating Check Register #21-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-07-29 - 2:51:04 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-07-29 - 2:51:11 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-07-29 - 2:51:11 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature
2024-07-29 - 2:51:11 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-07-29 - 2:51:11 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-07-29 - 2:51:55 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-07-29 - 2:52:13 PM GMT - Time Source: server
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-07-29 - 2:52:52 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-07-29 - 2:52:59 PM GMT - Time Source: server
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-07-29 - 2:54:31 PM GMT
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2024-07-29 - 2:54:39 PM GMT - Time Source: server

 Email viewed by info@kevinobrienrealtor.com

2024-07-29 - 3:25:08 PM GMT

 Signer info@kevinobrienrealtor.com entered name at signing as Kevin O'Brien

2024-07-29 - 3:25:39 PM GMT

 Document e-signed by Kevin O'Brien (info@kevinobrienrealtor.com)

Signature Date: 2024-07-29 - 3:25:41 PM GMT - Time Source: server

 Agreement completed.

2024-07-29 - 3:25:41 PM GMT

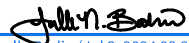
**DAA Operating ACH Payment Register #20-2024
July 5, 2024**

Confirmation #1850042

Document Number	Date	Transaction Type	Payee	Amount
00000138/1	7/5/2024	BILLPMT	Batteries Plus	\$112.50
00000138/10	7/5/2024	BILLPMT	Menards - Hermantown	\$93.60
00000138/11	7/5/2024	BILLPMT	Menards - Hermantown	\$6.96
00000138/12	7/5/2024	BILLPMT	Menards - Hermantown	\$3.55
00000138/13	7/5/2024	BILLPMT	Menards - Hermantown	\$7.29
00000138/14	7/5/2024	BILLPMT	Menards - Hermantown	\$130.67
00000138/15	7/5/2024	BILLPMT	Strayer, Elijah	\$110.00
00000138/16	7/5/2024	BILLPMT	Volaire Aviation Inc.	\$2,000.00
00000138/2	7/5/2024	BILLPMT	Batteries Plus	\$17.10
00000138/3	7/5/2024	BILLPMT	Best Oil Company	\$10,221.62
00000138/4	7/5/2024	BILLPMT	Lumacurve Airfield Signs	\$360.02
00000138/5	7/5/2024	BILLPMT	Menards - Hermantown	\$114.08
00000138/6	7/5/2024	BILLPMT	Menards - Hermantown	\$13.99
00000138/7	7/5/2024	BILLPMT	Menards - Hermantown	\$147.84
00000138/8	7/5/2024	BILLPMT	Menards - Hermantown	\$30.80
00000138/9	7/5/2024	BILLPMT	Menards - Hermantown	\$33.30
			Total	\$13,403.32

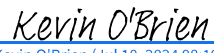


Airport Director




Joelle Bodin (Jul 3, 2024 08:34 CDT)
Finance Director

Tom Werner

Executive Director


Kevin O'Brien (Jul 10, 2024 08:19 CDT)

Board President


Jos Bailey (Jul 10, 2024 08:15 CDT)

City Treasury












Operating ACH Payment Register #20-2024

Final Audit Report

2024-07-10

Created:	2024-07-03
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAOF0ZE_xB-ohjzxF0cFrTWsdio_yKcWo9

"Operating ACH Payment Register #20-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-07-03 - 1:05:22 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-07-03 - 1:05:25 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-07-03 - 1:05:25 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature
2024-07-03 - 1:05:26 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-07-03 - 1:05:26 PM GMT
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-07-03 - 1:06:33 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-07-03 - 1:33:29 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-07-03 - 1:34:04 PM GMT - Time Source: server
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-07-08 - 12:23:21 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-07-08 - 12:23:57 PM GMT - Time Source: server
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-07-10 - 1:15:04 PM GMT

 Document e-signed by Josh Bailey (jbailey@duluthmn.gov)

Signature Date: 2024-07-10 - 1:15:15 PM GMT - Time Source: server

 Email viewed by info@kevinobrienrealtor.com

2024-07-10 - 1:17:55 PM GMT

 Signer info@kevinobrienrealtor.com entered name at signing as Kevin O'Brien

2024-07-10 - 1:18:58 PM GMT

 Document e-signed by Kevin O'Brien (info@kevinobrienrealtor.com)

Signature Date: 2024-07-10 - 1:19:00 PM GMT - Time Source: server

 Agreement completed.

2024-07-10 - 1:19:00 PM GMT

**DAA Operating ACH Payment Register #21-2024
July 19, 2024**

Confirmation #2000257

Document Number	Date	Transaction Type	Payee	Amount
00000139/1	7/19/2024	BILLPMT	1 MediaUSA Advertising Inc	\$1,400.00
00000139/10	7/19/2024	BILLPMT	Citon	\$145.25
00000139/11	7/19/2024	BILLPMT	Cummins Inc.	\$315.80
00000139/12	7/19/2024	BILLPMT	Decomm Ventures, LP	\$13,717.04
00000139/13	7/19/2024	BILLPMT	Durfee, Tristan	\$60.00
00000139/14	7/19/2024	BILLPMT	General Security Services Corporation	\$1,822.20
00000139/15	7/19/2024	BILLPMT	General Security Services Corporation	\$25,890.12
00000139/16	7/19/2024	BILLPMT	Grainger, Inc.	\$2,228.58
00000139/17	7/19/2024	BILLPMT	Graves, John	\$60.00
00000139/18	7/19/2024	BILLPMT	Inter City Oil (ICO)	\$122.92
00000139/19	7/19/2024	BILLPMT	Jamar Company	\$13,068.00
00000139/2	7/19/2024	BILLPMT	1 MediaUSA Advertising Inc	\$1,400.00
00000139/20	7/19/2024	BILLPMT	Kayser, Jana	\$60.00
00000139/21	7/19/2024	BILLPMT	Leon, Kathy	\$60.00
00000139/22	7/19/2024	BILLPMT	Lumacurve Airfield Signs	\$720.16
00000139/23	7/19/2024	BILLPMT	Menards - Hermantown	\$0.01
00000139/24	7/19/2024	BILLPMT	Menards - Hermantown	\$10.99
00000139/25	7/19/2024	BILLPMT	Menards - Hermantown	\$54.76
00000139/26	7/19/2024	BILLPMT	Menards - Hermantown	\$169.97
00000139/27	7/19/2024	BILLPMT	Menards - Hermantown	\$38.97
00000139/28	7/19/2024	BILLPMT	Menards - Hermantown	\$2.88
00000139/29	7/19/2024	BILLPMT	Menards - Hermantown	\$192.59
00000139/3	7/19/2024	BILLPMT	Benson Electric Company	\$689.56
00000139/30	7/19/2024	BILLPMT	Menards - Hermantown	\$306.41
00000139/31	7/19/2024	BILLPMT	Metro Sales, Inc.	\$13.48
00000139/32	7/19/2024	BILLPMT	Motion Industries, Inc.	\$601.93
00000139/33	7/19/2024	BILLPMT	Oberon3, Inc.	\$126.00
00000139/34	7/19/2024	BILLPMT	Papko, Mark	\$60.00
00000139/35	7/19/2024	BILLPMT	Paul Bunyan Communications	\$3,460.00
00000139/36	7/19/2024	BILLPMT	Pomp's Tire Service, Inc.	\$8,188.49
00000139/37	7/19/2024	BILLPMT	Pomp's Tire Service, Inc.	\$1,983.16
00000139/38	7/19/2024	BILLPMT	Schindler Elevator Corp	\$1,446.51
00000139/39	7/19/2024	BILLPMT	Sinnott, Paul	\$60.00
00000139/4	7/19/2024	BILLPMT	Bodin, Joelle	\$60.00
00000139/40	7/19/2024	BILLPMT	Snell, Matthew J	\$60.00
00000139/41	7/19/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$699.81
00000139/42	7/19/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$839.80
00000139/43	7/19/2024	BILLPMT	Waste Management of WI-MN	\$299.97
00000139/44	7/19/2024	BILLPMT	Waste Management of WI-MN	\$164.99
00000139/45	7/19/2024	BILLPMT	Waste Management of WI-MN	\$1,859.30
00000139/46	7/19/2024	BILLPMT	Waste Management of WI-MN	\$310.25
00000139/47	7/19/2024	BILLPMT	Welch, Ryan	\$60.00
00000139/48	7/19/2024	BILLPMT	Werner, Thomas	\$60.00
00000139/49	7/19/2024	BILLPMT	Windcave Inc.	\$309.20
00000139/5	7/19/2024	BILLPMT	Citon	\$291.76
00000139/6	7/19/2024	BILLPMT	Citon	\$1,060.00
00000139/7	7/19/2024	BILLPMT	Citon	\$757.10
00000139/8	7/19/2024	BILLPMT	Citon	\$263.60

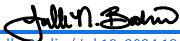
00000139/9

7/19/2024



BILLPMT

Citon

Total \$7,718.31
\$93,289.87


Airport Director
Joelle Bodin (Jul 18, 2024 12:43 CDT)
Finance Director

Tom Werner
Tom Werner
Executive Director


Kevin P. O'Brien (Jul 25, 2024 15:24 CDT)
Board President
Jos Bailey (Jul 18, 2024 13:47 CDT)
City Treasury












Operating ACH Payment Register #21-2024

Final Audit Report

2024-07-25


Created:	2024-07-18
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAILzULK35JHLzrvFBjvENLnB4OUqitaEI

"Operating ACH Payment Register #21-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-07-18 - 5:19:49 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-07-18 - 5:19:53 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-07-18 - 5:19:54 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature
2024-07-18 - 5:19:54 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-07-18 - 5:19:54 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-07-18 - 5:43:35 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-07-18 - 5:43:52 PM GMT - Time Source: server
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-07-18 - 6:45:34 PM GMT
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2024-07-18 - 6:47:05 PM GMT - Time Source: server
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-07-18 - 7:27:30 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-07-18 - 7:27:56 PM GMT - Time Source: server

 Email viewed by info@kevinobrienrealtor.com

2024-07-25 - 8:22:10 PM GMT

 Signer info@kevinobrienrealtor.com entered name at signing as Kevin P. OBrien

2024-07-25 - 8:24:30 PM GMT

 Document e-signed by Kevin P. OBrien (info@kevinobrienrealtor.com)

Signature Date: 2024-07-25 - 8:24:32 PM GMT - Time Source: server

 Agreement completed.

2024-07-25 - 8:24:32 PM GMT

DAA Operating ACH Payment Register #22-2024 July 30, 2024

Confirmation #2110106

Document Number	Date	Transaction Type	Payee	Amount
00000141/1	7/30/2024	BILLPMT	Apex	\$2,500.00
00000141/10	7/30/2024	BILLPMT	Metro Sales, Inc.	\$270.65
00000141/11	7/30/2024	BILLPMT	Northern Engine & Supply	\$333.13
00000141/12	7/30/2024	BILLPMT	Oakwells CR LLC	\$209.88
00000141/13	7/30/2024	BILLPMT	Pomp's Tire Service, Inc.	\$83.70
00000141/14	7/30/2024	BILLPMT	Short Elliott Hendrickson Inc.	\$4,550.00
00000141/15	7/30/2024	BILLPMT	Spectrum Enterprise	\$190.84
00000141/16	7/30/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$76.42
00000141/17	7/30/2024	BILLPMT	Viking Industrial Center	\$210.87
00000141/2	7/30/2024	BILLPMT	Citon	\$1,224.60
00000141/3	7/30/2024	BILLPMT	Como Lube & Supplies	\$3,035.50
00000141/4	7/30/2024	BILLPMT	Giant Voices LLC	\$15,276.54
00000141/5	7/30/2024	BILLPMT	Guardian Pest Solutions	\$210.00
00000141/6	7/30/2024	BILLPMT	Hotsy Minnesota	\$542.86
00000141/7	7/30/2024	BILLPMT	IdentiSys Incorporated	\$395.90
00000141/8	7/30/2024	BILLPMT	Kaplan Kirsch	\$30,000.00
00000141/9	7/30/2024	BILLPMT	Menards - Hermantown	\$388.62
			Total	<u>\$59,499.51</u>




Airport Director


Joelle Bodin (Jul 29, 2024 09:34 CDT)

Finance Director

Tom Werner

Executive Director


Kevin O'Brien (Jul 29, 2024 10:26 CDT)

Board President


Jos Bailey (Jul 29, 2024 09:44 CDT)

City Treasury












Operating ACH Payment Register #22-2024

Final Audit Report

2024-07-29


Created:	2024-07-29
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAArrM0I81m_yg8w3qV2GY11k3g-RLsO0HE

"Operating ACH Payment Register #22-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-07-29 - 2:32:59 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-07-29 - 2:33:03 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-07-29 - 2:33:03 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature
2024-07-29 - 2:33:03 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-07-29 - 2:33:03 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-07-29 - 2:33:47 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-07-29 - 2:34:20 PM GMT - Time Source: server
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-07-29 - 2:40:57 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-07-29 - 2:41:07 PM GMT - Time Source: server
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-07-29 - 2:44:00 PM GMT
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2024-07-29 - 2:44:26 PM GMT - Time Source: server

 Email viewed by info@kevinobrienrealtor.com

2024-07-29 - 3:25:58 PM GMT

 Signer info@kevinobrienrealtor.com entered name at signing as Kevin O'Brien

2024-07-29 - 3:26:46 PM GMT

 Document e-signed by Kevin O'Brien (info@kevinobrienrealtor.com)

Signature Date: 2024-07-29 - 3:26:48 PM GMT - Time Source: server

 Agreement completed.

2024-07-29 - 3:26:48 PM GMT


DAA Operating ACH Payment Register #23-2024 August 9, 2024

Confirmation #2210298

Document Number	Date	Transaction Type	Payee	Amount
00000142/1	8/9/2024	BILLPMT	American Association Of Airport Executives	\$275.00
00000142/10	8/9/2024	BILLPMT	Innovative Office Solutions, LLC	\$12,385.21
00000142/11	8/9/2024	BILLPMT	Inter City Oil (ICO)	\$135.59
00000142/12	8/9/2024	BILLPMT	Kleen-Tech	\$22,332.09
00000142/13	8/9/2024	BILLPMT	Kraemer Construction, Inc.	\$260.00
00000142/14	8/9/2024	BILLPMT	Lift Pro	\$32.60
00000142/15	8/9/2024	BILLPMT	Menards - Hermantown	\$7.58
00000142/16	8/9/2024	BILLPMT	Menards - Hermantown	\$82.51
00000142/17	8/9/2024	BILLPMT	Menards - Hermantown	\$98.54
00000142/18	8/9/2024	BILLPMT	Menards - Hermantown	\$61.42
00000142/19	8/9/2024	BILLPMT	Menards - Hermantown	\$78.23
00000142/2	8/9/2024	BILLPMT	Citon	\$199.00
00000142/20	8/9/2024	BILLPMT	Menards - Hermantown	\$13.93
00000142/21	8/9/2024	BILLPMT	Metro Sales, Inc.	\$14.84
00000142/22	8/9/2024	BILLPMT	Paul Bunyan Communications	\$3,460.00
00000142/23	8/9/2024	BILLPMT	Schindler Elevator Corp	\$1,446.51
00000142/24	8/9/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$472.25
00000142/25	8/9/2024	BILLPMT	Welch, Ryan	\$932.20
00000142/26	8/9/2024	BILLPMT	Windcave Inc.	\$316.80
00000142/3	8/9/2024	BILLPMT	Citon	\$1,039.18
00000142/4	8/9/2024	BILLPMT	Citon	\$1,202.22
00000142/5	8/9/2024	BILLPMT	Citon	\$5,249.00
00000142/6	8/9/2024	BILLPMT	Core Advantage	\$3,850.00
00000142/7	8/9/2024	BILLPMT	Decomm Ventures, LP	\$612.50
00000142/8	8/9/2024	BILLPMT	Grainger, Inc.	\$86.26
00000142/9	8/9/2024	BILLPMT	Hotsy Minnesota	\$878.07
Total				\$55,521.53




Airport Director



Joelle Bodin (Aug 9, 2024 08:54 CDT)
Finance Director


Tom Werner

Executive Director



Kevin P. O'Brien (Aug 9, 2024 15:26 CDT)

Board President



Jos Bailey (Aug 8, 2024 13:27 CDT)
City Treasury












Operating ACH Payment Register #23-2024

Final Audit Report

2024-08-09


Created:	2024-08-08
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAnHmI0sThFCAvxjKlxyKUMGR1cIjMmQjP

"Operating ACH Payment Register #23-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-08-08 - 6:21:54 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-08-08 - 6:21:57 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-08-08 - 6:21:57 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature
2024-08-08 - 6:21:58 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-08-08 - 6:21:58 PM GMT
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-08-08 - 6:27:12 PM GMT
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2024-08-08 - 6:27:24 PM GMT - Time Source: server
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-08-08 - 11:35:52 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-08-08 - 11:36:18 PM GMT - Time Source: server
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-08-09 - 1:53:54 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-08-09 - 1:54:17 PM GMT - Time Source: server

 Email viewed by info@kevinobrienrealtor.com

2024-08-09 - 8:26:17 PM GMT

 Signer info@kevinobrienrealtor.com entered name at signing as Kevin P. OBrien

2024-08-09 - 8:26:51 PM GMT

 Document e-signed by Kevin P. OBrien (info@kevinobrienrealtor.com)

Signature Date: 2024-08-09 - 8:26:53 PM GMT - Time Source: server

 Agreement completed.

2024-08-09 - 8:26:53 PM GMT


Duluth Airport Authority
DAA Construction ACH Payment Register #10-2024
July 26, 2024

Confirmation #2070142

Document Number	Date	Transaction Type	Payee	Amount
00000140/1	7/26/2024	BILLPMT	1 EXP US Services, Inc.	\$417,135.68
00000140/10	7/26/2024	BILLPMT	1 Kraus Anderson Construction Co	\$23,100.07
00000140/11	7/26/2024	BILLPMT	1 Northland Constructors of Duluth	\$35,527.15
00000140/12	7/26/2024	BILLPMT	1 Radotich, Inc.	\$21,086.45
00000140/13	7/26/2024	BILLPMT	1 Shafer Contracting Co., Inc.	\$650.00
00000140/14	7/26/2024	BILLPMT	1 Short Elliott Hendrickson	\$24,116.00
00000140/15	7/26/2024	BILLPMT	1 Short Elliott Hendrickson	\$127,540.00
00000140/16	7/26/2024	BILLPMT	1 Short Elliott Hendrickson	\$1,113.71
00000140/17	7/26/2024	BILLPMT	1 Short Elliott Hendrickson	\$15,460.00
00000140/18	7/26/2024	BILLPMT	1 Short Elliott Hendrickson	\$2,750.00
00000140/19	7/26/2024	BILLPMT	1 Short Elliott Hendrickson	\$3,250.00
00000140/2	7/26/2024	BILLPMT	1 Gardner Builders Duluth, LLC	\$105,858.33
00000140/20	7/26/2024	BILLPMT	1 Short Elliott Hendrickson	\$10,005.00
00000140/21	7/26/2024	BILLPMT	1 Short Elliott Hendrickson	\$4,980.00
00000140/22	7/26/2024	BILLPMT	1 Short Elliott Hendrickson	\$16,720.00
00000140/23	7/26/2024	BILLPMT	1 Ulland Brothers, Inc.	\$80,421.22
00000140/24	7/26/2024	BILLPMT	1 Ulland Brothers, Inc.	\$3,690.75
00000140/25	7/26/2024	BILLPMT	1 Urban Companies	\$26,557.81
00000140/3	7/26/2024	BILLPMT	1 Gardner Builders Duluth, LLC	\$17,297.89
00000140/4	7/26/2024	BILLPMT	1 Garver, LLC	\$4,000.00
00000140/5	7/26/2024	BILLPMT	1 Garver, LLC	\$4,500.00
00000140/6	7/26/2024	BILLPMT	1 Garver, LLC	\$4,500.00
00000140/7	7/26/2024	BILLPMT	1 Hoffman + Uhlorn Construction, Inc.	\$16,032.50
00000140/8	7/26/2024	BILLPMT	1 KGM Contractors	\$839,172.95
00000140/9	7/26/2024	BILLPMT	1 KGM Contractors	\$416,860.15
Total				\$2,222,325.66




 Airport Director




 Joelle Bodin (Jul 25, 2024 11:38 CDT)
 Finance Director

Tom Werner

Executive Director


 Kevin P. O'Brien (Aug 9, 2024 15:25 CDT)

Board President



 Jos Bailey (Jul 29, 2024 08:17 CDT)
 City Treasury












Construction ACH Payment Register #10-2024

Final Audit Report

2024-08-09

Created:	2024-07-25
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAARRJdd9zsytifjXqN1bZhyOLIXfdVFrVg

"Construction ACH Payment Register #10-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-07-25 - 3:06:45 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-07-25 - 3:06:49 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-07-25 - 3:06:49 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature
2024-07-25 - 3:06:49 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-07-25 - 3:06:49 PM GMT
-  Email viewed by info@kevinobrienrealtor.com
2024-07-25 - 3:23:05 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-07-25 - 4:36:04 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-07-25 - 4:38:11 PM GMT - Time Source: server
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-07-25 - 5:17:43 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-07-25 - 5:18:07 PM GMT - Time Source: server
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-07-29 - 1:17:07 PM GMT

 Document e-signed by Josh Bailey (jbailey@duluthmn.gov)


Signature Date: 2024-07-29 - 1:17:17 PM GMT - Time Source: server

 Email viewed by info@kevinobrienrealtor.com

2024-08-09 - 8:24:10 PM GMT

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2024-08-09 - 8:25:10 PM GMT

 Document e-signed by Kevin P. OBrien (info@kevinobrienrealtor.com)

Signature Date: 2024-08-09 - 8:25:12 PM GMT - Time Source: server

 Agreement completed.

2024-08-09 - 8:25:12 PM GMT



Construction Newsletter

Duluth International Airport (DLH)

July 12, 2024

Taxiway A - Phase 3 Reconstruction

KGM has completed the following in the Phase 3A and Phase 3A-1 areas: subgrade preparation, placement of geotextile fabric, placement of granular subbase material (P-154), and placement of aggregate base material (P-209). KGM has also placed the first layer of bituminous pavement (stabilized base layer) on the new Tower Ramp Connector and along Taxiway A and Taxiway C north of Taxiway A up to the Runway 9/27 Runway Safety Area (RSA). They continue to install drain tile, storm pipes, and structures.

Next week, the contractor will continue to build the pavement section within RWY 9/27 RSA, placing drain tile, storm pipe, and structures.

Runway 9/27 is anticipated to be closed between 12:00 a.m. and 5:00 a.m. on Wednesday, July 17, and Thursday, July 18 (Tuesday night into Wednesday and Wednesday night into Thursday).

Project Phasing Documents

- [Phase 3 \(A, A-1,B\). \[PDF\]](#)
- [Phase 3 \(C, C-1\). \[PDF\]](#)

Anticipated Project Schedule - Subject to change

- TWY A Phase 3A: May 21 - August 30
- TWY A Phase 3A-1 (RWY 3/21 Closure) - Late July
- TWY A Phase 3B (RWY 9/27 Closure) - Early August



Runway 27 PAPI Replacement

The Runway 27 Precision Approach Path Indicator (PAPI) replacement is anticipated to begin following the completion of the ongoing FAA utility work. The PAPI will be replaced in the same location as the existing system. This project will run concurrently with Phase 3A; Runway 9/27 RSA work will occur during the planned 60-hour runway closure.

Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.

Project Contact Information

Mark Papko, Director of Operations - Airport Authority - mpapko@duluthairport.com

Adinda Van Espen, Project Manager - SEH - avanespen@sehinc.com

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(218) 727-2968

daa@duluthairport.com



Construction Newsletter

Duluth International Airport (DLH)

July 19, 2024

Taxiway A - Phase 3 Reconstruction

- KGM focused on building up the pavement subsection of Taxiway C, between Taxiway A and Runway 9/27.
- Several night closures were implemented for Runway 9/27 to facilitate construction within the Runway Safety Area (RSA)
- Critical tasks completed this week:
 - Bituminous base layer paving
 - Aggregate base section placement
 - Subbase section installation
 - Placement of geotextile fabric
 - Soil preparation for the subgrade
 - Installation of drain tile
 - Excavation to the bottom of the new pavement section
- Night work will continue from Friday night into Saturday morning to complete the bituminous paving.
- The next milestone is concrete paving! The concrete paving contractor will begin preparations for concrete paving towards the end of next week.

Upcoming Runway 3/21 Closure

- **Runway 3/21 is scheduled to be closed on MONDAY, JULY 22. This closure is necessary for setting up the concrete batch plant.**

Upcoming Activities - Focuses for next week

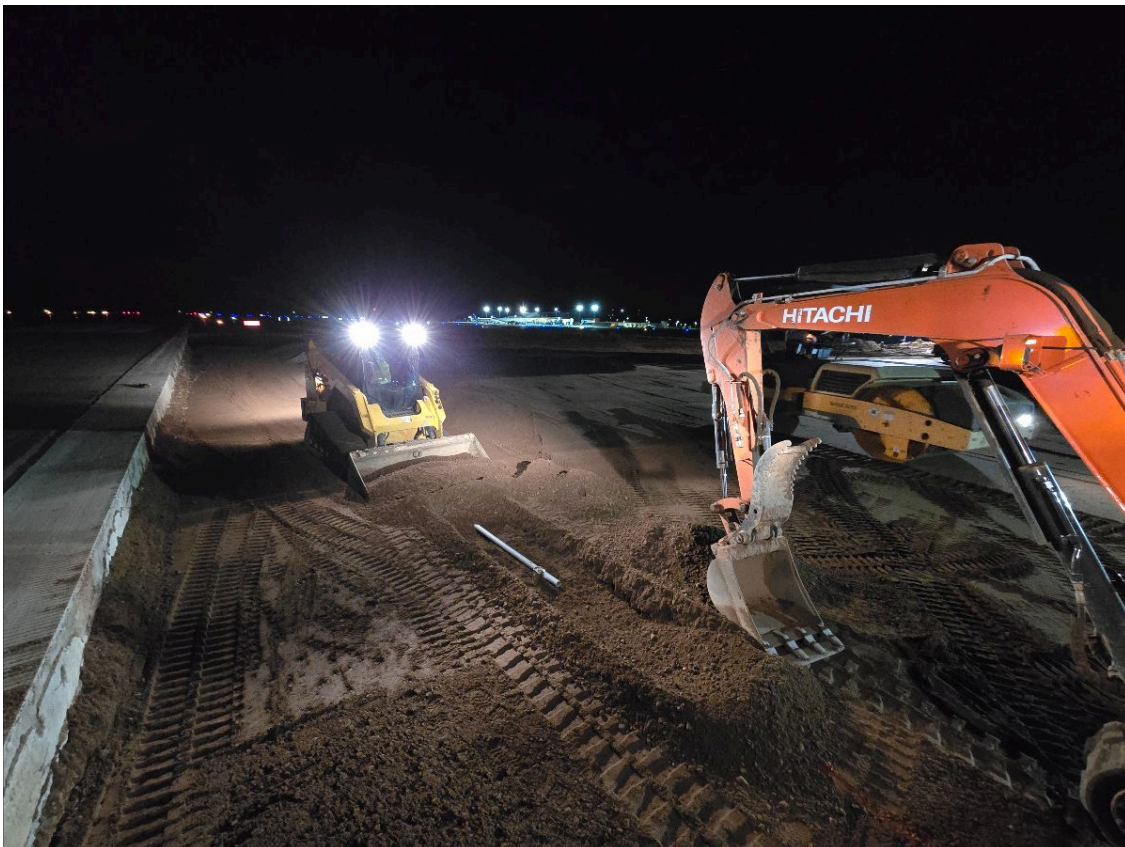
- Continuing work alongside Taxiway A

Project Phasing Documents

- [Phase 3 \(A, A-1,B\).\[PDF\]](#)
- [Phase 3 \(C, C-1\).\[PDF\]](#)

Anticipated Project Schedule - Subject to change

- TWY A Phase 3A: May 21 - August 30
- TWY A Phase 3A-1 (RWY 3/21 Closure) - Late July
- TWY A Phase 3B (RWY 9/27 Closure) - Early August
- TWY C Phase 3C: September 1 - October 30 (est.)
- TWY C Phase 3C-1 (RWY 3/21 Closure): Dates TBD



Runway 27 PAPI Replacement

The Runway 27 Precision Approach Path Indicator (PAPI) replacement is anticipated to begin following the completion of the ongoing FAA utility work. The PAPI will be replaced in the same location as the existing system. This project will run concurrently with Phase 3A; Runway 9/27 RSA work will occur during the planned 60-hour runway closure.

PLEASE NOTE

Dates are subject to change.

Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.

Project Contact Information

Mark Papko, Director of Operations - Airport Authority - mpapko@duluthairport.com

Adinda Van Espen, Project Manager - SEH - avanespen@sehinc.com

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Construction Newsletter

Duluth International Airport (DLH)

UPCOMING RUNWAY 9/27 CLOSURE

RUNWAY 9/27 WILL BE CLOSED FOR THE UPCOMING WEEKEND, STARTING FRIDAY, 8/2, at 5:30 p.m., AND WILL REOPEN ON MONDAY, 8/5, AT 5:30 a.m.

TIMES NOTED ABOVE ARE SUBJECT TO CHANGE.

Construction Documents

- [Phase 3 \(A, A-1,B\). \[PDF\]](#)
- [Phase 3 \(C, C-1\). \[PDF\]](#)

Anticipated Project Schedule - Subject to change

- TWY A Phase 3A: May 21 - August 30
- TWY A Phase 3B (RWY 9/27 Closure) - 8/2 to 8/5
- TWY C Phase 3C: September 1 - October 30 (est.)
- TWY C Phase 3C-1 (RWY 3/21 Closure): Dates TBD



Runway 27 PAPI Replacement

The Runway 27 Precision Approach Path Indicator (PAPI) replacement is anticipated to begin following the completion of the ongoing FAA utility work. The PAPI will be replaced in the same location as the existing system. This project will run concurrently with Phase 3A; Runway 9/27 RSA work will occur during the planned 60-hour runway closure.

PLEASE NOTE

Dates are subject to change.

Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.

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Project Contact Information

Mark Papko, Director of Operations - Airport Authority - mpapko@duluthairport.com
Adinda Van Espen, Project Manager - SEH - avanespen@sehinc.com

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Duluth International Airport
(218) 727-2968
daa@duluthairport.com



Construction Newsletter

Duluth International Airport (DLH)

August 1, 2024

Runway 9/27 Closure

Runway 9/27 is scheduled to close at 5:30 PM tomorrow, Friday, Aug 2 and reopen on Monday, Aug 5 at 5:30 AM. If the runway closure needs to be extended due to weather, or unforeseen circumstances, this will be communicated as soon as possible. There are several other pavement areas scheduled to be closed this weekend. Please monitor NOTAMs regularly throughout the weekend.

Taxiway A - Phase 3 Reconstruction

Shafer began placing concrete on TWY A, TWY C, and Tower Ramp Connector. Paving of TWY C (inside the RWY 9/27 RSA) will continue this weekend during extended runway closure. KGM continued to install storm sewer pipe and structures and started placing aggregate base along the shoulders of TWY A. They also continued to remove common material off site.

Upcoming Activities - Focuses for next week

- Storm sewer work
- Taxiway edge lighting work, including installation of base cans
- Taxiway shoulder preparation

Project Phasing Documents

- [Phase 3 \(A, A-1,B\). \[PDF\]](#)
- [Phase 3 \(C, C-1\). \[PDF\]](#)

Anticipated Project Schedule - Subject to change

- TWY A Phase 3B (RWY 9/27 Closure) - Early August
- TWY C Phase 3C: September 1 - October 30 (est.)
- TWY C Phase 3C-1 (RWY 3/21 Closure): Dates TBD



Runway 27 PAPI Replacement

The Runway 27 Precision Approach Path Indicator (PAPI) replacement is anticipated to begin following the completion of the ongoing FAA utility work. The PAPI will be replaced in the same location as the existing system. This project will run

PLEASE NOTE

Dates are subject to change.

Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.

Project Contact Information

Mark Papko, Director of Operations - Airport Authority - mpapko@duluthairport.com

Adinda Van Espen, Project Manager - SEH - avanespen@sehinc.com

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Duluth International Airport
(218) 727-2968
daa@duluthairport.com



P.O. Box 210 Oneco, CT 06373

July 2024

Duluth Airport Authority
Attn: Mark Papko
4701 Grinden Drive
Duluth, MN 55811

Dear Mark,

On behalf of our Convention hosts and our members, we thank you profusely for allowing us to use Sky Harbor as the host airport for our Club's annual convention held in June.

Everything went perfectly, and members are still talking about the facility and the beautiful location. Tristan was amazing to work with, and we appreciate the ease in which he handled all the details. Austin and Amanda Levin had glowing reviews of her experience working with Sky Harbor.

With our sincerest thanks,

Walter and Jean Congdon
President and Secretary/Treasurer
International 180/185 Club





IV. - C.

The Breeze

Of Park Point

Upcoming Events

**Lafayette Community
Edible Garden
Potluck, July 8th
6-8PM
at Lafayette**

**Sky Harbor Ribbon
Cutting Ceremony
July 10th, 1 PM**

**Park Point
Community Club
Meeting,
July 16th
Social at 6:45.
Meeting at 7:00PM
at Lafayette.**

**Park Point Flower
Garden Club
contact
Sue Solin
218-349-0682**

**Park Point 5-Miler
July 18th 6:30 PM**

**Neighborhood Night
Out
August 6th,
5-7PM
at St. Andrew's**



Fellow Pointers,

As June's embrace wanes, July's grandeur beckons, drawing our collective gaze towards the apex of summer—Independence Day (my favorite holiday). This year, our enclave, Park Point, emerges as one of the primary gathering spots on the Fourth of July, a blend of communal jubilation and deep-rooted patriotism. Many of us that face the Bayside will be able to see fireworks from the city of Duluth and Superior from 10:00 to 10:30 p.m., encapsulating the essence of freedom and unity that defines our nation.

Amid these celebrations, we also honor the giants of the Great Lakes, those vessels that navigate past our shores, each a chapter in the ongoing story of American enterprise. This month, we shine a spotlight on a vessel that epitomizes the spirit of exploration and innovation.

Ship of the Month: MV Paul R. Tregurtha

The MV Paul R. Tregurtha, reigning “Queen of the Lakes,” is a testament to American ingenuity and a beacon of progress, standing as the longest vessel on the Great Lakes at 1,013.5 feet. Launched in 1981 as the William J. DeLancey, and later renamed in homage to Paul R. Tregurtha. Boasting a carrying capacity of 68,000 gross tons, her passages by Park Point not only underscore the industrial might that forged our nation but also remind us of the enduring relationship between man and the great waters. As July unfolds, and you revel in the beauty and camaraderie that Park Point offers, maybe while enjoying some vegetables from our edible garden, let the MV Paul R. Tregurtha inspire reflections on our heritage and aspirations. The ship's voyage mirrors ours—propelled by the legacy of the past and the promise of tomorrow.

Author: Vibe with Mike

**Phew!
Made it
through June!**

The Breeze

Editor: Alan Dartanyan

breezeditor@msn.com 726-0110

Submissions for the August issue are due by 7/27/2024

Park Point Community Club officers:

President: Dawn Buck

parkpointcc@gmail.com

525-1764

Vice President: Tom Griggs

3429 Minnesota Ave.

Thom0313@gmail.com

Secretary: Rory Strange

rstrange3@icloud.com

218-340-7220

Treasurer: Mary Treuer

mbtreuer@gmail.com

Committees:

Art Fair: Carla Tamburro

coordinator@parkpointartfair.org

218-348-7338

Rummage Sale:

Deb Strange

debstrange2008@icloud.com

Hospitality:

Diane Gould 727-4067

Ted Buck 525-1764

Lafayette Square Rentals:

Chris Seversen, Parks Permit

Coordinator 218-730-4305

www.duluthmn.gov/parks/registration

The Postcard (S-curve sign)

Dawn buck

parkpointcc@gmail.com

Sunshine: Pam Griggs

pamgriggs101@gmail.com

218-260-6032

Park Point Community Club

P.O. Box 16326

Duluth, MN 55816-0326

www.parkpointcommunityclub.org

President's Report

Hi Neighbors,

Hoping the busy pace of June on Park Point might be bringing you joy? It is surely never dull on dynamic Park Point.

Our next regular meeting is set for Tuesday July 16 and before then we have a few more events including the Sky Harbor Airport Ribbon Cutting for the new terminal on July 10. Here are the details from Tristan Durfee, airport manager, DAA@duluthairport.com:

When: Wednesday, July 10, 2024. Event will begin at 1:00 p.m.

Where: Sky Harbor Regional Airport [Google Maps]. Parking is available as you approach the airport on Minnesota Ave.

Enjoy: Get ready for an afternoon of events that will take place during the ribbon cutting!

- Ribbon Cutting Ceremony: Join us in marking the newest milestone at DYT!
- Guest Speakers: Join us to hear from various guest speakers on this project.
- Terminal Building Tour: Get a tour of the new terminal building.
- Networking: Connect with project partners and fellow community members.
- Eats and Treats: Indulge in drinks and snacks from local vendors.

Thank you to Deb Strange for leading the 2024 PP Rummage Sale Epic Event and to everyone who had or facilitated sales, trades, recycling and reuse of goods of all types. Besides moving the merch, I saw a lot of laughing and smiles plus the weather pleasantly cooperating. Let's hope that trend continues for the Art Fair this weekend, June 29,30.

Other upcoming events include the Park Point Five Miler on Thursday July 18, 2024, details and volunteer opportunities are on the website www.parkpointcommunityclub.org, and National Night Out at St. Andrews by The Lake on Tuesday August 6. Between now and then, hoping you will get out and "live it up" as my mother used to say.

A big thank you to Duluth Firefighter Pete Johnson who attended the June meeting to listen to our community's needs and concerns. We described the speeding, passing and dangerous antics (screaming from cars, fireworks shot from cars, pedestrians accosted by air guns from vehicles, swerving into pedestrians) we are observing and enduring. We asked for his help in adding a speed limit reminder to the electronic messaging board as you arrive on Park Point, the sign that talks about beach fires. The message about speeding was added to the sign and we are grateful. Please remember to call 911 when you see dangerous driving, a crime in progress or when things just don't seem right. Also pass along the plate number and vehicle description if possible and when you can, email the report of the incident to neighbor Pat Sterner at parkpointtrafficsafety@gmail.com. We are working with our community officer, Jeremy O'Connor, who is following up on the incidents.

JOconnor@duluthmn.gov.

Meanwhile on Park Point, you'll hear kids playing at Camp Lafayette, the Club's summer youth program and see the rowing shells gliding by on the bay with the Duluth Rowing Club who offers opportunities for all ages. I saw a fleet of young sailors on small boats from DSSA last week having a good time sailing together down to the marinas and back to the pier.

www.sailingforall.org. The flower gardens and the community edible gardens are lush with abundant colors and delicious delights. Here's to the good life on the extraordinary island!

Time to get ready to head down to the Art Fair, check in with the volunteer crew, and help the arriving artists find their spots.

See you out and about!

Dawn

Minnesota Point 50-Year Resiliency Initiative (MP50)

MP50 Organization Chart includes MPPS

Structure and staffing of PPCC fundraising organization is MPPS, a 501C3, within which MP50 will operate. The board is comprised of 9 Park Point residents who are working to establish mission/vision and plans for fundraising to support MP50 plans.



Minnesota Point Section 111 Study Public Meeting on June 3

The city of Duluth hosted a public meeting on June 3, 2024 from 1-3 PM in the City Hall Lakeside Room (4th floor) in which John Swenson (technical advisor to the City) and representatives from USACE and Barr Bergmann Engineering provided details about the status of the Section 111 Study and the Modeling Study on which recommendations for action will be based. Approximately 40 residents attended in person and an additional 20 attended virtually. Numerous questions were answered during the afternoon session. Park Point residents met with Jim Filby Williams and John Swenson in the evening at Lafayette to discuss the presentations. Within the next year there will be two more public meetings in which Barr Bergmann and the USACE will report on the Section 111 modeling study.

City responds to issues with drifting sand

The City Parks Department has begun efforts to remove sand from access streets to the beach. The next step will be installation of a fence that will slow blowing and drifting sand into yards and streets. That work is planned to begin this summer. Questions should be directed to Cliff Knettel, Duluth Parks and Recreation at 218.260.0209.

Efforts to Control the Spread of Baby's Breath

Mn. DNR Plant Ecologist Rebecca Holmstrom met with a group of Park Point residents Tuesday, June 25th to identify and pull Baby's Breath in the dunes along the airport. The DNR has prepared a handout that can be used as a reference to control the spread of this invasive plant. The handout contains a map of the Point where Baby's Breath has been found.

MP50 is a community of practice

MP50 is a community of Practice dedicated to facilitating collaboration to build long-term resilience of Minnesota Point. Diverse views are welcome and encouraged. Send questions, comments, and requests to receive email updates to Paul Treuer (paul.treuer@gmail.com).

Duluth Superior Sailing Association (DSSA)

DSSA had our busiest Open House ever on June 8, with 81 people coming to check out the program, meet the staff and take a sail. Conditions were brisk so they had the chance to experience a truly exhilarating sail! If you missed the open house but want to check out the program, feel free to stop in at the pier across from the Beach House parking lot, any time the gate to the pier is open.

Week-long Summer camps start on Monday, June 24 and run through mid- August. We still have a few openings so if you were thinking of signing somebody up, give Zach a call at 218-260-0961.

Groups we have already served include Harbor City International School, Western Middle School, Northland Adaptive Recreation and Wounded Warriors. Adults have been busy scheduling private lessons and the new group adult sailing class. Nightly open sailing for members started on June 10.

Jim Sharrow

PPCC Meeting Minutes

The June 2024 monthly meeting of the Park Point Community Club was called to order by Dawn Buck, President on June 18th, 2024, at 7:00 pm. Dawn opened the meeting and welcomed everyone and introduced Pete Johnson candidate for 8A State Representative. Dawn thanked the Hospitality Committee for the freshly baked Oreos. A motion was made to approve the minutes from the May meeting. Motion was approved to accept the minutes as written in The Breeze. All in attendance voted aye.

Treasurers Report – Mary Treuer

6/15/24 balance - \$70,770

Specified for PPSYP= \$23,970

Specified for PP Art Fair - \$27,600

Balance of funds for PPCC - \$19,2000

Reminder to be a member – this funds The Breeze which costs \$465 per month to print.

Motion was made and approved to accept the report.

Environmental Committee – Dick Gould

No report

Art Fair – Carla Tamburro

Carla gave a brief overview of how exciting this Art Fair will be with increased artist and vendor participation.

Watch Committee – That's us

Mention was made of the South End Pier being shut down due to vandalism at the old Foghorn. Again, please continue to monitor activity that seems suspicious as well as traffic concerns and report to 911.

Sunshine Committee - Pam Griggs

2 Get Well card sent.

High Water & Erosion – Hamilton Smith (not in attendance)

No Report

Edible Garden - Coral McDonnell (not in attendance)

No Report

Summer Youth Program – Britta Desutter

SYP is going well. Request for toys/beach toys. Please drop off at Lafayette.

Rummage Sale - Deb Strange (not in attendance)

Another great start to all the events on Park Point this summer. Thank you to all who had a sale and made our neighborhood the place to be for fun and bargains!

Program Committee – Dave Poulin

No report

Traffic Safety – Pat Sterner

Still in conversation with the City of Duluth on ways to calm traffic. All agreed, traffic has been a nightmare so far this summer! Please see Pat's report for details. Also, remember to call 911 if you observe illegal driving, speeding, or other violations. Email issues to ParkPointTrafficSafety@gmail.com.

MP50: Paul Treuer

Paul thanked all who participated in the Section 111 meeting. There was an overwhelming presence of Park Point residents in attendance. Thank you to all! Please see Paul's report in The Breeze. Additionally, Pat Sterner reported that there is a public education effort on MP50 which hopefully will begin at the end of July that will include a video. If you have any questions, please contact Paul directly at paul.treuer@gmail.com

The Breeze - Alan Dartanyan

Please continue to submit items of interest.

Adam from Parks & Rec –

Boardwalk update – construction delayed until September. Stay tuned for details.

Thank You to all who have helped with this year's Art Fair

Pete Johnson gave a brief presentation on what his agenda is and he looks forward to meeting with residents if they have concerns. Kudos to Pete for the electronic sign message that now welcomes people to Park Point and asks them to drive the speed limit.

Motion was made and approved to adjourn the meeting at 7:45 pm.

Respectfully submitted,

Rory Strange, Secretary

Home and Yard Help Available:

I'm free to help with your lawn care, cleaning tasks, and/or light housework. Sometimes it's nice to have that extra set of hands to get the job done! Local to Park Point. Reasonable rates - contact me for an estimate. James Poteet • Text 209-471-8143 • spoteet4@gmail.com

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Reach out & let's set it up!
 Brie Monahan • (505) 690-1688 • briemonahan@yahoo.com

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St. Andrew's by the Lake Episcopal Church's
 free ice cream socials return this summer
 as

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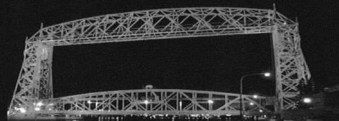
Please join us for
 super smooth Love Creamery ice cream,
 and the even smoother sounds of local musicians,
 as we celebrate summer on "The Point".

6:30 PM
July 11, Thursday
August 15, Thursday
September 5, Thursday



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News from the Lafayette Community Edible Garden

Welcome new member Jeff Gretsfield.

We had an exciting potluck dinner meeting on June 10. Carol Kondrath and Nancy Olson lead us in a garden blessing, and Missy King acknowledged that we are on the traditional homelands of the Ojibwe and Dakota people. Then, Dave Johnson, from St. Andrew's by the Lake Church, joined us and told us about an anonymous cash gift the church received. It is stipulated that these funds be disbursed to do good in our community. A portion of these funds is designated for our community garden. Ellie Alspach reports, "The \$1500 per year grant for the repair of garden beds to the Lafayette Community Edible Garden for three years was approved on June 26, 2024 by the Bishops committee of St Andrew's by the Lake Episcopal Church as part of their outreach in helping the Park Point Community." Please be sure to give church members a big "thank you" when you see them.

Harvesting the produce in the garden is a benefit of being a working member of the garden. We usually have work parties on Saturday mornings at 10 a.m., weather permitting. Now that most beds are planted, weeding is the main chore. Right now, we are picking kale, arugula, lettuce, chard, herbs, and the last of the rhubarb.

Compost is always needed in order for us to create the compost we need to feed the gardens. Please bring your produce kitchen scraps and chemical-free grass clippings and dump them in the compost bin on the lake-side of the garden close to the garden shed. Melons are planted in the compost piles close to the tennis court and we don't want to disturb those plants.

At the July 8 potluck dinner, members will share their knowledge, tips and experiences with vegetables in the garden. In a program we call Show and Tell, members will talk for 2 minutes about their chosen vegetable. Please sign up with Susan Peters in advance so we know what vegetables will be talked about: RealMeals@aol.com.

Missy King is the contact person for folks interested in membership in the community garden and potluck dinner info. She can be contacted at 515-991-7280, mjking@siu.edu. Our monthly potluck dinners are FREE and open to all Park Pointers. They take place at the Lafayette Community Club. Please bring your own plates, silverware, beverage and a dish to share. We will continue to have our monthly potluck dinner meetings on the second Monday of the month from 6 to 8 p.m. Note that there will be no potluck in August. Instead, please attend National Night Out: St. Andrew's by the Lake Church on August 6.

Here is a bit of prose read by Nancy Olson at the June 10 potluck dinner. It is by Henry Beston in 1948.

"Oh, work that is done in freedom out of doors, work that is done with the bodys and soul's goodwill, work that is an integral part of life and is done with friends — is there anything so good?"

-Susan Peters

Park Point Rummage Sale

Thanks to all my neighbors who participated in the 42nd annual rummage sale. I'm happy to report there were no issues and very few piles of unwanted items left on sidewalks. The sale was a great success! Thank you all for making this event a summer favorite!

Deb Strange
Rummage Sale Chairperson

You're Invited!

Ribbon Cutting Ceremony

Please join us in celebrating the grand opening of the new terminal building at the Sky Harbor Regional Airport.

When

Wednesday, July 10, 2024. Event will begin at 1:00 p.m.

Where

Sky Harbor Regional Airport [. Parking is available as you approach the airport on Minnesota Ave.

Enjoy

Get ready for an afternoon of events that will take place during the ribbon cutting!

- **Ribbon Cutting Ceremony:** Join us in marking the newest milestone at DYT!
- **Guest Speakers:** Join us to hear from various guest speakers on this project.
- **Terminal Building Tour:** Get a tour of the new terminal building.
- **Networking:** Connect with project partners and fellow community members.
- **Eats and Treats:** Indulge in drinks and snacks from local vendors.



St. Andrew's Celebrates National Neighborhood Night Out

Tuesday, August 6, 5 to 7 p.m.

The community of St. Andrew's invites you, our neighbors and friends, to celebrate National Neighborhood Night Out with us on Tuesday, August 6, from 5 to 7 pm. Brats and burgers along with all the fixings, a Four Bean casserole (gluten free), Vegetarian Bean casserole, Cole slaw, fresh fruit, desserts, water and pop will be provided free of charge. Optional eating inside or out.

Join us, rain or shine, for a relaxing evening with your friends and neighbors. The church sanctuary will be open for mini tours as well as the entire building. Music will be provided by our own Park Point duo, Len & Lois.

This year we plan to invite Duluth Police Department's K-9 Unit, Community Police Officer, Jeremy O'Conner, Mayor Roger J. Reinert, and City Councilor Roz Randorf along with Bridge operators and members of the Coast Guard.

If you have any questions, please call Sandra Carlson at 218-428-5262 and leave a message or The Reverend Wanda Copeland, at the St. Andrew's office, 727-1262. St. Andrew's is located at 2802 Minnesota Avenue.

We hope to meet many of you during this opportunity for St. Andrew's to give back to you, as together, we share the world's longest freshwater baymouth bar.



The Breeze

Park Point Community Club
P.O. Box 16326

Duluth, MN 55816-0326



Park Point Resident

Numbers you can use

Got (non-emergency) issues you'd like to discuss, but don't know whom to call?

Here are some helpful contacts

Public Works and Utilities 24 hr. emergency contact numbers:

Natural Gas 730-4100, Streets, Water & Sewer 730-4000

Lift Bridge Supervisor Dave Campbell 723-3387

Community Police Officer Jeremy O'Connor JOconnor@duluthmn.gov

PP water Quality issues: Chris Kleist, ckleist@duluthmn.gov, office 218-730-4063 and 218-355-0598

Parking Services 218-730-5470

Dog issues: Shelter: 218-723-3259 On -duty Cell phone 218-390-2256

Parks & Rec: aformear@duluth.mn.gov

City Councilor Roz Randorf rrandorf@duluthmn.gov 218-443-8364

City of Duluth/home 218-730-5000

duluthmn.gov/contact



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Airport of the Month - Duluth - DLH

By Tom Foster

The incredible architectural truss work held up the roof for many years all made of curved wood.



The interpretive display telling the story of Hangar 101 hangs in the Duluth Airline Terminal.

Paranoia; *a tendency on the part of an individual or group toward excessive or irrational suspiciousness or distrustfulness of others.*

Merriam-Webster Dictionary.

In 1948 paranoia was epidemic in the United States. The “Cold War” had started. People believed the Soviet Union (or Union of Soviet Socialist Republics or USSR) was about to blow the country to kingdom come with nuclear weapons, but the Soviets only had one long range bomber capable of delivering such a blow, the TU-4. Built by the Tupolev Design Bureau and called the “Bull,” the aircraft was cloned from three Boeing B-29s that diverted to Soviet territory during World War II. The “Bull” lacked the range to reach North American targets and return home, but inspired building a defensive system including air bases, missile batteries and radar sites. It took 10 more years for the USSR to develop an airplane that could carry out the threat. By then the worry had switched to Ballistic Missiles.

Duluth Air Force Base was activated in 1948 to help defend the homeland. The base was closed in 1981. Lots of relics from the Cold War still exist, but most are not worth preserv-

ing. Hangar 101 at Duluth was an exception and a structure with genuine historic value.

Hangar 101 was one of the first buildings at the Duluth base. About 120 by 160 feet with fast operating sliding doors, it was used for aircraft storage and maintenance. The sides of the hangar housed offices, shops, and utilities. Pictures of the building show a typical military facility that probably wouldn't be part of an architect's interview portfolio.

What made Hangar 101 historically significant was neither architecture or aviation. It was the mundane, but vital art of civil engineering. Holding up the roof were structural members elegantly known as “crescent arch trusses,” and better yet they were fabricated from wood. So maybe only an engineer would think that's cool, but the trusses looked interesting. Besides the wooden craftsmanship, each arch had a concrete foundation reinforced with a buttress much like the arches on medieval cathedrals. Hangar 101 was the only building on the old Duluth AFB that was eligible for listing on the National Register of Historic Places. Sadly, it is no more.

What remains of the air base belongs to the Duluth Airport Authority. Hangar 101 was used for storage then an aircraft museum. In 2022 a storm damaged the structure so badly restoration was not possible. After some soul searching, the Authority decided demolition was the only thing to do. Before that was done, they conducted an extensive architectural inventory of the hangar. An Environmental Assessment (EA) was also completed.

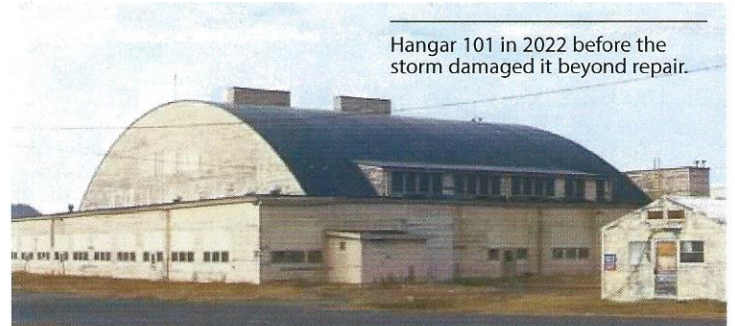
Other parts of the old air base became a Federal Prison Camp. In government speak that's a FPC which is a place for criminals who are a low escape risk and unlikely to do bad things while incarcerated. Denny Hecker owned and flew 14 aircraft the last one being a large and comfortable Canadair Challenger. He made headlines by volunteering his airplanes to transport cancer patients for free. Hecker owned the biggest network of automobile dealerships in Minnesota. At one time a billboard with his face on it graced every mile of freeway in the Twin Cities. Later he was a guest at the FPC, Duluth.

In a 2011 interview, Hecker added to the "Club Fed" reputation of the federal minimum security system. Hecker said his life at the FPC included morning work outs, fresh cinnamon rolls for breakfast, and a nice salad bar at lunch. On warm days he'd sit in the yard and watch airplanes take-off and land. Hecker did complain that his offer to teach business classes to his fellow inmates was turned down. Possibly Hecker had forgotten he was convicted of fraud, or maybe that was in his lesson plan.

Another celebrity guest at the Duluth FPC was Jerry Koosman. Once a star pitcher for the New York Mets and

Minnesota Twins, Koosman got there by not paying his federal income tax. He has no connection to aviation, but Johnny Bench got his 4000th hit off a Jerry Koosman pitch.

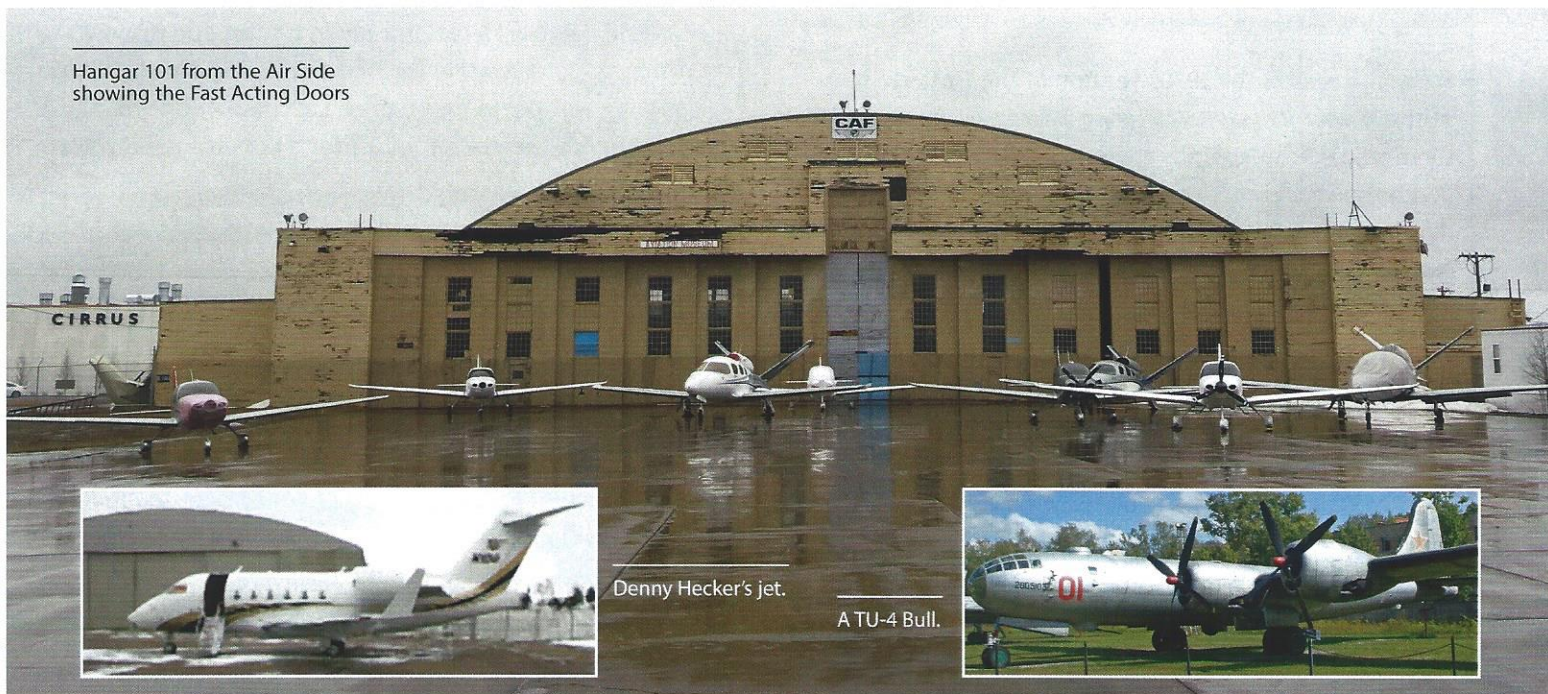
By way of mitigating the removal of the historic structure the Authority created an interpretive display recounting the building's history. The display can be seen in the Duluth International Airport Terminal building near the baggage claim. It could be concluded that Hangar 101 and all the other infrastructure from the Cold War accomplished its mission. No Soviet bombers ever reached the United States.



Hangar 101 in 2022 before the storm damaged it beyond repair.



Inside Hangar 101 during demolition showing the arch supports and buttresses.



Hangar 101 from the Air Side showing the Fast Acting Doors



Denny Hecker's jet.



A TU-4 Bull.



IV. - E.

Sky Harbor Airport hosts ribbon-cutting ceremony for new \$2.6 million terminal



Duluth and federal aviation leaders celebrated a multi-million dollar investment on Park Point Wednesday.

By [Hayley Raatsi](#)

Published: Jul. 10, 2024 at 5:21 PM CDT

DULUTH, Minn. (Northern News Now) - Duluth and federal aviation leaders celebrated a multi-million dollar investment on Park Point Wednesday.

The Duluth Airport Authority held a ribbon cutting for the new \$2.6 million terminal at Sky Harbor Airport.

The new terminal meets all floodplain and accessibility requirements.

Additionally, it features a new pilot lounge, an updated flight planning room, and an outdoor patio area.



The funding for the project largely came from state and federal grants.

Duluth Aviation Authority Executive Director Tom Werner said he's thrilled to see this investment in Duluth's aviation scene.

"We hope it'll be a gateway that sparks interest in our very vibrant aviation community," Werner said.

Sky Harbor Airport, which opened in the 1930s, can accommodate small land and sea planes.



More than 13,000 flights take off from the airport every year.

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Sky Harbor Airport opens new terminal for pilots and passengers

William Lien WDIO

Updated: July 11, 2024 - 7:49 PM

Published: July 10, 2024 - 6:28 PM



Sky Harbor Airport opens new terminal for pilots and passengers



There is no shortage of frequent flyers in the Northland who have a love for aviation. The Duluth Airport Authority unveiled their new terminal building at the Sky Harbor Airport on Park Point. The ribbon cutting invited people who have a love for flying, and enjoy watching planes.

Kevin O'Brien, the president of the Duluth Airport Authority's Board of Directors says the project took a little under a year to complete. Although with the help of local, state and federal grants investing in aviation, the thrill of flying will thrive.

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"This type of major infrastructure improvement does not happen easily. If it were not for the skilled trades people in our area, projects like this would be non-starters," O'Brien said. "As a representative of the Airport Authority Board, I'm extremely proud of these major improvements and the lasting value they'll bring to Sky Harbor and DLH for future generations."

Mike Hartell with Minnesota's Department of Transportation also says the project took several state and federal grants to complete the two and a half million dollar project within a year.

"I'll just give you a quick rundown on what that money was like. There was about \$2.7 million in the total project. From that, about \$1.9 million is coming through, the FAA will be coming through." Hartell said. "Then there was \$520,000 that came out of the state airport fund, and then the matching IJ grant funds that were made available through the state process."

The Sky Harbor Airport is also a historic landmark, founded back in the late 1930's on Park Point. The Duluth Airport Authority's Executive Director Tom Werner says the public perception of Sky Harbor Airport, however, was seen as a "rich man's" airport. Although he says now the new terminal building will now be a more inviting space to people.

"Sky Harbor has become a convenient gateway to the heart of Duluth's tourism district. But its front door, the old terminal, didn't provide the best first impression," Werner said. "The new terminal provides modern, clean amenities to pilots. It's an inviting space to greet visitors. We hope it'll be a gateway that sparks interest in aviation through connection with our very vibrant aviation community."

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However, what does the flying community think about the changes to the Sky Harbor Airport? Mayor Roger Reinert is one of the many small plane pilots in the Duluth area. He said other pilots and himself are excited to use the new amenities available.

“This terminal now becomes another asset to our Park Point community. It is an amazing place to fly out of,” Mayor Reinert said. Trust me, if you’re a pilot and you wanna do crosswind takeoffs and landings, this is the place to do it.”

For more information about Sky Harbor Airport you can read more [here](#). Also for other stories happening in Park Point you can read more stories [here](#).

For Related Stories: [Sky Harbor Airport](#) [Duluth](#) [Park Point](#) [William Lien](#)

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Sky Harbor Airport Soars to New Heights Opening New Terminal

July 11, 2024 by [Drew Kerner](https://www.fox21online.com/author/dkerner/) (<https://www.fox21online.com/author/dkerner/>)



DULUTH, Minn. — Aviators are celebrating the opening of a small aircraft terminal at Park Point’s Sky Harbor Airport.

The Duluth Airport Authority held a ribbon cutting Wednesday for the roughly \$2.7 million investment in northeastern Minnesota aviation.

The new terminal is meant for small planes and seaplanes flown by public and professional aviators.

“Through this new terminal, we hope to invite the public to learn more about aviation. Whether it be through a scenic air tour, a program with the Duluth Aviation Institute or one of the many public events we hope to host in this new building like the recent art exhibit,” said Tom Werner, the executive director of Duluth Airport Authority. “The new terminal provides modern clean amenities to pilots. It’s an inviting space to greet visitors. We hope it’ll be a gateway that sparks interest in aviation through connection with our very vibrant aviation community.”

Sky Harbor’s new terminal was funded in part by federal grants from the FAA and state grants from the Minnesota Department of Transportation.

IV. - H.

BUSINESS

Sky Harbor Airport unveils new \$2.66 million terminal

Funding came from the Infrastructure Investment and Jobs Act, in addition to state and local dollars.



Hermantown Chamber of Commerce President and CEO Kim Parmeter presents Duluth Airport Authority Executive Director Tom Werner with a plaque as Duluth Chamber of Commerce VP Daniel Fanning (back) gives an applause during a ceremony on July 10 to celebrate Sky Harbor Airport's new terminal on Park Point in Duluth. Brielle Bredsten / Duluth Media Group



By Brielle Bredsten

July 14, 2024 at 12:06 PM

Comments

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News reporting

DULUTH — Sky Harbor Airport’s new \$2.66 million terminal is now ready for takeoff.

The modern facility located on Park Point was unveiled during a ribbon-cutting event on Wednesday, July 10.



A ribbon-cutting ceremony was held on Wednesday, July 10 to celebrate Sky Harbor's new terminal on Park Point in Duluth. Brielle Bredsten / Duluth Media Group

The amphibious air base accommodates both land and seaplane traffic with under-wing camping and 24/7 fuel and pilot services.

New amenities include a pilot lounge, modern flight planning room with up-to-date aeronautical information, vending options and public outdoor patio areas. Currently showcased inside the new facility is an exhibit by fiber artist and Park Point resident Natalija Walbridge.



The new Sky Harbor Airport terminal on Park Point in Duluth features artwork by fiber artist and Park Point resident Natalija Walbridge. Brielle Bredsten / Duluth Media Group

In addition to hosting an average of 13,500 flight operations each year, the self-sustainable airport supports local search-and-rescue efforts, as well as area law enforcement, and helps support vital services and business needs of the community.

During the ceremony, U.S. Sen. Amy Klobuchar’s Regional Outreach Director Rachel Loeffler-Kemp read a statement on her behalf.

“Last year alone, this airport welcomed over 500 international travelers and visitors here,” Loeffler-Kemp read from the statement. “On average, every international traveler to the U.S. spends more than \$4,000.”



Information regarding Sky Harbor Airport was presented during a ribbon-cutting ceremony to celebrate its new terminal on Wednesday, July 10. Brielle Bredsten / Duluth Media Group

A combination of federal, state and local funding was utilized to bring the project to fruition, including \$1.92 million from the FAA, and \$520,000 from the Minnesota Department of Transportation. The FAA’s Airport Terminals Program funding was made available through the Infrastructure Investment and Jobs Act.

Orion DiFranco, the Northeast MN and Broadband Outreach director for U.S. Sen. Tina Smith, said, “This terminal facility upgrade is a perfect example of why Sen. Smith was so proud to support the bipartisan infrastructure law, which is making billions of dollars in much-needed, long overdue investments into Minnesota's infrastructure, including right here at Sky Harbor Airport.”

Duluth Mayor Roger Reinert praised Klobuchar and Smith, who he said “led the charge” on the federal funding as local delegates.



Duluth Mayor Roger Reinert spoke during a ribbon-cutting ceremony on Wednesday, July 10 to celebrate Duluth Airport Authority's new Sky Harbor terminal on Park Point. Brielle Bredsten / Duluth Media Group

Federal Aviation Administration representative Lindsey Terry said that when the [infrastructure law](https://www.whitehouse.gov/build/guidebook/#:~:text=The%20Bipartisan%20Infrastructure%20Law%20is,and%20the%20safety%20of%20our)(<https://www.whitehouse.gov/build/guidebook/#:~:text=The%20Bipartisan%20Infrastructure%20Law%20is,and%20the%20safety%20of%20our>) passed in 2021, \$25 billion in funding became available for airport infrastructure nationwide(<https://www.whitehouse.gov/wp-content/uploads/2022/05/BUILDING-A-BETTER-AMERICA-V2.pdf#page=93>) .

When the [Duluth Airport Authority's Sky Harbor terminal project](https://www.duluthnewstribune.com/business/sky-harbor-airport-plans-ascent-with-new-modern-facilities)(<https://www.duluthnewstribune.com/business/sky-harbor-airport-plans-ascent-with-new-modern-facilities>) was selected from a pool of 658 applications for a total of \$9 billion in requests that year, it was the only general aviation airport selected in the entire state, Terry said.

The new terminal facility now meets modern aviation requirements, flood plain requirements and ADA compliances.



Attendees converse following a ribbon-cutting ceremony on Wednesday, July 10 at Sky Harbor Airport's new terminal. Brielle Bredsten / Duluth Media Group

A \$1.4 million snow-removal equipment facility was also added to the property to ensure the airfield pavement and walkways in and around the airport remain operational during the winter.

St. Paul-based engineering firm Short Elliott Hendrickson Inc. was the construction manager, designer and engineer for the project, which was completed in the spring.

Duluth Chamber of Commerce Vice President Daniel Fanning said the Sky Harbor Airport generates \$5 million in economic activity each year, in addition to employing 50 people.

“This building alone generates over \$200,000 in increased tax growth for our community,” Fanning said.



Sky Harbor Airport is located at 5000 Minnesota Ave. on Park Point in Duluth. Brielle Bredsten / Duluth Media Group

Hermantown Chamber of Commerce President and CEO Kim Parmeter recognized the benefits that investments to regional infrastructure have on Duluth’s surrounding communities.

“This airport will undoubtedly draw more visitors eager to experience our local attractions, natural beauty and our unique hospitality. Increased tourism, of course, translates to more customers for local businesses, jobs for our residents, more revenue for our community, which I’d like to think of as more sponsors for our Little League teams. It’s a big ol’ cycle,” Parmeter said.

Duluth Airport Authority Executive Director Tom Werner said, “Through this new terminal, we hope to invite the public to learn more about aviation, whether it be through a scenic air tour, a program with the Duluth Aviation Institute, or one of the many public events we hope to host in this new building.”

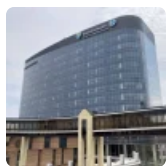


Visitors tour the new Sky Harbor Airport terminal on Park Point in Duluth on Wednesday, July 10 following a ribbon-cutting ceremony. Brielle Bredsten / Duluth Media Group

In marketing the airport to the general aviation community, the DAA aims to attract more cross-country and regional flights to the tourist center of the city, Werner added.

“Since the pandemic, there's been a lot more interest in general aviation, enabling folks to fly themselves, even if it's in a fractional ownership or club setting so that they get out and enjoy aviation,” Werner said. “We'd love to be your gateway here at Sky Harbor.”

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20h ago



U.S. Department
of Transportation
**Federal Aviation
Administration**

IV. - I.

Great Lakes Region
2300 East Devon Ave.
Des Plaines, IL 60018

July 16, 2024

Mr. Tom Werner
Executive Director
Duluth International Airport
4701 Grinden Dr
Duluth, MN 55811-1578

Dear Mr. Werner:

Annual Certification Inspection Closeout

The annual certification inspection of Duluth International Airport was conducted on 6/26/2024. The inspection revealed the airport is being operated in compliance with 14 CFR Part 139, the Airport Certification Manual, and the Airport Operating Certificate.

We commend you for the procedures you are using in the day-to-day operation of the airport. The appearance of the airport indicates they are effective.

Thank you for your cooperation during the inspection, and please do not hesitate to call if you have questions regarding the operational safety of the airport.

Sincerely,

Tanvir Ahmed
Airport Certification Safety Inspector - AGL

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DLH urges passengers to check flight status amid delays due to global IT outage



Duluth International Airport (Northern News Now)

By [Briggs LeSavage](#)

Published: Jul. 19, 2024 at 9:23 AM CDT



DULUTH, Minn. (Northern News Now) - Duluth International Airport leaders are urging passengers to check the status of their flights Friday after news of a global IT outage.

As 9 a.m. Friday, DLH leaders have not seen any canceled flights but they have seen delays on both Delta and United Airlines.

"We encourage individuals to check the status of their flights and connections before arriving at the airport. If individuals have any concerns, they should reach out to the airline directly for assistance," DLH spokespeople wrote.

Meanwhile, the Minneapolis-St. Paul International Airport was experiencing a large number of delays and cancellations Friday morning.

This is a developing story. Check back for updates.

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July 19-22, 2024 operation

An update to Delta customers from CEO Ed Bastian

Jul 21, 2024 1:43pm EDT



As CEO of Delta Air Lines, Ed Bastian leads 100,000 global professionals who are building the world's premier international airline, powered by a people-driven, customer-focused culture and spirit of innovation.

Like many companies worldwide, Delta was impacted on Friday morning by an outside vendor technology issue, which prompted us to pause flying while our systems were offline.

The pause in our operation resulted in more than 3,500 Delta and Delta Connection flights cancelled through Saturday. Cancellations continue on Sunday as Delta's teams work to recover our systems and restore our operation. Canceling a flight is always a last resort, and something we don't take lightly.

The technology issue occurred on the busiest travel weekend of the summer, with our booked loads exceeding 90%, limiting our reaccommodation capabilities. I want to apologize to every one of you who have been impacted by these events. Delta is in the business of connecting the world, and we understand how difficult it can be when your travels are disrupted.

Please know that Delta's entire team of the best professionals in the business have been working around the clock to safely get you where you need to go, and restore the reliable, on-time experience you've come to expect when you fly with us.

Specifically, the issue impacted the Microsoft Windows operating system. Delta has a significant number of applications that use that system, and in particular one of our crew tracking-related tools was affected and unable to effectively process the unprecedented number of changes triggered by the system shutdown. Our teams have been working around the clock to recover and restore full functionality.

We have issued a **travel waiver** to enable you to make a change to your itinerary at no charge. I encourage you to take advantage of that flexibility if possible. In addition, for those whose flights have been impacted, we continue to offer meal vouchers, hotel accommodations and transportation where available. And as a gesture of apology, we're also providing impacted customers with Delta SkyMiles and travel vouchers. We will continue to keep you informed via [delta.com](https://www.delta.com) and the Fly Delta app for the latest information on your itinerary.

I want to thank Delta's employees, who have been working tirelessly across our system to restore our best-in-class operation and take care of you during a very challenging situation.

Thank you for your patience as we work through these issues, restore our operation and return to the reliability you expect from Delta.



JULY 19-22, 2024 OPERATION, ED BASTIAN

Delta recovery continues after vendor technology issue

Jul 21, 2024 11:41am EDT

Delta continued its operational recovery Sunday following an outside vendor technology issue that prompted the airline and many others to pause flying for several hours on Friday.

Delta is communicating directly with significantly impacted customers via email Sunday offering an acknowledgement of the disruption, an apology and the issuance of SkyMiles Program miles or a travel voucher. Guidance for submitting eligible unexpected expenses due to the disruption for reimbursement was included in that email.

Across the operation, Delta teams in airports, on board flights, on phones and in messaging channels were working tirelessly to care for customers as the airline worked to put flight crews and aircraft back in position following the disruption.

We're sorry for this inconvenience - canceling a flight is always our last resort and isn't taken lightly. Delta takes seriously the trust placed in us to deliver the reliability and experiences customers have come to know and expect from us. That's why we're working to make it right for our customers, starting with these steps:

- **Extending a travel waiver.** Delta extended a **travel waiver** for all customers with travel booked from July 19-21. The waiver offers customers the ability to make a one-time change to their itinerary. The fare difference for customers will be waived when rebooked travel occurs on or before July 26, in the same cabin of service as originally booked. Customers are encouraged to manage changes to their travel via **delta.com** or the Fly Delta app.

- **Reaching out to customers about cancellations and re-booking options.** Delta is notifying customers about delays and cancellations in their itinerary via the Fly Delta app and text message, and offering re-booking options that can be managed online.

While customers can monitor and manage their itineraries on Delta.com or on the Fly Delta app, these online tools have been inundated with traffic, causing intermittent performance challenges. Delta teams are working to stabilize those tools. Also note that our ability to respond to service messages on social media platforms such as X are limited.

- **Issuing SkyMiles Program miles or a travel voucher** in an amount based on the customer's affected travels.
- **Covering eligible expenses** resulting from to this flight disruption, including providing:
 - Meal vouchers, hotel accommodations where available and ground transportation are being provided to impacted customers.
 - Reimbursement of eligible expenses. Customers who have incurred hotel, meal or ground transportation expenses while in transit during this operational disruption may submit eligible expenses for reimbursement.*
- **Right to Request a Refund.** Customers whose travel has been disrupted due to a canceled or significantly delayed flight may choose to cancel their travel and receive an eCredit for the unflown portion of the trip, or may instead request a refund at delta.com/refund.

**Delta does not reimburse prepaid expenses, including but not limited to hotel reservations at the customer's destination, vacation experiences, lost wages, concerts or other tickets.*

LATEST UPDATES | July 19-21, 2024 operation

Delta continues recovery after vendor technology issue

Jul 20, 2024 9:59am EDT

Delta is continuing its operational recovery Saturday following an outside vendor technology issue that prompted the airline and many others to pause flying for several hours on Friday.

Across the operation, Delta teams in airports, on board flights, on the phones and in messaging are working tirelessly to care for customers as the airline works to put flight crews and aircraft back in position following the disruption.

As of 10 a.m. EDT, more than 600 Delta and Delta Connection flights were canceled Saturday — mostly in the morning and early afternoon. Additional cancelations are expected as some of Delta’s technology continues to recover from Friday morning’s vendor-caused issue.

Delta is notifying customers about delays and cancelations in their itinerary via the Fly Delta app and text message, and offering re-booking options that can be managed online. Customers are encouraged to check delta.com or the Fly Delta app for the latest information about their itinerary.

A **travel waiver**, which offers customers the ability to make a one-time change to their itinerary, is still in effect for those with travel booked on Saturday, July 20. The fare difference for customers will be waived when rebooked travel occurs on or before July 25, in the same cabin of service as originally booked. Customers are encouraged to manage changes to their travel via delta.com or the Fly Delta app.

We apologize to those customers who have had their travel plans disrupted as a result of this technology issue. Canceling a flight is always our last resort. That’s why Delta people are working around the clock to get customers where they need to be. Unexpected disruptions like these are difficult and do not reflect the operational reliability and experiences customers have come to know and expect from us.

We will continue to offer meal vouchers and hotel accommodations where available for customers whose flights are significantly delayed or canceled Saturday.

LATEST UPDATES | July 19-20, 2024 operation

Delta extends waiver, support as vendor IT issues recovery continues

Jul 19, 2024 3:45pm EDT

More than 1,200 Delta mainline and Delta Connection flights have been canceled Friday due to a vendor technology issue impacting airlines and companies around the world.

Additional delays and cancellations are expected Friday and potentially through the weekend.

We're sorry for this inconvenience - canceling a flight is always our last resort and isn't taken lightly. Delta takes seriously the trust placed in us to deliver the reliability and experiences customers have come to know and expect from us. That's why we're working to make it right for our customers, starting with these steps:

Issuing a travel waiver: Delta extended its waiver for all customers who have booked flights departing Friday, July 19. It allows customers to manage their own travel changes via delta.com and the Fly Delta app. The fare difference for customers will be waived when rebooked travel occurs on or before July 25, in the same cabin of service as originally booked.

Reaching out to customers about cancellations and re-booking options: Delta is notifying customers about delays and cancellations in their itinerary via the Fly Delta app and text message, and offering re-booking options that can be managed online.

While customers can monitor and manage their itineraries on Delta.com or on the Fly Delta app, these online tools have been inundated with traffic, causing intermittent performance challenges. Delta teams are working to stabilize those tools. Also note that our ability to respond to service messages on social media platforms such as X are limited.

Covering meals and accommodations: Meal vouchers and hotel accommodations where available are being provided to impacted customers.

LATEST UPDATES | July 19, 2024 operation

Delta resumes some flight departures, issues travel waiver

Jul 19, 2024 7:49am EDT

Delta has resumed some flight departures after a vendor technology issue impacted several airlines and businesses around the world. That issue necessitated a pause in Delta's global flight schedule this morning while it was addressed.

Additional delays and cancellations are expected Friday.

Delta has issued a **travel waiver** for all customers who have booked flights departing Friday, July 19. It allows customers to manage their own travel changes via delta.com and the Fly Delta app.

The fare difference for customers will be waived when rebooked travel occurs on or before July 24, in the same cabin of service as originally booked. If travel is rebooked after July 24, any difference in fare between the original ticket and the new ticket will be collected at the time of booking.

Customers can monitor and manage their itineraries on Delta.com or on the Fly Delta app.

LATEST UPDATES | July 19, 2024 operation

Delta pauses global flight schedule

Jul 19, 2024 6:24am EDT

Delta has paused its global flight schedule this morning due to a vendor technology issue that is impacting several airlines and businesses around the world. We are working to resolve the issue as quickly as possible to resume operations.

Customers with flights scheduled for Friday should continue checking their flight status via the Fly Delta app and **Delta.com**.

We are also working to issue a travel waiver this morning that will allow customers scheduled to travel Friday, July 19, to manage changes to their itinerary via Delta.com or the Fly Delta app.

We apologize for the inconvenience as our teams continue work to resolve the issue.

LATEST UPDATES | July 19, 2024 operation

Delta experiencing technology issue

Jul 19, 2024 3:54am EDT

All Delta flights are paused as we work through a vendor technology issue.

Any customers whose flights are impacted will be notified by Delta via the Fly Delta app and text message. Customers should use the Fly Delta app for updates.

We apologize for the inconvenience as our teams work through this issue.

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LATEST UPDATES | July 19, 2024 operation

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VEHICLE DETAILS

Duluth International Airport experiencing minimal issues following global tech outage



TOM WERNER
EXECUTIVE DIRECTOR, DULUTH AIRPORT AUTHORITY

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CURRENTS INTERNATIONAL FALLS ☁ 64°

Overall, Werner said they've experienced fewer than 10 delays.

By [Jason Van Horn](#)

Published: Jul. 23, 2024 at 7:25 PM CDT



DULUTH, Minn. (Northern News Now) - While airports across the country deal with continued flight cancellations following last week's tech outage, it hasn't been the case at Duluth International Airport.

Duluth Airport leaders said they've experienced only minor complications. Tom Werner, executive director of the Duluth Airport Authority said although they experienced some delays the day of, no flights were canceled.

"Thankfully no cancellations, and as the system has gotten back up and running, those delays minimize going forward; today, pretty normal," said Werner.

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According to Flight Aware, there have been more than 100 cancellations and 50 delays at MSP this week with a majority of those flights from Delta.

Werner said the best thing travelers can do is keep in close contact with their airline, as they will have the most up-to-date and accurate information about flights.

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Reconstruction of Rice Lake Road to boost city's growth



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Pedestrian and bike improvements, roundabout intersections, and regional mobility implications are just a few of the many components the corridor.

By [Mikayla Rentsch](#)

Published: Jul. 25, 2024 at 11:01 PM CDT



Rice Lake, Minn. (Northern News Now) - The \$45.5 million roadway reconstruction of Rice Lake Road aims to improve traffic flow, the local economy and quality of life in and around the City of Rice Lake.

Pedestrian and bike improvements, roundabout intersections are just a couple components of the Rice Lake Road Corridor Project.

"Anytime a community leverages its infrastructure, opportunity is created, job creation, increased tax base, and I have no doubt this project will do something very similar to the city of Rice Lake," said Tom Werner, Executive Director for the Duluth Airport Authority.

The airport is one of many businesses and entities near this stretch of road with a vested interest in these improvements.

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"Increase our population, yes, but it's not just any population. It's that working-class population that right now they need good homes," said Rice Lake Mayor Suzanne Herstad.

Housing is one of the many challenges the City of Rice Lake faces. Herstad said jobs come where houses are supplied.

"That's the shortage in our area that we are hoping to address and we're hoping to put it right there along that commercial corridor," said Herstad.

The planned corridor is a key commuter and truck route for the Duluth area, connecting to communities of the East Iron Range.

"We have about 163 acres, either on Rice Lake Road or on Stebner, that we hope to also capitalize on some of the new energy around here for commercial development or perhaps industrial development," said Werner.

He said this is a larger community opportunity, and it's an incredibly important first step in improving the quality of life, whether it's easing traffic concerns or expanding the economic base.

Right now, the project is in the design process. Construction is anticipated to begin in 2028.

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Congress of the United States
Washington, DC 20510

July 29, 2024

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

As members of the Minnesota delegation, we write in support of the Duluth International Airport's (DLH) application for federal funding to rebuild its Air Traffic Control Tower. DLH is pursuing funding through the Federal Aviation Administration's (FAA) Airport Terminal Program (ATP), made available by Public Law 117-58.

The DLH provides vital service to the region. Commercial, cargo, and medical service flights all utilize the airport. The DLH is home to Cirrus Aircraft, one of the largest manufacturers of piston aircraft in the world, and the 148th Fighter Wing of the Minnesota Air National Guard, making the airport crucial to our economic and national security. The airport supports over 6,000 jobs and contributes roughly \$760 million annually to the economy.


However, the existing tower is 70 years old, making it the third oldest air traffic control tower in the country. It does not meet current FAA line-of-sight requirements, and it is deteriorating and in need of significant repairs. To sustain the growth of air commerce in this region of our state, a new air traffic control facility is necessary for enhanced safety and viability.

As a locally-owned air traffic facility staffed by FAA Controllers, the control tower at the DLH has previously not qualified for federal funding. The FAA's ATP program has presented a unique five-year opportunity to compete for funding. While we are pleased that the Department of Transportation awarded \$10 million for this project earlier this year, the project still requires significant additional federal funding in order to be completed.

For these reasons, we ask that you prioritize funding for the Duluth Air Traffic Control Tower in the final two rounds of funding through the ATP program.

Thank you for your consideration of this matter.

Sincerely,



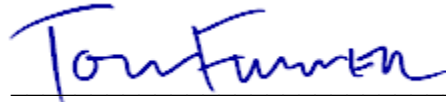
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THINGS TO DO TRAVEL

Explore the Great Outdoors with Kids in Duluth, Minnesota

By [Cortney Fries](#) July 29, 2024

Looking for more things to do? Get the latest info in our weekly Let's Go newsletter!

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Photo credit: Cortney Fries

Duluth is located in northeastern Minnesota, at the western tip of Lake Superior. Known as an outdoorsy destination, I've long wanted to visit for hiking. My 13-year-old daughter was excited about the paddle boarding and alpine slide.

The people of Duluth are genuinely nice and easily make you feel at home. I didn't realize how hilly of a city Duluth is. In fact, some have called Duluth the San Francisco of the Midwest for its inclined streets and water views. The food was impressive, which is saying a lot seeing how spoiled we are in Chicago. Read on for more reasons to visit Duluth with your family.



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New Location!

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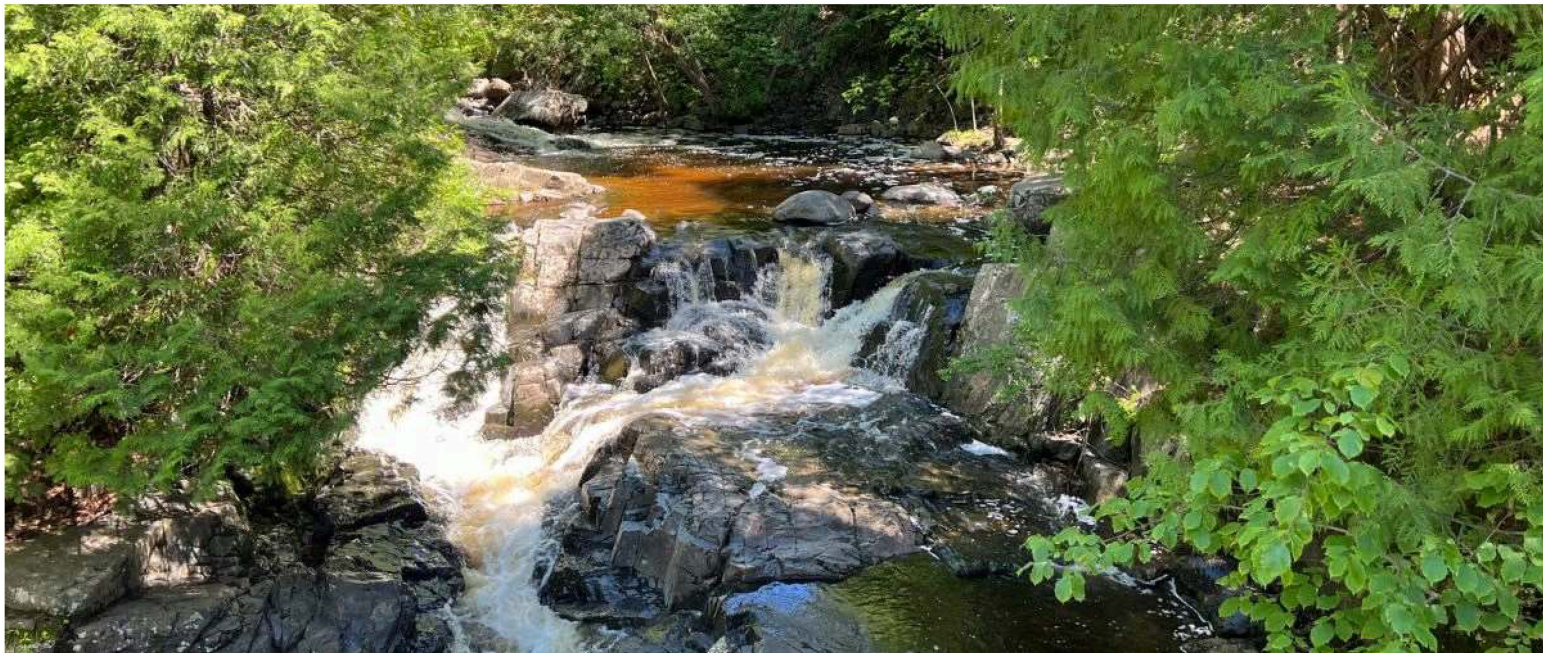




Photo credit: Cortney Fries

With the world's farthest inland port accessible to ocean ships, Duluth's iconic landmark is the [Aerial Lift Bridge](#). Watch the bridge go up and down to accommodate huge cargo ships. If you have a family member big or small that's into seeing the ships, check the [shipping schedule](#) for vessel arrivals.

My daughter and I took a [Sunset Paddle Tour with Zenith Adventure](#). Two enthusiastic guides shepherded us around the harbor by the Blue Bridge, near the William A. Irvin and Sundew ships and the Aerial Lift Bridge. As the sun set, the sky turned the most spectacular orange.

[Spirit Mountain's](#) Adventure Park is open in the summers and not far from downtown. My daughter and I gleefully glided down the alpine slide 11 times between the two of us. Spirit Mountain also offers a seated zipline, jumping pillow like what you find at pumpkin patches, a scenic chairlift, mountain biking, mini golf and disc golf. In the winter, you can ski, snowboard and tube.

Hiking is my jam and there are over [200 miles of trails in Duluth](#). I was surprised by how close to downtown the Chester Creek Trail is. Hike from Chester Park Playground along the creek for serene nature scenes and sounds. Several families were dipping their feet in the creek and lounging on rocks near waterfalls.



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EMPHASIS ON EARLY LITERACY

New Location!

K-3RD





Photo credit: Cortney Fries

[Park Point Beach](#) boasts the longest freshwater sandbar in the world. July and August are the warmest months in Duluth, with high temperatures in the mid-70s, so take advantage of beach time then. My daughter and I visited the [Park Point Art Fair](#) at the end of June. This annual event draws artists from across the Midwest and beyond to sell paintings, photography, ceramics, sculpture and more. My daughter's favorite part was the food. She scooped up some banana bread and homemade caramels.

There are numerous options for lakefront strolling in Duluth. My daughter and I literally stopped to smell the roses at [Leif Erickson Park and Rose Garden](#). The [Lakewalk/Canal Park](#) and [Enger Park](#) are also great options for fresh air exercise and sightseeing.

[William A. Irvin](#) is a historic vessel in Canal Park that you can tour. If you're into scary stuff, I hear they put on a frighteningly good haunted tour in October. If you're into all things maritime, the [Lake Superior Maritime Visitor Center](#) will be of interest to you. It's free to visit, so pop in as you explore the area. Learn about freshwater ecosystems at the [Great Lakes Aquarium](#), where they have North America's largest sturgeon touchpool.

The [Glensheen Mansion](#) is a historic estate where you can take a self-guided tour. My daughter appreciated the history while I enjoyed the beautiful grounds. [Duluth Art Institute](#) is free to visit for visual art inspiration. Buy indigenous foods like wild rice and arts like stationary and jewelry from the [Indigenous First Shop](#), which is focused on advancing Native American artists.

Where to stay

We stayed at [Pier B Resort](#) and highly recommend it. Located on Lake Superior with views of the Aerial Lift Bridge, Pier B also boasts an outdoor hot tub, sport courts, fire pits with nightly s'mores, an indoor pool and fitness center. [Silos](#) serves breakfast, lunch and dinner in the restaurant, on the outdoor patio or roomside. We enjoyed the crème brulee oatmeal and Minnesota rice with carrots, mushrooms and poached egg.



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EMPHASIS ON EARLY LITERACY

K-3RD

New Location!




Photo credit: Cortney Fries

Duluth is brimming with local restaurants that serve farm-to-table, lake-to-table, and interesting options to please various palates. [Duluth Grill](#) is a funky diner that dishes up fresh, local and organic ingredients. When I found out the BiBimBap was featured on Food Network, I had to have it. My daughter opted for a smoothie bowl topped with fresh fruit. [At Sara's Table Chester Creek](#) is a cozy coffee shop that serves healthy, made-from-scratch dishes. Those looking for gluten-free treats will rejoice over their specialty cupcakes.

My teen and I both got a kick out of the witchy vibe at [Ritual Salad](#). The Pagan owner was very pleasant to talk to and we perused tarot cards and candles as we waited for our salads. My baked potato soup was warm and comforting. You simply can't visit Duluth without indulging at [Love Creamery](#). This woman-owned artisan ice cream shop serves up dairy and vegan delights that will have you drooling. My daughter and I opted for the ice cream flight of 6 mini scoops including salted chocolate peanut butter, honey lavender, salted caramel crack cookie, mint chocolate chip, lemon bar and s'mores. Ice cream is my daughter's love language and she said Love Creamery's is some of the best ever.

I had a fancy riff on fish and chips at [Lake Ave Restaurant & Bar](#). [Pizza Luce](#) impressed us with their bakery-made gluten-free crust and specialty pizzas. Elote pizza with Tajin sweet corn, smoked bacon and jalapenos is like a street corn festival in your mouth. If we're judging by the empty bowl, I'd say my daughter thoroughly enjoyed Pizza Luce's tangy key lime custard.

We were dying to go to [Juice Pharm](#) for their acai bowls. The Big Kahuna Bowl is creamy frozen coconut topped with chia seed pudding, bananas and peanut butter. I had the best airport salad of my life at the tiny Duluth airport. And I've eaten a lot of airport salads in the past ten plus years of travel writing. [Arrowhead Tap House](#) grilled up fresh, warm chicken for my California Chicken Cobb Salad and sent me on my way with a full, happy belly. Cheers to Duluth!



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Ascent Aviation and Lake Superior Helicopters partnered with the Range Regional Airport to give aspiring aviators a glimpse of the air up there.

By [Jeffrey McClure](#)

Published: Aug. 10, 2024 at 11:19 PM CDT



HIBBING, Minn. (Northern News Now) - A local organization that offers flight training in Duluth made its way up to the [Range Regional Airport](#) Saturday.

[Ascent Aviation](#) and [Lake Superior Helicopters](#) partnered with the [Range Regional Airport](#) to give aspiring aviators a glimpse of the air up there.

The [Discovery Flights](#) can count as flight hours for students as they work toward an aviation career.

However, right now pilots are harder to find than one would think.

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"We have a pilot shortage right now. We desperately need more pilots. So many people I think have the impression that aviation is somehow intrinsically unsafe or dangerous." said Andrew Post a flight instructor at Lake Superior Helicopters.

Post moved to Duluth from California and hopes the Discovery Flights can inspire more of the youth to think about an aviation career like him.

"I looked into different schools and then I went to one and took a Discovery Flight there. I was absolutely hooked. I said 'This is for me, this is what I want to do'." said Post. "I never would've known that had I not gotten a chance to actually be in one."

Aviators had the choice of flying in either the Cirrus SR-22 airplane or the Robinson R-44 Raven 1 helicopter.

"We take students who have never obviously touched a helicopter (or plane) before and we train them all the way up through their flight certificate so they can become instructors and start building hours to start an aviation career."

Before each flight, a quick debrief is important for everyone especially those new to it.

"We would sit down and talk about a few things on the ground first. Basic aerodynamics, safety tips, the basic controls of the helicopter, and then we'd get in and go fly."

For Post, it's important to give back to the aviation community that got him started.

"Knowing that I was once in their shoes. That I was the person getting the discovery flight and deciding that I wanted to do this."

"Getting to take people up inside a helicopter and just seeing the look of joy on their faces as they discover what flight is really like is probably the most rewarding thing about my job," said Post.

Saturday's event on the Range was a one-day opportunity but both organizations operate out of Duluth and booking a Discovery Flight can be done online.

For more information on Discovery Flights [click here](#).

[Click here](#) to download the Northern News Now app or our Northern News Now First Alert weather app.

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VII. New Business

Resolution to Approve the Updated 2024 Rates and Charges Schedule for DLH Executive Summary

Terms:

- Calendar year of 2024, effective August 20th, 2024.

Overview:

- At least annually DAA staff reviews the referenced Rates and Charges Schedule to recommend rate adjustments where necessary and additional rates to be added.
- The rates and charges needed to be updated to better reflect updates made in the re-stated FBO agreement.
- 2025 rates and charges will come in front of the board in draft form in October and for approval in November.

Summary of Changes:

- Added disclaimer next to the transient landing fee to change the category title and rate effective January 1, 2025.
- Added aircraft definitions to align with FBO contract.



DULUTH INTERNATIONAL AIRPORT

2024 Rates and Charges Schedule

Effective January 1, 2024 - Adopted November 21st, 2023, Updated January 16, 2024 & August 20, 2024

Passenger Terminal Fees (Per Square Foot)	Airline Leased Premises	\$25.67	
	Non-Airline Terminal Tenant Rate	\$43.58	
Aircraft Landing Fee (Per 1,000 lbs MGLW)	Signatory Carrier	\$2.31	
	Non-Signatory Carriers (125% more)	\$2.89	
	Transient (Will be adjusted to "All Other Aircraft" at the non-sig rate as of 01/01/2025)	\$1.07	
	Exemptions: Aircraft operated or chartered by the United States Federal Government or State of Minnesota and non-revenue generating aircraft under 12,500 lbs MGLW are exempt		
Terminal Per Use Fee	Non-Signatory Carriers & Charters	\$707.81	
Aircraft Definitions	<p>Signatory: Aircraft covered by an Airline Use and Lease Agreement with the DAA or by an agreement with the DAA containing terms and conditions similar with those contained in such an agreement.</p> <p>Non-Signatory: Aircraft using the Airport facilities that are not covered by an Airline Use and Lease Agreement with the DAA and not covered by an agreement with the DAA containing terms and conditions similar with those contained in such an agreement; diverted Airline aircraft not using the Airport Terminal; and commercial air carrier aircraft making regularly scheduled flights to the Airport. Any Non-Signatory aircraft utilizing the terminal must be reported by the ground handler.</p>		
Terminal International Arrivals Facility Per Use Fee	Less than 50,000 lbs. MGLW	\$75.00	
	50,001-175,000 lbs. MGLW	\$175.00	
	175,001 lbs. MGLW and above	\$275.00	
Non-Terminal (FBO) International Arrivals Facility Fee	US Customs Facility (GAF)	\$0.00	
Non-Terminal FBO & DAA Ad Hoc Charged Aircraft Parking (Per 1,000 lbs MGLW)	<u>Category by MGLW (lbs.)</u>	<u>Per Night (24 hour period)</u>	<u>Per Month (Calendar)</u>
	12,499 & Under	\$17.00	\$138.00
	12,500 - 49,999	\$72.00	\$580.00
	50,000 - 99,999	\$144.00	\$1,150.00
	100,000 & Over	\$295.00	\$2,355.00
Fuel Flowage Fee (Fee Per Gallon)	FBO Charged In-to Plane Fee	\$0.045	
	FBO Charged Aviation, Heating & Auto Fuel Fee	\$0.09	
	Fee Per Gallon - Other Airport Operator	Set by Operator Agreement	
Preferential Use Cargo Ramp Fee Per Aircraft	Per calendar month preferential use cargo ramp fee		<u>Per Month (Calendar)</u> \$1,695.00
Passenger Facility Charge (PFC)	\$4.50 Per enplaned commercial passenger, Per FAA Approved PFC Application		
DAA Owned Hangar Rental Rates (Per Each) *\$50 Discount if paid in full by January 31 of lease year.	<u>Hangar Type</u>		<u>Per Month (Calendar)</u>
	West T-Hangars*		\$215.00
	East T-Hangars*		\$215.00
	East Ranch Hangars*		\$275.00
	4825 Airport Rd. Ranch Hangars (12ft high door)*		\$675.00
	4825 Airport Rd. Ranch Hangars (14ft high door)*		\$700.00
	Other		Set by Lease Agreement
Rental Car Ready Return & Overflow Fees (Per Each Space) (Tax Not Included)	Per Month, Per Space Fee	<u>Surface</u> 18.63	<u>Ramp</u> 18.63
Parking Lot Fees (Includes Tax)	0-1 Hour	<u>Surface</u> \$3.00	<u>Ramp</u> \$5.00
	1-2 Hours	\$5.00	\$7.00
	2-6 Hours	\$9.00	\$10.00
	6-24 Hours (Daily)	\$13.00	\$15.00
	Weekly	\$78.00	\$90.00
	Additional Drive-off Fee	\$125.00	\$125.00
Parking Permits (Includes Tax) *DAA Employees and DAA Directors are exempt for airport business	Corporate Surface Permit (Annual)	<u>Monthly</u>	<u>Annual</u> \$1,378.00
	Corporate Garage Permit (Annual)		\$2,279.00
	Airport Employee Tenant Permit (Annual)*		\$96.00
	Airline Crew Overnight Permit (Monthly or Annual)	\$51.00	\$612.00
	Tenant Commercial Parking Agreement (Monthly or Annual)	\$250.00	\$3,000.00
Commercial Vehicle Fees & Permits (Includes Tax)	Taxi/Limo/Hotel Shuttle Permit (Annual)	\$200.00	Per Each Vehicle
	Passenger Shuttle Service Permit - Reqs. Operator Agreement (Annual)	\$500.00	Per Each Vehicle
	Transportation Network Company Permit (Annual)	\$1,500.00	Per Company
	Transportation Network Company Per Trip Fee	\$1.50	Per Pick- Up & Drop Off
Ground & Commercial Vehicle Violations	Airport Employee Parking Violation		TBD
	Commercial Vehicle Violation		\$100.00



DULUTH INTERNATIONAL AIRPORT

2024 Rates and Charges Schedule

Effective January 1, 2024 - Adopted November 21st, 2023, Updated January 16, 2024 & August 20, 2024

Business Services Club Pass (Sponsorship Agreement Passes will not be charged)	Per Pass Fee to Access Business Services Club Room \$150 per pass	
Conference Room/Space Rates & Fees (20% Discount for Airport Terminal Tenants)	<u>Room/Space</u> 1st Floor Baggage Claim - Wall Up 2nd Floor Secure Business Club Conference Room 2nd Floor Mezzanine 2nd Floor Conference Room - Room 250 3rd Floor Conference Room - Amatuzio A 3rd Floor Conference Room - Amatuzio B or C 3rd Floor Conference Room - Amatuzio A+B 3rd Floor Conference Room - Amatuzio B+C 3rd Floor Conference Room - Amatuzio A+B+C	<u>0-4 Hours</u> <u>4-8 Hours</u> \$300.00 Per Agreement \$40.00 \$80.00 \$250.00 \$350.00 \$100.00 \$150.00 \$150.00 \$200.00 \$100.00 \$200.00 \$175.00 \$250.00 \$175.00 \$250.00 \$200.00 \$300.00
Fiber Internet (Contract required. Higher speeds available upon request with pricing established per contract)	<u>Internet Speed</u> <u>Per Month (Calendar)</u> 100 MB Fiber Internet with 1 static IP address \$120.00 200 MB Fiber Internet with 1 static IP address \$180.00 Each Additional Static IP Address \$24.95	
Badging Fees (DAA Employees, ARFF, CBP, Duluth PD and Fire & 148th Badges are exempt) (All fees to be paid regardless of whether badge is issued)	SIDA & Sterile Badge \$200.00 AOA Badge \$125.00 Landside Badge \$65.00 Incomplete \$100.00 SIDA & Sterile Renewal \$115.00 AOA Renewal \$65.00 Renewal > 30 Days Past Expiration (SIDA, AOA, Sterile) \$125.00 Lost or Non-Returned Badge \$125.00 Badge Handling Fee (ex: company change, access change, etc.) \$65.00 Construction Badge Handling Fee \$50.00	
Airport Car Rental Customer Facility Charge (CFC)	Rental Car Transaction Per Day Charge \$4.00	

IV. - B.

Resolution to Approve the Updated 2024 Rates and Charges Schedule for DYT Executive Summary

Terms:

- Calendar year of 2024

Overview:

- At least annually DAA staff reviews the referenced Rates and Charges Addendum to recommend rate adjustments where necessary and additional rates to be added.
- The maintenance operator at DYT will no longer be leasing property for float storage therefore the DAA will be charging people for this space.

Summary of Changes:

- Fees for float storage were established and added to the rates and charges schedule for your approval.




2024 Rates & Charges

Effective January 1st, 2024 - Adopted November 21, 2023 & Updated August 20, 2024

Fuel Price	To be determined by airport manager and published on the Duluth Sky Harbor website, ForeFlight, SkyVector, AirNav, GlobalAir and 100LL.com.		
Fuel Discounts Discounts may not be stacked Tenant Discount requires fuel card	Sky Harbor Tenant with lease agreement or Commercial Operator Agreement	\$0.25	Per Gallon
Tie-down	Per Night (1-6 nights)	\$10.00	Per Night
	Per Week (1-3 weeks)	\$30.00	Per Week
	Per Month	\$90.00	Per Month
	Six Month Season (Must be paid in advance)	\$450.00	Per Six Month Season
Aircraft Parking Rules	<p>Aircraft parking spaces are non-reservable and shall be occupied on a first come, first served basis.</p> <p>A. No person shall park, store, tie down or leave an aircraft on any area of the airport other than designated parking spaces or those designated by the Airport Manager.</p> <p>B. The pilot and owner of an aircraft are solely responsible for parking and tying down their aircraft and shall properly secure their aircraft while it is parked or stored on the airport. Pilots and owners of aircraft are solely responsible for securing aircraft in a manner necessary to avoid damage to other aircraft or buildings on the airport in the event of wind or other severe weather conditions. The pilot and owner of an aircraft shall be held responsible and liable for any damage or loss whatsoever resulting from failure to comply with this rule.</p> <p>C. With respect to aircraft parking, tie-down and storage, the Airport Manager is authorized to control and direct activities that the Airport Manager determines concern the health, welfare and safety of Sky Harbor, its tenants, and users.</p> <p>All invoiced aircraft parking fees shall be paid within thirty (30) days of invoice date. In the event that aircraft parking fees are not paid within thirty (30) days of invoice date and such failure to pay continues for a period exceeding ninety (90) days after invoice date, the aircraft owner shall be in default. Upon default, the Duluth Airport Authority may exercise any one or more of the following remedies (in its sole discretion): (i) utilize a collections agency and/or an attorney to recover said amount, including reasonable attorney's fees, court costs, and collection costs, (ii) enter the premises where the aircraft is located and take immediate possession of and remove (or disable in place) the aircraft by self-help, summary proceedings or otherwise without liability; and (iii) eject and trespass the aircraft pilot and owner from Sky Harbor.</p>		
Hangar 1 Aircraft Storage Fee	Per hangar space Utility surcharge will be charged during winter months.	\$275.00	Per Month
Float Storage	Monthly Float Storage Seasonal / Winter Only Annual / 12-Month	\$20 \$100 \$180	Per Month Per Winter Season Per 12-Months
	Contact the Sky Harbor Airport manager for details. Float storage location determine by airport manager.		
Overnight Vehicle Parking	Per Vehicle	\$5	Per Night
	Spaces are limited. Parking space to be determined by the manager and must be for aviation related purposes.		
Land Lease	Price per agreement with Duluth Airport Authority		
Operator Agreements	All individuals or businesses providing sales, service or commercial operations out of Sky Harbor must have an agreement with the Duluth Airport Authority.		

Additional Information

Payment Options & Instructions	<ol style="list-style-type: none"> Scanning the QR code available on this document or in the airport terminal building – Direct payment On the Duluth Airport Authority website Sky Harbor page – Direct payment https://skyharbor.duluthairport.com/plan-your-stay/tie-down-payment/ Monthly invoicing from the Duluth Airport Authority (weekly, monthly and seasonal parking) Make checks payable to Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811 *All invoiced aircraft parking fees shall be paid within thirty (30) days of invoice date
	
Contacts for Questions	Airport Manager - Tristan Durfee 218-733-0078 tdurfee@duluthairport.com

VII. - C.

Duluth Airport Authority Monaco Air Duluth, LLC Operator Agreement Amended and Restated

Term:

- Remains unchanged

Agreement Overview:

- Agreement was restated to incorporate 14 amendments.
- Outdated language that was no longer relevant was removed.
- A lease boundary survey was completed to update the leased premises exhibit and to establish proper square footage rent amounts.
- Market Rent Study language was added to start in 2027 to establish land lease rates.
- Hangar 106 was removed from the leased premises and is included in another space lease agreement.
- A Non-Exclusive Ground Service Equipment Parking Area was created.
- Language was revised to clear up confusion from previous agreement.
- Overnight aircraft parking/tiedown fees concession amount was increased to 75%.
- FAA Mandatory contract provisions were added as Exhibit A.

Why were the changes in key terms needed/wanted?

- Monaco Air Duluth, LLC is going to be sold and DAA requested to incorporate the 14 amendments to make it an easier to read and interpret contract.
- There were outdated terms that needed to be removed that would not apply to new owner of FBO.
- Lease boundaries were not clear and needed to be updated to reflect actual square footage leased.

**MONACO AIR DULUTH, LLC
Operator Agreement
AMENDED AND RESTATED**

THIS AGREEMENT, made in the City of Duluth, State of Minnesota, this 1st day of November 2005, between the following parties: DULUTH AIRPORT AUTHORITY, operating under Minnesota Laws 1969, Chapter 577, hereinafter called "Authority", and MONACO AIR DULUTH, LLC (a Delaware Limited Liability Corporation), hereinafter referred to as "Operator" in response to the following:

- I. The Authority is the operator of the Duluth International Airport, located in the City of Duluth, State of Minnesota.
- II. Operator desires to operate as a Full-Service Fixed Base Operator on said Airport.
- III. Authority and Operator previously entered into that certain Operator Agreement dated November 1, 2005 ("Original Agreement") and as amended by the following (a) Amendment #1 dated July 24, 2006; (b) Amendment #2 dated May 1, 2007; (c) Amendment #3 dated December 16, 2008; (d) Amendment #4 dated September 10, 2010; (e) Amendment #5 dated March 26, 2012; (f) Amendment #6 dated May 15, 2012; (g) Amendment #7 dated February 19, 2013; (h) Amendment #8 dated February 21, 2013; (i) Amendment #9 dated June 7, 2013; (j) Amendment #10 dated October 21, 2014; (k) Amendment #11 dated June 23, 2015; (l) Amendment #12 dated May 16, 2017; (m) Amendment #13, dated February 16, 2022; and (n) Amendment #14 dated March 19, 2024 (the Original Agreement and the Amendments identified in parts (a) through (n) ("Amendments")).
- IV. The Original Agreement and Amendments were in effect from the commencement date of the Term until the September 1, 2024 Effective Date of this Amended and Restated Operator Agreement.
- V. Authority and Operator hereby amend and restate the Original Agreement to read as set forth in this Amended and Restated Operator Agreement. Any reference to the Operator Agreement dated November 1, 2005 or any of the Amendments shall mean this Amended and Restated Operator Agreement.
- VI. The terms and provisions of this Amended and Restated Operator Agreement supersede and replace the terms and provisions of the Original Agreement and all amendments to the Original Agreement.

The Original Agreement and the amendments thereto are hereby restated and amended to read 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 Duluth International 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 if 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 written document dated and signed by him or by a person designated by him to sign such document.
- C. Facility: Unless as otherwise set forth herein, "facility" shall mean the land and buildings leased to Operator and any current or future buildings owned by Operator on leased parcels of land as shown on Exhibit B attached hereto.

SECTION 2 OPERATIONS AT THE AIRPORT

Operator may provide or cause to be provided Full Service Fixed Base Operator facilities and services at the Airport, including but not limited to:

- A. Operate for the Authority the tie-down facilities on the Airport as hereinafter set forth.
- B. Hangar storage space for aircraft.
- C. Maintenance, repair and servicing of aircraft, aircraft engines and parts.
- D. Aircraft parking, tie-down services, fuel sales, and customer services shall be provided by uniformed employees of Operator whose duties will not prevent them from providing such sales and services on an immediate basis during those hours necessary to adequately meet public demand for such services. This service shall be provided a minimum of 16 (sixteen) hours per day, seven (7) days per week including holidays with a thirty (30) minute response call out service after normal business hours.
- E. Flight instruction.
- F. Air taxi service.
- G. Aircraft rental.
- H. Sale of parts and accessories for use upon aircraft and other aviation-related sales.
- I. Control ground traffic and aircraft parking on Operator's Leased Premises.
- J. Flying for charter or hire.
- K. Aircraft and float sales.
- L. Catering services.
- M. Operate vending machines located at Operator's facilities.

- N. Oversight activities, including, but not limited to, the following:
1. Be present on the premises of the Airport during hours of operation.
 2. Observe the grounds, fixtures, equipment, and buildings of the airport for any hazards, deterioration, problems, damage, and report same to Authority staff.
 3. Observe people and activities on and around the airport and report to Authority staff any illegal, suspicious, unsafe, inappropriate, unauthorized, unwanted people or activities. Call police or fire department when necessary. Document and notify Authority of any problems or emergencies.
 4. Advise airport users of proper procedures and use of premises and equipment.
 5. Facilitate communications between users, the public and Authority.
- O. Aircraft Deicing Services.
- P. Scheduled Airline Ticketing, Baggage and Ground-handling Services.
- Q. Ground-handling Services for all other aircraft to include but not limited to Charters, Cargo, and General Aviation.

In the event that Operator desires to operate a service not specifically heretofore set forth, it shall make timely request of the Executive Director which the Director shall promptly consider. The parties agree to negotiate with respect to such additional activities by Operator and the Authority agrees not to unreasonably withhold its permission and consent for such additional uses.

Rules and Standards

It is acknowledged between the parties that the Authority, in its legislative capacity, has promulgated a set of "Rules and Standards" dated June 2014, which constitute minimum standards for operators wishing to engage in aeronautical business on the Airport. Operator agrees to conduct its aeronautical business at the Airport in conformance with the minimum standards set forth and furthermore acknowledges that the Authority may, at any time and at its sole discretion, amend, change or modify said "Minimum Standards" as existing or as subsequently amended and that such action is within the legislative discretion of the Authority. However, Authority hereby agrees to give ten (10) days notice and opportunity to be heard to Operator prior to any amendment to said Rules & Standards; and Authority agrees that it will not modify said Rules & Standards in such a manner as to cause a substantial deleterious effect on Operator's business activities at the Airport unless such a change is reasonably necessary to serve the needs of the Authority, the aeronautical users of the Airport or the general public. In the event Authority approves any said amendment, the parties hereto agree that said amendment shall be applicable as a minimum standard to Operator's operations at the Airport as well as any other Operator providing aeronautical services at the Airport.

SECTION 3 USE OF FACILITIES

Authority does hereby grant to Operator the equal use of all public facilities controlled by the Authority at the Airport, including, but not limited to runways, taxiways, ramps, navigational aids, International Arrivals Building and roads.

SECTION 4 FEES, TAXES AND OTHER CHARGES

A. Ground & Building Lease: The Authority does hereby lease to Operator and Operator does hereby hire and take from Authority those parcels of land and buildings situated at the Airport as shown on Exhibit B attached hereto and made a part hereof. For the use of the land and buildings leased to Operator as shown on Exhibit B, Operator agrees to pay to Authority a monthly base rent of \$4,573.06 per month which includes the Non-Exclusive Ground Service Equipment Parking Area fee of two hundred and seventy-five dollars (\$275.00) per month due on or before the first (1st) day of each month beginning on the Effective Date.

a. Leased Areas and Annual Rental Rates Per Square Foot

- i. Parcel A, 18,979 square feet, \$.2588
- ii. Parcel B, 115,770 square feet, \$.1863
- iii. Parcel C, 134,713 square feet, \$.1863

1. Alert Hangar 13/14 and 11/12 Leases: Beginning on April 1, 2012, the Authority does hereby lease to Operator and Operator does hereby take from the Authority that land situated at the Airport under Alert Hangar 13/14 as shown on Exhibit B attached hereto and made a part hereof (the "Alert Hangar 13/14 Leased Premises"). For the use of the Alert Hangar 13/14 Leased Premises, Operator agrees to pay to Authority a monthly base rent of \$150.94, or \$.192 per square foot based on 9,434 square feet (106 feet wide by 89 feet deep), on or before the 1st day of each month beginning April 1, 2012. The lease rate shall be adjusted as provided for in Section 4.B of the Agreement beginning on November 1, 2012 and annually thereafter until June 23, 2015. Until June 23, 2015, the Operator, upon documentation of marketing services to attract additional corporate, charter and military traffic to the Airport, shall receive from Authority an annual credit to be applied against each October's lease invoice in the amount of the difference between the current square footage rate being paid by Operator for properties shown on Exhibit B and the per square footage rate of the Alert Hangar 13/14 Leased Premises. The annual credit shall expire on June 22, 2015. Beginning June 23, 2015, Operator agrees to pay to Authority a monthly base rent of \$157.23, or \$.20 per square foot (rent shall be prorated for the month of June, 2015.). This lease rate shall be adjusted as provided for in Section 4.b of the Agreement beginning on November 1, 2015 and annually thereafter for the term of the Operator Agreement.

2. Alert Hangar 11/12 Leased Premises. Beginning on June 23, 2015, the Authority does hereby lease to Operator and Operator does hereby take from the Authority that land situated at the Airport under Alert Hangar 11/12 as shown on Exhibit B attached hereto and made a part hereof (the "Alert Hangar 11/12 Leased Premises"). For the use of the Alert Hangar 11/12 Leased Premises, beginning on

June 23, 2015, Operator agrees to pay to Authority a monthly base rent of \$ 157.87, or \$.20 per square foot based on 9,472 square feet, on or before the 1st day of each month (rent shall be prorated for the month of June 2015). The lease rate shall be adjusted as provided for in Section 4.B of the Agreement beginning on November 1, 2015, and annually thereafter for the term of the Operator Agreement.

3. Non-Exclusive Ground Service Equipment Parking Fee. Beginning on the Effective Date, the Authority does hereby allow Operator to park Operator's ground service equipment on Airport property as shown on Exhibit B as "Non-Exclusive Ground Service Equipment Parking Area" for a fee of two hundred and seventy-five dollars (\$275.00) per month. The Non-Exclusive Ground Service Equipment Parking area may be amended from time to time with the approval of the Executive Director.

B. Rent Adjustments:

- a. Consumer Price Index (CPI): On November 1, 2006, and annually thereafter for the term of this Agreement and any extension thereof, the payments to be made by Operator to Authority as provided for in Section 4 above shall be increased over those of the previous year's payments calculated by multiplying the previous year's payments by the increase in the Consumer Price Index, U.S. City Average, most recently published by the U.S. Bureau of Labor Statistics of the previous year.
- b. Market Rent: Annual rental rate shall be increased to market value based on the findings of a market rent study of Airport property, conducted by the Authority at Authority's expense, to be conducted no more frequently than once every five years commencing no sooner than January 1, 2027. Adjusted rental rates shall become effective the next calendar month following Authority notifying Operator in writing of the results of the market rent study.

- C. FBO Airport Service Fees: It is agreed by and between the parties that it is the sole prerogative of the Authority to set the FBO Airport Service Fees for the use of the Airport by all, or various, classes of aviation users. Annually the Authority will adopt and publish FBO Airport Service Fees in a Rates and Charges Schedule after conferring with Operator.

- D. Authority Concession Fees: Operator agrees to collect FBO Airport Service Fees contained in the Rates and Charges Schedule and remit the appropriate portion thereof to the Authority. The Authority Concession Fees are a portion of the sale collected for each item listed in Section 4.E.

E. FBO Airport Service Fees and Authority Concession Fees Collection:

- a. Overnight Aircraft Parking: Authority will charge and collect Overnight Aircraft Parking Fees for all aircraft parking on the terminal ramp and the cargo ramp. Operator will charge and collect Overnight Aircraft parking fees for all aircraft Operator services on all other ramps on Airport property unless Authority informs Operator that Authority will be charging and collecting those fees for specific aircraft parking on one of those ramps.

- b. Landing Fees: Authority will charge and collect Landing Fees for Signatory and Non-Signatory airlines (defined in the Rates and Charges Schedule) using the terminal, cargo operators, and other tenants who have an agreement with the Authority. Operator will charge and collect landing fees for all other aircraft.

The following are percentages of Gross Sales which are defined as Authority Concession Fees:

1. Rental/Storage Hangar Fees	2.5%
2. Equipment Rental & Catering (not to include catering by the food/beverage Concessionaire located in the Terminal)	2.5%
3. Overnight Aircraft Tie Down/Parking Fees	75%
4. Aircraft Maintenance, Oil, Liquids (not to include deicing or deicing fluid)	2.5%
5. Aircraft Parts	1%
6. Flight Training	2.5%
7. FBO Charter Service & Aircraft Rental	1%
8. Aircraft Deicing Services	1%
9. Aircraft Deicing Liquid	1%
10. Landing Fees	80%

- F. 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 except from the sale of aviation, heating, and vehicle fuel; 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.
- G. Parking and Tie-Down Facilities: Operator shall operate parking and tie down facilities which are owned by Authority.
- H. Payment Dates: All payments of the monthly consideration referred to in Section 4 shall be due and payable on the first (1st) day and deemed late on the fifth (5th) day of each month of this Agreement. The preceding month's Authority Concession fees referred to in Section 4, C and D that Operator collects shall be due and payable to Authority by the twentieth (20th) day of the month. All other payments required by this Agreement shall be due and payable immediately upon being billed to Operator by Authority.

- I. Books and Records: Operator agrees to keep and maintain a complete set of financial books and records, kept according to accepted accounting practices, at a location which he shall designate within the City of Duluth. Operator agrees to keep said books and records available to the Authority and its representatives for inspection and review during normal business hours and to give the Authority written notice of the location of said books and records as provided for in Section 23 of this Agreement.
- J. Monthly Statements: Operator agrees to furnish to Authority a monthly statement in a form acceptable to Authority setting forth a summary of Operator's transactions covered by this Agreement, which statement shall be delivered to Authority no later than the twentieth (20th) day of the month following the month in which the gross sales, as defined in Section 4.F, arose. The statement shall include records of total fuel gallons pumped for all Operator fuel flowage and categorize the total revenue for all business activities performed by Operator.

SECTION 5 TERM

The term of this Agreement shall commence on November 1, 2005, and terminate on October 31, 2075, unless sooner or later terminated as herein provided.

On and after the expiration of the term of this Agreement or any extension thereof, it shall be continued on a month-to-month basis until a new Agreement is reached, subject to the right of either party to terminate it without cause upon thirty (30) days' written notice to the other party.

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 and necessary and advisable to serve the public adequately and fairly in all fields of aviation activities engaged in by the Operator, 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 for aviation activities at the Airport. Operator further agrees to use its best efforts to maintain an adequate supply of parts, aviation fuel and any other product which they customarily sell to the public present at all times at the Airport.
- B. Airfield Operation Service: Operator shall provide all labor and parts, except as set forth below, for operational services to its facilities, including, but not limited to the following: all maintenance on its facilities; facility light bulb replacement; facility snow removal, including fuel farm, facility ramps ten feet out from buildings, facility parking areas, facility t-hangar taxi-lane, and facility walkways; trash and debris collection and removal; grass mowing; maintenance, and overall facility supervision.
- C. Maintenance of Structures and Facilities: Operator agrees to keep the Leased Premises and any Authority premises operated by Operator in a clean, neat and orderly condition, in compliance with all laws and codes applicable to such premise, and to provide at its cost all heat and utilities necessary for the operation of the leased

premises except for the main terminal charter office. Operator agrees to perform all janitorial services and all maintenance of any kind, including structural maintenance, on any structure or portion thereof owned by it. Operator further agrees to perform all janitorial services and maintenance on any structure or portion thereof leased from or operated for Authority, but shall not be responsible for major or structural maintenance over \$1,000 on any such structure or portion thereof unless the need for the same shall have been caused negligently or intentionally by Operator, its employees or sub-lessees, in which event Operator shall be responsible for all major or structural maintenance necessitated thereby. Operator further agrees to make no attachment to, change of, or redecoration or modification of the said premises without the prior written consent of the Authority. In the event that Operator shall fail to so maintain any portion of said premises as stated above, Authority shall have the right, but not the obligation, to itself perform or have performed said maintenance and to charge Operator therefor, which charge Operator shall be obliged to promptly pay.

- D. Fair and Nondiscriminatory Services: Operator, in the conduct of its authorized aeronautical 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 nondiscriminatory discounts, rebates, or similar types or price reductions to volume purchasers.
- E. Operator to Furnish All Services: Operator agrees that it will itself either provide or furnish all services which this contract gives it the right to provide, or will cause these services to be furnished by independent contractors. In the event said services, or any of them, are supplied by independent contractors, Operator shall not be relieved of its responsibilities hereunder for the prosecution of its business, the collection of user fees, as hereinafter provided, in the field or commercial activities, and Operator's obligation to prosecute said business and provide said services shall continue for the term of this Agreement, or any extension hereof, and it shall not be relieved of any liability thereof because it may provide any of said services through arrangements with independent contractors.
- F. Failure to Provide All Services: In the event Operator fails to provide any of the services, including collection of user fees, or to otherwise fulfill its obligations pursuant to this Agreement, Operator shall be obligated to give the Executive Director notice of said failure within three (3) days thereof. At any time Authority may give Operator written notice of demand for performance of any obligation of Operator under this Agreement not then being fulfilled. Thereafter, Operator shall have thirty (30) days within which to arrange for the providing of such services or the performance of said business activities, and failure of the Operator to cure any of said default in its performance may be grounds for termination of this Agreement by the Authority; provided, however, that is within said thirty (30) day period Operator can demonstrate and establish to the Authority's satisfaction that said service or business activity does not have a significant need or that it has become outmoded or cannot be economically carried on, the parties agree to modify this Agreement by removing the requirement on Operator's part to provide such service or to carry on such business activity. If for any reason beyond the control of the Operator (including, without in any manner limiting the generality of the foregoing, war, strikes, riots, civil commotions and the like)

the Operator shall fail to properly any services, such failure shall not operate as a breach of this lease or render the Operator liable in damages.

- G. 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; or
 2. will increase the rate of any fire insurance on the Airport or any part thereof or upon the contents of any building thereof; or
 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.

- H. Airport Promotion: Operator agrees to use its best efforts to actively promote the Airport and its utilization by members of the flying public. Not to limit the generality of the foregoing, Operator's promotion may include, but not be limited to, advertising with aviation trade magazines, newspapers, radio, television, and promotion of seaplane facilities through pilot and trade organizations.

SECTION 7 AUTHORITY'S OBLIGATIONS

The Authority shall properly maintain, operate and manage the Airport at all times in a safe manner consistent with the generally accepted good practices in the State of Minnesota for airports of similar size and character. If for any reason beyond the control of the Authority (including, without in any manner limiting the generality of the foregoing, war, strikes, riots, civil commotions, government actions and the like) the Authority shall fail to properly maintain, operate and manage said Airport, such failure shall not operate as a breach of this lease or render the Authority liable in damages.

SECTION 8 FUTURE CONSTRUCTION

- A. Approval Required: In the event that Operator wishes to make any modifications or improvements on the Airport, he shall present his request to the Authority in writing together with design development or construction drawings showing all details of said improvement. No improvement shall be made in or on the Airport without the proper approval of the Authority and then only in conformance with the approved plans and this Section 8. No improvement shall qualify for capital investment for the purpose of

extending this Agreement's term unless Operator's request is approved by Executive Director.

B. Construction Standards and Approvals: All work done by Operator, or under his direction, shall conform to all applicable regulations, building codes and health standards, as well as the following requirements:

1. All construction shall meet the requirement of Type I (fire-resistant) construction as set forth in the Minnesota State Building Code (current edition) and the building standards for the Airport, where relevant.
2. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted for and receive approval of the Authority.
3. All work must be done by competent contractors in the time and manner approved by the Authority. Operator shall comply with the indemnity and insurance and bond requirements of this Agreement.
4. An authorized representative of Operator shall be available at all reasonable times at the site to coordinate the work of the improvements.

C. Construction Bonds and Insurance

1. Bonds: During the term of this Agreement, when any modifications or improvements are constructed, installed or renovated, Operator shall procure and furnish to Authority a contractor's bond or bonds written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Authority, in an amount not less than the cost of such construction, installation or renovation, for the use obligee, Operator and the Authority and all persons doing work or furnishing skills, tools, machinery, materials, insurance premiums, equipment or supplies incident to such construction, installation or renovation, such bond or bonds to be conditioned for payment of claims as required and in full compliance with Minnesota Statutes Section 574.26. Further, during the term of this Agreement, for any construction, installation or renovation, and before the commencement of work thereon, Operator shall furnish to Authority performance bonds, written by similarly qualified companies, covering all work to be performed thereunder guaranteeing the performance of all such work.
2. Contractor's Public Liability and Property Insurance: Before commencing any improvement, work or equipment installation on the Airport, Operator shall require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting both the Authority and the Operator as follows:
 - a. Workers' Compensation Insurance at the statutory limit.
 - b. Contractors' Comprehensive Public Liability and Property Damage Insurance.
 - c. Contractors' Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars.

- d. Owners' Protective Public Liability and Protective Property Damage Insurance.
- e. Builders' Risk Insurance (fire, extended coverage, vandalism and malicious mischief, including sprinkler leakage.)

Amounts shall be not less than One Million Dollars (\$1,500,000.00) for injuries, including accidental death to any one person, and subject to same limit for each person, and in an amount not less than One Million Dollars (\$1,500,000.00) on account of any one accident, and property damage in an amount not less than One Million Dollars (\$1,500,000.00) for any one incident with a One Million Dollars (\$1,500,000.00) aggregate for the policy. Insurance, as provided, shall be kept intact and in force throughout the term of construction work and equipment installation on the lease premises. Such insurance shall be subject to the approval of the Authority and copies furnished to the Authority prior to the commencement of construction. Amounts and coverages may be updated or substitutes approved by the City Attorney.

SECTION 9 INDEMNITY, INSURANCE AND WAIVER OF CLAIMS

- A. Defense and Indemnity: Operator agrees to defend, indemnify and hold harmless the Authority, the City of Duluth, and their employees from and against all claims, suits, liability, judgements, costs, damages and expenses which may accrue against it, be charged to, or recovered from Authority, the City of Duluth, or their employees by reason of or on account of any personal injuries or property damage arising from Operator's use or occupancy of, or operations at the Airport, and on ten (10) days' written notice from Authority, the Operator will appear and defend all claims and lawsuits against the Authority growing out of any such injury or damage.
- B. Insurance: Operator shall carry commercial general liability insurance and aircraft liability insurance on each aircraft owned and/or operated by Operator or any permitted sub-lessee at the Airport. The Operator shall carry hangar-keepers liability insurance on all buildings capable of housing aircraft. The Operator or any sub-lessee shall carry workers' compensation insurance on all of its employees employed on the Leased Premises as required by law. 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 shall provide for ten (10) days' written notice to the City and the Authority of any cancellation or modification thereof. The City of Duluth and Authority shall be made an additional insured on Operator's CGL liability policy, which must provide coverage for claims arising out of the Operator's operation at the Duluth International Airport. The 2004 edition of ISO Additional Insured Endorsement CG 20 10 is not acceptable. If an ISO endorsement is used, it must be a pre-2004 edition. The endorsement should state that the additional insured, City of Duluth and Authority, is covered for claims arising out of the operation of Operators. Language that the additional insured is covered for damages caused in whole or part by Operator is not acceptable. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority. The Authority reserves the right and Operator agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth, provided, that any such revisions shall be

reasonable and non-discriminatory as with respect to any other tenants of the Authority.

1. Comprehensive general liability or owners, landlords and tenants bodily injury and property damage liability insurance, including complete operations and contractual obligation coverage in the limits of at least two million dollars (\$2,000,000).
 2. Aircraft bodily injury liability insurance for bodily injury and property damage liability limit no less than One Million Dollars (\$1,000,000).
 3. Aircraft passenger liability insurance of limits no less than One Hundred Thousand dollars (\$100,000) for each passenger seat.
 4. Hangar-keepers liability insurance in limits of at least One Million Dollars (\$1,000,000) provided, however, that Operator agrees that, prior to housing any airplanes in any hangars covered by this insurance requirement which individually or in aggregate would exceed the insurance limits hereinbefore set down, that it will secure insurance coverage in an amount at least adequate to cover the value of said airplanes, both singly and in aggregate.
 5. Products Liability and Completed Operations insurance in the amount of at least two million dollars (\$2,000,000).
 6. Standard Minnesota workers' compensation coverage.
- C. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this Section shall in no way limit the liability of Operator under this Section.
- D. 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.
- E. Environmental Testing: At the request and expense of Authority environmental testing shall be completed to test for the 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. The results of any environmental testing will be provided to the then Operator.
- F. 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 Operator's use of or Operator'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 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. Operator 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 which arises out of Operator's use of or Operator's generation of such substances in its operations at the Airport, and Operator specifically agrees that the obligations of Section 9 above shall apply specifically to any costs or obligations of the Authority or City of Duluth arising out of any such disposition or cleanup.

- G. Attorneys' Fees: In the event Authority shall prevail in any action or suit or proceeding brought by Authority to collect rents due or to become due hereunder or any portion thereof or to take possession of the Airport or 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.
- H. Alert Hangar Property Insurance: Operator agrees to insure the Alert Hangar 13/14 and 11/12 structures to the full replacement value thereof against risk of direct physical loss, except that such insurance may provide for a deductible amount not to exceed \$25,000 per occurrence. Authority shall be named as an additional insured as its interest may appear.
- I. Alert Hangar Liability: Each party shall carry commercial general liability insurance and shall pay the deductible for losses caused by the intentional or negligent acts or omissions of that party or its agents or employees.

SECTION 10 LAWS, ORDINANCES, RULES AND NON-DISCRIMINATION

- A. Laws, Ordinances and Rules: The Operator shall comply with all laws of the United States and the State of Minnesota, the ordinances, rules, regulations and orders of the United States and the State of Minnesota, or of any agency, department or governmental subdivision of any of the above, or of the Authority relating to Operator's activities at the Airport, including but not related to Operator's activities at the Airport, including but not limited to the Airport Security Plan, Airport Certification Manual, and Airport Emergency Plan on file in the office of the Executive Director of the Duluth Airport Authority located at Duluth International Airport.
- B. Subordination: This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota 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 or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.
- C. Non-discrimination: Operator shall comply with the Mandatory Federal Aviation Civil Rights Provisions contained in Exhibit A, replacing the following words in the exhibit:
- Contractor" with "Operator"
 - "subcontractor" with "contractor"
 - "contract" with "agreement"

- “subcontract” with “contract”
- “Sponsor” with “Authority”
- “solicitation” with “agreement”

**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, to re-enter into or upon the Airport 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; or
2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon said premises as of its former estate therein, and the Operator covenants in case of such termination to indemnify the Authority against all loss of rents and expense which the Authority has suffered or paid by reason of such termination, during the residue of the term; or
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 proceeding 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, fees, taxes or other charges when due hereunder and such failure to pay shall continue for ten (10) days after notice in writing in the manner hereinafter provided for.
2. If the Operator fails in the observance or performance of any of the terms, covenants and conditions of this Agreement and such failure shall continue for sixty (60) days, or the Operator shall have failed to commence the rectification of such failure within sixty (60) days and to diligently prosecute the same where the same cannot be completed within sixty (60) days, or
3. If a petition to reorganize the Operator or for its arrangement of its unsecured debts shall be filed, or
4. If the Operator shall be adjudicated bankrupt, or
5. If a receiver or trustee of the Operator’s property shall be appointed by any court, or
6. If the Operator shall make a general assignment for the benefit of creditors, or

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 leased premises shall be deserted or vacated.
- C. Automatic Termination: Additionally, should Operator fail to make any payment required by this Agreement within (60) days of the date upon which it is due, this Agreement shall automatically terminate and Operator shall immediately cease operations on the Airport.

SECTION 12 TERMINATION BY OPERATOR

- A. Termination: Operator may terminate this Agreement prior to the end of its term, or any extension thereof, for the following reasons:
1. Failure of Authority to substantially perform its obligations hereunder, if such failure shall continue for sixty days (60) days after Operator has given Authority written notice or the Authority shall fail to commence the rectification of such failure within sixty (days) after such notice and to diligently prosecute the same where the same cannot be completed within sixty (60) days.
 2. If the Authority shall commit any act or engage in any activity that prevents the Operator from conducting its business as provided under the terms of this Agreement for a period of sixty (60) days without the consent of Operator and after Operator has given notice to the Authority as provided for herein.
- B. This Agreement shall terminate if Authority or City of Duluth ceases Airport operations at Duluth International airport, or if any act of the government of the United States, State of Minnesota, or City of Duluth, war, natural disaster, civil unrest, or like cause of a third party makes continued operations impossible or no longer feasible.

SECTION 13 WAIVER OF BREACH

The waiver by the Authority or the Operator 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 REAL PROPERTY UPON TERMINATION

Upon the expiration or termination of this Agreement, Operator's authority to use the premises, rights, facilities and equipment herein granted shall cease; and Operator shall, upon termination or expiration, promptly and in good condition surrender the same to Authority except as set forth below. In the event that Operator has in any way changed, altered or modified the premises demised herein, Operator covenants to return the same to the condition they were in at the time of the signing of this Agreement or, in the alternative, to pay 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, together with the premises covered by this Agreement, shall be immediately returned to the control of the Authority. Any

improvements not part of the realty shall be removed therefrom within fifteen (15) days after the termination of this Agreement or the same shall be deemed to have been abandoned to the Authority and the right of Operator to possession thereof shall cease.

SECTION 15 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 Authority shall first be obtained in each and every case of assignment or transfer as shall from time to time occur or be desired. The Authority's approval of such will not be unreasonably withheld. 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 permission be granted by the Authority as herein provided, the assignee or transferee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Operator shall be and remain liable for payments of all rents and the performance of all covenants and conditions for the full term of this Agreement.

SECTION 16 ERECTION OF SIGNS – DECORATIONS

The Operator shall be allowed to erect suitable advertising signs on the Airport to advertise its business, but the form, size and method of installation of any such signs shall be subject to the approval of the Executive Director of the Authority. Decorations, graphics, outdoor advertising, paint schemes, promotional structures, must comply with all regulations, be safe for aeronautic operations, and be approved in writing by the Executive Director.

SECTION 17 NON-EXCLUSIVE RIGHTS

Operator shall have the right and privileges of engaging in and conducting a full service fixed base operation on the premises of the Airport under the terms and conditions as set forth herein; provided, however, that 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 other than those premises and facilities of said Airport other than those premises leased exclusively to Operator hereunder. The parties to this Agreement do not intend to create any rights in any third party beneficiary.

SECTION 18 GOVERNMENTAL COMMITMENTS

Nothing herein shall be construed to prevent the Authority from making such commitments as it desires to the Government of the United States or to the State of Minnesota in order to qualify for the expenditure of Federal or State funds at the Airport or related in any manner to the operation thereof, and this Agreement shall be subordinate to the provisions

of any existing or future agreement between or of the State of Minnesota relative to the operation or maintenance of the Airport.

SECTION 19 CONFIDENTIALITY

The Authority and its agents shall use due care to treat confidentially all matters pertaining to Operator's business, except those things which of necessity must become part of the public record. Each party is bound by Minnesota Data Practices Act.

SECTION 20 SEVERABILITY

It is the intent of both parties hereto that the provisions of this Agreement shall be severable with respect to the effect of a declaration of invalidity by any court of competent jurisdiction of any provision of the Agreement or the application thereof.

SECTION 21 SECURITY INTEREST AND BOND

- A. Security Interest: Operator hereby grants to Authority a security interest in all goods, chattels, fixtures and personal property belonging to Operator, which now are or may hereafter be placed in the premises, to secure all rents due hereunder. In the event that there exists any security interest in said property which is paramount and superior to the security interest herein created, Authority may satisfy said paramount security interest and all sums paid in satisfying said security interest will be considered additional sums owed Authority by Operator hereunder. Operator hereby acknowledges receipt of a true, full and complete copy of this Agreement. Authority, in the event of a default by Operator of any covenant or condition herein contained, may exercise, in addition to any rights and remedies herein granted, all the rights and remedies of a secured party under the Uniform Commercial Code, or any other applicable law; provided, however, that Authority shall not have the power to seize or dispose of any of the property covered by the aforesaid security interest without receiving authorization to do so from a court of appropriate jurisdiction under the laws of the State of Minnesota.
- B. Payment Bonds: To ensure the performance of its obligations pursuant to this Agreement, Operator hereby agrees to have on file at all times with the Authority a bond written by a company licensed to do so by the State of Minnesota in a form approved by the Executive Director in an amount equal to the aggregate of the guaranteed payments due to Authority from Operator in the then-existing contract year guaranteeing said obligation. In the event of the failure of Operator to fulfill any obligation due to Authority under this Agreement, Authority shall have the right, but not the obligation, of proceeding against the bond to fulfill such obligation; provided, however, that nothing herein shall in any way negate or reduce the rights of Authority under Article 11 of this Agreement.

**SECTION 22
MODIFICATION OF THE AGREEMENT**

Any 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 23
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 State Mail addressed to Monaco Air Duluth, LLC, Attention: Donald P. Monaco, 4535 Airport Approach Road, Duluth, Minnesota, 55811.

**SECTION 24
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.

**SECTION 25
OTHER TERMS**

- A. Notwithstanding the requirements under Section 6(D) (Diligent Operation), the Operator shall be obligated to provide only such services to the extent reasonably specified by the Authority. The Authority must provide reasonably specific notice regarding the particular service required of the Operator pursuant to Section 6(E) (Operator to Furnish All Services). Any Airport promotion required under Section 6(H) (Airport Promotion) shall be at the discretion of the Operator.
- B. Notwithstanding Section 9 (Indemnity, Insurance and Waiver of Claims), the Operator shall not be liable for indemnification to the extent that any damage or loss is directly caused by the fault of the Airport.
- C. Notwithstanding Section 7 (E) (Environmental Liability), the Operator shall not be obligated to Authority for the cleanup or remediation of conditions on the Leased Premises which existed prior to November 1, 2005.

**SECTION 26
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.

Dated: _____

DULUTH AIRPORT AUTHORITY

MONACO AIR DULUTH, LLC

By: _____
Its President

By _____
Donald P. Monaco, Its Owner

By: _____
Its Secretary

EXHIBIT A

MANDATORY FEDERAL AVIATION GENERAL CIVIL RIGHTS PROVISIONS

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

Specific Clause that is used for Lease Agreements or Transfer Agreements

If the Contractor transfers its obligation to another, the transferee is obligated in the same manner as the Contractor.

The above provision obligates the Contractor for the period during which the property is owned, used or possessed by the Contractor and the airport remains obligated to the Federal Aviation Administration.

Title VI List of Pertinent Nondiscrimination Acts and Authorities

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

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq.*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public

- accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
 - Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
 - Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
 - Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

Compliance with Nondiscrimination Requirements:

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

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to

the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE AIRPORT IMPROVEMENT PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Sponsor pursuant to the provisions of the Airport Improvement Program grant assurances:

- A. The (grantee, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that:
 1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
- B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, *Authority* will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.*
- C. With respect to a deed, in the event of breach of any of the above Nondiscrimination covenants, the Authority will have the right to enter or re-enter the lands and facilities thereon, and the above-described lands and

facilities will there upon revert to and vest in and become the absolute property of the Authority and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Authority pursuant to the provisions of the Airport Improvement Program grant assurances.

- A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, "as a covenant running with the land") that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.
- B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Non-discrimination covenants, Authority will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.*
- C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, Authority will there upon revert to and vest in and become the absolute property of Authority and its assigns. *

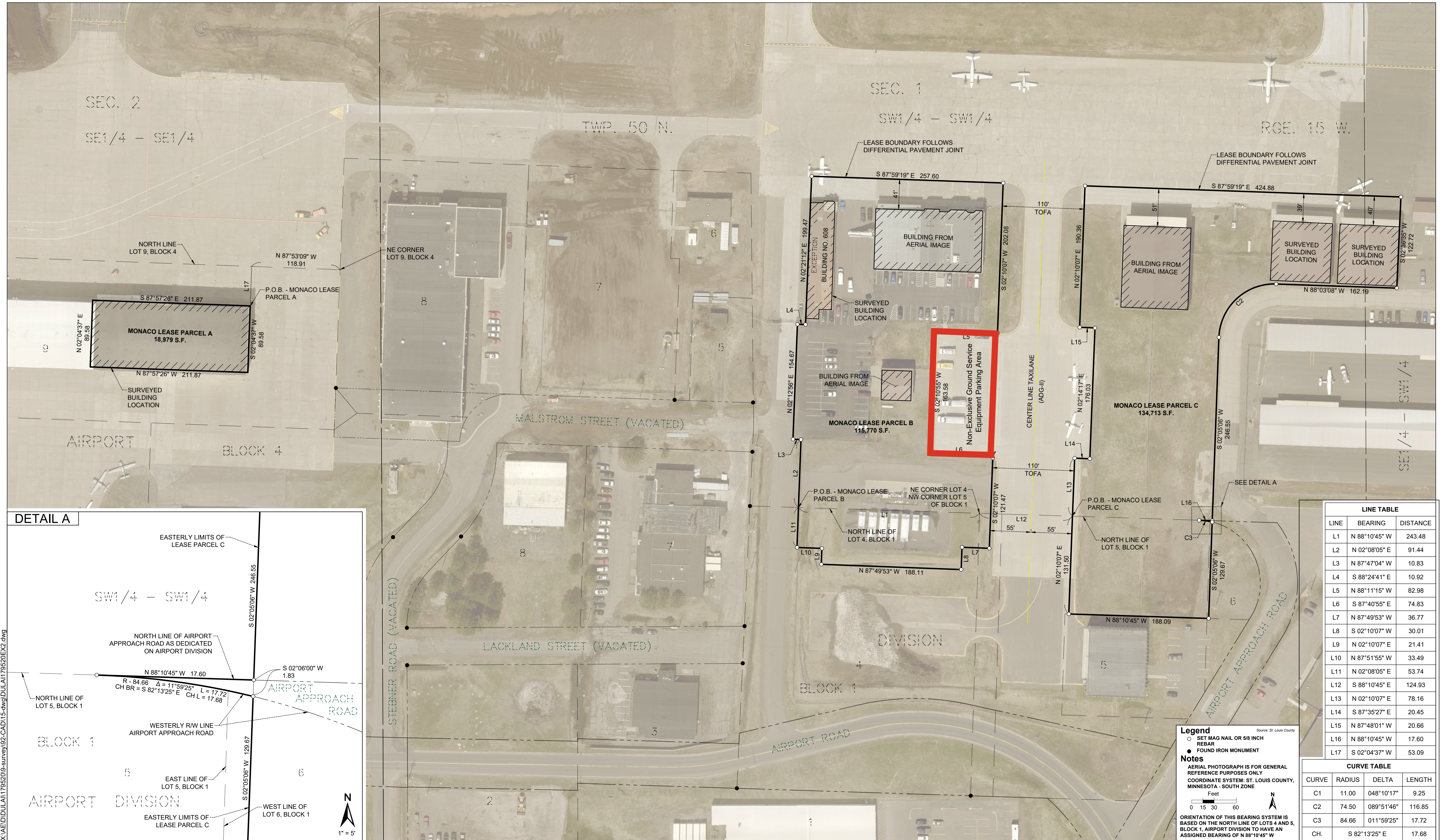
(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

CLEAN AIR AND WATER POLLUTION CONTROL

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC §§ 7401-7671q) and the Federal Water Pollution Control Act as amended (33 USC §§ 1251-1387). The Contractor agrees to report any violation to the Authority immediately upon discovery. The Authority assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceed \$150,000.

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.



VII. - D.

Duluth Airport Authority
Monaco Air Duluth
Line Shack & Hangar 106 Space Lease

Terms:

- 3 Year Term

Background:

- The Line Shack Office & Hangar 106 are DAA owned buildings that Monaco has leased from the DAA.
- Hangar 106 was previously part of the Monaco Operator Agreement and the Line Shack lease was a stand alone agreement.
- Due to the condition of the buildings, the DAA requested to remove Hangar 106 from Operator Agreement and combine the lease with the Line Shack Lease.
- Having both of these spaces on their own short term agreement provides the DAA future flexibility.

Agreement Overview:

- 180 square feet in Building 608- Line Shack
- 5,200 square feet of Hangar 106
- Lessee is responsible for all operating expenses, maintenance and repair.

**DULUTH AIRPORT AUTHORITY
SPACE LEASE AGREEMENT
MONACO AIR DULUTH**

The parties to this Agreement are the DULUTH AIRPORT AUTHORITY, a governmental body organized and existing under Chapter 577 of the Laws of Minnesota, 1969, hereinafter known as "Authority", and Monaco Air Duluth, LLC, located at 4535 Airport Approach Road, Duluth, MN 55811, hereinafter referred to as "Lessee".

WHEREAS, The Authority is a public body created pursuant to Minnesota Laws 1969, Chapter 577 and responsible for the operation of the Duluth International Airport located in and adjacent to the City of Duluth, Minnesota; and

WHEREAS, The Lessee desires to lease space at the Airport and the Authority agrees to allow the Lessee to lease space under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of their mutual covenants and representations, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree for themselves and their successors and assigns as follows:

**SECTION 1
DEFINITIONS**

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

- A. Airport: shall mean the Duluth International Airport located in and adjacent to the City of Duluth, County of St. Louis, State of Minnesota.
- B. City: shall mean the City of Duluth, Minnesota.
- C. 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 signed by the Executive Director or authorized designee.
- D. Executive Director: shall mean the Executive Director of the Authority, or designee.
- E. Leased Premises: shall refer to the Authority Owned Building 608 Line Shack and Authority Owned Hangar 106 areas leased by Lessee as further described in Section 3A and as shown on Exhibit B.
- F. Leasehold Improvements: shall mean all items located on and within the Leased Premises provided or purchased by Lessee, including items such as decorations, partitions, wiring, lighting and plumbing fixtures, piping, finished ceilings, ventilation duct work, grills, floor and wall coverings, heaters, cabinets, lockers, sinks, counters, chairs, other furniture, signs and other related improvements.

**SECTION 2
TERM**

The Term of this Agreement shall commence on September 1, 2024 and shall remain in effect until midnight August 31, 2027. In the event that the Term expires and a new agreement has not been executed, at the sole discretion and upon 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 Lessee will be allowed to hold over at the sole discretion and upon

the written consent of the Executive Director, which consent may be withdrawn upon sixty (60) days' written notice to Lessee.

SECTION 3 LEASED PREMISES

- A. Leased Premises:
- a. Lessee is hereby granted use of approximately one hundred eighty (180) square feet of Authority owned Building 608 area referred to as the "Line Shack", to be used to support the line service operations of Lessee. See Exhibit B attached hereto.
 - b. Lessee is hereby granted use of Authority owned Hangar 106 which consists of approximately five thousand two hundred (5,200) square feet for aeronautical use to support operations of Lessee. See Exhibit B attached hereto.
- B. The Right of Ingress: Lessee shall have reasonable access to the Leased Premises on a 24-hour-a-day, seven-day-a-week basis.

SECTION 4 PAYMENTS AND OTHER FEES

Lessee hereby agrees to pay Authority for the rights and privileges granted hereunder as follows:

- A. Leased Premises:
- a. For the rent of the Line Shack, a rental fee of four dollars (\$4.00) per square foot per year shall be paid to the Authority. Rent shall be sixty dollars (\$60.00) dollars per month for the Line Shack. The first payment of rent in the amount of \$60.00 shall be due and payable September 30, 2024, and monthly thereafter during the term of this Agreement and any extensions thereof.
 - b. For the rent of Hangar 106, a rental fee of \$.861 per square foot per year shall be paid to the Authority. Rent shall be three hundred seventy-two dollars and sixty-eight cents (\$372.68) per month for Hangar 106. The first payment of rent in the amount of \$372.68 shall be due and payable September 30, 2024, and monthly thereafter during the term of this Agreement and any extensions thereof.
- B. Increased Payments: On September 1, 2025, and annually thereafter for the term of this Agreement and any extension thereof, the payments to be made by Lessee to Authority as provided for in Paragraph A above shall be increased over those of the previous year's payments calculated by multiplying the previous year's payments by the increase in the Consumer Price Index, U.S. City Average, most recently published by the U.S. Bureau of Labor Statistics of the previous year.
- C. Refuse and Garbage: Lessee assumes all responsibility for the disposal of refuse and garbage generated by its operations on the Leased Premises during the term of the Lease and agrees to pay for all costs related thereto.
- D. 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.
- E. Operating Expenses, Maintenance, and Repair: All operating costs, maintenance, snow removal and repair shall be the sole responsibility of the Lessee. Mechanical maintenance shall be coordinated with the Authority to ensure the Authority is in compliance with all State and local building requirements.
- F. Utilities: The Lessee shall provide such heat and electricity as are reasonably necessary for Lessee's operations at the sole cost to Lessee.
- G. Fee for Failure to Maintain: In the event that Lessee fails to keep the Leased 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 Leased Premises not so kept, and Lessee 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: Lessee shall promptly repair or replace any property of the Authority lost, destroyed or damaged by its operations hereunder. If Lessee 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 Lessee 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: Lessee hereby agrees to pay all licenses, fees, taxes and assessments of any kind whatsoever which arise because of, or in the course of any operations covered by this Agreement during the term hereof. Should Lessee 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 Lessee, and Lessee agrees to reimburse Authority for said amounts paid plus a fifteen percent (15%) administrative fee due and payable upon receipt.
- J. Late Payment:
If Lessee is delinquent for thirty (30) days or longer in paying any amounts owed to the Authority under this Agreement, Lessee 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 the 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 remedies provided by this Section are in addition to all other remedies the Authority may have for a breach of this Agreement by Lessee, and nothing in this Section shall be deemed to be a waiver by the Authority or prevent the Authority from asserting any other remedy.
- K. Payment Obligations Unconditional:
The obligations of Lessee 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 therefor except as specifically provided for herein notwithstanding the Lessee shall have the right to contest within thirty (30) days.

SECTION 5

ACCESS BY AUTHORITY

Upon 48 hours' notice, the Authority shall have the right to enter and inspect the Leased Premises for the purpose of ascertaining the condition thereof or in order to make such repairs as may be required to be made by the Authority under the terms of this Agreement or as the Authority may deem necessary. The right of entry shall not be deemed to impose any greater obligation on the Authority to clean, maintain, repair or change the Leased Premises than is specifically provided in this Agreement. The Authority may at any time in case of emergency enter the Leased Premises and do such acts as the Authority may deem proper in order to protect the Leased Premises.

SECTION 6

CONSTRUCTION AND LEASEHOLD IMPROVEMENTS

- A. In the event that Lessee wishes to make any Leasehold Improvements at the Airport, it shall present its request to the Executive Director in writing together with design development or construction drawings showing all details of said Leasehold Improvement. No Leasehold Improvement shall be

made in the Leased Premises without the prior written approval of the Executive Director and then only in conformance with the approved plans and this Section.

- B. All work done by Lessee, or under its direction, shall conform to all applicable regulations, building codes and health standards, as well as the following requirements:
1. All construction shall meet the requirement of Type I (fire resistant) construction as set forth in the Minnesota State Building Code (current edition) and the building standards for the Airport.
 2. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted to and receive prior written approval of the Executive Director.
 3. All work must be done in the time and manner approved by the Executive Director and coordinated with the Executive Director. Lessee shall comply with the indemnity and insurance and bond requirements of this Agreement.
 4. An authorized representative of Lessee shall be available at all reasonable times at the site to coordinate the work of the Leasehold Improvements.

C. Construction Bonds and Insurance

1. Bonds: During the term of this Agreement, when any Leasehold Improvements are constructed, installed or renovated, Lessee shall procure and furnish to the Executive Director a bond or bonds written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Executive Director, in an amount not less than the cost of such construction, installation or renovation, for the use of obligee, Lessee and the Authority and all persons doing work or furnishing skills, tools, machinery, materials, insurance premiums, equipment or supplies incident to such construction, installation or renovation, such bond or bonds to be conditioned for payment of claims as required and in full compliance with Minnesota Statutes Section 574.26. Further, during the term of this Agreement, for any construction, installation or renovation of Leasehold Improvements, and before the commencement of work thereon, Lessee shall furnish to Authority performance bonds, written by similarly qualified companies, covering all work to be performed thereunder guaranteeing the performance of all such work.
2. Public Liability and Property Insurance: Before commencing any Leasehold Improvement on the Leased Premises, Lessee shall itself or shall require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting both the Authority, the City of Duluth and the Lessee as follows:
 - a. Workers' Compensation Insurance.
 - b. Contractors Comprehensive Public Liability and Property Damage Insurance.
 - c. Contractors Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars.
 - d. Owners Protective Public Liability and Protective Property Damage Insurance.
 - e. Builders Risk Insurance (fire, extended coverage, vandalism and malicious mischief, including sprinkler leakage).

Amounts shall not be less than One Million Five Hundred Thousand Dollars (\$1,500,000) for injuries, including accidental death to any one person, and subject to same limit for each person, and in an amount not less than One Million Five Hundred Thousand Dollars (\$1,500,000) for any one accident with a One Million Five Hundred Thousand Dollar (\$1,500,000) aggregate for the policy. Insurance, as above provided, shall be kept intact and in force throughout the term of construction work and equipment installation on the Leased Premises. Such insurance shall be subject to the approval of the Executive Director and copies furnished to the Executive Director prior to the commencement of construction.

- D. Subsequent Leasehold Improvements: Any changes in, additions to or deletions from existing or later constructed Leasehold Improvements shall be subject to the prior approval of the Executive Director and Executive Director may impose such conditions as it shall deem necessary to protect the Authority and the integrity of all operations at the Airport, including, but not limited to, bonding and insurance requirements.

SECTION 7 INDEMNIFICATION

- A. Lessee 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) based upon injury to persons, including death, or damage to tangible property, and any fines in any way arising from or based upon the violation of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated, by Lessee, its agents, employees, or successors and assigns, arising out of, resulting from, in conjunction with or incident to Lessee's negligence during its operation of its business and/or performance of its obligations under this Agreement or use and/or occupancy of the Leased Premises or of the Airport, 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 Lessee's use of, or Lessee'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. Lessee 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 Lessee's use of, or generation of, such substances in its operations at the Airport, and, Lessee specifically agrees that the obligations above shall apply specifically to any cost 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. Lessee shall not be responsible for preexisting environmental conditions or environmental conditions arising during the term of this Lease which are not caused by Lessee.
- C. The provisions of this Section shall survive the expiration, termination or early cancellation of this Agreement.

SECTION 8 INSURANCE

- A. 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. 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 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.
- 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 Lessee under this Section.
- D. 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 and/or personal possessions of Lessee.

SECTION 9 FIRE INSURANCE

- A. Authority's Fire Insurance:
Lessee 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 Airports or any part thereof or upon the contents of any building thereof; or
 2. Will increase the rate of any fire insurance on the Airport or any part thereof or upon the contents of any building thereof; or
 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 any reason of the Lessee's failing 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 such violation by the Lessee.

SECTION 10
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.
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 thirty (30) 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 thirty (30) days after Authority has given Lessee written notice, or the Lessee shall have failed to commence the corrective action of such failure within thirty (30) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (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 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 Lessee shall cease operations in the Leased Premises for a period of sixty (60) days or more.

SECTION 11 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 12 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 13 LIENS AND ASSIGNMENTS

- A. Liens: Lessee shall not create or permit any mortgage, encumbrance or lien or allow any mechanics' or materialmen's 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 Executive Director of its intention to do so and post such security as the Executive Director reasonably deems necessary, Lessee may, in good faith, contest any such mechanics' or other liens filed or established as long as the Executive Director does not deem its interest or rights in this Agreement to be subject to foreclosure by reason of such contest.
- B. Assignment: Lessee shall not assign this Agreement unless the written consent of the Executive Director shall first be obtained. The Executive Director's approval shall not be withheld if the assignment or transfer is to the same party, who is assigned Lessee's rights under the that certain

Operator Agreement dated November 1, 2005, as amended, between Authority and Lessee. It is expressly agreed by the parties that a change in ownership of the controlling interest in Lessee shall be deemed to be an assignment as provided for in this Section 13. It is expressly agreed by the Lessee that in the event of an assignment covered by this Section 13, the assignee shall be required to assume and agree to perform the covenants of this Agreement and Lessee shall have no further obligation or liability under this Agreement.

SECTION 14 SUBORDINATION

This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota 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 or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.

SECTION 15 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 16 NOTICES

Any notice provided for in this Agreement or otherwise to the Authority shall be sent to:

Duluth Airport Authority
Executive Director
Duluth International Airport
4701 Grinden Drive
Duluth, Minnesota 55811

Any notice to the Lessee hereunder shall be sent to:

Monaco Air Duluth, LLC
Owner
4535 Airport Approach Road
Duluth, MN 55811

SECTION 17 APPLICABLE LAW

This Agreement, together with all of its articles, terms and provision, 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 shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota. The parties to this Agreement waive any objections to the jurisdiction of these courts, whether based on convenience or otherwise.

**SECTION 18
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 19
SEVERABILITY**

In the event any provision of this Agreement 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
NONWAIVER OF LIABILITY**

Nothing in this Agreement constitutes a waiver by the Authority or the City of any statutory or common law defenses, immunities, or limits on liability. The liability of the Authority and the City shall be governed by the provisions of the Minnesota Municipal Liability Tort Act, Minn. Stat. 466.04.

**SECTION 21
ATTORNEYS' FEES AND COSTS**

In the event Authority shall prevail in any action or suit or proceeding brought by Authority to collect rents due or to become due hereunder or any portion thereof or to take possession of the demised Leased Premises, or to enforce compliance with this Agreement or for the failure to observe any of the covenants of this Agreement, Lessee 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 proceedings.

**SECTION 22
LAWS, RULES AND REGULATIONS AND NON-DISCRIMINATION**

- A. Laws, Ordinances and Rules: The Lessee shall comply with all laws of the United States and the State of Minnesota, the ordinances, rules, regulations and orders of the United States and the State of Minnesota, or of any agency, department or governmental subdivision of any of the above, or of the Authority relating to Lessee's activities at the Airport, including but not related to Lessee's activities at the Airport, including but not limited to the Airport Security Plan, Airport Certification Manual, and Airport Emergency Plan on file in the office of the Executive Director of the Duluth Airport Authority located at Duluth International Airport.
- B. Subordination: This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota 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 or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.
- C. Non-discrimination: Lessee shall comply with the Mandatory Federal Aviation Civil Rights Provisions contained in Exhibit A, replacing the following words in the exhibit:
- Contractor" with "Lessee"
 - "subcontractor" with "contractor"
 - "contract" with "agreement"
 - "subcontract" with "contract"
 - "Sponsor" with "Authority"

- “solicitation” with “agreement”

**SECTION 23
ENTIRE AGREEMENT**

This Agreement, including Exhibit A and Exhibit B 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 24
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.

Dated: _____

DULUTH AIRPORT AUTHORITY

MONACO AIR DULUTH, LLC

By: _____
President

By: _____
Donald P. Monaco, Owner

By: _____
Secretary

EXHIBIT A

MANDATORY FEDERAL AVIATION GENERAL CIVIL RIGHTS PROVISIONS

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

Specific Clause that is used for Lease Agreements or Transfer Agreements

If the Contractor transfers its obligation to another, the transferee is obligated in the same manner as the Contractor.

The above provision obligates the Contractor for the period during which the property is owned, used or possessed by the Contractor and the airport remains obligated to the Federal Aviation Administration.

Title VI List of Pertinent Nondiscrimination Acts and Authorities

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

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq.*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by

discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

Compliance with Nondiscrimination Requirements:

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

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as

the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE AIRPORT IMPROVEMENT PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Sponsor pursuant to the provisions of the Airport Improvement Program grant assurances:

- A. The (grantee, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add “as a covenant running with the land”] that:
 1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
- B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, *Authority* will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.*
- C. With respect to a deed, in the event of breach of any of the above Nondiscrimination covenants, the Authority will have the right to enter or re-enter the lands and facilities thereon, and the above-described lands and facilities will there upon revert to and vest in and become the absolute property of the Authority and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Authority pursuant to the provisions of the Airport Improvement Program grant assurances.

- A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, “as a covenant running with the land”) that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee,

etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.

- B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Non-discrimination covenants, Authority will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.*
- C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, Authority will there upon revert to and vest in and become the absolute property of Authority and its assigns. *

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

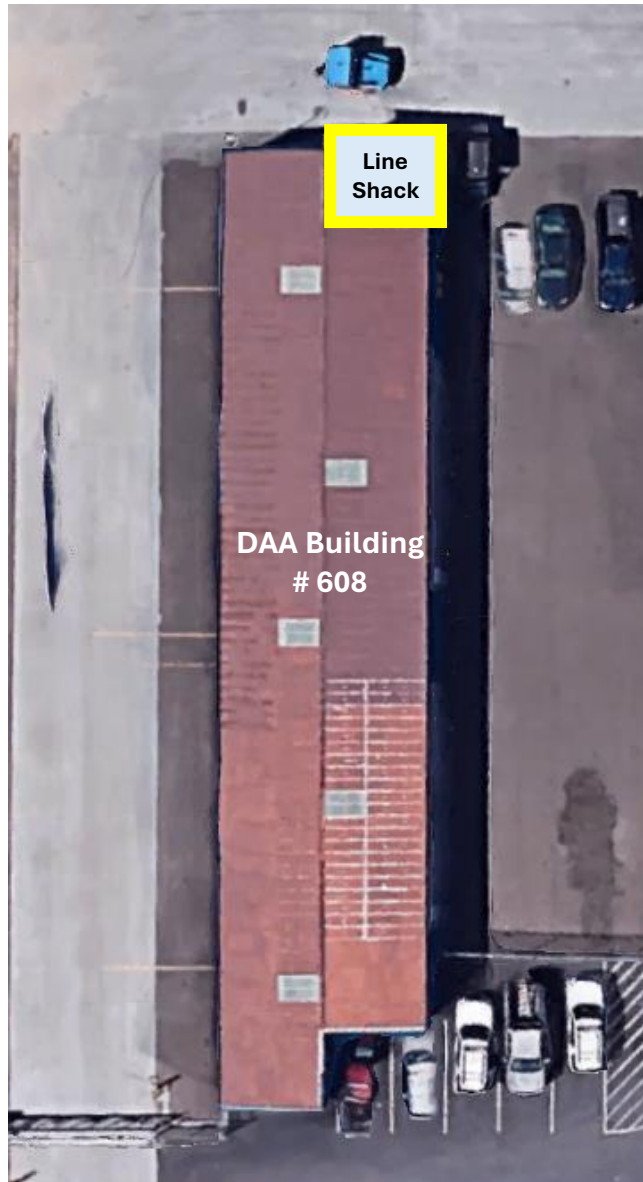
CLEAN AIR AND WATER POLLUTION CONTROL

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC §§ 7401-7671q) and the Federal Water Pollution Control Act as amended (33 USC §§ 1251-1387). The Contractor agrees to report any violation to the Authority immediately upon discovery. The Authority assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceed \$150,000.

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

Exhibit B



VII. - E.

Duluth Airport Authority
TURO INC.
Peer-To-Peer Car Sharing Agreement

Term:

- August 1, 2024-July 31, 2025

Agreement Overview:

- Monthly Concession is 10% of Gross Revenue relating to any transaction in which a Shared Vehicle Driver selects the Airport for delivery of a Shared Vehicle.
- Reserved cars can be left in Airport Surface or Parking Ramp; there are not designated parking spaces for TURO.
- All DLH parking lot fees apply.
- Commercial Vehicle Lane can be used as an Attended Vehicle Exchange location.

Why were the changes in key terms needed/wanted?

- DAA did not have an agreement with TURO and therefore did not capture revenue from potential TURO operations at DLH.

**PEER-TO-PEER CAR SHARING AGREEMENT
DULUTH INTERNATIONAL AIRPORT**

By and Between

DULUTH AIRPORT AUTHORITY

And

TURO INC.



DULUTH AIRPORT AUTHORITY

**DULUTH AIRPORT AUTHORITY
PEER-TO-PEER CAR SHARING AGREEMENT**

The parties to this Agreement are the DULUTH AIRPORT AUTHORITY, a governmental body organized and existing under Chapter 577 of the Laws of Minnesota, 1969, hereinafter known as "Authority", and Turo Inc., a Delaware corporation ("Operator" or "Turo").

WHEREAS, The Authority is a public body created pursuant to Minnesota Laws 1969, Chapter 577 and responsible for the operation of the Duluth International Airport located in and adjacent to the City of Duluth, Minnesota ("Airport"); and

WHEREAS Operator desires to access a designated area at the Airport to enable Peer-to-peer Vehicle Car sharing at the Airport and the Authority wishes to authorize such Peer-to-peer Vehicle Car Sharing at the Airport under the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and representations contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree for themselves and their successors and assigns as follows:

NOW THEREFORE, in consideration of the rents and mutual covenants, the parties agree:

**SECTION 1
DEFINITIONS**

- A. Airport means the Duluth International Airport and all of the area, buildings, facilities, and improvements within the interior boundaries of such Airport as it now exists or as it may hereafter be extended or enlarged and as depicted on a current Airport Layout Plan approved by the Federal Aviation Administration.
- B. Effective Date The date this Agreement is signed by both parties.
- C. Designated Areas As defined in Section 3.
- D. Parking Ramp The public parking buildings located at the Duluth International Airport 4701 Grinden Drive Duluth, MN with a maximum height restriction of eight (8) feet.
- E. Shared Vehicle Owner An individual or company that owns, leases, or otherwise has control over a Shared Vehicle and uses Operator's website, mobile application, or any other platform to perform a Peer-to Peer Car Sharing of a Shared Vehicle.
- F. Peer-to-Peer Car Sharing An arms-length, remote, web-based, or mobile transaction where a Shared Vehicle Owner allows a third party to use the Shared Vehicle(s) for a fee. This includes, but is not limited to, Reservations made through Operator's website, mobile application, or any other platform that connects Shared Vehicle Owners with Airport Customers seeking to reserve the Shared Vehicle(s), with the Shared Vehicle(s) being dropped off to the Airport Customer on Airport Property.
- G. Reservation An online electronic reservation completed for an Airport Customer in Operator's Peer-to-Peer Car Sharing website, mobile application, or other platform that initiates a reservation for a Vehicle between a Shared Vehicle Owner and an Airport Customer where the Shared Vehicle Owner drops off the Vehicle to the Airport Customer.
- H. Shared Vehicle A licensed motor vehicle with a maximum height of eight (8) feet, that has been shared or is available to be shared from a Shared Vehicle Owner through a Turo controlled platform. All Shared Vehicles operating at the Airport for curbside Shared Vehicle exchange shall contain a sticker or other identification approved by the Authority that indicates it is a Shared Vehicle. All Shared Vehicles parked at the Airport shall be securely locked at all times with keys hidden and out of sight. Airport Customer will be granted access to the Shared Vehicle via software with remote

unlocking capability or use of a lock box.

SECTION 2 TERM

Notwithstanding the date of this Agreement, the Term of this Agreement shall commence on August 1, 2024 and shall remain in effect until midnight July 31, 2025. 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 3 NON-EXCLUSIVE AGREEMENT

- A. Subject to the terms of this Agreement, the Authority hereby grants a revocable, non-exclusive privilege to Turo to enable its Peer-to-Peer Vehicle Sharing Service for Owners to deliver vehicles at the Airport.
- B. Turo, Shared Vehicle Owners and Shared Vehicle Drivers shall use the Airport Terminal Surface Parking Lot or Parking Ramp in the same manner as any other Airport customer, in which they will drop off and pick up the Shared Vehicle in the Airport Terminal Surface Parking Lot or Parking Ramp (Exhibit A) and be responsible for any applicable parking fees.
- C. Turo, Shared Vehicle Owners, and Shared Vehicle Drivers may also conduct Owner and Driver attended drop-offs and pick-ups of Shared Vehicles ("Attended Vehicle Exchanges") in the Terminal Commercial Vehicle Lane (Exhibit B), which location shall be determined from time-to-time solely by the Authority provided, however that (i) such Attended Vehicle Exchanges shall not exceed five (5) minutes, and (ii) Turo, Shared Vehicle Owners and Shared Vehicle Drivers entire Attended Vehicle Exchange takes place at the Commercial Vehicle Lane (Exhibit B). Vehicles left unattended in the Terminal Commercial Vehicle Lane (Exhibit B), or any other unauthorized area may be ticketed and/or towed by the Authority at any time. Any vehicle towed or impounded shall be recovered by the Shared Vehicle Owner at their sole cost.
- D. The Authority reserves the right at its sole discretion to reassign the Designated Location (Exhibit B) for Attended Vehicle Exchanges at the Airport, or to terminate all Designated locations for Attended Vehicle Exchanges at the Airport at any time following thirty (30) days written notice to Turo, or immediately if the Authority is compelled to for good reason due to security, repairs, construction, or other good cause. The Authority will make reasonable efforts to accommodate a Designated Location in another area, if possible.
- E. Upon request, each Shared Vehicle Owner shall provide to Authority, including its Airport Police the following information:
 - 1. Valid Driver's license
 - 2. Current Shared Vehicle registration and license
 - 3. Shared Vehicle make and model
 - 4. Current evidence of automobile insurance, in accordance with this Agreement
 - 5. Electronic record of the Shared Vehicle reservation listing the Airport
 - 6. Customer's name and the time scheduled for the Exchange of the Shared Vehicle
 - 7. Location of Exchange for the Shared Vehicle.
- F. Failure to accurately, and on a timely basis report vehicle activity at the Airport, shall subject Turo to revocation of this Agreement as set forth herein.
- H. Turo, Shared Vehicle Owners, and Shared Vehicle Drivers shall always comply with orders and directives from the police, security, traffic/parking officers, and airport officials.
- I. Without limiting any other provision herein, Turo shall not, and shall ensure that Shared Vehicle Owners do not, without the Authority's prior written consent: (a) conduct Shared Vehicle Exchanges

in any unauthorized locations at the Airport ; (b) cause or permit anything to be done, in or around the Designated Areas of the Airport, or bring or keep anything thereon, which would be reasonably likely to (i) increase, in any way, the rate of fire insurance on the Airport, (ii) create a nuisance, or (iii) obstruct or interfere with the rights of others on the Airport or injure or annoy them; (c) commit, or suffer to be committed, any waste upon the Designated Areas or the Airport; (d) use, or allow the Designated Areas to be used, for any improper, immoral, unlawful or reasonably objectionable purpose; (e) place any loads upon the floor, walls or ceiling which endanger the structure or obstruct the sidewalk, passageways, in front of, within or adjacent to the Designated Areas or the roadways; or (f) do, or permit to be done, anything, in any way, which would be reasonably likely to materially injure the reputation or image of the Authority or appearance of the Airport.

- J. Without limiting the generality of other provisions of this Agreement, the following activities are prohibited by Shared Vehicle Owners:
1. Allowing operation of a Shared Vehicle on Airport roadways by a person who is neither a Shared Vehicle Owner nor Airport Customer;
 2. Exchanging Shared Vehicles in any location other than Designated Locations;
 3. Failing to provide information, or providing false information, to Authority or airport officials;
 4. Soliciting Passengers on Airport property;
 5. Using or possessing any alcoholic beverage, illegal drug or narcotic while at the Airport;
 6. Failing to operate a Shared Vehicle in a safe manner;
 7. Failing to comply with posted speed limits and traffic control signs;
 8. Conducting ground transportation operations at the Airport other than through the Peer-to-Peer Vehicle Sharing Service;
 9. Soliciting of any activity or behavior prohibited by the applicable laws, rules or regulations;
 10. Delivering a Shared Vehicle which is not in a safe mechanical condition or which lacks mandatory safety equipment;
 11. Disconnecting any pollution control equipment;
 12. Operating a Shared Vehicle at any time during which Shared Vehicle Owner's authority is suspended or revoked;
 13. Engaging in any criminal activity;
 14. Recirculating on Airport roads;
 15. Parking anywhere other than in the Designated Locations;
 16. Possessing a weapon while at the airport;
 17. Picking up an Airport Customer in any unauthorized locations at the Airport to transport them off-Airport in connection with Exchange of a Shared Vehicle;
 18. Leaving a Shared Vehicle unattended at the passenger pick-up/drop-off curb.
- K. If any Shared Vehicle Owner, Shared Vehicle Driver, or any Turo agent or employee violates this Agreement, the Authority shall contact Turo regarding a violation of the applicable provisions of this Agreement. Notices of all fines and Suspensions, including any Suspension information from a trespass warning issued by a law enforcement officer, shall be sent to Turo. All fines shall be aggregated and paid by Turo on or before the 15th day of each month following notice of the violation. Upon receiving a notice of the Suspension, Turo shall cause a Shared Vehicle Owner to immediately cease to operate at the Airport.
1. First Offense - Shared Vehicle Owners conducting any Exchange in any unauthorized locations at the Airport shall receive a verbal warning, by Turo. Shared Vehicle Owners engaging in Solicitation shall be permanently suspended upon the first violation, and all other first-time violators receive a verbal warning
 2. Second Offense – Turo will administer a fine of \$100.00.
 3. Third Offense - Such Shared Vehicle Owner, Shared Vehicle Driver, or Turo agent or employee shall no longer have a right of access to Airport property permanently and will no longer have access to engage in Peer-to-Peer Vehicle Sharing Services on Airport property through the Peer-to-Peer Vehicle Sharing Service platform.

4. If an offense is so serious in the opinion of the Authority, the Authority has the right to immediately suspend or permanently revoke the right of Airport access that Shared Vehicle Owner, Shared Vehicle Driver, or Turo agent or employee is granted under this Agreement. A Shared Vehicle Owner issued a Suspension shall not be allowed to conduct any Shared Vehicle Car-Sharing at the Airport during the term of the Suspension. Turo shall notify the suspended Shared Vehicle Owner that he/she is not allowed to conduct any Peer-to-Peer Vehicle Sharing at the Airport and shall provide Authority with written notice when it has done so. By operating on the Airport, Turo, and Shared Vehicle Owners affiliated with Turo shall be subject to applicable laws, ordinances, rules and regulations including any penalties in connection therewith. Authority shall have no obligation to Turo to take action against any other person or entity at the Airport.

- L. Turo agrees that all Shared Vehicles will be maintained in good operating order, mechanically safe, in a clean, neat, and attractive condition, inside and out, free of exterior body damage. Any complaints received by the Authority regarding the age, quality, safety, operating order, or condition of the vehicle shall provide the Authority the ability to suspend or revoke that vehicle from being offered on the Peer-to-Peer Vehicle Sharing Service platform.
- M. Turo shall conduct "trust and safety" screening on all Shared Vehicle Owners that will engage in Peer-to-Peer Vehicle Sharing transactions. If a Shared Vehicle Owner is flagged for potential fraudulent or criminal activity, Turo shall conduct or have conducted a criminal background check and public records search on such Shared Vehicle Owner, and shall lock such Shared Vehicle Owner's account and prevent such person from engaging in Vehicle Sharing transactions until such time the Shared Vehicle Owner has successfully cleared the background check.

SECTION 4 USE FEES

- A. Use Fee: For the commercial use of the Airport, on the twentieth (20) day of each month, Turo shall make a payment to Authority equal to ten percent (10%) of the Gross Revenue (as defined below) relating to any transaction in which a Shared Vehicle Driver selects the Airport for delivery of a Shared Vehicle ("Use Fee"), which Use Fee shall contribute in part to the operating cost of the Airport.
- B. Audit: All books, records, and receipts of all business transacted upon and within the Airport will be kept or maintained at a location consented to in writing by the Director and will be available for inspection and examination during regular office hours by the Director or authorized representatives of the Authority. Such written consent may be revoked by the Director at any time. For the purposes of determining the accuracy of the required statements of gross revenue, the Director may authorize the making of a spot test audit and base the findings for an entire period upon such audit, provided that the audit shall include at least twenty-five percent (25%) of the total time of the period audited. Lessee herein agrees to pay all reasonable expenses incurred by the Director and all other authorized representatives of the Authority when such person or persons inspect, examine, or audit books, records, or receipts of business transacted at the Airport at any location other than the Airport. In addition, the Director shall have the right at any time during the Term of this Agreement to authorize an audit of Lessee's records pertaining to its business operations at the Airport. Any such audit shall be undertaken by the Authority's Internal Audit Department or a reputable firm of independent Certified Public Accountants satisfactory to the Authority. The cost of such audit shall be borne by the Authority, unless results of the audit reveal a discrepancy of more than five percent (5%) between gross revenue reported in accordance with Article 4 of this agreement and gross revenue as determined by the audit. In case of a discrepancy of more than five percent (5%) in favor of the Authority, the full cost of the audit shall be borne by Turo.
- C. Activity Report: On the twentieth (20th) day of each month, Turo shall furnish a true and correct report signed by an authorized representative of Turo to Authority emailed to ar@duluthairport.com, detailing the following for the previous month:

- a. The number of drop-offs and pick-ups of Shared Vehicles at the Airport per day that are arranged or booked through Turo's platform.
 - b. The number of Shared Vehicles at the Airport per day arranged or booked through Turo's platform.
 - c. The number of transactions at the Airport per day arranged or booked through Turo's platform.
 - d. The gross revenue per each such transaction.
 - e. The total gross revenue (as defined below) for the month; and
 - f. The number of Shared Vehicle Owners that, to the knowledge of Turo, operated at the Airport in the previous month.
- D. Gross Revenue: For purposes of this Agreement, the term "gross revenue" shall include:
- a. Any income Turo and Shared Vehicle Owner receives under a Shared Vehicle agreement.
 - b. All time and mileage charges for Shared Vehicles in the Shared Vehicle agreement.
 - c. Any charges for insurance offered incidental to a Shared Vehicle agreement including but not limited to accident and personal effects insurance.
 - d. The amount charged to Airport patrons in the Shared Vehicle agreement for the cost of furnishing and/or replacing fuel provided by a Shared Vehicle Owner or Turo; and
 - e. All additional charges not expressly excluded under this provision, such as add-ons for GPS, child carriers, ski or bicycle roof-top carriers, travel accessories or conveniences, and services charges.
- E. Deductions from Gross Revenue: The following shall be excluded from "gross revenue":
- a. The amount of any federal, state, local sales, or tourism tax separately stated on the Vehicle Sharing agreement and collected from the Shared Vehicle Driver and remitted to the taxing authority.
 - b. The amount of any sum received as insurance proceeds or a judicial judgment or settlement to restore damage to automobiles or other property of Turo or Owners, or to restore a tangible loss, theft, or conversion.
 - c. Amounts received as payment for and administration on behalf of Shared Vehicle Drivers and/or Shared Vehicle Owners of red-light tickets, parking tickets, tolls, tows, and impound fees, or any other fees that are separate from the Shared Vehicle Agreement.
 - d. Any amounts received for any cancellation fees; and
 - e. Any amounts received by Turo from Shared Vehicle Drivers which are fully passed through to Shared Vehicle Owners such as post-trip reimbursements, smoking fees, etc. or any other amounts received in which Turo does not retain any portion thereof.
 - f. Any discounts separately stated on the vehicle rental contract which are granted at the time the rental transaction commences and are recorded and reported in separately documented accounts from non-excludable discounts. Lessee forfeits exclusion of all discounts in the event otherwise allowable discounts are commingled with any non-excludable amounts. No exclusion shall be allowed for any amount retained by a third party as a financing discount which may apply by reason of Lessee's acceptance of credit cards or other credit arrangements. No exclusion shall be allowed for the portion of retroactive rebates, dividends or refunds to any Airport Customer upon attainment of a specified volume of rentals attributable to revenue or as part of any other marketing plan which does not list the discount on the vehicle rental contract at the commencement of the rental transaction.
 - g. Taxes and Other Charges: Operator will pay all taxes, assessments, license fees, or other charges that may be levied or assessed during the term of this Agreement upon or against any leasehold interests, improvements, or associated equipment on the Designated Areas, or on account of the transacting of business thereon by Operator, it being understood that Operator retains the right to contest any taxes so levied or assessed. Taxes levied by reason of occupancy hereunder shall be in addition to rent paid to Authority under this Agreement. Operator shall obtain and pay for all permits, licenses, or other authorizations required by Authority of law in connection with the operation of its business at said Airport.

- h. Survival of Operator's Duties and Authority's Rights: The Operator's duty to maintain books and records and Authority's rights under this Agreement to inspect and audit the books and records of Operator shall survive the expiration or earlier termination of this Agreement.

Turo shall not intentionally divert, through direct or indirect means, any transactions with Airport customers to off-airport locations of Lessee or affiliates of Lessee without including the Gross Revenues of such transactions, in Lessee's reported Gross Revenues. Any such intentional diversion of Gross Revenues shall constitute a Default under this Agreement and the Authority shall have the right to immediately terminate this Agreement upon determination by the Authority or its auditors that an intentional diversion exists or has occurred.

Turo shall not modify its accounting treatment or rename or redefine services or products which under the terms of this Agreement would be subject to the Percentage Fee unless approved in writing by the Authority.

SECTION 5 ADVERTISING AND SIGNAGE

Authority shall produce and install all signage within Operator's Designated Parking Space Area at Operator's expense. All such signage, including Operator's corporate name sign, shall conform to Authority's building and design signage standards.

The right of the Operator to erect signs or to advertise its business at the Airport and within the Terminal shall in every case be subject to written approval by Executive Director, with respect to size, form, design, material and content. Signage shall be permanent in nature; no temporary promotional banners, advertising, or credit card applications on behalf of any entity other than Operator shall be permitted. Operator shall not place freestanding signage that is outside its Designated Areas. The cost of installation and operation of signs shall be borne by the Operator. No signage, banners, corporate logo, regulatory signage, or employee oriented or warning signs will be allowed without the prior written consent of Executive Director.

Operator shall not advertise its business on the Airport premises outside its Designated Parking Area, except under a separate written Agreement with Authority or Authority's Executive Director.

SECTION 6 COST OF PEER-TO-PEER VEHICLE SHARING OPERATIONS

Except as otherwise expressly provided by this Agreement, Operator shall bear at its own expense all costs of operating its business, and shall pay in addition to the use fees, all other costs connected with the use of the Designated Areas, including but not limited to, maintenance, insurance, taxes, supplies and permit and license fees as required by law.

SECTION 7 INDEMNIFICATION AND INSURANCE

A. Defense and Indemnity

To the fullest extent permitted by law, 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/Operator's performance of obligations under this Agreement, or the use and/or occupancy of the Leased 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 Authority 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 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.

D. 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 \$1,000,000 bodily injury per occurrence; \$1,000,000 property damage per occurrence and \$1,000,000 in aggregate.
2. Owned, non-owned and hired vehicles in an amount not less than \$1,000,000 combined single limit or \$1,000,000 bodily injury per occurrence; \$1,000,000 per occurrence.

3. 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 Operator under this Section.
- G. 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 8 LAWS, RULES, AND REGULATIONS

Turo shall comply in all material aspects with all Applicable Laws (as defined herein). For purposes of this Agreement, the term "Applicable Laws" shall mean all present and future laws, ordinances, orders, directives, rules, codes, regulations and decrees of federal, state and municipal authorities and agencies and their respective agencies, departments, authorities and commissions (individually, "Governmental Authority" and collectively, "Governmental Authorities") and all present and future grant assurances provided by Authority to any Governmental Authority in connection with Authority's Ownership or operation of the Airport and all other rules, regulations, policies and procedures of Authority, as the same may be amended, modified or updated from time to time. For purposes of this Agreement, "Governmental Authorities" shall specifically include, without limitation, Authority, City of Duluth, the State of Minnesota, the United States Department of Transportation ("DOT"), the Federal Aviation Administration ("FAA") and/or the Transportation Security Administration ("TSA"). Turo shall comply and shall cause Shared Vehicle Owners to comply with such additional requirements as may be imposed from time to time by the Authority or by any government or agency having jurisdiction over the Airport. Turo agrees to cause all Shared Vehicle Owners that operate on Airport property to maintain their vehicles in a safe operating condition, properly muffled and producing no visible emissions. Turo shall not allow any Shared Vehicle Owner that operates as a Commercial Host (as defined by Turo's website) or as a Rental Vehicle Company (as defined by State of Minnesota Statutes), as may be amended from time to time) to operate at the Airport. Turo and Shared Vehicle Owner shall comply with the civil rights provisions set forth in Exhibit C.

SECTION 9 DEFAULT

Authority's Rights Upon Default

- A. Rights Upon Default. 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:
 - 1. Immediately, or at any time thereafter without further notice to Operator, 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 Operator 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 Operator 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 Operator 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. Operator 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 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 fifteen (15) days after Authority has given Operator written notice, or the Operator 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 Operator or for its arrangement of its unsecured debts shall be filed.
6. If the Operator shall be adjudicated bankrupt.
7. If a receiver or trustee of the Operator's/Operator's property shall be appointed by any court.
8. If the Operator shall make a general assignment for the benefit of creditors.
9. If all of the interest of the Operator in its property shall be taken by garnishment, attachment, execution or other process of law.
10. .

SECTION 10 RIGHT OF ENTRY

Authority, its officers, agents, and employees shall have the right, without limitation, throughout the term of this Agreement to enter upon the Designated Areas for any lawful purpose, including the purpose of determining whether Operator is complying with its obligations herein.

Such entry by Authority shall not be deemed to excuse Operator's performance of any promise, term, condition, or covenant required of it by this Agreement, and shall not be deemed to constitute waiver thereof by Authority.

SECTION 11 SUBLEASING OR ASSIGNMENT

Operator shall not sublease, transfer, assign or allow any other person or entity operating rights under this Agreement without Authority's prior written consent. This Agreement is binding on all legal representatives, successors or assigns. In no case shall Authority be obligated to consent to any sublease, transfer or assignment.

SECTION 12 NON-EXCLUSIVITY

This agreement shall not be construed to be an exclusive agreement, and the Authority shall have the right to negotiate and execute substantially similar arrangements with any other individual, firm or

corporation for engaging in similar activities within the Terminal/Airfield at the Airport. The Authority shall not, however, during the term of this Agreement, grant to any other individual, firm or corporation, a similar concession/agreement upon terms or conditions materially more favorable than those herein granted to Operator.

SECTION 13 GENERAL PROVISIONS

- A. Consent or Approval of Authority and of Executive Director
Where an 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 evidence by a written document signed by the Executive Director or by a person designated by the Executive Director to sign such document.
- B. Severability
If any term, condition, or provision of the Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder thereof and the application of such terms, provisions, and conditions to persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and the Agreement and all the terms, provisions, and conditions hereof shall, in all other respects, continue to be effective and to be complied with to the full extent permitted by law.
- C. Right to Amend
In the event the FAA, or its successors, or the TSA requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, Operator agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required to obtain such funds; provided, however, that in no event will Operator be required, pursuant to this subsection, to agree to an increase in the rent or other charges.
- D. Attorney's Fees and Costs
In the event Authority shall prevail in any action or suit or proceeding brought by Authority to collect rents due or to become due hereunder or any portion thereof or to take possession of the demised Leased Premises, or 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 proceedings.
- E. Relationship of Parties
It is understood and agreed that nothing in this Agreement is intended or shall be construed as in any way creating or establishing the relationship of co-partners hereto, or as constituting Operator as the agent, representative or employee of AUTHORITY for any purpose or in any manner whatsoever. Operator is to be and shall remain an independent Operator with respect to all services performed under this Agreement.
- F. Subordination to Agreements with the U.S. Government
This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota 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 or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.

This Agreement and all provisions hereof shall be subject to whatever right the United States Government now has or in the future may have to acquire affecting the control, operation, regulation and taking over of said Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

G. Force Majeure

If performance of any of the provisions of this Agreement is rendered impossible or is delayed by reason of strikes, fire, flood, explosion, civil commotion, riot, insurrection, terrorism, or act of God, then such performance shall be excused if impossible, or postponed for the period of such delay, if delayed.

H. Modification

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 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 Operator 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.

I. 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.

J. Waiver

The waiver or breach by AUTHORITY or Operator of any term of this Agreement shall not be deemed waiver of any subsequent breach of the same term or any other term of this Agreement.

K. 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.

L. Notices

Any notice or election herein requested or permitted to be given or served by either party hereto upon the other, shall be deemed given on the date placed in the mail, correctly addressed, by United States mail, postage prepaid, or on the date of personal delivery or confirmed facsimile (if, in the case of a confirmed facsimile, a copy is contemporaneously mailed by first class mail, or delivered to a messenger for prompt personal delivery). Notices and communications shall be addressed as follows:

To AUTHORITY:

Attn: Director of Business Development
Duluth Airport Authority
4701 Grinden Drive

Duluth, MN 55811

To Operator:

Turo Inc. Attn: Airports
111 Sutter Street, 12th Floor
San Francisco, CA 94104

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date shown below.

Date: _____

DULUTH AIRPORT AUTHORITY

TURO, INC.

By: _____
President

By: _____

By: _____
Secretary

Title: _____

EXHIBIT C

Mandatory Federal Contract Provisions GENERAL CIVIL RIGHTS PROVISIONS

Turo agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision binds Turo from the solicitation period through the completion of the contract. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

TITLE VI SOLICITATION NOTICE

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

COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, Turo, for itself, its assignees, and successors in interest, agrees as follows:

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

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

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

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

5. Sanctions for Noncompliance: In the event of Turo's noncompliance with the nondiscrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to Turo under the contract until Turo complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

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

TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

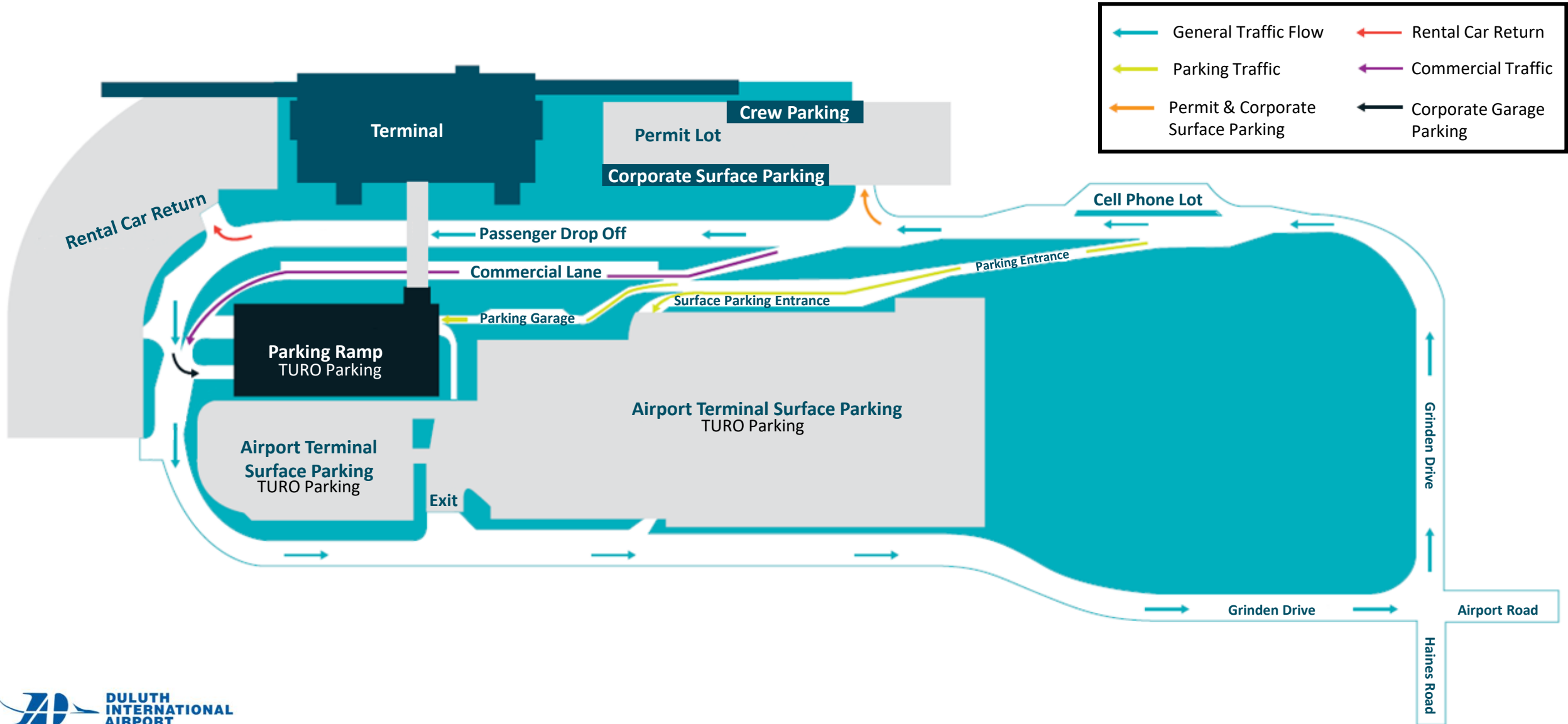
During the performance of this contract, Turo, for itself, its assignees, and successors in interest agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, subrecipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on

the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

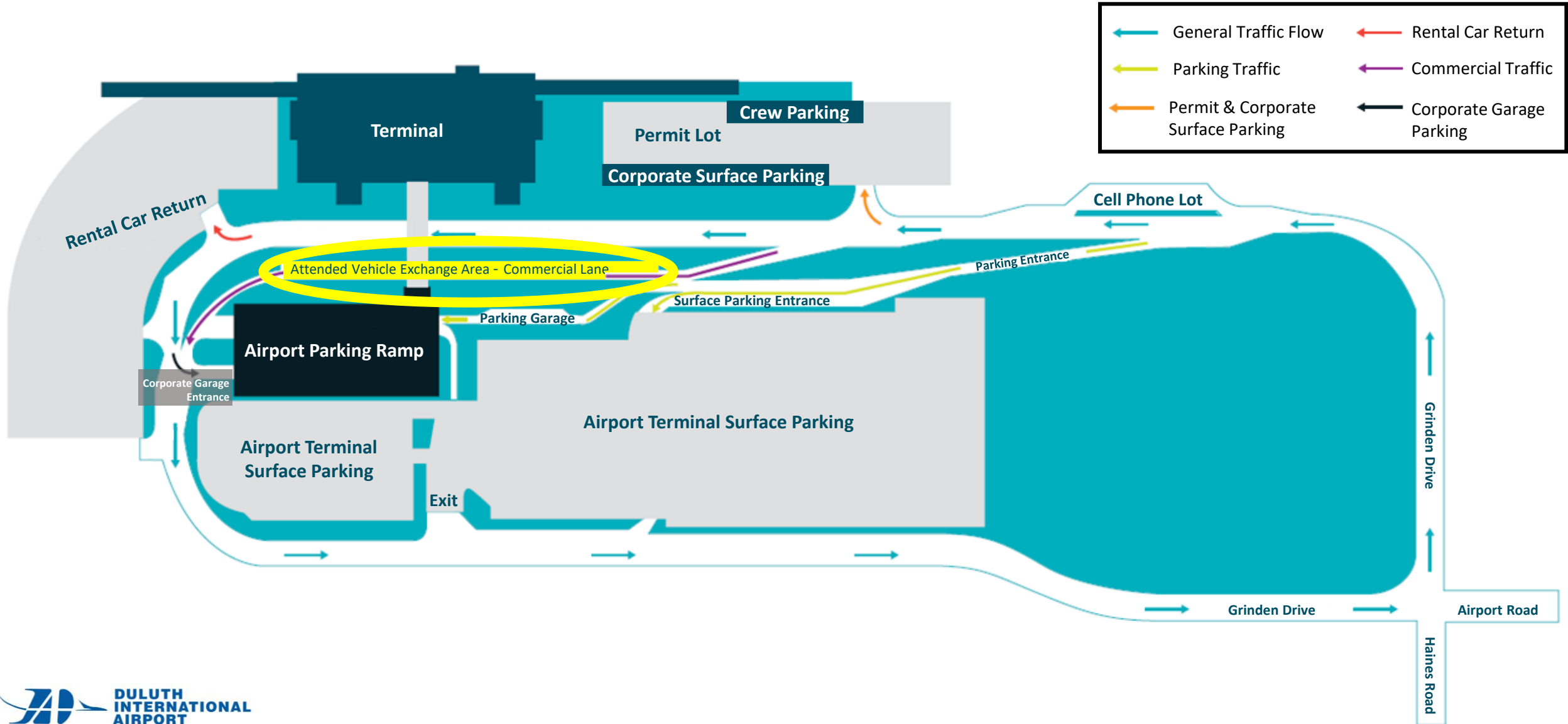
- The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

Exhibit A Parking Map



	General Traffic Flow		Rental Car Return
	Parking Traffic		Commercial Traffic
	Permit & Corporate Surface Parking		Corporate Garage Parking

Exhibit B Attended Vehicle Exchange Area



VII. - F.

Duluth Airport Authority
Federal Aviation Administration
Air Traffic Control Tower Standard Space Lease

Terms:

- October 1, 2024-September 30, 2034

Agreement Overview:

- Annual rent increase of \$58,617
- Water and radon testing requirement-water testing has been completed and radon will be done in the winter.
- FAA accepted language from previous contract regarding the following:
 - FAA responsible for janitorial of exclusive space
 - FAA responsible for TRACON electricity
- Space is leased as is with no warranty to make modifications or alterations to become compliant with current federal, state, or local standards due to the age of the facility.

Why were the changes in key terms needed/wanted?

- Previous agreement set to expire.
- FAA required new version of lease template

STANDARD SPACE LEASE
Between
THE UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
And
DULUTH AIRPORT AUTHORITY

FAA CONTRACT NO: 697DCM-24-L-00094
ATID/FACILITY TYPE: (DLH) ATCT/TRACON/SSC/CWO
LOCATION: Duluth, MN

1. **Preamble (09/2021) 6.1.1** This Lease for real property is hereby entered into by and between Duluth Airport Authority, hereinafter referred to as the Lessor and the United States of America, acting by and through the Federal Aviation Administration, hereinafter referred to as the FAA.
2. **Space Lease Definitions (07/2023) 6.1.1-3** For purposes of this document, the following definitions apply;

Contract- refers to this legal instrument used to acquire an interest in real property for the direct benefit or use by the FAA. A lease is a contract for the acquisition of real property. For purposes of this document, the terms Contract and Lease are interchangeable.

Contractor- refers to the party(ies) awarded a direct procurement contract from the FAA and who is(are) responsible for performance of contract requirements. For purposes of this document, the terms Contractor, Lessor and Offeror are interchangeable.

Government- refers to the United States of America acting by and through the Federal Aviation Administration (FAA). For purposes of this document, the terms Government and FAA are interchangeable.

Real Estate Contracting Officer (RECO) - refers to a trained and warranted official, who has the authority to contract for real property on behalf of the FAA. For purposes of this document, the terms RECO and Contracting Officer (CO) are interchangeable.

ANSI/BOMA Office Area (ABOA) - refers to the area where a tenant normally houses personnel, and/or furniture, for which a measurement is to be computed, as defined by the most current American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) publication.

Full Service Lease- refers to a lease structure where the rent covers all base rent, taxes, insurance, management, utilities, janitorial and any other operating expenses for the property.

3. **Succeeding Contract (09/2021) 6.1.2** This contract succeeds DTFACN-15-L-00068 and all other previous agreements between the parties for the property described in this document.

4. **Lease Witnesseth (09/2021) 6.1.3** Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

5. **Leased Space Description (07/2022) 6.1.4** The Lessor hereby leases to the Government the following described premises; Approximately 9,769.5 square feet of administrative, technical, and storage space in a building located at 4525 Airport Approach Road, Duluth, Minnesota, 55811.

As shown on Floor Plan, marked as Exhibit A, which is attached hereto and made a part hereof.

The Lessor shall provide 18 reserved off-street parking spaces at no additional cost to the Government. As shown on Parking Layout Plan, marked as Exhibit B, which is attached hereto and made a part hereof. With respect to compliant accessible parking spaces, see the "Accessibility" clause.

6. **Purpose (09/2021) 6.1.5** It is understood and agreed that the use of the herein described premises shall be related to FAA's activities in support of the National Airspace System (NAS).

7. **Legal Authority (09/2021) 6.2.1** This contract is entered into under the authority of 49 U.S.C. 106(l)(6) and (n), which authorizes the Administrator of the FAA to enter into contracts, acquisitions of interests in real property, agreements, and other transactions on such terms and conditions as the Administrator determines necessary.

8. **Term (09/2021) 6.2.3** To have and to hold, for the term commencing on October 1, 2024 and continuing through September 30, 2034 inclusive, provided that adequate appropriations are available from year to year for the consideration herein.

9. **Consideration (Standard Space) (09/2021) 6.2.4-1**

A. Effective October 1, 2024, the Government shall pay annual rent in the amount of \$214,929.00 for the premises, payable in monthly installments at the rate of \$17,910.75.

B. Payment shall be made in arrears, without the submission of invoices or vouchers. Payments are due on the first business day following the end of the payment period and are subject to available appropriations. The payments shall be directly deposited in accordance with the "Payment by Electronic Funds Transfer" clause in this contract. Payments shall be considered paid on the day an electronic funds transfer is made.

C. Payment shall be made in full to: Duluth Airport Authority

10. **Termination for Convenience (07/2023) 6.2.5-1** The Government may terminate this contract at any time, in whole or in part, if the Contracting Officer (CO) determines that a termination is in the best interest of the Government. The CO shall terminate by delivering to the contractor a written notice specifying the effective date of the termination. The termination notice shall be issued 30 days before the effective termination date.

After termination, the Contractor may submit a final termination settlement proposal to the CO in the form and with the certification prescribed by the CO. The proposal must include all documentation necessary to validate the proposal.

The contractor must submit the proposal no later than one (1) year from the effective date of termination unless the submission deadline is extended in writing by the CO upon written request of the contractor within this one (1) year period. However, if the CO determines that the facts justify it,

a termination settlement proposal may be received and acted on after one (1) year or any extension. If the contractor fails to submit the proposal within the time allowed, the CO may determine, on the basis of information available, the amount, if any, due the contractor because of the termination and shall pay the amount so determined.

After submission of final termination settlement proposal, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount to be paid because of the termination.

If the contractor and the CO fail to agree, the Government will pay the contractor the amounts determined by the CO as follows:

- 1) The contract price for any unpaid rents;
- 2) The remaining principal balance of Tenant Improvement allowance as described in the clause titled "Lessor's Recovery of Tenant Improvement Allowance in the Event of Termination" within this contract; and
- 3) Reasonable costs associated with termination.

If the termination is partial, the contractor may file a proposal with the CO for an equitable adjustment of the price(s) of the continued portion of the contract. If agreed upon, the CO may make the equitable adjustment. Any proposal by the contractor for an equitable adjustment under this clause must be requested within 90 days from the effective date of termination unless extended in writing by the CO.

The contractor may file a claim with the Federal Aviation Administration Office of Dispute Resolution for Acquisition based on any determination made by the CO pursuant to this clause. Nothing in this clause will obligate the government to spend in excess of available appropriations.

11. Termination for Default (09/2021) 6.2.5-2

A. Subject to the provision of notice of default to the Lessor, and the provision of reasonable opportunity for the Lessor to cure the default, the following conditions constitute default by the Lessor:

i. Prior to Acceptance of the Premises. Failure by the Lessor to perform all obligations required for acceptance of the space, to include, but are not limited to, all obligations included within the statement of work and lease clauses, within the times specified, without such failure in performance being affirmatively excused, in writing, by the RECO.

ii. After Acceptance of the Premises. Failure by the Lessor to perform any service, or to make progress in the work so as to endanger performance; the failure to make any item; or the failure to satisfy any requirement of this Lease, without such failure being affirmatively excused, in writing, by the RECO.

B. Grounds for Termination. The Government may terminate the Lease, in whole or in part, if:

i. after given notice and reasonable opportunity to cure by the Government, the Lessor's default persists; or

ii. the Lessor fails to take such actions as necessary to prevent the recurrence of default conditions, and such conditions substantially impair the Government's use or occupancy of the Premises, as determined by the Government.

C. The rights and remedies specified in this clause are in addition to all remedies to which the Government may be entitled to as a matter of law.

12. Excuse (09/2021) 6.2.5-3

A. The Lessor will not be in default because of any failure to perform the requirements of this Lease under its terms if the failure arises from causes beyond the control and without the fault or negligence of the Lessor.

B. Permissible causes for excuse are:

i. acts of God (e.g., fires, floods, pandemics, epidemics, unusually severe weather, etc.),

ii. acts of the public enemy,

iii. acts of the Government in either its sovereign or contractual capacity,

iv. pandemic, epidemic, or quarantine restrictions,

v. strikes, and

vi. freight embargoes. In each instance, the failure to perform must be beyond the control and without the fault or negligence of the Lessor.

C. Excuse will not be granted when:

i. the Lessor had actual or constructive knowledge prior to the Lease Award Date that he/she could not perform in accordance with the requirements of the Lease contract;

ii. the conditions of the property prevent performance;

iii. the Lessor, its employees, agents or contractors, by error or omission, fails to perform; or

iv. the Lessor is unable to obtain sufficient financial resources to perform its obligations.

D. The RECO will ascertain the facts and extent of the failure. If the RECO determines that any failure to perform is excusable, the RECO will revise the delivery schedule subject to the rights of the Government under the default and termination clauses of this contract.

13. Binding Effect (09/2021) 6.2.6The provisions of this contract and the conditions herein shall be binding upon, and for the benefit of, the parties and their successors and assigns. In the event of any sale or transfer of ownership of the property or any portion thereof, the Government will be deemed to have attorned to any purchaser, successor, assign, or transferee. The succeeding owner will be deemed to have assumed all rights and obligations of the contractor under this contract establishing direct privity of estate and contract between the Government and said succeeding owner, with the same force, effect, and relative priority in time and right as if the contract had initially been entered into between such succeeding owner and the Government.

14. Holdover (07/2023) 6.2.12If after the expiration of the Lease, the Government shall retain possession of the premises, the Lease shall continue in full force and effect on a month-to-month basis. Payment shall be made in accordance with the Consideration clause of the Lease at the rate paid during the Lease term. This period shall continue until the Government shall have signed a new lease with the Lessor, acquired the property in fee, or vacated the premises.

15. RE Clauses Incorporated by Reference (09/2021) 6.3.0This solicitation or contract, as applicable, incorporates by reference the provisions or clauses listed below with the same force and effect as if they were given in full text. Upon request, the RECO will make the full text available, or the full text may be obtained via internet at https://fast.faa.gov/RPF_Real_Property_Clauses.cfm.

A. **Officials Not To Benefit (09/2021) 6.3.0-2**

B. **Assignment of Claims (09/2021) 6.3.0-3**

C. **Contracting Officer's Representative (09/2021) 6.3.0-4**

D. **Contingent Fees (09/2021) 6.3.0-5**

E. **Anti-Kickback Procedures (09/2021) 6.3.0-6**

- F. **Equal Opportunity (09/2021) 6.3.0-7**
- G. **Equal Opportunity for Veterans (04/2022) 6.3.0-8**
- H. **Equal Opportunity for Workers with Disabilities (04/2022) 6.3.0-9**

16. **Funding Responsibility for FAA Facilities (09/2021) 6.3.6**The Contractor agrees that all Contractor requested relocation(s), replacement(s), or modification(s) of any existing or future FAA navigational aid or communication system(s) necessitated by Contractor improvements or changes will be at the expense of the Contractor. In the event that the Contractor requested changes or improvements interferes with the technical and/or operational characteristics of the FAA's facility, the Contractor will immediately correct the interference issues at the Contractor's expense. Any FAA requested relocation, replacement, or modifications shall be at the FAA's expense. In the event such relocations, replacements, or modifications are necessary due to causes not attributable to either the Contractor or the FAA, funding responsibility shall be determined by mutual agreement between the parties, and memorialized in a Supplemental Agreement.
17. **Accessibility (09/2021) 6.3.7**The building and the leased premises must be accessible to persons with disabilities pursuant to the Architectural Barriers Act and Rehabilitation Act as detailed in the Architectural Barriers Act Accessibility Standards (ABAAS) 41 CFR Parts 102-71, 102-72, et al, and all applicable state and local accessibility laws and regulations. ABAAS is available at www.access-board.gov.

Subject to the exception set forth herein, separate ABAAS compliant restroom facilities for men and women must be provided on each floor where the Government leases space. Separate ABAAS compliant restroom facilities must not be required if due to the age of the building, design layout, or other structural requirements, it is technically infeasible to do so. In the event the Lessor determines that it is technically infeasible to provide separate ABAAS compliant restroom facilities, the Lessor must provide the basis for the determination of technical infeasibility in writing to the RECO, together with all supporting documentation.

With respect to all restrooms, water closets, and urinals, they must not be visible when the exterior door is open. Each restroom must contain toilet paper dispensers, soap dispensers, paper towel dispensers, waste receptacles, a sanitary napkin dispenser, and receptacle for each toilet in the women's restroom, disposable toilet seat cover dispensers, a convenience outlet, and hot and cold water. Two or more drinking fountains must be provided. One drinking fountain shall be a low unit commonly called a wheelchair unit and one drinking fountain shall comply with standing persons' requirements, unless sufficient space is not available to provide both a wheelchair unit and a unit for standing persons. In such instance, and subject to the approval of the RECO, a single unit able to accommodate both disabled and non-disabled persons must be provided.

In addition, compliant accessible parking spaces must be provided in accordance with the ABAAS requirements as detailed in 42 U.S.C. 4151 and as set forth in the ABAAS Scoping Requirements.

18. **Changes (07/2023) 6.3.8**
- A. The RECO may at any time, by written order via Supplemental Agreement, make changes within the general scope of this Lease in any one or more of the following:
 - i. Work or services;

- ii. Facilities or space layout;
 - iii. Amount of space/land;
 - iv. Any other change made within the scope of this lease.
- B. If any such change causes an increase or decrease in the Lessor's cost or time required for performance under this lease, the RECO will modify this Lease to provide one or more of the following:
- i. An equitable adjustment in the rental rate;
 - ii. A lump sum equitable adjustment;
 - iii. An equitable adjustment of the annual operating costs per rentable square foot; or
 - iv. An adjustment to the delivery date.
- C. The Lessor must assert its right to an adjustment by written proposal under this clause within thirty (30) days from the date of receipt of the change order. Lessor's request must include all documentation necessary to validate his/her right to an adjustment.
- D. Nothing in this clause excuses the Lessor from proceeding with the change as directed.
- E. Absent written supplemental agreement the Government is not liable to the Lessor under this clause.

19. **Failure in Performance (09/2021) 6.3.16**In the event the Contractor fails to perform a service, provide an item, or satisfy a requirement under this Contract, the Government may:
- A. perform the service, provide the item, or satisfy the requirement itself, and abate the rent by its actual costs (including administrative costs) incurred in doing so,
 - B. not correct the Contractor's performance and abate the rent by an amount reasonably calculated to approximate the decreased value of the Contract arising from the Contractor's failure to perform, or
 - C. pursue termination of the contract under the "Termination" clause(s) in this Contract.
20. **No Waiver (09/2021) 6.3.17**No failure by the Government to insist upon strict performance of any provision of this Contract or failure to exercise any right, or remedy consequent to a breach thereof, will constitute a waiver of any such breach in the future.
21. **Non-Restoration (09/2021) 6.3.18**It is hereby agreed between the parties that, upon termination of its occupancy, including any holdover period, the Government shall have no obligation to restore and/or rehabilitate, either wholly or partially, the property that is the subject of this contract. It is further agreed that the Government may abandon in place any or all of the structures and equipment installed in or located upon said property by the Government during its tenure. Such abandoned equipment shall become the property of the contractor.
22. **Quiet Enjoyment (09/2021) 6.3.25**The Contractor warrants that they have good and valid title to the premises, and rights of ingress and egress, and warrants and covenants to defend the Government's use and enjoyment of said premises against third party claims.
23. **Damage by Fire or Other Casualty or Environmental Hazards (09/2021) 6.3.26** If the premises is partially or totally destroyed or damaged by fire or other casualty or if environmentally hazardous conditions are found to exist so that the premises is untenable as determined by the Government, the Government may agree to allow restoration/reconstruction, or may elect to terminate the contract, in whole or in part, immediately by giving written notice to the contractor and no further rental will be due. The Government shall have no duty to pay rent while the premises are unoccupied.

24. **Interference (09/2021) 6.3.28** In the event that FAA operations interfere with the Contractor's facility, the Contractor must immediately notify the RECO. The FAA will begin assessment of interference immediately upon notification.
If the Contractor or its facility interferes with the FAA's equipment and the Contractor either knows of, or is notified by the FAA, of the interference, the Contractor will immediately remediate the interference at its own cost.
Notification under this clause must include the following information, if known:
A. type of interference,
B. the commencement date of the interference, and
C. the root cause of the interference.
25. **Alterations (09/2021) 6.3.29** The Government shall have the right during the term of this Lease, including any extensions thereof, to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, alterations or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. The parties hereto mutually agree and understand, that no restoration rights shall accrue to the Lessor for any alterations or removal of alterations to the leased premises under this Lease, and that the Government shall have the option of abandoning alterations in place, when terminating the Lease, at no additional cost.
26. **Hold Harmless (01/2024) 6.3.30** In accordance with and subject to the conditions, limitations and exceptions set forth in the Federal Tort Claims Act, 28 U.S.C. Ch. 171, the Government will be liable to persons damaged by any personal injury, death or injury to or loss of property, which is caused by a negligent or wrongful act or omission of an employee of the Government while acting within the scope of his office or employment under circumstances where a private person would be liable in accordance with the law of the place where the act or omission occurred. The foregoing shall not be deemed to extend the Government's liability beyond that existing under the Act at the time of such act or omission or to preclude the Government from using any defense available in law or equity.
27. **Compliance with Applicable Laws (09/2021) 6.3.31** The Lessor shall comply with all federal, state and local laws applicable to the Lessor as owner or Lessor, or both, of building or premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation of both or either thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. This Lease shall be governed by federal law.
The Government will comply with all federal, state, and local laws applicable to and enforceable against it as a tenant under this lease, provided that nothing in this lease shall be construed as a waiver of the sovereign immunity of the Government.
28. **Examination of Records (09/2021) 6.3.32** The Comptroller General of the United States, the Administrator of FAA or a duly authorized representative of either shall, until three (3) years after final payment under this contract, have access to and the right to examine any of the Lessor's directly pertinent books, documents, paper, or other records involving transactions related to this contract.

29. Subordination, Nondisturbance and Attornment (09/2021) 6.3.33

A. The Government agrees, in consideration of the warranties and conditions set forth in this clause, that this contract is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this contract. Based on a written demand received by the RECO, the Government will review and, if acceptable, execute such instruments as the contractor may reasonably request to evidence further the subordination of this contract to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by the contractor if such easement does not interfere with the full enjoyment of any right granted the Government under this contract.

B. No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this contract so long as the Government is not in default under this contract. Contractor will include in any future mortgage, deed of trust or other security instrument to which this contract becomes subordinate, or in a separate non-disturbance agreement, a provision to the foregoing effect. Contractor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the RECO promptly upon demand.

C. In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the contractor under this contract, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the contract had initially been entered into between such purchasers or transferees and the Government; provided, further, that the RECO and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this contract, or other writings, as shall be necessary to document the foregoing relationship.

D. None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

30. Change of Ownership/Novation (07/2023) 6.3.34-1

A. If during the term of the Lease, title to the Property is transferred or the Lessor changes its legal name, the Lessor shall notify the Government within five days of the transfer of title/change of name.

B. The Government and the Lessor must execute a Supplemental Agreement acknowledging the transfer of title or name change.

C. If title to the Property is transferred, the Government, the original Lessor (Transferor), and the new owner or assignee (Transferee) shall execute a Novation Agreement providing for the transfer of Transferor's rights and obligations under the Lease to the Transferee. When executed on behalf of

the Government, a Novation Agreement will be made part of the Lease via Supplemental Agreement.

D. The RECO may request additional information (e.g., copy of the deed, bill of sale, certificate of merger, contract, court decree, articles of incorporation, operation agreement, partnership certificate of good standing, etc.) from the Transferor or Transferee to verify the parties' representations regarding the transfer.

E. If the RECO determines that recognizing the Transferee as the Lessor will not be in the Government's interest, the Transferor shall remain fully liable to the Government for the Transferee's performance of obligations under the Lease, notwithstanding the transfer. Under no condition shall the Government be obligated to release the Transferor of obligations prior to (a) the rent commencement date; and (b) any amounts due and owing to the Government under the Lease that have been paid in full or completely set off against the rental payments due under the Lease.

F. As a condition for being recognized as the Lessor and entitlement to receiving rent, the Transferee must register in the System for Award Management (SAM) for purposes of "All Awards", and complete all required representations and certifications within SAM and the "Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment" in this contract.

G. If title to the Property is transferred, rent shall continue to be paid to the original Lessor, subject to the Government's rights as provided for in this Lease. The Government's obligation to pay rent to the Transferee shall commence on the effective date of the Supplemental Agreement incorporating the Novation Agreement. The Supplemental Agreement will not be issued until the Government has received all information reasonably required by the RECO, the Government has determined that recognizing the Transferee as the Lessor is in the Government's interest (which determination will be prompt and not unreasonably withheld), and the Transferee has met all conditions specified in subparagraph F.

31. **Sublease (09/2021) 6.3.35**The Government reserves the right to sublease the space covered under this Lease to another agency or private party. In subleasing this space to another party, the Government is not relieved from its responsibilities under the terms of this Lease unless otherwise agreed upon with the Lessor.
32. **Integrated Agreement (09/2021) 6.3.36**This Contract, upon execution, contains the entire agreement of the parties, and no prior written or oral agreement, express or implied shall be admissible to contradict the provisions of this Contract.
33. **Unauthorized Negotiating (09/2021) 6.3.37**In no event shall the Contractor enter into negotiations concerning the premises with anyone other than the RECO or his/her designee.
34. **Inspection of Leased Premises (09/2021) 6.3.38**To ensure a safe and healthy work environment for government employees, agents, and assigns, and to ensure the Contractor's performance under this contract, the Government at all times and places during the term of the contract has the right to:
- A. inspect the leased premises and all other areas of the building to which access is necessary,
 - B. test all performance requirements under the contract, and
 - C. perform any necessary sampling and evaluation to ensure contract compliance.
- If inspection reveals a contractual non-conformance, then the Government may require the Contractor to perform in accordance with the contract requirements at no increase in contract amount

or the Government, in its sole discretion, may perform the work itself in accordance with the “Failure in Performance” clause of this Contract.

The presence or absence of a government inspection does not relieve the Contractor from any contract requirement, nor is the inspector authorized to change any term or condition of the contract without the RECO’s written authorization.

35. Contract Disputes (09/2021) 6.3.39

A. All contract disputes arising under or related to this contract shall be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and shall be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and shall apply only to final agency decisions. A contractor may seek review of a final FAA decision only after its administrative remedies have been exhausted.

B. The filing of a contract dispute with the ODRA may be accomplished by mail, overnight delivery, hand delivery, or by facsimile, or if permitted by Order of the ODRA, by electronic filing. A contract dispute is considered to be filed on the date it is received by the ODRA during normal business hours. The ODRA's normal business hours are from 8:30 am to 5:00 pm Eastern Time.

C. Contract disputes are to be in writing and shall contain:

- i. The contractor's name, address, telephone and fax numbers and the name, address, telephone and fax numbers of the contractor's legal representative(s) (if any) for the contract dispute;
- ii. The contract number and the name of the Contracting Officer;
- iii. A detailed chronological statement of the facts and of the legal grounds for the contractor's positions regarding each element or count of the contract dispute (i.e., broken down by individual claim item), citing to relevant contract provisions and documents and attaching copies of those provisions and documents;
- iv. All information establishing that the contract dispute was timely filed;
- v. A request for a specific remedy, and if a monetary remedy is requested, a sum certain must be specified and pertinent cost information and documentation (e.g., invoices and terminated checks) attached, broken down by individual claim item and summarized; and
- vi. The signature of a duly authorized representative of the initiating party

D. Contract disputes shall be filed at the following address:

- i. For filing by hand delivery, courier or other form of in-person delivery:

Office of Dispute Resolution for Acquisition
Federal Aviation Administration
600 Independence Avenue SW., Room 2W100
Washington, DC 20591; or

For filing by U.S. Mail:

Office of Dispute Resolution for Acquisition
Federal Aviation Administration
800 Independence Avenue SW
Washington, DC 20591
[Attention: AGC-70, Wilbur Wright Bldg. Room 2W100]; or

Telephone: (202) 267-3290
Facsimile: (202) 267-3720
Alternate Facsimile: (202) 267-1293; or

ii. Other address as specified in 14 CFR Part 17.

E. A contract dispute against the FAA shall be filed with the ODRA within two (2) years of the accrual of the contract claim involved. A contract dispute by the FAA against a contractor (excluding contract disputes alleging warranty issues, fraud or latent defects) likewise shall be filed within two (2) years after the accrual of the contract claim. If an underlying contract entered into prior to the effective date of this part provides for time limitations for filing of contract disputes with the ODRA which differ from the aforesaid two (2) year period, the limitation periods in the contract shall control over the limitation period of this section. In no event will either party be permitted to file with the ODRA a contract dispute seeking an equitable adjustment or other damages after the contractor has accepted final contract payment, with the exception of FAA claims related to warranty issues, gross mistakes amounting to fraud or latent defects. FAA claims against the contractor based on warranty issues must be filed within the time specified under applicable contract warranty provisions. Any FAA claims against the contractor based on gross mistakes amounting to fraud or latent defects shall be filed with the ODRA within two (2) years of the date on which the FAA knew or should have known of the presence of the fraud or latent defect.

F. A party shall serve a copy of the contract dispute upon the other party, by means reasonably calculated to be received on the same day as the filing is to be received by the ODRA.

G. After filing the contract dispute, the contractor should seek informal resolution with the Contracting Officer.

H. The FAA requires continued performance with respect to contract disputes arising under this contract, in accordance with the provisions of the contract, pending a final FAA decision.

I. The FAA will pay interest on the amount found due and unpaid from (1) the date the Contracting Officer receives the contract dispute, or (2) the date payment otherwise would be due, if that date is later, until the date of payment. Simple interest on contract disputes shall be paid at the rate fixed by the Secretary of the Treasury that is applicable on the date the Contracting Officer receives the contract dispute and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary until payment is made. Interest will not accrue for more than one year.

J. Additional information and guidance about the ODRA dispute resolution process for contract disputes can be found on the ODRA website at <http://www.faa.gov>.

36. Organizational Conflict of Interest (01/2023) 6.3.47

A. The offeror or Contractor warrants that, to the best of the Contractor's knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest (OCI), as defined in the FAA Acquisition Management System, "Organizational Conflicts of Interest (T3.1.7)", or that the Contractor has disclosed all such relevant information.

B. The offeror or Contractor agrees that if an actual or potential OCI is discovered after award, the Contractor must make a full disclosure in writing to the Contracting Officer. The disclosure must include a mitigation plan describing actions the Contractor has taken or proposes to take to avoid,

mitigate, or neutralize the actual or potential conflict. Changes in the Contractor's relationships due to mergers, consolidations or any unanticipated circumstances may create an unacceptable organizational conflict of interest which may necessitate disclosure.

C. The FAA reserves the right to review and audit OCI mitigation plans as needed after award, and to reject mitigation plans if the OCI, in the opinion of the Contracting Officer, cannot be avoided, or mitigated.

D. The Contracting Officer may terminate this contract for convenience in whole or in part, if it deems such termination necessary to avoid an OCI. If the Contractor was aware of a potential OCI prior to award or discovered an actual or potential conflict after award and did not disclose or misrepresented relevant information to the Contracting Officer, the Government may terminate this contract for default, debar the Contractor from government contracting, or pursue such other remedies as may be permitted by law or this contract.

E. The Contractor further agrees to insert provisions which must conform substantially to the language of this clause including this paragraph (d) in any subcontract or consultant agreement hereunder.

37. System for Award Management – Real Property (04/2022) 6.4.1-1

(a) Definitions. As used in this clause:

“Registered in the SAM database” means that the Contractor has entered all mandatory information, including the Unique Entity Identifier (UEI) or the Electronic Funds Transfer indicator, into the SAM database.

“System for Award Management (SAM) Database” means the primary Government repository for Contractor information required for the conduct of business with the Government.

“Unique Entity Identifier (UEI)” (also known as the Unique Entity ID) means a number or other identifier used to identify a specific commercial, nonprofit, or Government entity. See www.sam.gov for the designated entity for establishing Unique Entity Identifiers.

“Electronic Funds Transfer indicator” means a 4-character suffix to the Unique Entity Identifier. This 4-character suffix may be assigned at the discretion of the business concern to establish additional SAM records for identifying alternative Electronic Funds Transfer (EFT) accounts for the same parent concern.

“Contractor” is synonymous with “Offeror” “Lessor” or “Grantor” for real property leases, easements, or other contracts.

(b)(1) By submission of an offer, the Contractor acknowledges the requirement that a prospective awardee will be registered in the SAM database prior to award, during performance, and through final payment of any contract.

(2) The Contractor must enter, in the space below, the contractor's UEI that identifies the Contractor's name and address exactly as stated in the offer. The UEI will be used by the RECO to verify that the Contractor is registered in the SAM database.

UEI: C93LN8QH7WY7

(c) If the Contractor does not have a UEI, it should contact www.sam.gov directly to obtain one. The Contractor should be prepared to provide the following information:

(1) Company* legal business name.

- (2) Tradestyle, doing business, or other name by which your entity is commonly recognized.
- (3) Company Physical Street Address, City, State, and Zip Code.
- (4) Company Mailing Address, City, State and Zip Code (if separate from physical).
- (5) Company Telephone Number.
- (6) Date the company was started.
- (7) Number of employees at your location.
- (8) Chief executive officer/key manager.
- (9) Line of business (industry).
- (10) Company Headquarters name and address (reporting relationship within your entity).

* Individual (non-corporate) lessors/grantors of real property that are not normally in the business of leasing real property should consider leasing to the Government as a separate business (usually a sole proprietorship) then provide the pertinent ownership information as a sole proprietor when providing this information to www.sam.gov.

(d) If the offeror does not become registered in the SAM database in the time prescribed by the RECO, the RECO may proceed to award to the next otherwise successful registered offeror.

© Processing time should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of the solicitation.

(f) The Contractor is responsible for the accuracy and completeness of the data within the SAM database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the SAM database after initial registration, the Contractor is required to review and update, on an annual basis from the date of initial registration or subsequent updates, its information in the SAM database to ensure it is current, accurate and complete. Updating information in the SAM does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(g)(1)(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in AMS Procurement Guidance, the Contractor must provide the responsible RECO a minimum of one business day's written notification of its intention to:

- (A) Change the name in the SAM database;
- (B) Comply with the requirements of AMS regarding novation and change-of-name agreements; and
- (C) Agree in writing to the timeline and procedures specified by the RECO. The Contractor must provide the RECO notification and sufficient documentation to support the legally changed name and then execute the appropriate supplemental agreement provided by the RECO to document the name change.

(ii) If the Contractor fails to comply with the requirements of paragraph (g)(1)(i) of this clause, or fails to perform the agreement at paragraph (g)(1)(i)(C) of this clause, and, in the absence of a

properly executed novation or change-of-name agreement/supplemental agreement, the SAM information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the Payment by Electronic Funds Transfer- System for Award Management clause of this contract.

(2) The Contractor must not change the name or address for EFT payments or manual payments, as appropriate, in the SAM record to reflect an assignee for the purpose of assignment of claims. Assignees must be separately registered in the SAM database. Information provided to the Contractor's SAM record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the Payment by Electronic Funds Transfer- System for Award Management clause of this contract.

(h) Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.sam.gov> or by calling 866-606-8220.

38. Payment by Electronic Funds Transfer- System for Award Management (09/2021) 6.4.2-1

A. Method of payment.

i. Unless waived by the RECO, all payments by the Government under this contract will be made by electronic funds transfer (EFT), except as provided in paragraph (A)(ii) of this clause. As used in this clause, the term "EFT" refers to the funds transfer and may also include the payment information transfer.

ii. In the event the Government is unable to release one or more payments by EFT, the Contractor agrees to either:

- a. Accept payment by check or some other mutually agreeable method of payment; or
- b. Request the Government to extend the payment due date until such time as the Government can make payment by EFT (but see paragraph (D) of this clause).

B. Contractor's EFT information. The Government will make payment to the Contractor using the EFT information contained in the System for Award Management (SAM) database. In the event that the EFT information changes, the Contractor must be responsible for providing the updated information to the SAM database.

C. Mechanisms for EFT payment. The Government may make payment by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or the Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR Part 210.

D. Suspension of payment. If the Contractor's EFT information in the SAM database is incorrect, then the Government need not make payment to the Contractor under this contract until correct EFT information is entered into the SAM database; and any invoice or contract financing request will be deemed not to be a proper invoice for the purpose of prompt payment under this contract. The prompt payment terms of the contract regarding notice of an improper invoice and delays in accrual of interest penalties apply.

E. Liability for uncompleted or erroneous transfers.

i. If an uncompleted or erroneous transfer occurs because the Government used the Contractor's EFT information incorrectly, the Government remains responsible for

- a. Making a correct payment;
- b. Paying any prompt payment penalty due; and

c. Recovering any erroneously directed funds.

ii. If an uncompleted or erroneous transfer occurs because the Contractor's EFT information was incorrect, or was revised within 30 days of Government release of the EFT payment transaction instruction to the Federal Reserve System, and

a. If the funds are no longer under the control of the payment office, the Government is deemed to have made payment and the Contractor is responsible for recovery of any erroneously directed funds; or

b. If the funds remain under the control of the payment office, the Government will not make payment, and the provisions of paragraph (D) of this clause will apply.

F. EFT and prompt payment. A payment will be deemed to have been made in a timely manner in accordance with the prompt payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

G. EFT and assignment of claims. If the Contractor assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, the Contractor must require as a condition of any such assignment, that the assignee must register separately in the SAM database and will be paid by EFT in accordance with the terms of this clause. Notwithstanding any other requirement of this contract, payment to an ultimate recipient other than the Contractor, or a financial institution properly recognized under an assignment of claims, is not permitted. In all respects, the requirements of this clause will apply to the assignee as if it were the Contractor. EFT information that shows the ultimate recipient of the transfer to be other than the Contractor, in the absence of a proper assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of paragraph (d) of this clause.

H. Liability for change of EFT information by financial agent. The Government is not liable for errors resulting from changes to EFT information made by the Contractor's financial agent.

I. Payment information. The payment or disbursing office will forward to the Contractor available payment information that is suitable for transmission as of the date of release of the EFT instruction to the Federal Reserve System. The Government may request the Contractor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. If the Government makes payment by check in accordance with paragraph (A) of this clause, the Government will mail the payment information to the remittance address contained in the SAM database.

39. **Work Performance (09/2021) 6.5.2** All work in performance of this Lease shall be done by skilled workers or mechanics and shall be acceptable to the RECO. The RECO retains the right to reject the Lessor's workers 1) if such are either unlicensed, unskilled, or otherwise incompetent, or 2) if such have demonstrated unacceptable performance in connection with work carried out in conjunction with this Lease. In the event of such rejection, the Lessor shall offer substitute/replacement workers, subject to the approval of the RECO.

40. **Construction Coordination (09/2021) 6.5.14A** pre-construction meeting must be held at the facility at least one week prior to the commencement of any construction, renovation, remodeling, or repair within the leased premises or common use areas connected to or integrated with the leased premises. The Contractor is responsible for planning, scheduling and coordinating the pre-construction meeting with the RECO and the Government's local supervisor or manager responsible for the facility. Any FAA issues or concerns with respect to the construction, renovation, remodeling or repair require full resolution before the project starts.
41. **Wiring for Telephones (09/2021) 6.5.17**The Government reserves the right to provide its own telephone service in the space to be leased. It may have inside wiring and telephone equipment installed by the local telephone company or a private contractor. Alternately, the Government may consider using inside wiring installed by the Lessor, if available. However, the final decision will be made by the Government.
42. **Installation of Antennas, Cables & Other Appurtenances (09/2021) 6.5.18** The Government shall have the right to install, operate and maintain antennas, wires and supporting structures, including any linking wires, connecting cables and conduits atop and within buildings and structures, or at other locations, as deemed necessary by the Government. The Government will coordinate with the Lessor when installing antennas, cables, and other appurtenances.
43. **Doors (09/2021) 6.6.1** Exterior doors must be weather tight, equipped with cylinder locks and door checks, automatic door closures and open outward. The Lessor must furnish the Government at least two master keys and two keys for each lock. Interior doors must be solid cored and at least 32 by 80 inches with a minimum opening of 32 inches and be of sturdy construction. Fire doors must conform to NFPA Standard No. 80. As designated by the Government, doors must be equipped with non-removable hinge pins, and locks with 7-pin removable cores. The Government shall provide cores. Locks, locking arrangements and latches must be in accordance with local building and fire codes, as well as OSHA 29 CFR 1910.
44. **Lighting (09/2021) 6.6.2**Modern, diffused, energy efficient fixtures must be provided that maintain a uniform lighting level of 50 foot candles at working surfaces. Emergency lighting must provide at least 0.5 foot candles of illumination throughout the exit path, including exit access routes, exit stairways, or other routes such as passageways to the outside of the building. Additionally, normal and emergency egress lighting must comply with the requirements of local building and fire codes, as well as, the Life Safety Code NFPA 101.
45. **Adhesives and Sealants (09/2021) 6.6.3**The Lessor shall use adhesives and sealants that contain no formaldehyde, asbestos, polychlorinated biphenyls (PCBs), or heavy metals.
46. **Ceilings (09/2021) 6.6.4**Ceilings must have acoustical treatment with a flame spread of 25 or less and smoke development rating of 50 or less.
47. **Floor Load (09/2021) 6.6.5** All adjoining floor areas shall be:
- A. Of a common level not varying more than 1/4 inch over a 10-foot, 0-inch horizontal run in accordance with the American Concrete Institute standards,
 - B. Non-slip, and
 - C. Accepted by the RECO.

Under floor surfaces shall be smooth and level. Office areas shall have a minimum live load capacity of 50 pounds per square foot plus 20 pounds per square foot for moveable partitions. Storage areas shall have a minimum live load capacity of 100 pounds per square foot including moveable partitions. A report showing the floor load capacity, at no cost to the Government, by a registered professional engineer may be required by the RECO. Calculations and structural drawings may also be required.

48. **Painting (09/2021) 6.6.6**All surfaces must be newly painted with low-VOC, non-lead based paints in colors acceptable to the Government. All surfaces must be repainted after working hours at Lessor's expense at least once every 5 years. Such repainting includes the moving and returning of the furniture, including dismantling, moving and re-assembling the Government's systems furniture, if directed by the Government, at the Lessor's expense. Any existing lead-based paint must be properly maintained and managed per existing federal, state, and local regulatory requirements. If there is chipping, flaking, or peeling paint in the leased premises during the period of Government occupancy, it must be sampled for lead at the Lessor's expense. If the paint contains lead, it must be abated at the Lessor's expense. This could be performed either by removal or sealing with an encapsulating material.
49. **Display Advertising (09/2021) 6.6.7**If the leased premises are solely for Government use, no advertising matter shall be constructed on or over the premises, unless authorized by the RECO.
50. **Erection of Signs (07/2022) 6.6.8**The Government has the right to erect on or attach to the Lessor's premises such signs as may be required to clearly identify the Government's facility or to post Government policies, rules, and regulations. Signs so erected will remain the property of the Government and will be removed from the premises upon termination of the lease.
51. **Window and Floor Covering (09/2021) 6.6.9** All exterior windows shall be equipped with window covering. Floors will be carpeted with a commercial grade of carpet acceptable (carpet tiles or carpet broadloom) to the Government. Existing floor and window coverings may be accepted at the discretion of the RECO; however, prior to occupancy all carpeting and window coverings shall be cleaned.

At no additional cost to the Government, the Lessor shall replace carpeting at least every 8 years during Government occupancy or any time during the lease when:

- A. Backing or underlayment is exposed,
 - B. There are noticeable variations in surface color or texture, and/or
 - C. The condition of the carpet is such that it presents a clear and present danger to pedestrians.
- Replacement includes moving and return of furniture including dismantling, moving and re-assembling the Government's systems furniture if directed by the Government.

52. **Seismic Safety for Equipment (09/2021) 6.6.12**All Lessor-installed equipment, either Government provided or Lessor provided, shall be installed in strict accordance with the latest available edition of the International Building Code (IBC) at the time of execution of this contract and the DOT Specification FAA-G-2100H to ensure proper anchoring to protect personnel during a seismic event.

53. Services, Utilities, and Maintenance of Premises (10/2022) 6.7.1 The Lessor will maintain the demised premises, including but not limited to, the building grounds, all equipment, fixtures and appurtenances furnished by the Lessor under this Lease, in a good, clean and tenantable condition.

The Lessor will maintain landscape plants, lawns, walkways, and parking areas. The Lessor will also remove snow, ice, and any other obstructions from the entrances, walkways, and parking areas around the premises, prior to and during normal business hours set forth below.

The Lessor will provide the labor, materials, equipment and supervision necessary to ensure good repair and tenantable condition.

Utility and maintenance services supplied to space that houses technical equipment will be supplied twenty-four (24) hours per day, seven (7) days per week.

The Government has the right to use appurtenant areas and facilities. The Government has unlimited access to the leased premises 24 hours per day, seven days per week, including, as applicable, the access to, and use of, electrical services, toilets, lights, elevators, and Government office machines at no additional cost. Such access allows the Government to service Government-owned technical equipment, or to perform other mission-critical related duties, as it determines necessary in its sole and absolute discretion.

In addition to such other services as are set forth elsewhere in this Contract, the Lessor will provide the following:

- A. Electricity (except TRACON – Room 207)
- B. Water (hot and cold) and sewer
- C. Potable water (see “Drinking Water” clause)
- D. Restroom cleaning and supplies, daily (public/common areas only)
- E. Window washing twice yearly (except tower cab windows)
- F. Initial and replacement lamps, tubes and ballasts
- G. Exterior and interior door locks and hardware – designed to accept 7-pin removable cores supplied by the Government; and
- H. Snow Removal and Ground Maintenance

54. Utilities not provided by the Lessor 6.7.1-2 The Lessor shall provide a separate meter for electrical service required for Room 207 (TRACON) and is identified as Meter #300802. Said meter will measure FAA usage only and the FAA is responsible to pay for cost incurred on a monthly basis. This utility cost is not included as part of the rental consideration. In addition, the Lessor shall provide proration of the cost of utilities for the Administrative Building (excluding TRACON space) and is reflected in Lessor’s Annual Cost Statement accordingly.

55. Janitorial Services 6.7.2 The Government shall provide janitorial services for leased premises. The Lessor shall provide janitorial services for the public areas, entrances, and all other common areas and shall provide replacement of supplies.

– The Lessor must select environmentally preferable janitorial cleaning products, such as those that

meet or are equivalent to Green Seal Standard GS-37 and/or the EPA Safer Choice label.

B. The Lessor shall provide to facility management the FAA Safety Data Sheets (SDS) for all chemicals used for cleaning purposes prior to their use at the facility.

i. Selection of Paper Products – The Lessor shall select paper and paper products (i.e., bathroom tissue and paper towels) with recycled content conforming to the Environmental Protection Agency's (EPA) Comprehensive Procurement Guideline (CPG).

56. **HVAC (09/2021) 6.7.3** All heating, ventilation and air-conditioning systems that service the leased space must maintain a temperature range of 68-72 degrees Fahrenheit year-round or as dictated in the most recent version of ASHRAE Standard 62, "Ventilation for Acceptable Indoor Air Quality" and ASHRAE Standard 55, "Thermal Environmental Conditions for Human Occupancy". These temperatures must be maintained during hours of operation (as dictated by the lease) throughout the leased premises and service areas regardless of outside temperatures. An automatic control system will be provided to ensure compliance with heating and air conditioning provisions included in this contract.

In order to ensure that there is no degradation of air quality or air flow in the leased premises during the term of the lease, Lessor agrees to perform preventative maintenance on all HVAC units in accordance with the corresponding manufacturers operations and maintenance manuals (e.g. check for defects, lubricate, make adjustments, change the filters, cleaned and make other necessary service requirements). Lessor also agrees to service the VAV boxes annually (on or before each lease anniversary date) and provide the service date to the RECO and FAA facility manager. Such service will include checking the temperature ranges, checking all speeds on each fan, cleaning the fans and other components, replacing defective parts and completing other necessary repairs and maintenance.

57. **Landscaping (09/2021) 6.7.4**

A. Where conditions permit, the site shall be landscaped for low maintenance and water conservation with plants that are either native or well-adapted to local growing conditions.

B. Landscape management practices shall prevent or minimize pollution and storm water runoff by:

- i. Employing practices which avoid or minimize the need for fertilizers and pesticides;
- ii. Prohibiting the use of the 2,4-Dichlorophenoxyacetic Acid (2,4-D) herbicide and organophosphates; and
- iii. Composting/recycling all yard waste.

C. The Lessor shall use landscaping products with recycled content required by Environmental Protection Agency's (EPA's) Comprehensive Procurement Guidelines (CPG) for landscaping products. Refer to EPA's CPG web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

58. **Pest Control (09/2021) 6.7.5** Pesticide application to exterminate and control pests within the leased premises must be performed per periodic schedule for preventative maintenance and according to need with 24-hour notification to the FAA facility management. Prior to any addition/change in type of pesticides or other chemical pest control, Lessor must provide 48-hour written notice with applicable Safety Data Sheet(s) (SDS) to be provided to the FAA facility management.

Herbicides/pesticides are not to be applied near the outside air intakes of the building when the HVAC system is in operation, nor within the leased premises during normal working hours or when the HVAC system is in operation.

59. Fire and Life Safety Requirements (09/2021) 6.8.3The facility, its systems and appurtenances must be in compliance with the following fire and life safety (FLS) requirements:

- A. Construction features of the building must comply with state and local building codes in effect at the time of construction or most recent alteration.
- B. Maintenance and operations of the building must comply with the current edition of state and local fire safety and fire prevention codes.
- C. Construction features, maintenance and operations of the building must meet or exceed the minimum level of fire and life safety specified by OSHA 29 CFR 1910.

Where compliance with the literal requirements of these standards has not been achieved, the Lessor must document, in writing to the Government, the specific deviation(s) from these standards and the equivalencies or alternative methods used by the Lessor as alternative methods of compliance. Each approach used as an alternative method of compliance must be documented in accordance with the Equivalency and Technical Documentation requirements of NFPA 101, signed by a Fire Protection Engineer, licensed in the subject property's state, and a copy must be provided to the RECO.

As provided in this section, all codes, standards, orders and directives refer to the current edition in place at the signing of this contract. If construction or alterations to the premises are undertaken at any time during the term of this contract, fire protection and life safety systems must be brought into compliance where required by applicable codes and standards according to the then-current edition of local codes and standards and all requirements of OSHA 29 CFR 1910. The party initiating the construction or alterations is responsible for funding the upgrade of fire and life safety systems, construction or alteration to the facility must never decrease the level of fire and life safety provided.

Regardless of local code requirements, when the premises (including garage areas under contract by the Government) is on the 6th floor or above, or below grade, automatic sprinklers are required. All Airport Traffic Control Towers must meet the requirements of OSHA's Alternate Standard for Fire Safety in Airport Traffic Control Towers and the NFPA 101. Furthermore, buildings serving National Airspace System (NAS) air traffic control operations and constructed after June 2012, must be fully protected with an automatic, electrically supervised sprinkler system designed and installed in accordance with the requirements of NFPA 13.

When space is located in multi-tenant buildings, the Lessor is responsible for the following:

- i. Development of a building Emergency Action Plan (EAP) and Fire Prevention Plan.
- ii. Publishing and making copies of the EAP and Fire Prevention Plan, and making them available to all FAA occupants.
- iii. Conducting fire or other emergency evacuation drills, at least annually.
- iv. Conducting review and modification of the EAP and Fire Prevention Plan at least annually.
- v. Inviting FAA representation to develop, review and modify the EAP and Fire Prevention Plan.

60. **Fall Protection (09/2021) 6.8.4**The Contractor must ensure proper fall protection safety systems are in place for all work areas where Government personnel are required to perform work at four feet or more above the next lowest level on fixed ladders and within access points to elevated work areas in accordance with FAA Order 3900.19, FAA Occupational Safety and Health Policy, 29 CFR 1910, Occupational Safety and Health Standards (General Industry), 29 CFR 1926 Subpart M, Safety and Health Regulations for Construction, and applicable regulatory required American National Standard Institute (ANSI) Standards. All such elevated work surfaces (platforms, catwalks, roofs, etc.) must have OSHA compliant guardrails, railings, toe boards and/or parapets where applicable to meet OSHA and ANSI requirements as referenced herein.

61. **Environmental and Occupational Safety Health (EOSH) Requirements for ATCT (09/2021) 6.8.5**-The Contractor must provide space, services, equipment, and conditions that comply with the following EOSH standards:

- A. 29 CFR 1910, Occupational Safety and Health Administration (OSHA) Standards (General Industry)
- B. 29 CFR 1926, Safety and Health Standards (Construction)
- C. OSHA The Alternate Standard for Fire Safety in Airport Traffic Control Towers (For ATCTs only)
- D. National Fire Protection Association (NFPA) 101, Life Safety Code
- E. FAA Order 3900.19, FAA Occupational and Health Policy
- F. FAA Standard HF-STD-001, Human Factors Design Standard
- G. National Fire Protection Association (NFPA) 70, National Electrical Code, and NFPA 70E, Electrical Safety in the Workplace
- H. Local and state EOSH regulations
- I. Local and state fire codes and building codes.

Federal, state and local EOSH (OSHA and EPA) standards and building codes must be complied with when accomplishing any cleaning, construction, renovation, remodeling, maintenance activities or testing done in or on the premises and areas connected to or integrated with the premises. Additionally, whenever FAA standards require work processes or precautions to be provided, the Contractor will coordinate with the FAA before and during the work so that the proper requirements are met.

Any equipment designed, installed, or used that presents a potential safety hazard must be marked with appropriate warning labels or placards, in accordance with 29 CFR 1910.145, Specifications for Accident Prevention Signs and Tags, FAA HF-STD-001, Human Factors Design Standard, Chapter 12.16, Safety Labels and Placards, American National Standards Institute (ANSI) Standard Z535.4, Product Safety Signs and Labels, and FAA-G-2100H, Electronic Equipment, General Requirements, Section 3.3.5.4.

62. **Recycling (09/2021) 6.8.6**Where state or local law, code, or ordinance requires recycling programs (including those for mercury containing lamps) for the space, the Contractor shall comply with state and/or local law, code, or ordinance. In all other cases, the Contractor must establish a recycling program for paper, corrugated cardboard, glass, plastics, and metals to the extent practicable and where local markets for those recovered materials exist. The Contractor agrees, upon request, to

provide the Government with additional information concerning recycling programs maintained in the building and in the space after lease execution.

63. **Indoor Air Quality (09/2021) 6.8.7**The Contractor must control contaminants at the source and/or operate the space in such a manner that the indicator levels are not exceeded for carbon monoxide (CO), carbon dioxide (CO₂), and formaldehyde (CH₂O). The indicator levels for office area are as follows: CO less than 5 parts per million (PPM); CO₂ - 700 PPM above outdoor air; CH₂O - 0.027 PPM. All indoor air contaminant levels in the space must be kept below appropriate OSHA regulations or OSHA required consensus standards. Air quality systems cleaning is required to prevent the growth of mold, mildew and bacteria. Any visual evidence of these will require immediate sampling and remediation. Moisture/standing water must be controlled to prevent the growth of these.

During working hours, ventilation must be provided in accordance with the latest edition of ANSI/American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 62, Ventilation for Acceptable Indoor Air Quality and ASHRAE Standard 55, Thermal Environmental Conditions for Human Occupancy.

The Contractor must investigate indoor air quality (IAQ) complaints immediately and must implement controls including alteration of building operating procedures (e.g., adjusting air intakes, adjusting air distribution, cleaning and maintaining heating, ventilation and air conditioning (HVAC) systems, etc.). The Government is responsible for addressing IAQ problems resulting from its own activities.

The Contractor must provide SDS to FAA facility management for all chemicals and cleaning solutions at least 72 hours prior to their use in the FAA spaces or other areas of the buildings that might affect air quality in the FAA space(s). Materials should contain low or no Volatile Organic Compounds (VOC) and additional ventilation may be required when using chemicals and cleaning solutions.

64. **Mold Growth Identification and Control (09/2021) 6.8.8**The contractor must prevent mold growth and excessive levels of moisture and humidity. Adequate air quality, moisture control and facility cleaning are required to prevent the growth of mold, mildew, and bacteria. Any visual evidence of mold requires immediate sampling and remediation by the contractor.

Following a water-intrusion event, the contractor must identify the water source and immediately implement water extraction and drying efforts. Once the water source is identified, the contractor must take action to prevent additional water damage and ensure that permanent fixes are in place prior to build-back and restoring building materials. Within 24-48 hours of water damage from clean water sources (e.g., water supply lines, rainwater, and snowmelt from rooftops), all building materials must be dried to a moisture level that will prevent mold growth.

All porous materials contaminated with sewage or other Category 2 (e.g., washing machine overflows, toilet overflows, and non-feces waters) or Category 3 (sewage backups and overflows from beyond toilet traps, feces, floodwaters, and groundwater intrusion) water sources must be discarded. All non-porous material must be cleaned and disinfected.

Mold remediation and cleaning must be conducted using recognized industry methods and practices (e.g. Institute of Inspection, Cleaning and Restoration Certification (IICRC) S500 Standard and Reference Guide for Professional Water Damage Restoration, IICRC-S520 Standard and Reference Guide for Professional Mold Remediation, 2008, and National Air Duct Cleaners Association (NADCA): Assessment, Cleaning and Restoration of HVAC Systems, ACR 2006). State requirements concerning mold remediation, contractors training and licensing must be followed.

The contractor must coordinate with the FAA facility management and RECO regarding all mold remediation operations. The FAA must be afforded the opportunity to provide input in the mold remediation process. Biocides must be used cautiously and in accordance with EPA requirements. A Certified Industrial Hygienist (CIH) must pre-approve the use of EPA-approved biocides in air conveyance systems.

65. **Drinking Water (09/2021) 6.8.9**The contractor must provide drinking water in the space that meets the standards prescribed in the Safe Drinking Water Act, 42 U.S.C. 300. Acceptable potable water must meet EPA's primary drinking water standards with contaminants being less than established Maximum Contaminant Levels (MCLs) and action levels. In cases where state and/or local authorities have their own standards, potable water must meet those or federal standards, whichever is more stringent.

The contractor must test the sources of drinking water in the space (faucets, drinking water fountains, ice machines, etc.) on a periodic basis, but no less than every three (3) years, to ensure water quality (e.g., lead, copper, total coliforms). If the contractor performs plumbing and/or renovation work in the space that impacts the drinking water (i.e., replacement of water lines), the contractor must test the drinking water in the system affected by the plumbing and/or renovation work. If at any time, the FAA or contractor's drinking water test results are not acceptable under the EPA's primary drinking water, and/or state and local authorities' standards as described above, the Lessor must immediately correct the deficiencies. The contractor must notify the Government prior to performing all tests and provide a copy of any test report to the RECO and facility management or their designee.

66. **Halon (09/2021) 6.8.10**Halon may not be used in any FAA space.

67. **Radon Air Levels (09/2021) 6.8.11**Contractor must provide the FAA with a Radon Evaluation Report for the facility when requested. Radon air levels in FAA premises must not exceed the level of 4.0 picocuries per liter (pCi/L). If radon levels are found to be at or above 4.0 pCi/L, the contractor must immediately notify the RECO and FAA facility management of its finding and its plan of corrective action, including testing, to ensure radon air levels are maintained below 4.0 pCi/L at all times. Radon testing shall be done by a radon professional certified according to state and local requirements using US EPA approved testing methods.

68. **Asbestos (09/2021) 6.8.12**The contractor must ensure that FAA personnel are protected from asbestos hazards, in accordance with:

- A. 29 CFR 1910.1001, Asbestos (General Industry)
- B. 29 CFR 1926.1101, Asbestos (Construction)

- C. 40 CFR 763, Subpart E, Asbestos Containing Materials in Schools, Asbestos Hazard Emergency Response Act (AHERA)
- D. 40 CFR 61, Subpart M, National Emissions Standards for Hazardous Air Pollutants (NESHAP)
- E. State and local asbestos regulations

The contractor warrants that, notwithstanding inspection and acceptance by the Government or any provision concerning the conclusiveness thereof, all space under this contract, including, but not limited to; space above suspended ceilings in the leased space, air plenums elsewhere in the building that service the leased space, engineering spaces in the same ventilation zone as the leased space, public spaces in the same ventilation zone as the leased space, and public spaces and common use spaces (e.g., lobbies, hallways) will, at the time of acceptance and during the term of this Lease, including all extensions thereof, comply with asbestos regulatory requirements.

All facilities are required to have a current asbestos building survey or an asbestos free certification (in accordance with federal, state or local regulations, and including sampling of all materials that have the potential to contain asbestos) conducted by a qualified inspector, including a visual examination and sampling of building materials. All asbestos identification survey reports must be sent to the RECO and FAA facility management.

The RECO must notify the contractor in writing of any failure to comply with asbestos requirements, within five (5) days after the discovery thereof. If Asbestos Containing Materials (ACMs) are found to be in the leased space, either prior to acceptance or during the course of the lease agreement, the Government reserves the right to require the contractor, at no cost to the Government, to take corrective action as required by OSHA, EPA, state and local requirements. In accordance with these regulations, the contractor must post asbestos warning labels and signs in accordance with OSHA regulations.

In addition, all construction by the contractor is required to comply with OSHA, EPA, state and local requirements for asbestos. Prior to the start of any construction, renovation or maintenance activities that impact the building, the contractor must determine whether ACM will or could be released as part of the work. If ACM will or could be released, the contractor must notify the FAA and take corrective actions to prevent FAA employees from exposure to asbestos fibers. Corrective actions must be coordinated with the FAA at least 30 days prior to the start of any construction, renovation or maintenance activities that impact the building.

After ACM remediation is performed, the contractor must adhere to regulatory required post-asbestos abatement air monitoring requirements. As a part of this process, the contractor must provide the RECO and the FAA facility manager with an asbestos re-inspection report indicating the location and condition of all remaining ACM in the FAA leased areas and common areas of the facility. If the contractor supplies the janitorial or maintenance contracts, those employees must also be informed of the presence and location of asbestos at the facility.

“Corrective Action“, as used in this clause, means the removal, encapsulation or enclosure of ACM. All corrective actions must be conducted by licensed asbestos abatement contractors in accordance with OSHA, EPA, state, local and FAA requirements.

69. **Warranty of Space 6.8.13** Space is leased as is with no warranty to make modifications or alterations to be become compliant with current federal, state and local standards due to the age of the facility. The space is not limited to that set forth in this contract, but also includes space above suspended ceilings in the leased space, air plenums elsewhere in the building that service the leased space, engineering spaces in the same ventilation zone as the leased space, public spaces in the same ventilation zone as the leased space, and public spaces and common use spaces (e.g., lobbies, hallways).

70. **Electrical Safety (09/2021) 6.8.14** The contractor must ensure electrical safety requirements are met, including grounding, bonding, shielding, control of electrostatic discharge (ESD), and lightning protection requirements, in accordance with:

- A. 29 CFR 1910, Subpart S, Electrical
- B. FAA Standard HF-STD-001, Human Factors Design Standard, Chapter 12.4, Electrical Hazards
- C. DOT Specification FAA-G-2100H, Electronic Equipment, General Requirements
- D. National Fire Protection Association (NFPA) 70, National Electrical Code
- E. NFPA 70E, Electrical Safety in the Workplace
- F. American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) Standard 1100-2005, Recommended Practice for Powering and Grounding Electrical Equipment
- G. DOT Standard FAA-STD-019F, Lightning and Surge Protection, Grounding, Bonding and Shielding Requirements for Facilities and Equipment

The contractor must ensure that electrical equipment and infrastructure meets minimum clear working space requirements in accordance with 29 CFR 1910.303 and NFPA 70 Article 110.26, and is maintained and documented in accordance with NFPA 70E. Any change in the electrical equipment requires review of the current arc flash warning labels to determine if the arc flash warning labels posted meet the current safety requirements.

71. **Facility Security (01/2024) 6.9.1**

Security requirements for Government occupied space must meet the baseline level of protection security countermeasures based upon the facility security level (FSL) and type of facility covered by this Lease. The security countermeasures for each FSL and type are identified in FAA Order 1600.69 FAA Facility Security Management Program (as amended). The security countermeasures identified below are tailored specifically for the type of facility covered by this Lease. The Lessor shall provide or make accommodation to provide for all the security countermeasures required for the leased premises covered by this Lease agreement:

None

The local Servicing Security Element (SSE) will determine the security countermeasures that are required for the leased space and shall conduct a final security assessment of the building. If that assessment indicates that additional security countermeasures are required to the Premises, those countermeasures shall be contracted and paid for under separate contract at the Government's expense and subject to the availability of funds. The Lessor shall provide maintenance services to

the security upgrades installed by the Lessor within the leased premises and covered under this Lease.

72. Foreign Nationals as Contractor Employees (04/2022) 6.9.2

a) Definition. "Foreign National" is any citizen or national of a country other than the United States who has not immigrated to the United States and is not a Legal Permanent Resident (LPR) of the United States.

b) Each contractor or subcontractor employee under this contract, having access to FAA facilities, sensitive information, or resources must be a citizen of the United States, or a foreign national who has been lawfully admitted for permanent residence as evidenced by a Permanent Resident Card I-551, or who presents other evidence from the U.S. Citizenship and Immigration Service that employment must not affect his/her immigration status.

c) Foreign Nationals proposed under this contract must meet the following conditions in accordance with FAA Order 1600.1F, chapter 8, paragraph 10:

(1) Must have resided within the United States for a minimum of the last three (3) years unless a waiver of this requirement is requested and approved in accordance with the requirements stated in FAA Order 1600.1F, chapter 8, paragraph 10;

(2) A risk or sensitivity level designation can be made for the position; and

(3) The appropriate security-related background investigation can be adequately conducted, as determined by the Office of Security and Hazardous Materials (ASH) Office of Personnel Security (AXP).

d) Foreign Nationals proposed under this contract must meet the following additional conditions:

(1) Provide a current unexpired passport and their place of birth in order to begin the background investigation process in accordance with FAA Order 1600.1F, Personnel Security Program; and,

(2) Successfully pass an export control review as outlined in FAA Order 1240.13 FAA Export Control Compliance.

e) Interim suitability requirements may not be applied unless the position is low/moderate in risk, and/or temporary, and/or is not in a critical area position.

73. Real Estate Contractor Personnel Suitability Requirements (01/2024) 6.9.3

1. No contractor employee, subcontractor, or consultant will be allowed

unescorted access to any FAA facility;

access to FAA classified information;

access to FAA *Sensitive Unclassified Information (SUI); or

access to FAA systems or resources

unless they have been authorized by the FAA Office of Personnel Security (AXP).

*SUI is defined as unclassified information, in any form including print, electronic, visual, or aural forms, which is protected from uncontrolled release to persons outside the FAA and indiscriminate dissemination within the FAA. It includes aviation security, homeland security, and protected critical infrastructure information. SUI may include information that may qualify for withholding from the public under the Freedom of Information Act (FOIA).

The lessor, employee, consultant, contractor or subcontractor may be required to sign a Non-

Disclosure Agreement (NDA) prior to being allowed access to SUI and other information of a confidential nature that is owned by, produced by or otherwise under the control of the United States Government. The NDA establishes a recipient's responsibilities with respect to safeguarding sensitive information from being shared with unauthorized parties and the possible consequences of a recipient's failure to do so.

2. Consistent with FAA Order 1600.1F, AXP must approve designated risk levels for the positions under the contract, to be determined by the FAA Operating Office (the organization with the requirement) in coordination with the Contracting Officer (CO) or designee, using the OPM Position Designation Automated Tool (PD Tool).

3. For all contractor employees, subcontractors, or consultants requiring access to FAA facilities, classified information, sensitive unclassified information, systems, or resources, the prime contractor must submit to their responsible AXP office and CO or their designee, a point of contact (POC) who will be responsible for entering all contractor applicant data, to include subcontractor data, into the Vendor Applicant Portal (VAP) system (AXP will provide the user with access to the VAP) for security processing. The contractor must not enter contractor employees in VAP unless they have a legitimate need for unescorted access to FAA facilities, classified information, sensitive unclassified information and/or systems according to the terms of the contract. Contractor employees who will not require the aforementioned types of access or who would be under escort of other badged personnel are not to be entered in VAP.

4. If an applicant has had a previous US Government conducted background investigation, which meets the investigative requirements for the position and meets established reciprocity guidelines, it will be accepted by the FAA. The FAA reserves the right to conduct further investigations, including requesting additional information from the applicant, if necessary.

5. If no previous investigation exists, or if the previous investigation does not meet investigative requirements for the position, AXP will:

Send the applicant an e-mail (this step may be delegated to VAP POC) with instructions for completing investigative requirements;

Instruct the applicant how to enter and complete a background investigation questionnaire through the electronic Questionnaires for Investigation Processing (eQIP) or successor system;

Provide where to upload, or send/fax applicable forms; and

Provide instructions regarding fingerprinting (any fees associated with obtaining fingerprints are not the responsibility of the FAA).

The contractor employee must complete the investigative requirements and submit required material within 15-calendar days of receiving the e-mail from AXP. All items submitted directly to AXP must reference the contract number.

6. No contract employee, subcontractor, or consultant, identified as requiring a background investigation under the contract will be granted unescorted access to FAA occupied space unless AXP has authorized them. Authorization will be in the form of an Interim or Final Suitability email notification from AXP to the VAP POC and CO.
7. No contract employees, subcontractor, or consultant will be issued a FAA Personal Identity Verification (PIV) card, or other FAA issued ID card, unless they have been granted a favorable Interim or Final suitability determination from AXP.
8. The Contractor VAP POC must inform the CO or their designee and submit a VAP removal record in VAP within twenty-four (24) hours after any contractor employee resigns, is terminated, transferred, or otherwise removed from the contract. If the FAA issued the contract employee a PIV card, or other ID card, the contractor must collect the card within twenty-four hours, and return it to AXP no later than five business-days after the employee's termination or transfer.
9. The CO or their designee will provide notice to the contractor within 24 hours after receipt of a determination that the contractor or its employee has not complied with security-related contract requirements, security-related FAA Orders, or if a contractor employee's conduct is objectionable or contrary to the public interest, or inconsistent with the best interest of national security. The notice will instruct the contractor to remove its employee's access to FAA premises or networks, or otherwise remedy the contractor's performance. The FAA Facility Manager has authority to remove a contractor employee's access to FAA occupied space when the Facility Manager determines a contractor employee's conduct is objectionable or contrary to the public interest. The Facility Manager must notify the CO within 24-hours of such removal.
10. The contractor must immediately comply with the CO or their designee's direction to remedy its security performance at the contractor's expense, including removing the employee from FAA premises and networks. If the contractor employee is working under an interim suitability authorization, the contractor must take appropriate action, including the removal of the contractor employee's access, at their own expense. Once action has been taken, the contractor must report the action via the VAP within the timeframe prescribed in this clause.
11. After coordination with AXP, the CO or the FAA Facility Manager or their designee may require contractor employees to submit any other security information deemed reasonably necessary to protect the interests of the FAA. This includes submitting to additional fingerprinting, responding to letters of inquiry, and background reinvestigations required under Federal Investigative Standards. In this event, the contractor must provide, or cause each of its employees to provide, such security information to AXP. Failure to cooperate with security processing will result in an unfavorable suitability determination.
12. The contractor must retrieve a current roster report through VAP on a quarterly basis to ensure the roster is accurate, and immediately correct any discrepancies with the responsible AXP office. The prime contractor is responsible for the accuracy of their subcontractors' rosters as well.
13. Contractor employees subject to the requirements of this clause must take the FAA Security

Awareness Virtual Initiative (SAVI) training within 90 days of reporting to work and annually thereafter. This training is available on the FAA's Electronic Learning Management System (eLMS). Contractor employees without access to eLMS must contact the FAA Facility Manager for a copy of the training.

14. The prime contractor must contact the CO or their designee, and AXP within one business-day in the event an employee (who has been cleared for FAA access by AXP) is arrested (i.e., taken into custody by law enforcement for any offenses, other than minor traffic offenses) or is involved in theft of government property or the Contractor becomes aware of any information that may raise a question about the suitability of a contractor or subcontractor employee.

15. Failure to submit information required by this clause within the time required may result in suspension or revoked access to FAA assets for the contractor's employee, which may be determined by the CO to be a material breach of the contract.

16. If subsequent to the effective date of this contract, the security classification or security requirements under this contract are changed by the Government and if the changes cause an increase or decrease in direct contract costs or otherwise affect any other term or condition of this contract, the contract will be subject to an equitable adjustment.

17. The contractor agrees to insert terms that conform substantially to the language of this clause, excluding any reference to the Changes clause of this contract, in all subcontracts under this contract that involve access and where the exceptions under FAA Order 1600.1F do not apply.

74. Access to FAA Systems and Government Issued Keys and Personal Identification Verification (PIV) Cards (01/2024) 6.9.4

1. It may become necessary for the Government to grant access to FAA systems or issue Government property, to include FAA-issued ID cards, or sensitive unclassified information (SUI), to contractor employees. The FAA shall have the authority to restrict or deny, unescorted access into leased space to anyone. The FAA shall also have the authority to determine the number of PIV cards to be issued to contractor personnel and subcontractors, based on operational necessity. Individuals requiring non-routine access for maintenance purposes shall be escorted by FAA personnel and be issued appropriate FAA visitor badges. Prior to or upon completion or termination of the work under the contract, the contractor must return all such Government property and SUI to FAA's Facility Manager or their designee.

2. Improper use, possession or alteration of Government property is subject to penalties under Title 18, USC 499, 506, 701, and 1030.

3. In the event such Government property is lost, stolen, or not returned, the contractor understands and agrees that the Government may, in addition to any other withholding provision of the contract, withhold the value of the asset for each item of Government property not returned. If the Government property, to include FAA-issued ID cards, or SUI is not returned within 30-calendar-days from the date the withholding action was initiated, any amount so withheld is forfeited by the contractor. Regarding FAA Personally Identifiable Information (PII) contained within portable devices that are lost, stolen, or not returned, the contractor must additionally report such a loss, theft,

or non-return within one (1) hour to the FAA Security Operations Center (phone (866)-580-1852 (Option 1) or email 9-AWA-SOC@faa.gov).

4. Access to aircraft ramp/hangar areas is authorized only to those persons displaying a flight line identification card and for vehicles, with a current ramp permit issued pursuant to Title 49, Part 1542, Code of Federal Regulations.

5. The Government retains the right to inspect inventory, or audit Government property or sensitive information issued to the contractor in connection with the contract and do so at the convenience of the Government. Any items not accounted for, to the satisfaction of the Government, will be assumed to be lost and the provisions of section (3) of this clause apply.

6. The issuance of Government property, to include SUI, to a Contractor must be approved by FAA's Facility Manager or designee who will require the Contractor's employee to sign a receipt for each item. Lost or stolen Government property or SUI must immediately be reported to the Contracting Officer (CO), Contracting Officer's Representative (COR), or FAA's facility manager or designee (as applicable) and the FAA SOC at the telephone number and email address listed under section (3) above.

7. Each Contract employee, during all times of on-site performance at an FAA facility, must prominently display his/her current and valid FAA PIV card, or other FAA issued ID card, on the front portion of his/her body between the neck and waist. Each FAA ID cardholder must not affix pins, stickers, or other item to the card.

8. Prior to any contractor employee obtaining a FAA ID Card or other government property, in accordance with FAA Order 1600.78 the contractor is required to:

a. Enter data for each employee into the VAP as described in the "Real Estate Contractor Personnel Suitability Requirements" clause.

b. The Office of Personnel Security (AXP) will determine whether a favorable interim and/or final suitability determination can be granted to:

i. Exercise reciprocity when applicable.:

ii. Initiate the contractor applicant into the electronic Questionnaires for Investigations Processing (eQIP), or subsequent system, so that the applicant can complete the investigative forms.

c. Interim suitability cannot be granted until all background investigation forms are completed, and fingerprints and signature pages are submitted to AXP.

d. Authorization for the contractor employee to begin work on the FAA contract will be an Interim or Final Suitability notification from AXP.

9. To obtain a FAA PIV card, in accordance with FAA Order 1600.78, the contractor employee will

be provided instructions by AXP for obtaining an FAA PIV or other ID card upon being granted authorization to begin work. a. The instructions will include how to submit an Identification Card Application (DOT 1681) online at <https://idms.faa.gov/1681>, accessible only from within an FAA facility. The application must be approved by the CO or COR.

b. The contractor employee will be notified when the identification card application has been approved and is ready for processing by the FAA Identification Card issuer (e.g., Trusted Agent).

10. Off-Boarding. The contractor is responsible for ensuring final off-boarding is accomplished for all departing contractor employees. This includes termination, resignation, retirement, death, change of employment status (i.e., transferring from a contractor to a FAA employee), transfer to another FAA contract, and (with CO approval) extended leave of absence. The Contractor may appoint an off-boarding coordinator to oversee the off-boarding process.

a. For each departing employee having access to FAA facilities and/or Information Technology (IT) systems, the Contractor must submit a completely filled out and signed "FAA Contractor Employee Off-Boarding Checklist" (located in FAA Procurement Forms) to the Facility Manager or their designee no later than thirty (30) calendar days after the employee's departure. The Contractor must ensure that the Checklist confirms that all applicable Government property (including FAA-issued ID cards) and sensitive information (including Classified National Security Information (CNSI) has been collected and access to all FAA assets has been terminated.

b. When the Contractor is not collocated or within local driving distance of the responsible AXP office, the Contractor must collect the PIV Card or other FAA issued ID card, and any other tokens and provide to the CO or COR within one (1) business day of receiving the card/tokens from the departing employee.

c. In event that the Contractor employee departs without completing the Checklist, the Contractor is responsible for completing and submitting the Checklist on the employee's behalf. If the departing Contractor employee served as the Property Custodian for the FAA contract, the Contractor must designate a new Property Custodian and ensure accountability of all property under the contract, or within fourteen calendar days with the CO's approval, provide to the CO the results of the associated inventory/property accountability.

d. The designated VAP POC must submit a VAP removal record for the departing employee within twenty-four (24) hours.

e. The Contractor must also comply with any local Employee Off-Boarding Checklists in use at FAA Facilities.

11. All contractors and subcontractor employees with access to FAA systems must have a FAA-issued PIV card and must use the PIV card to authenticate to the FAA system. Approved contractor equipment or software in accordance with clause 3.14-13 "Use of Contractor Equipment or Software

- Permitted" that connects to FAA systems must be configured to accept and use FAA-issued PIV

cards. The contractor must provide the appropriate equipment for the PIV card, while the FAA will furnish and configure the PIV software.

12. The contractor must insert this clause in all subcontracts under the contract.

75. Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (07/2023) 6.9.5

(a) Definitions. As used in this clause--

Backhaul means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (e.g., connecting cell phones/towers to the core telephone network). Backhaul can be wireless (e.g., microwave) or wired (e.g., fiber optic, coaxial cable, Ethernet).

Covered foreign country means The People's Republic of China.

Covered telecommunications equipment or services means—

- (1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
- (2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- (3) Telecommunications or video surveillance services provided by such entities or using such equipment; or
- (4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Critical technology means—

- (1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;
- (2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled—
 - (i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or
 - (ii) For reasons relating to regional stability or surreptitious listening.
- (3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);
- (4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);

- (5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or
- (6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

Interconnection arrangements means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered (e.g., connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

Roaming means cellular communications services (e.g., voice, video, data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high.

Substantial or essential component means any component necessary for the proper function or performance of a piece of equipment, system, or service.

(b) Prohibition.

(1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in AMS T3.8.9C.1.c(5).

(2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020 from entering into a contract, or extending or renewing a contract, with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in AMS T3.8.9C.1.c(5). This prohibition applies to an entity that uses covered telecommunications equipment or services, including use not in support of the Government.

(c) Exceptions. This clause does not prohibit contractors from providing—

- (1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) Reporting requirement.

(1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor must report the information in paragraph (d)(2) of this clause to the Contracting Officer, unless elsewhere in this contract are established procedures for reporting the information. For indefinite delivery contracts, the Contractor must report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order.

(2) The Contractor must report the following information pursuant to paragraph (d)(1) of this clause:

(i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the Contractor must describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) Subcontracts. The Contractor must insert the substance of this clause, including this paragraph (e), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items.

76. Covered Telecommunications Equipment or Services- Representations (09/2021) 6.9.5-1

(a) Definitions. As used in this provision, “covered telecommunications equipment or services” has the meaning per the "Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment” clause in this contract.

(b) Procedures. The offeror must review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from receiving federal awards for covered telecommunications equipment or services.

(c) Representations.

1. The offeror represents that it _____ **does**, _____ **does not provide** covered telecommunications equipment or services as part of its offered products or services to the Government in the performance of any contract, subcontract, or other contractual instrument.

2. After conducting a reasonable inquiry for purposes of this representation, the offeror represents

that it _____ **does,** _____ **does not use** covered telecommunications equipment or services, or any equipment, system, or service that uses telecommunications equipment or services.

- 77. Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment (09/2021) 6.9.5-2**NOTE: The offeror must not complete the representation at paragraph (d)(1) in this provision if the offeror has represented that it does not provide covered telecommunications equipment or services as part of its offered products or services to the Government in the performance of any contract, subcontract, or other contractual instrument in the provision "Covered Telecommunications Equipment or Services – Representation" (c)(1). Additionally, The offeror must not complete the representation at paragraph (d)(2) in this provision if the offeror has represented that it does not use covered telecommunications equipment or services, or any equipment, system, or service that uses telecommunications equipment or services in the provision "Covered Telecommunications Equipment or Services – Representation" (c)(2).

PROVISION/CLAUSE:

(a) Definitions. As used in this provision--

Backhaul, covered telecommunications equipment or services, critical technology, interconnection arrangements, reasonable inquiry, roaming, and substantial or essential component have the meanings provided in the clause AMS clause 6.9.5, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.

(b) Prohibitions.

(1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. Nothing in this prohibition will be construed to—

(i) Prohibit the head of the agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
(ii) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020 from entering into a contract or renewing a contract with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential part of any system or as critical technology as part of any system. This prohibition applies to any entity that uses covered telecommunications equipment or services, including uses not in support of the Government.

Nothing in this prohibition will be construed to-

(i) Prohibit the head of the agency from procuring with an entity to provide a service that connects to

the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
(ii) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(c) Procedures: The offeror must review the list of excluded parties in the System for Award Management (SAM) (<https://www.sam.gov>) for entities excluded from Federal awards for covered telecommunications equipment or services.

(d) Representations.

(1) The Offeror represents that it will, will not provide covered telecommunications equipment or services to the Government in the performance of any contract, subcontract or other contractual instrument resulting from this solicitation.

(2) After conducting a reasonable inquiry for purposes of this representation, the Offeror represents that that it does, does not USE covered telecommunications equipment or services, or use any equipment, system, or service that uses covered telecommunications equipment or services. The Offeror must provide the additional disclosure information required at paragraph (e) if the Offeror indicates “does”.

(e) Disclosures. Disclosure for the representation in paragraph (d) (1) of this provision-
If the Offeror has responded “will” in the representation in paragraph (d) (1) of this provision, the Offeror must provide the following information as part of the offer—

(1) For covered equipment

(i) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the original equipment manufacturer (OEM) or a distributor, if known;

(ii) A description of all covered telecommunications equipment offered (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and

(iii) Explanation of the proposed use of covered telecommunications equipment and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b) (1) of this provision;

(2) For covered services-

(i) If the service is related to item maintenance, a description of all covered telecommunications services offered (include on the item being maintained: brand, model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable; or

(ii) If not associated with maintenance, the Product Service Code (PSC) of the service being provided; and explanation of the proposed uses of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(1) of this provision.

Disclosure for representation in paragraph (d) (2) of this provision. If the Offeror has responded “does” to paragraph (d)(2) of this provision, the offeror must provide the following information as

part of the offer—

(3) For covered equipment

- (i) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the OEM or a distributor, if known;
- (ii) A description of all covered telecommunications equipment offered (include brand; model number, such as original equipment manufacturer (OEM) number, manufacturer part number, or wholesaler number; and item description, as applicable); and
- (iii) Explanation of the proposed use of covered telecommunications equipment and services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b) (2) of this provision.

(4) For covered services-

- (i) If the service is related to item maintenance, a description of all covered telecommunications services offered (include on the item being maintained: brand, model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); or
- (ii) If not associated with maintenance, the Product Service Code (PSC) of the service being

provided; and explanation of the proposed uses of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(2) of this provision.

78. Cooperation with Defensive Counterintelligence Program Requirements (DCIP) (09/2021)

6.9.6

a. The FAA's Defensive Counterintelligence Program (DCIP) (AXI-310) detects, deters, and denies illicit human and technical intelligence collection activities as well as addressing other national security concerns. Such activities and concerns include, but are not limited to, activities conducted by, on behalf of, or otherwise supporting, foreign governments or elements thereof; entities or individuals that meet the definition of "foreign power" or "agent of a foreign power" in 50 U.S.C. § 1801; foreign organizations; foreign persons; international terrorist organizations or activities; or agents of any of the foregoing; or any other individuals or entities acting on behalf of, or otherwise in support of, any of the foregoing, against the FAA, its employees, facilities, equipment, systems, networks, operations, and information.

b. Consistent with FAA Order 1600.84 FAA Defensive Counterintelligence Program, the contractor is required to cooperate to the fullest extent possible in the following requirements:

- 1) Any authorized DCIP inquiry or Counterintelligence (CI) investigation connected with this contract requested by the FAA Office of Security and Hazardous Materials Safety (ASH) to include granting authorized ASH or outside investigative department or agency personnel access to contract information, records or contractor personnel;
- 2) All applicable FAA security requirements as required under the contract consistent with FAA policy and applicable Federal law;
- 3) When requested by the DCIP, and necessary to protect Controlled National Security Information (CNSI), Sensitive Unclassified Information (SUI), or otherwise protected information, contractor employees must sign a Defensive Counterintelligence Program Non-Disclosure Agreement (NDA) prior to being briefed on any information pertaining to a DCIP inquiry, CI investigation by another Department or Agency, or any other matter related to the DCIP. The NDA is located in Appendix C

of the Order and in AMS Procurement Forms. Contractor employees are exempt from acknowledging any language in the NDA associated with unauthorized disclosure of received information that subjects FAA employees to personnel actions specified in the Human Resources Policy Manual (HRPM) Volume 4: Employee Relations ER-4.1 (4) and applicable collective bargaining agreements.

4) Contractors must first coordinate with the DCIP at ASH-CI-Notify@faa.gov before contacting any law enforcement or investigative agencies on any known or suspected counterintelligence or other national security concern described in Paragraph 1 of FAA Order 1600.84.

5) Contractors must notify the DCIP as soon as possible if any law enforcement or investigative agency contacts them directly on any matter covered by FAA Order 1600.84. If an employee receives a direct request from an outside law enforcement or investigative agency for evidence related to a counterintelligence or other national security concern as described in Paragraph 1 of FAA Order 1600.84, the employee will refer the law enforcement or investigative agency to AXI-310.

6) Contractors must immediately notify the DCIP at ASH-CI-Notify@faa.gov, and the CO or their designee if their employees observe any of the following-

- a) Suspected or known acts of foreign intelligence collection activity against the FAA or its employees, systems, networks, operations, facilities, equipment, or information;
- b) Suspected or known espionage (See Appendix A of FAA Order 1600.84 for definition);
- c) Suspected or known unauthorized disclosure of CNSI, SUI, or otherwise protected information in the possession of the FAA by a FAA employee to a foreign government or element thereof, a foreign organization, an entity or individual that meets the definition of “foreign power” or “agent of a foreign power” in 50 U.S.C. § 1801, a foreign person, an international terrorist organization or activity, an agent of any of the foregoing, or any other individual or entity acting on behalf of or otherwise supporting any of the foregoing; or
- d) Suspected or known theft, unauthorized disclosure, or unauthorized amassing of CNSI, SUI, or otherwise protected information in the possession of the FAA known or suspected to be for the purpose of conveying it to a foreign government or element thereof, an entity or individual that meets the definition of “foreign power” or “agent of a foreign power” in 50 U.S.C. § 1801, a foreign organization, a foreign person, an international terrorist organization or activity, an agent of any of the foregoing, any other individual or entity acting on behalf of or otherwise supporting any of the foregoing, or an unknown recipient, or statements of intent by an FAA employee to engage in any such actions. SUI or otherwise protected unclassified information whose theft, unauthorized disclosure, or unauthorized amassing, for the purposes described in the preceding sentence, is of concern includes, but is not limited to:
 - i. Non-public information from an official FAA data network or information;
 - ii. Imagery;
 - iii. Technical specifications;
 - iv. Trade secrets;
 - v. Proprietary information;
 - vi. Sensitive Security Information (SSI); and
 - vii. Any other SUI
- e) Activities similar to those described in paragraphs b(6)(a)-(d) by, on behalf of, or otherwise supporting, potential lone wolf actors, malicious insiders, or transnational organizations of a national

security concern.

If notification of the CO or their designee is not feasible owing to the CO and/or their designee being one of the suspicious actor(s), the contractor must notify the DCIP directly at the above email address if they observe any of the above activities.

7) Elicitation attempts. Elicitation is the strategic use of conversation to extract information from people without giving them the feeling they are being interrogated. It is a technique used to discreetly gather information. It is a conversation with a specific purpose: collect information that is not readily available and do so without raising suspicion that specific facts are being sought. The conversation can be in person, over the phone, or in writing.

Contractors must immediately notify the DCIP at ASH-CI-Notify@faa.gov, and the CO and/or their designee if their employees experience any known or suspected direct (e.g., personal encounter or telephone) or indirect (e.g., electronic or written communication) elicitation or attempted elicitation of CNSI, SUI, or otherwise protected information in the possession of the FAA by any suspicious entity or person, regardless of ethnicity, nationality, or FAA employment status, as soon as possible, but no later than 12 hours after the time of the incident, initial detection, or receipt of report, as applicable, or the next business day if the incident, initial detection, or receipt of report, as applicable, occurs on a weekend or holiday. Contractors must report these incidents regardless of where, when, or how the contact took place, or whether the employee was on or off duty. Suspicious activities include, but are not limited to:

- a) Direct or indirect contact or communication with a known or suspected foreign or foreign-affiliated person, or an unknown or unfamiliar person, seeking access to or disclosure of any CNSI, SUI, or otherwise protected information in the possession of the FAA for which such person does not meet the applicable access requirements, or that is outside the scope of their official duties;
- b) Direct or indirect contact or communication with a known or suspected foreign or foreign-affiliated person, or an unknown or unfamiliar person, seeking specific information about an FAA employee's official duty responsibilities, work projects, access to information, security clearance, travel plans, coworkers' identities, or Information Technology (IT) system credentials for which such person does not meet the applicable access requirements, or that is outside the scope of their official duties;
- c) Direct or indirect contact, communication, or observance of a known or suspected foreign or foreign-affiliated person, or an unknown or unfamiliar person, seeking unauthorized access to FAA employees, equipment, operations, systems, information, facilities, or networks, including through a Personal Electronic Device (PED);
- d) Direct or indirect contact, communication, or observance of a known or suspected foreign or foreign-affiliated person, or an unknown or unfamiliar person, introducing, or seeking to introduce, unauthorized digital media or software into any FAA equipment, facilities, systems, or networks, including through a PED;
- e) Offers of compensation, gifts, or favors in exchange for FAA information or access to such information, regardless of medium; or access to FAA employees, equipment, operations, facilities, systems, or networks;
- f) Threats, attempts to coerce, or attempts to exploit any FAA employee by a known or suspected

foreign or foreign-affiliated person, or by an unknown or unfamiliar person, in order to illicitly acquire FAA information or access to FAA employees, equipment, operations, facilities, systems, information, or networks;

- g) Solicitation by any person of FAA information for which they do not meet the applicable access requirements or that is outside the scope of their official duties;
- h) A request by any person for access to FAA employees, facilities, equipment, operations, systems, information, or networks for which they do not meet the applicable access requirements or that is outside the scope of their official duties; and
- i) Suspicious or unexplained contact by any person with an FAA employee, where the person has suspicious or unexplained knowledge of the employee.

Unless requested by ASH, contractors must not disclose an elicitation attempt of the nature described above, in any other manner than to report the attempt to the CO or their designee and request that they report it to the DCIP. If that is not feasible, or if the CO or their designee are the suspicious actor(s), contractors may make these reports directly to the DCIP at the above email address. Contractors must not take any actions on their own initiative, as doing so may interfere with a DCIP inquiry or CI investigation.

c. Failure to cooperate with any of the activities under section (b) above may be considered by the FAA to be a material breach of the contract.

d. The Contractor is responsible for ensuring that the provisions of this clause flow down to its subsidiaries, subcontractors, and consultants performing this contract.

79. Foreign Ownership and Financing Requirements for High-Security Leased Space (07/2023) 6.9.7

a. Definitions. As used in this clause—

Financing means the process of raising or providing funds through debt or equity for purposes of meeting the requirements of the Lease, including, but not limited to, acquisition, maintenance, and construction of, or improvements to, the Property.

Foreign entity means a:

- i. Corporation, company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group that is headquartered or organized under the laws of a country that is not the United States or a state, local government, tribe, or territory within the United States; or
- ii. Government or governmental instrumentality that is not the United States Government.

Foreign person means an individual who is not:

- i. A United States citizen; or
- ii. An alien lawfully admitted for permanent residence in the United States.

Highest-level owner means the entity that owns or controls an immediate owner of the offeror or Lessor, or that owns or controls one or more entities that control an immediate owner of the offeror or Lessor. No entity owns or exercises control of the highest-level owner.

Immediate owner means an entity, other than the offeror or Lessor, that has direct control of the

offeror or Lessor. Indicators of control include, but are not limited to, one or more of the following: ownership or interlocking management, identity of interests among family members, shared facilities and equipment, and the common use of employees.

Unique entity identifier means a number or other identifier used to identify a specific commercial, nonprofit, or Government entity. See www.sam.gov for the designated entity for establishing unique entity identifiers.

(b) Timing. The Offeror or Lessor shall complete this representation when submitting a proposal. If the Offeror is the successful awardee, the Offeror (now Lessor) shall review, update, and provide this representation on an annual basis, reflecting all changes to immediate owner, highest-level owner and financing during the preceding 1-year period, starting one year from the Lease Term Effective Date through final payment of any contract. If the Lessor intends to transfer the lease to a successor in interest, the Lessor shall submit this representation to the Real Estate Contracting Officer (RECO) with any request to novate the lease. The Offeror or Lessor is responsible for the currency, accuracy and completeness of the data disclosed, and for any liability resulting from the Government's reliance on inaccurate or incomplete data.

(c) Immediate owner.

(1) The Offeror or Lessor represents that it

does have an immediate owner.

does not have an immediate owner.

(2) If the Offeror or Lessor indicates "does" in paragraph (c)(1) of this clause, then enter the following information for the immediate owner. If the offeror or Lessor has more than one immediate owner (e.g., joint venture), then the offeror or Lessor shall provide the information for each entity.

Legal Name (do not use "doing business as" name):

Unique entity identifier (if available): _____

(3) If the Offeror or Lessor indicates "does" in paragraph (c)(1) of this clause, then complete this additional representation:

Is the immediate owner a foreign entity?: Yes or No

(4) If the Offeror or Lessor indicates "does" in paragraph (c)(1) of this clause, then complete this additional representation:

Is the immediate owner a foreign person?: Yes or No

(5) If the Offeror or Lessor indicates "Yes" in either paragraph (c)(3) or (4) of this clause, indicating that there is foreign ownership (as a foreign entity or foreign person), then enter the following

information for the foreign owner (respond for each as applicable).

Physical Address: _____

Country: _____

(d) Highest-level owner.

(1) The Offeror or Lessor represents that the immediate owner, if any,

is owned or controlled by another entity.

is not owned or controlled by another entity.

(2) If the Offeror or Lessor indicates "is" in paragraph (d)(1) of this clause, indicating that the immediate owner is owned or controlled by another entity, then enter the following information for the highest-level owner.

Legal Name (do not use "doing business as" name):

Unique entity identifier (if available): _____

(3) If the Offeror or Lessor indicates "is" in paragraph (d)(1) of this clause, then complete this additional representation:

Is the highest-level owner a foreign entity?: Yes or No

(4) If the Offeror or Lessor indicates "is" in paragraph (d)(1) of this clause, then complete this additional representation:

Is the immediate owner a foreign person?: Yes or No

(5) If the Offeror or Lessor indicates "Yes" in either paragraph (d)(3) or (4) of this clause, indicating that there is foreign ownership (as a foreign entity or foreign person), then enter the following information for the foreign owner (respond for each as applicable).

Physical Address: _____

Country: _____

(e) Financing entity.

(1) The Offeror or Lessor represents that the financing

does involve a foreign entity

does not involve a foreign entity

(2) The Offeror or Lessor represents that the financing

- does involve a foreign person
- does not involve a foreign person

(3) If the Offeror or Lessor indicates “does” in either paragraph (e)(1) or (2) of this clause, indicating foreign financing (as a foreign entity or foreign person), then enter the following information for the foreign financing (respond for each as applicable).

Legal Name (do not use “doing business as” name):

Unique entity identifier (if available): _____

OFFEROR OR LESSOR NAME AND SIGNATURE:

NAME SIGNATURE

80. Access Limitation for High-Security Leased Space (07/2023) 6.9.7-1 a. Definitions. As used in this clause–

Financing means the process of raising or providing funds through debt or equity for purposes of meeting the requirements of the Lease, including, but not limited to, acquisition, maintenance, and construction of, or improvements to, the Property.

Foreign entity means a:

- i. Corporation, company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group that is headquartered or organized under the laws of a country that is not the United States or a state, local government, tribe, or territory within the United States; or
- ii. Government or governmental instrumentality that is not the United States Government.

Foreign person means an individual who is not:

- i. A United States citizen; or
- ii. An alien lawfully admitted for permanent residence in the United States.

Highest-level owner means the entity that owns or controls an immediate owner of the offeror or Lessor, or that owns or controls one or more entities that control an immediate owner of the offeror or Lessor. No entity owns or exercises control of the highest-level owner.

Immediate owner means an entity, other than the offeror or Lessor, that has direct control of the offeror or Lessor. Indicators of control include, but are not limited to, one or more of the following: ownership or interlocking management, identity of interests among family members, shared facilities and equipment, and the common use of employees.

Unique entity identifier means a number or other identifier used to identify a specific commercial, nonprofit, or Government entity. See www.sam.gov for the designated entity for establishing unique entity identifiers.

(b) Timing. The Offeror or Lessor shall complete this representation when submitting a proposal. If the Offeror is the successful awardee, the Offeror (now Lessor) shall review, update, and provide this representation on an annual basis, reflecting all changes to immediate owner, highest-level owner and financing during the preceding 1-year period, starting one year from the Lease Term Effective Date through final payment of any contract. If the Lessor intends to transfer the lease to a successor in interest, the Lessor shall submit this representation to the Real Estate Contracting Officer (RECO) with any request to novate the lease. The Offeror or Lessor is responsible for the currency, accuracy and completeness of the data disclosed, and for any liability resulting from the Government's reliance on inaccurate or incomplete data.

(c) Immediate owner.

(1) The Offeror or Lessor represents that it

does have an immediate owner.

does not have an immediate owner.

(2) If the Offeror or Lessor indicates "does" in paragraph (c)(1) of this clause, then enter the following information for the immediate owner. If the offeror or Lessor has more than one immediate owner (e.g., joint venture), then the offeror or Lessor shall provide the information for each entity.

Legal Name (do not use "doing business as" name): _____

Unique entity identifier (if available): _____

(3) If the Offeror or Lessor indicates "does" in paragraph (c)(1) of this clause, then complete this additional representation:

Is the immediate owner a foreign entity?: Yes or No

(4) If the Offeror or Lessor indicates "does" in paragraph (c)(1) of this clause, then complete this additional representation:

Is the immediate owner a foreign person?: Yes or No

(5) If the Offeror or Lessor indicates "Yes" in either paragraph (c)(3) or (4) of this clause, indicating that there is foreign ownership (as a foreign entity or foreign person), then enter the following information for the foreign owner (respond for each as applicable).

Physical Address: _____

Country: _____

(d) Highest-level owner.

(1) The Offeror or Lessor represents that the immediate owner, if any,

is owned or controlled by another entity.

is not owned or controlled by another entity.

(2) If the Offeror or Lessor indicates "is" in paragraph (d)(1) of this clause, indicating that the immediate owner is owned or controlled by another entity, then enter the following information for the highest-level owner.

Legal Name (do not use "doing business as" name): _____

Unique entity identifier (if available): _____

(3) If the Offeror or Lessor indicates "is" in paragraph (d)(1) of this clause, then complete this additional representation:

Is the highest-level owner a foreign entity?: Yes or No

(4) If the Offeror or Lessor indicates "is" in paragraph (d)(1) of this clause, then complete this additional representation:

Is the immediate owner a foreign person?: Yes or No

(5) If the Offeror or Lessor indicates "Yes" in either paragraph (d)(3) or (4) of this clause, indicating that there is foreign ownership (as a foreign entity or foreign person), then enter the following information for the foreign owner (respond for each as applicable).

Physical Address: _____

Country: _____

(e) Financing entity.

(1) The Offeror or Lessor represents that the financing

does involve a foreign entity

does not involve a foreign entity

(2) The Offeror or Lessor represents that the financing

does involve a foreign person

does not involve a foreign person

(3) If the Offeror or Lessor indicates “does” in either paragraph (e)(1) or (2) of this clause, indicating foreign financing (as a foreign entity or foreign person), then enter the following information for the foreign financing (respond for each as applicable).

Legal Name (do not use “doing business as” name): _____

Unique entity identifier (if available): _____

OFFEROR OR LESSOR NAME AND SIGNATURE:

NAME

SIGNATURE

81. Federal Acquisition Supply Chain Security Act Orders—Representation and Disclosures (01/2024) 6.9.8

- (a) *Definitions.* As used in this provision, *Covered article*, *FASCSCA order*, *Intelligence community*, *National security system*, *Reasonable inquiry*, *Sensitive compartmented information*, *Sensitive compartmented information system*, and *Source* have the meaning provided in the AMS Real Property Clause 6.9.8-1, Federal Acquisition Supply Chain Security Act Orders—Prohibition.
- (b) *Prohibition.* Contractors are prohibited from providing or using as part of the performance of the contract any covered article, or any products or services produced or provided by a source, if the prohibition is set out in an applicable Federal Acquisition Supply Chain Security Act (FASCSCA) order, as described in paragraph (b)(1) of AMS Real Property Clause 6.9.8-1, Federal Acquisition Supply Chain Security Act Orders—Prohibition.
- (c) *Procedures.*
- (1) The Offeror must search for applicable FASCSCA orders of the type identified in paragraph (b)(1) of AMS Real Property Clause 6.9.8-1 in the System for Award Management (SAM). Issued FASCSCA Orders may be identified by selecting the “View FASCSCA Orders” button from the SAM homepage (<https://www.sam.gov>) and viewing or downloading FASCSCA orders from the Supply Chain Security Orders webpage.
 - (2) The Offeror must review the SIR for any FASCSCA orders that are not in SAM but are effective and do apply to the SIR and resultant contract (see AMS Guidance T3.8.9.C.4.c.(2)(A)(ii)).
 - (3) FASCSCA orders issued after the publication date of the SIR do not apply unless the order is subsequently added to the SIR via amendment.
- (d) *Representation.* By submission of this offer, the offeror represents that it has conducted a “reasonable inquiry” (as defined in AMS Real Property Clause 6.9.8-1), and that the offeror does not propose to provide or use in response to this SIR any covered article, or any products or services produced or provided by a source, if the covered article or the source is prohibited by an

applicable FASCSA order in effect on the date the SIR was issued, except as waived by the SIR, or as disclosed in paragraph (e) *Disclosures*, below.

- (e) *Disclosures*. The purpose for this disclosure is so the FAA may decide whether to issue a waiver. For any covered article, or any products or services produced or provided by a source, if the covered article or the source is subject to an applicable FASCSA order, and the Offeror is unable to represent compliance, then the Offeror must provide the following information as part of the offer:
- (1) Name of the product or service provided to the Government;
 - (2) Name of the covered article or source subject to a FASCSA order;
 - (3) If applicable, name of the vendor, including the Commercial and Government Entity code and unique entity identifier (if known), that supplied the covered article or the product or service to the Offeror;
 - (4) Brand;
 - (5) Model number (original equipment manufacturer number, manufacturer part number, or wholesaler number);
 - (6) Item description; and
 - (7) Reason why the applicable covered article or the product or service is being provided or used.
- (f) *FAA review of disclosures*. The Contracting Officer will review disclosures provided in paragraph (e) *Disclosures*, to determine if any waiver may be sought. A Contracting Officer may choose not to pursue a waiver for covered articles or sources otherwise subject to a FASCSA order and may instead make an award to an offeror that does not require a waiver.

82. Federal Acquisition Supply Chain Security Act Orders—Prohibition (01/2024) 6.9.8-1

(a) *Definitions*. As used in this clause—

Covered article, as defined in 41 U.S.C. 4713(k), means—

- (1) “Information technology,” as defined in 40 U.S.C. 11101, including cloud computing services of all types;
- (2) “Telecommunications equipment” or “telecommunications service,” as those terms are defined in section 3 of the Communications Act of 1934 (47 U.S.C. 153);
- (3) The processing of information on a Federal or non-Federal information system, subject to the requirements of the Controlled Unclassified Information program (see 32 CFR part 2002); or
- (4) Hardware, systems, devices, software, or services that include embedded or incidental information technology.

FASCSA order means any of the following orders issued under the Federal Acquisition Supply Chain Security Act (FASCSA) requiring the removal of covered articles from executive agency information systems or the exclusion of one or more named sources or named covered articles from executive agency procurement actions, as described in 41 CFR 201–1.303(d) and (e):

(1) The Secretary of Homeland Security may issue FASCSA orders applicable to civilian agencies, to the extent not covered by paragraph (2) or (3) of this definition. This type of FASCSA order may be referred to as a Department of Homeland Security (DHS) FASCSA order.

(2) The Secretary of Defense may issue FASCSA orders applicable to the Department of Defense (DoD) and national security systems other than sensitive compartmented information systems. This type of FASCSA order may be referred to as a DoD FASCSA order.

(3) The Director of National Intelligence (DNI) may issue FASCSA orders applicable to the intelligence community and sensitive compartmented information systems, to the extent not covered by paragraph (2) of this definition. This type of FASCSA order may be referred to as a DNI FASCSA order.

Intelligence community, as defined by 50 U.S.C. 3003(4), means the following—

- (1) The Office of the Director of National Intelligence;
- (2) The Central Intelligence Agency;
- (3) The National Security Agency;
- (4) The Defense Intelligence Agency;
- (5) The National Geospatial-Intelligence Agency;
- (6) The National Reconnaissance Office;
- (7) Other offices within the Department of Defense for the collection of specialized national intelligence through reconnaissance programs;
- (8) The intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Department of Energy;
- (9) The Bureau of Intelligence and Research of the Department of State;
- (10) The Office of Intelligence and Analysis of the Department of the Treasury;
- (11) The Office of Intelligence and Analysis of the Department of Homeland Security; or
- (12) Such other elements of any department or agency as may be designated by the President, or designated jointly by the Director of National Intelligence and the head of the department or agency concerned, as an element of the intelligence community.

National security system, as defined in 44 U.S.C. 3552, means any information system (including any telecommunications system) used or operated by an agency or by a contractor of an agency, or other organization on behalf of an agency—

- (1) The function, operation, or use of which involves intelligence activities; involves cryptologic activities related to national security; involves command and control of military forces; involves equipment that is an integral part of a weapon or weapons system; or is critical to the direct fulfillment of military or intelligence missions, but does not include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications); or

(2) Is protected at all times by procedures established for information that have been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept classified in the interest of national defense or foreign policy.

Reasonable Inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of any covered articles, or any products or services produced or provided by a source. This applies when the covered article or the source is subject to an applicable FASCSA order. A reasonable inquiry excludes the need to include an internal or third-party audit.

Sensitive compartmented information means classified information concerning or derived from intelligence sources, methods, or analytical processes, which is required to be handled within formal access control systems established by the Director of National Intelligence.

Sensitive compartmented information system means a national security system authorized to process or store sensitive compartmented information.

Source means a non-Federal supplier, or potential supplier, of products or services, at any tier.

(b) *Prohibition.*

(1) Unless an applicable waiver has been issued by the issuing official, Contractors are prohibited from providing or using as part of the performance of the contract any covered article, or any products or services produced or provided by a source, if the covered article or the source is prohibited by any applicable FASCSA orders identified by the checkbox(es) in this paragraph (b)(1).

Yes No DHS FASCSA orders

Yes No DoD FASCSA orders

Yes No DNI FASCSA orders

(2) The Contractor must search for applicable FASCSA orders of the type identified in paragraph (b)(1) of this clause in the System for Award Management (SAM). Issued FASCSA Orders may be identified by selecting the "View FASCSA Orders" button from the SAM homepage (<https://www.sam.gov>) and viewing or downloading FASCSA orders from the Supply Chain Security Orders webpage.

(3) The FAA may identify in the SIR additional FASCSA orders that are not in SAM, which are effective and apply to the SIR and resultant contract.

(4) A FASCSA order issued after the publication date of the SIR applies to this contract only if added by an amendment to the SIR or by modification to the contract. However, see paragraph (c) of this clause.

(5) *Contractor request for waivers.*

(i) *Required disclosures.* If the contractor wishes to ask for a waiver of the requirements of an existing order identified in a SIR or contract for a waiver of the requirements of a new FASCSA order being applied through modification, then the Contractor must disclose the following:

- (A) Name of the product or service provided to the Government;
 - (B) Name of the covered article or source subject to a FASCSA order;
 - (C) If applicable, name of the vendor, including the Commercial and Government Entity code and unique entity identifier (if known), that supplied or supplies the covered article or the product or service to the Offeror;
 - (D) Brand;
 - (E) Model number (original equipment manufacturer number, manufacturer part number, or wholesaler number);
 - (F) Item Description;
 - (G) Reason why the applicable covered article or the product or service is being provided or used;
- (ii) *FAA review of disclosures.* The Contracting Officer will review disclosures provided in paragraph (b)(5)(i) to determine if any waiver is warranted. A Contracting Officer may choose not to pursue a waiver for covered articles or sources otherwise covered by a FASCSA order and to instead pursue other appropriate action.
- (c) *Notice and reporting requirement.*
- (1) During contract performance, the Contractor is required to:
 - (i) Comply with all FASCSA orders identified under paragraph (b) of this clause; and
 - (ii) Review SAM.gov at least once every three months, or as advised by the Contracting Officer, to check for covered articles subject to FASCSA order(s), or for products or services produced by a source subject to FASCSA order(s) not currently identified under paragraph (b) of this clause.
 - (2) If the Contractor identifies a new FASCSA order(s) that could impact their supply chain, then the Contractor must conduct a reasonable inquiry to identify whether a covered article or product or service produced or provided by a source subject to the FASCSA order(s) was provided to the Government or used during contract performance.
 - (3) If the Contractor identifies, including through any notification by a subcontractor at any tier, that a covered article or product or service produced or provided by a covered source was provided to the Government or used during contract performance and is subject to a FASCSA order(s) identified in paragraph (b) of this clause, or a new FASCSA order identified in paragraph (c)(2) of this clause, the Contractor must submit a report to the Contracting Officer.
 - (4) The Contractor must report the following information for each covered article or each product or service produced or provided by a source, where the covered article or source is subject to a FASCSA order, pursuant to paragraph (c) of this clause:
 - (i) Within 3 business days from the date of such identification or notification:
 - (A) Contract number;
 - (B) Order number(s), if applicable;
 - (C) Name of the product or service provided to the Government or used during performance of the contract;
 - (D) Name of the covered article or source subject to a FASCSA order;

- (E) If applicable, name of the vendor, including the Commercial and Government Entity code and unique entity identifier (if known), that supplied the covered article or the product or service to the Contractor;
 - (F) Brand;
 - (G) Model number (original equipment manufacturer number, manufacturer part number, or wholesaler number);
 - (H) Item description; and
 - (I) Any readily available information about mitigation actions undertaken or recommended.
- (ii) Within 10 business days of submitting the information in paragraph (c)(4)(i) of this clause:
- (A) Any further available information about mitigation actions undertaken or recommended.
 - (B) In addition, the Contractor must describe the efforts it undertook to prevent submission or use of the covered article or the product or service produced or provided by a source subject to an applicable FASCSA order, and any additional efforts that will be incorporated to prevent future submission or use of the covered article or the product or service produced or provided by a source that is subject to an applicable FASCSA order.
- (d) *Removal.* Upon notification from the contracting officer, during the performance of the contract, the Contractor must promptly make any necessary changes or modifications to remove any covered article or any product or service produced or provided by a source that is subject to an applicable Governmentwide FASCSA order.
- (e) *Subcontracts.*
- (1) The Contractor must insert the substance of this clause, including this paragraph (e) and excluding paragraph (c)(1) of this clause, in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial products and commercial services.
 - (2) The Government may identify in the SIR additional FASCSA orders that are not in SAM, which are effective and apply to the contract and any subcontracts and other contractual instruments under the contract. The Contractor or higher-tier subcontractor must notify their subcontractors, and suppliers under other contractual instruments, that the FASCSA orders in the SIR that are not in SAM apply to the contract and all subcontracts.

83. **Notices (09/2021) 6.10.1** All notices/correspondence must be in writing, reference the Contract number, and be addressed as follows:

TO THE CONTRACTOR:
 Duluth Airport Authority
 4701 Grinden Drive
 Duluth, MN 55811

TO THE GOVERNMENT:
 Federal Aviation Administration
 Real Estate Branch, AAQ-940
 10101 Hillwood Parkway
 Fort Worth, TX 76111

84. **Signature Block (09/2021) 6.10.3** This Contract shall become binding when it is fully executed by both parties. In witness whereof, the parties hereto have subscribed their names as of the date shown below.

DULUTH AIRPORT AUTHORITY

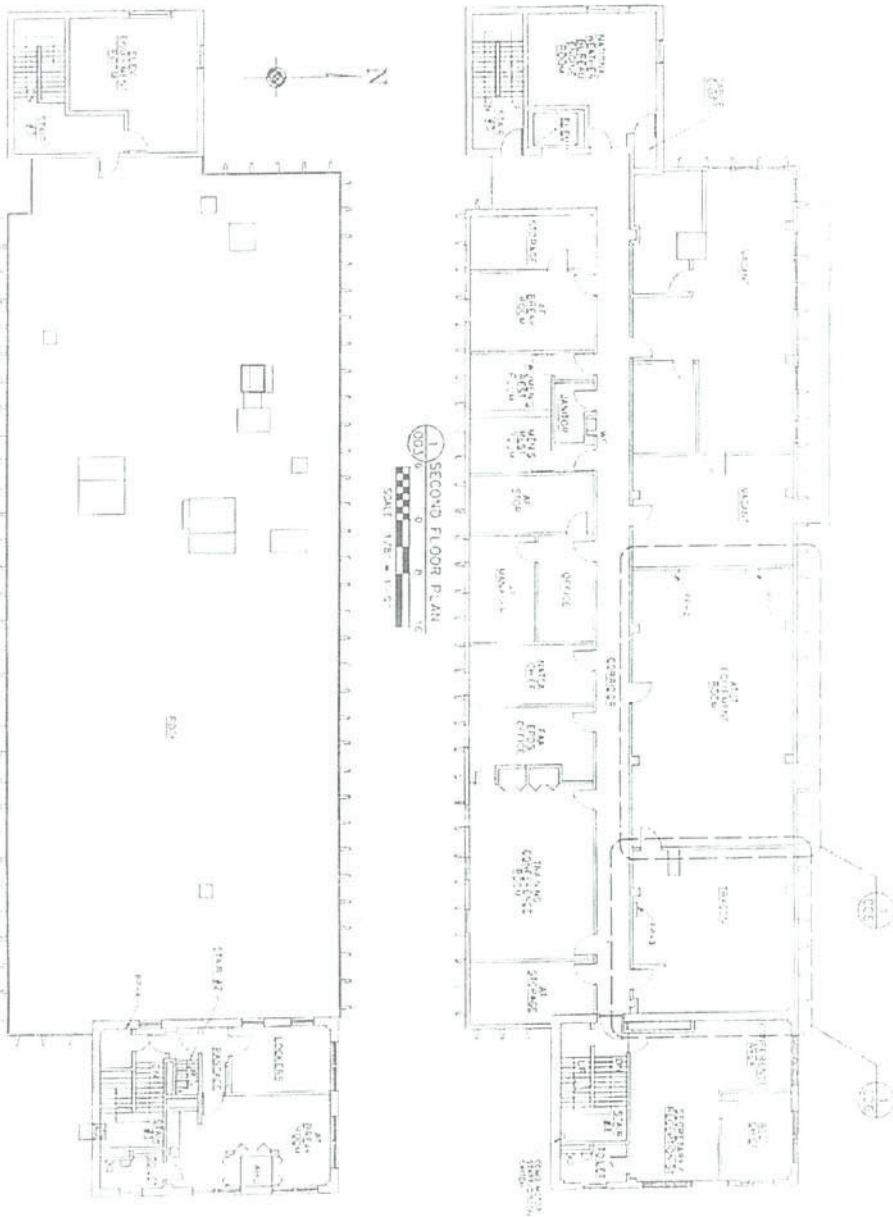
By: _____
 Print Name: _____
 Title: _____
 Date: _____

UNITED STATES OF AMERICA
 DEPARTMENT OF TRANSPORTATION
 FEDERAL AVIATION ADMINISTRATION

By: _____
 Print Name: _____
 Title: Real Estate Contracting Officer
 Date: _____

ATTACHMENTS/EXHIBITS:

Number	Title	Date	Number of Pages
1	Floor Plan – Exhibit A		3
2	Parking Layout Plan – Exhibit B		1
3	Certificate of Authorization		1
4			
5			



1 SECOND FLOOR PLAN
 SCALE 1/8" = 1'-0"

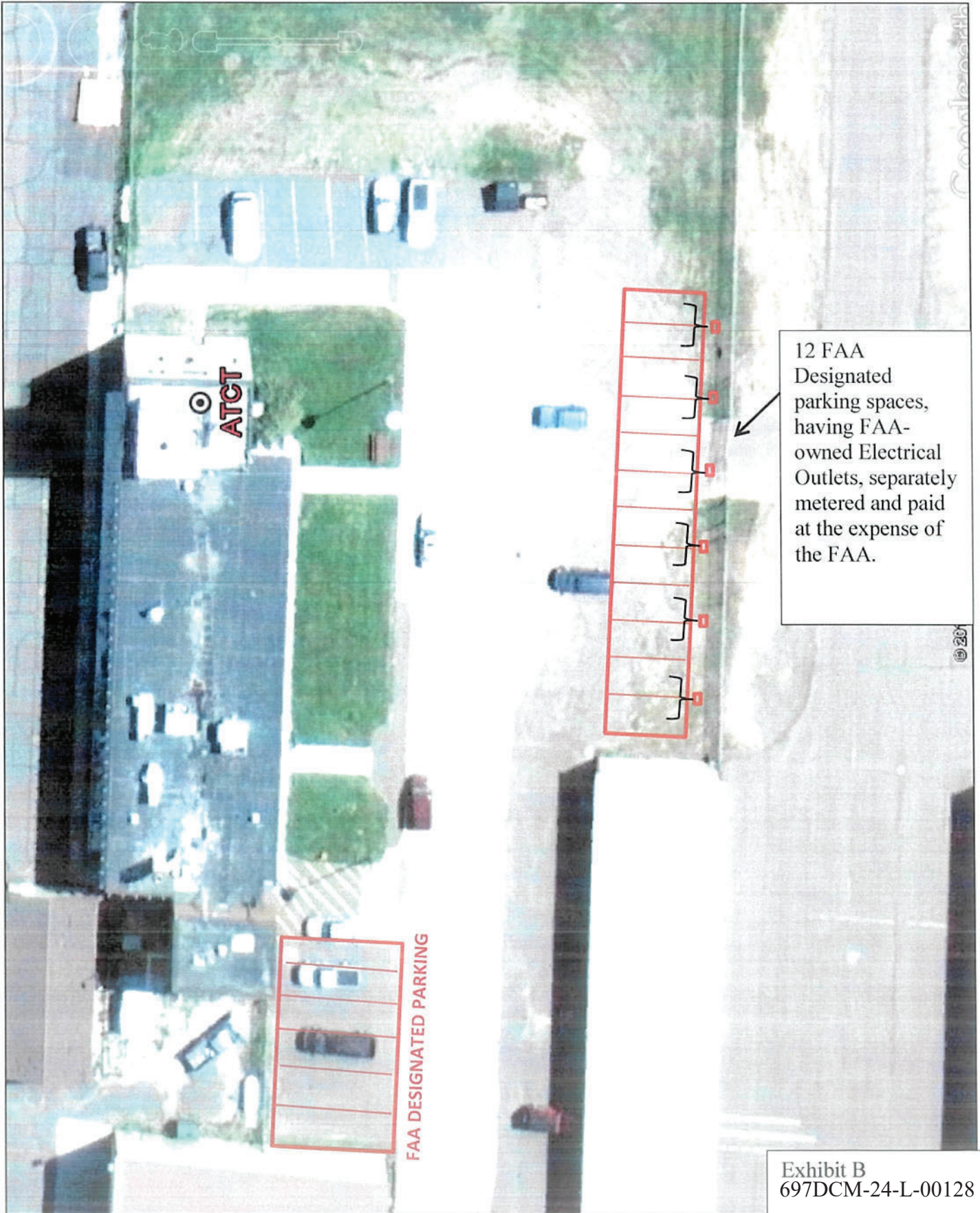
2 THIRD FLOOR PLAN
 SCALE 1/8" = 1'-0"

THIS DRAWING IS UNDER CONFIGURATION CONTROL
 CHANGES REQUIRE AUTHORIZING DCU



NO.	DATE	DESCRIPTION	BY	CHECKED
1	10/1/78	ISSUED FOR PERMITTING	J. J. ...	...
2	10/1/78	...	...	...
3	10/1/78	...	...	...
4	10/1/78	...	...	...

FACILITY BASELINE LAYOUT
 A101 / TRACON
 SECOND AND THIRD FLOOR PLANS
 DULUTH INTERNATIONAL AIRPORT
 DULUTH, MINNESOTA



12 FAA Designated parking spaces, having FAA-owned Electrical Outlets, separately metered and paid at the expense of the FAA.

FAA DESIGNATED PARKING

Exhibit B
697DCM-24-L-00128

CERTIFICATE OF AUTHORIZATION

I, the undersigned, hereby certify that _____, who signed this
Insert Name of Individual who signed the contract

instrument on of behalf of _____ is in fact authorized to sign on behalf
Insert Contractor Name

of _____ by authority of its governing resolution, and is within the
Insert Contractor Name

scope of its powers.

Print Name*: _____

Print Title: _____

Signature: _____

Date: _____

**Note: the individual signing this certification cannot be the same person who signed the contract.*

FOOD, BEVERAGE AND RETAIL CONCESSION AND LEASE
AGREEMENT

Between

DULUTH AIRPORT AUTHORITY

And

OAKWELLS COMMUTER RAIL LLC
ASSIGNMENT AND ASSUMPTION

Terms: The current agreement expires February 6, 2026. Two, one-year options may be exercised upon mutual consent of the parties.

Background: Oakwells Commuter Rail LLC entered into a food, beverage, retail concession, and retail concession agreement on February 7, 2021. Lessee is selling their equity in the business to Tailwinds Hospitality Inc. effective August 27, 2024. Lessee requests assignment of the food, beverage, retail concession, and retail concession agreement to Tailwinds Hospitality Inc.

Tailwinds Hospitality's website states, "We are a leading food, beverage, and retail master airport concessionaire providing first-rate services and high-quality products for over 20 years. We take pride in partnering with local communities, ensuring they are at the forefront of everything we do. From buying local to sourcing local, every concession within our network celebrates the communities we serve."

FOOD, BEVERAGE AND RETAIL CONCESSION AND LEASE AGREEMENT
Between
DULUTH AIRPORT AUTHORITY
And
OAKWELLS COMMUTER RAIL LLC
ASSIGNMENT AND ASSUMPTION

Parties to this Assignment and Assumption of Food, Beverage and Retail Concession and Lease Agreement are Oakwells Commuter Rail LLC, hereinafter referred to as "Assignor", and Tailwind Hospitality, Inc., hereinafter referred to as "Assignee" and Duluth Airport Authority.

Whereas, on February 7, 2021, the Duluth Airport Authority and Assignor entered into a Food, Beverage and Retail Concession and Lease Agreement (the "lease") agreement for Assignor to offer food and beverage and related services in the Terminal at the Airport.

Whereas, Assignor desires to assign the lease to Assignee and Assignee desires to assume the lease effective on the closing date of August 27, 2024.

Whereas, the Duluth Airport Authority acknowledges and consents to the assignment in all respects under the lease

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby sells, assigns and transfers to Assignee, and Assignee hereby buys, takes and assumes, all Assignor's interest, rights and obligations in the lease between Assignor and the Duluth Airport Authority. Assignor, Assignee, and Duluth Airport Authority agree that notwithstanding anything contained in the lease, Assignor shall have no further obligation or liability under the lease.

OAKWELLS COMMUTER RAIL LLC
ASSIGNOR

By _____

Date: _____

TAILWIND HOSPITALITY, INC.
ASSIGNEE

By _____

Date: _____

DULUTH AIRPORT AUTHORITY

By: _____
President

By: _____
Secretary

By: _____
Executive Director

Date: _____

VII. - H.

Duluth Airport Authority
Yellow Dog Aviation, LLC
Sky Harbor Lot 8 Land Lease & Future Hangar Development

Terms:

- 20 year base term with two (2) additional five (5) year option terms.

Background:

- Lot 8 is a vacant lot at Sky Harbor ready to be developed.
- DAA has twice published RFPs for the lot and received zero proposals. Three other parties have been interested and all have been terminated.
- Tenant is aware of current City of Duluth requirements for building at this location.

Agreement Overview:

- Lessee has until April 30, 2025 to submit construction plans to the DAA Executive Director for approval.
- Upon approval of construction plans Lessee must complete construction by December 31, 2025.
- Lessee is responsible for all preconstruction due diligence, construction and hangar maintenance once constructed.
- Currently tenant does not plan to operate a business out of the hangar.

**HANGAR #8 LAND LEASE
SKY HARBOR AIRPORT
Yellow Dog Aviation, LLC**

Parties to this Agreement are the DULUTH AIRPORT AUTHORITY, hereinafter called "Authority" and Yellow Dog Aviation, LLC, hereinafter referred to as "Lessee".

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. Pursuant to Laws 1969, Chapter 577, the Authority is the operator of Duluth Sky Harbor Airport, located in the City of Duluth, State of Minnesota; and
2. Lessee is engaged in the non-commercial pursuit of aviation and desires to construct and maintain a hangar building for its use on said 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 3, Subparagraph A of this Agreement and **Exhibit A and Exhibit B** 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
OPERATIONS & PERFORMANCE**

Lessee is hereby authorized to utilize the Leased Premises only for the following purposes:

- A. To securely store and maintain aircraft in Lessee's hangar which aircraft is owned or controlled by Lessee for private and non-commercial aviation purposes.
- B. To provide pilots' lounge facilities, preflight briefing area, and related improvements.
- C. To safely store other personal property in Lessee's hangar as approved in writing by the Executive Director which approval will not be unreasonably withheld or delayed

**SECTION 3
LEASED PREMISES & USE OF FACILITIES**

- A. Leased Premises: During the term of this Agreement and any extensions thereof, Authority does hereby lease to Lessee for its exclusive use that tract of land lying in Parcel 6 of the REFEREE'S PLAT OF MINNESOTA POINT as recorded in the Office of the Register of Deeds in Book "G" of Plats, Page 38, labeled as Hangar 8 on Exhibit A and Exhibit B, more particularly described as follows:
Commencing at a magnetic nail marking the northwest end of runway centerline 14/32 at Duluth - Sky Harbor Airport; and assuming said runway centerline, as monumented by magnetic nails being 2602 feet apart, located at the northwest and southeast end of said runway, bears South 37 degrees 05 minutes 00 seconds East; thence North 12 degrees 22 minutes 52 seconds East 640.56 feet; thence South 41 degrees 43 minutes 50 seconds East 468.25 feet TO THE POINT OF BEGINNING; thence continue South 41 degrees 43 minutes 50 seconds East 80.66 feet; thence North 48 degrees 16 minutes 10 seconds East 105.00 feet; thence North 41 degrees 43 minutes 50 seconds West 80.66 feet; thence South 48 degrees 16 minutes 10 seconds West 105.00 feet to the point of beginning.
- B. Use of Airport Facilities: Authority does additionally hereby grant to Lessee a license for the use of all public facilities at the Airport to the same extent as other tenants, including, but not limited to, runways, ramps and taxiways.

**SECTION 4
RENT, TAXES, ASSESSMENTS, LICENSE FEES, AND UTILITIES**

- A. Rent: For the Term of this Agreement, Lessee agrees to pay rent on the Leased Premises consisting of 8,400 square feet, more or less in the amount of \$.26 cents per square foot per year for a total yearly rent of \$2,184.00, payable on or before August 1 each year.

On August 1st of each subsequent year during the term of this Agreement, or any extension, renewal or holding over thereof, the annual rent shall increase to the amount calculated by multiplying the previous year's rent by the rate of increase, if any, of the most recent Consumer Price Index, U.S. City Average, published by the U.S. Bureau of Labor Statistics for the preceding twelve-month period.
- 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.
- C. Utilities: Lessee shall be responsible for providing and connecting any utilities to the Leased Premises covered by this Agreement at no cost to the Authority, including, but not limited to, electricity, gas, water, sewer, heat, telephone and garbage disposal. Lessee shall be responsible for paying the applicable monthly utility service charges and any other fees for use of the Leased Premises.

SECTION 5 TERM

- A. Base Term: The term of this Agreement shall commence on August 1, 2024, and terminate on July 31, 2044, unless sooner or later terminated as herein provided.
- B. Option Term: The parties reserve the right to exercise two (2) additional five (5) year option terms beyond the base term provided that the parties mutually agree to exercise the option term sixty (60) days prior to the end of the base term or any executed option term.

After the expiration of the base term and any exercised option terms, should Lessee have the Executive Director's written permission to remain in possession of the Leased Premises, then the tenancy shall be month to month under the same terms and conditions set forth in this Agreement subject to the right of either party to terminate said continuance of this Agreement upon twenty-eight (28) days' written notice to the other party. Lessee shall have the right, within 28 days prior to the end of the term of this Agreement, to meet and negotiate with Authority for a new lease; the terms and conditions of which are subject to negotiation. Authority shall not lease the Leased Premises to another party during this 28-day period without first offering to negotiate a new lease agreement with Lessee.

SECTION 6 PREMISES MAINTENANCE

Lessee agrees to keep the Leased Premises in a clean, neat and orderly condition and in compliance with all laws and codes applicable to the Leased Premises. In the event that Lessee shall fail to so maintain any portion of the said Leased Premises, Authority shall have the right, but not the obligation, to itself perform or have performed said maintenance and to charge Lessee for said work plus a fifteen percent (15%) administrative fee, due and payable upon the date of the invoice. Lessee is responsible to perform all maintenance on its own personal property including the hangar bay doors and door operating equipment.

SECTION 7 CONSTRUCTION

On or before April 30, 2025 Lessee shall submit to the Executive Director in writing construction plans and specifications showing all details of proposed airplane hangar construction. **No improvement shall be made on the Leased Premises without the prior written approval of the Executive Director which approval will not be unreasonably delayed and then only in conformance with the approved plans and this Section.**

- A. Design and Construction: Design of proposed hangar must be compatible with structures currently at the Airport. The Airport is zoned AP for airport. All design and construction must meet local, State, and/or Federal building codes.
 - a. A paved apron connector to the proposed hangar is required and the sole responsibility of the Lessee.
 - b. The Lessee must provide a construction schedule.
 - c. The Lessee must complete and submit for approval by the FAA, the Notification of Proposed Construction or Alteration, FAA form 7460-1, prior to plans submittal. Form 7460-1 is attached as Exhibit E.
 - d. Proposed construction must be of an aviation hangar. Uses and design of the hangar will solely be for aviation uses in compliance with FAA regulations and minimum standards as maybe amended from time to time.

B. Construction Standards and Approvals: All work done by Lessee, or under its direction, shall conform to all applicable regulations, building codes and health standards, as well as the following requirements:

- a. All construction shall meet the requirement of Type I (fire resistant) construction as set forth in the Minnesota State Building Code (current edition) and the building standards for the Airport, where relevant.
- b. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted for and receive prior written approval of the Executive Director which will not be unreasonably withheld or delayed.
- c. All work must be done by competent contractors in the time and manner approved by the Executive Director which will not be unreasonably withheld or delayed and coordinated with Executive Director. Lessee shall comply with the indemnity and insurance and bond requirements of this Agreement.
- d. An authorized representative of Lessee shall be available at all reasonable times at the site to coordinate the work of the leasehold improvements.

C. Construction Bonds and Insurance:

- a. Bonds: During the term of this Agreement, when any modifications or improvements are constructed, installed or renovated, Lessee shall procure and furnish to Authority a contractors' bond or bonds written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Executive Director, in an amount not less than the cost of such construction, installation or renovation, for the use obligee, Lessee and the Authority and all persons doing work or furnishing skills, tools, machinery, materials, insurance premiums, equipment or supplies incident to such construction, installation or renovation, such bond or bonds to be conditioned for payment of claims as required and in full compliance with Minnesota Statutes Section 574.26. Further, during the term of this Agreement, for any construction, installation or renovation, and before the commencement of work thereon, Lessee shall furnish to Authority performance bonds, written by similarly qualified companies, covering all work to be performed thereunder guaranteeing the performance of all such work.

Notwithstanding the foregoing, Lessee may furnish Executive Director with a personal indemnity or other evidences, at the sole option of and satisfactory to the Executive Director, of its ability to complete construction without liens.

D. Contractor's Public Liability and Property Insurance: Before commencing any improvement, work or equipment installation on the Airport, Lessee shall require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting both the Authority and the Lessee as follows:

- a. Workers' Compensation Insurance.
- b. Contractors Comprehensive Public Liability and Property Damage Insurance.
- c. Contractors Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars.
- d. Owners Protective Public Liability and Protective Property Damage Insurance.
- e. Builders Risk Insurance (fire, extended coverage, vandalism and malicious mischief, including sprinkler leakage).

Amounts shall be not less than One Million Five Hundred Thousand Dollars (\$1,500,000) for injuries, including accidental death to any one person, and subject to same limit for each person, and in an amount not less than One Million Five Hundred Thousand Dollars (\$1,500,000) on account of any one accident, and property damage in an amount not less than One Million Five Hundred Thousand Dollars (\$1,500,000) aggregate for the policy. Insurance, as above provided, shall be kept intact and in force throughout the term of construction work and equipment installation on the Leased Premises. Such insurance shall be subject to the approval

of the Executive Director and copies furnished to the Executive Director prior to the commencement of construction.

- E. **Construction Completion**: On or before December 31, 2025, Lessee shall have completed construction of the airplane hangar as evidenced by Lessee's submittal to the Executive Director of a Certificate of Occupancy issued by the City of Duluth's Construction Services and Inspections Division.
- F. **Subsequent Leasehold Improvements**: Any changes in, additions to or deletions from existing or later constructed leasehold improvements shall be at Lessee's sole expense and subject to the prior written approval of the Executive Director which will not be unreasonably delayed, and the Executive Director may impose such conditions as he/she shall deem necessary to protect and promote the Authority and the integrity of all operations at the Airport, including, but not limited to, bonding and insurance requirements. Exterior signs, color of building or roof, exterior construction materials and decorations are subject to the discretion, approval and regulation of the Executive Director which will not be unreasonably withheld or delayed.

SECTION 8 AUTHORITY'S OBLIGATIONS

The Authority shall properly maintain, operate, and manage the Airport at all times in a safe manner consistent with the generally accepted good practices in the State of Minnesota for airports of similar size and character. If for any reason beyond the control of the Authority (including, without in any manner limiting the generality of the foregoing, war, strikes, riots, civil commotion's and similar causes), the Authority shall fail to properly maintain, operate and manage said Airport, such failure shall not operate as a breach of this Agreement or render the Authority liable in damages.

SECTION 9 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, 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 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.

- 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. 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 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.
 - 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 if Operator uses any vehicles.
 - 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 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 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 AUTHORITY'S RIGHTS UPON DEFAULT

- A. Rights: 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 at any time thereafter:

1. Immediately or at any time thereafter without further notice to Lessee, re-enter onto or upon the Leased 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 Lessee 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; or
 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 rents and expense which the Authority has suffered or paid by reason of such termination, during the residue of the term; or
 3. The Authority shall further have all other rights and remedies including injunctive relief, ejectment or summary proceedings for unlawful detainer, and any and 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 exists:
1. If the Lessee fails to pay rent, fees, taxes or other charges when due hereunder and such failure to pay shall continue for thirty (30) days after notice in writing in the manner hereinafter provided for.
 2. If Lessee fails to provide construction plans and specifications on or before April 30, 2025 or fails to complete construction of the airplane hangar on or before December 31, 2025, or
 3. 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 thirty (30) days after Authority has given Lessee written notice, or the Lessee shall have failed to commence the rectification of such failure within ten (10) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (30) days, or
 4. If a petition to reorganize the Lessee or for its arrangement of its unsecured debts shall be filed, or
 5. If the Lessee shall be adjudicated bankrupt, or
 6. If a receiver or trustee of the Lessee's property shall be appointed by any court, or
 7. If the Lessee shall make a general assignment for the benefit of creditors, or
 8. If all of the interest of the Lessee in its property shall be taken by garnishment, attachment, execution or other process of law, or
 9. If the Leased Premises shall be deserted or vacated.

SECTION 12 TERMINATION BY LESSEE

- A. Termination: Lessee may terminate this Agreement prior to the end of its term, or any extension thereof, for the following reasons:
1. Failure of the Authority to substantially perform its obligations hereunder, if such failure shall continue for sixty (60) days after Lessee has given Authority written notice or the Authority shall fail to commence the rectification of such failure within sixty (60) days after such notice and to diligently prosecute the same where the same cannot be completed within sixty (60) days.
 2. If the Authority shall commit any act or engage in any activity that prevents the Lessee from conducting its uses and activities as provided under the terms of this Agreement for a period of sixty (60) days without the consent of Lessee and after Lessee has given notice to the Authority as provided for herein.
 3. If by any act or cause, whether by the Authority or not, Lessee is unable, by reason of change in regulation, termination of operation, or damage to the Leased Premises, to utilize the Leased Premises herein rented by Lessee for a period of six (6) months.

- B. Abatement in Lieu of Termination: In lieu of termination of this Agreement by the Lessee under the provisions of Paragraph A above, the Lessee may, at its option, declare a moratorium on rent payments, or any other payments provided hereunder to the Authority during the interruptions of Lessee's use of the Leased Premises and in such event, the term of this Agreement shall be extended for a period of such interruption, or interruptions, and the moratorium on any payments hereunder by Lessee shall continue until Lessee's use of the Leased Premises can be uninterruptedly continued.

SECTION 13 FORCE MAJEURE

If war, civil insurrection, natural disaster, change in law, action of the federal, state or city government, or other force beyond the control of the parties render the continuance of this Agreement impossible, then it shall terminate on thirty (30) days' notice to the other party.

SECTION 14 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 15 REAL PROPERTY UPON TERMINATION

- A. Authority's Option to Buy: At the termination of this Agreement, Authority shall have the option to purchase from Lessee any Leasehold Improvements on the Leased Premises that are then owned by Lessee. The purchase price for said Leasehold Improvements shall be determined by an appraisal of the fair market value thereof made by a board of three (3) appraisers, one of whom shall be named by the Authority, one of whom shall be named by the Lessee, and the third of whom shall be named by the two appraisers appointed respectively by the Lessee and the Authority. Upon approval of the Authority, said purchase price, as so determined, shall be paid by Authority to Lessee after completion of said appraisal upon Lessee's tendering to Authority good and marketable title to said Leasehold Improvements, free and clear of all encumbrances.
- B. Removal If Option Not Exercised: In the event that Authority does not exercise its option to purchase said Leasehold Improvements as provided for herein, and if Lessee shall have paid all taxes, assessments, rent or other charges by it payable under the terms of this Agreement, and shall have kept and performed all of the terms and conditions of this Agreement, then Lessee shall have the right to remove from Leased Premises all Leasehold Improvements thereon belonging to the Lessee, and shall restore Leased Premises to as good condition as they were in when they were entered upon by Lessee, provided that Lessee shall do so within sixty (60) days after the termination of this Agreement. If said Leasehold Improvements are not so removed, the Lessee hereby conveys the same absolutely to the Authority and title thereto, upon the expiration of said sixty (60) day period shall vest with the Authority without further act or conveyance; provided, however, that if Lessee demonstrates to Authority that for reasons beyond the control of Lessee such removal cannot be completed within said sixty (60) day period, then Executive Director may allow Lessee, in writing, a reasonable extension of time for such removal. In the event the Leasehold Improvements are not removed within said 60 day time period or such extension thereof as may be allowed by the Executive Director, the Authority, at its sole option, may remove or demolish or cause the removal or demolition of the Leasehold Improvements or any portion thereof, at Lessee's sole cost and expense, and payment for said removal or demolition shall be made immediately upon receipt by Lessee of invoice therefor.

- C. Restore Premises: In all events upon the termination of this Agreement, Lessee agrees to repair or restore any damage to the Leased Premises or diminution in the value thereof resulting from Lessee's operation on the Airport except normal wear and tear which are the natural and normal consequences of Lessee's operations at the Airport.

**SECTION 16
SUBLEASES AND ASSIGNMENTS**

The Lessee shall not assign, pledge, or transfer, in whole or in part, in any manner, this Agreement, nor any interest therein, nor permit the Agreement to become transferred by operation of law, including inheritance, 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 prior written consent of the Executive Director shall be obtained in each and every case of such underletting, assignment or transfer as shall from time to time occur or be desired. The parties expressly agree that a majority change in ownership of the controlling interest in Lessee, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Lessee that in the event permission be granted by the Executive Director as herein provided, the sub-lessee or assignee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Lessee shall be and remain liable for the payments of all rents and the performance of all covenants and conditions for the full term of this Agreement. The parties agree that Executive Director shall meet and confer in good faith with any party Lessee proposes as a sub-lessee or assignee of this Agreement for the purpose of reaching an accord on occupation of the Leased Premises.

**SECTION 17
ERECTION OF SIGNS**

The Lessee shall be allowed to erect suitable signs on the Leased Premises to indicate its location or occupancy, but the form, type, size and method of installation of any such signs shall be subject to the prior written approval of the Executive Director which will not be unreasonably withheld or delayed.

**SECTION 18
GOVERNMENTAL COMMITMENTS**

Nothing herein shall be construed to prevent the Authority from making such commitments, as it determines is in its best interest, to the Government of the United States or to the State of Minnesota in order to qualify for the expenditure of Federal or State funds at the Airport or related in any manner to the operation thereof, and this Agreement shall be subordinate to the provisions of any existing or future agreement between the Authority and the Government of the United States or of the State of Minnesota relative to the operation or maintenance of the Airport.

**SECTION 19
SUBORDINATION**

This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota 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 or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.

**SECTION 20
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 21
MODIFICATION OF THE AGREEMENT**

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.

**SECTION 22
NOTICES**

All notices to be given by Lessee 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, Attn: Executive Director. All notices to be given by Authority to Lessee shall be deemed to have been delivered by depositing the same in writing in the United States Mail addressed to 7784 Arabian Circle Lino Lakes, MN 55014.

**SECTION 23
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.

**SECTION 24
APPLICABLE LAW**

This Agreement, together with all of its articles, 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 shall be in a court located in St. Louis County, Minnesota.

IN WITNESS WHEREOF, the parties have hereunto set their hands this 20th day of August 2024

DULUTH AIRPORT AUTHORITY

YELLOW DOG AVIATION, LLC

By _____
Its President

By _____

Its _____

By _____
Its Secretary

EXHIBIT A
SKY HARBOR AIRPORT (DYT) LOT #8-LEGAL DESCRIPTION

That property in St. Louis County, Minnesota, lying in Parcel 6 of the REFEREE'S PLAT OF MINNESOTA POINT as recorded in the St. Louis County Office of the Register of Deeds in Book "G" of Plats, Page 38, more particularly described as follows:

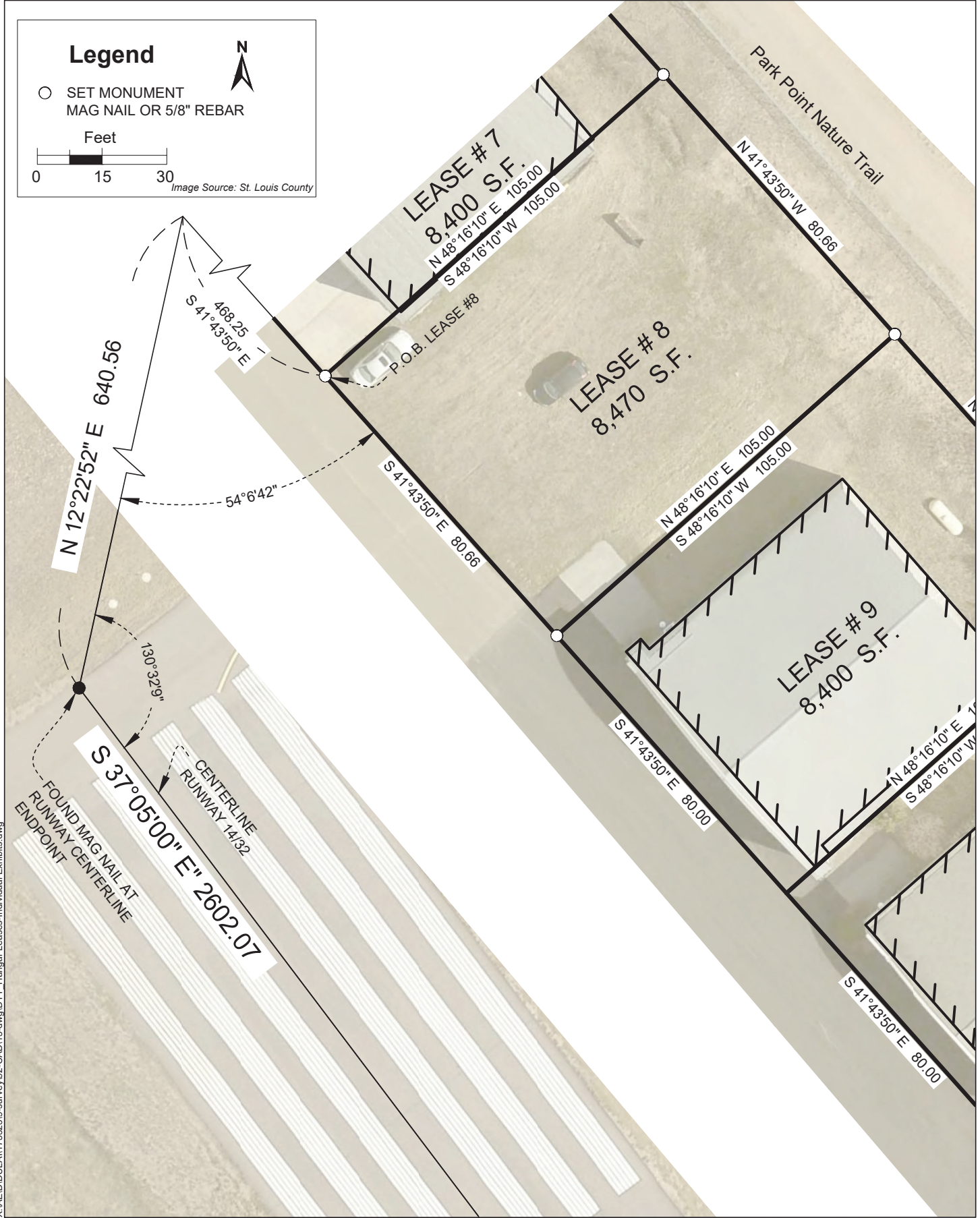
Commencing at a magnetic nail marking the northwest end of runway centerline 14/32 at Duluth - Sky Harbor Airport; and assuming said runway centerline, as monumented by magnetic nails being 2602 feet apart, located at the northwest and southeast end of said runway, bears South 37 degrees 05 minutes 00 seconds East; thence North 12 degrees 22 minutes 52 seconds East 640.56 feet; thence South 41 degrees 43 minutes 50 seconds East 468.25 feet TO THE POINT OF BEGINNING; thence continue South 41 degrees 43 minutes 50 seconds East 80.66 feet; thence North 48 degrees 16 minutes 10 seconds East 105.00 feet; thence North 41 degrees 43 minutes 50 seconds West 80.66 feet; thence South 48 degrees 16 minutes 10 seconds West 105.00 feet to the point of beginning.



EXHIBIT B - Hangar Lease #8

DYT - Sky Harbor Airport
Duluth, Minnesota

12/2023; Project DULAI 175323



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VII. - I.

Duluth Airport Authority
Short Elliott Hendrickson Inc. (SEH) Work Order 2024-11 for Final Design, Plan and Specification Development, Bidding Documents and Bidding for the Midfield Ramp Repair – Phase 3 at the Duluth International Airport

Terms:

- Estimated start date of August 20, 2024
- Estimated end date of January 2025

Fiscal Impact:

- Proposal amount is \$142,500.00. MnDOT State share is \$99,750, the DAA share is \$42,750 (funded by Passenger Facility Charge (PFC))

Agreement Overview:

This work order includes final design, plans and specifications development, bidding documents, and bidding for the Midfield Ramp Repair – Phase 3 project at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 03/27/2023) between the DAA and SEH remain in effect for this work order.

Background:

The state grant opportunity was offered by MnDOT Aeronautics to provide engineering design to prepare plans and specifications to repair pavement on the Midfield Ramp Phase 3. The project is anticipated to be bid in 2024, with construction occurring in the summer of 2025. The construction amount is anticipated to be amended to the state grant once bids are received.

The Midfield Ramp at the Duluth International Airport (DLH) is located adjacent to the Snow Removal Equipment Maintenance Facility, east of the Cirrus area. The Midfield Ramp is approximately 36,100 square yards and is intended to serve as parking for large transient aircraft, such as military cargo aircraft or commercial service aircraft that divert from other airports, also known as irregular operations (IROPS).

Some of the Midfield Ramp pavement has been rated as some of the worst on the Airfield. The most recent pavement inspection completed by MnDOT Aeronautics in 2021 showed the proposed portion of the pavement to be reconstructed as “poor” condition.

This work scope includes final design, plans and specifications development, bidding documents, and bidding for the previously identified Phase 3 portion of the Midfield Ramp Repair (construction observation, administration, and closeout are excluded.) It is understood the Midfield Ramp will be broken down into phases, and design work for subsequent phases is excluded.

The project is eligible for MnDOT funding at 70 percent. The DAA is responsible for the remaining 30 percent, and that cost is anticipated to be funded with Passenger Facility Charge (PFC) revenue.

Duluth Airport Authority
Short Elliott Hendrickson Inc. (SEH) Work Order 2024-11 for Final Design, Plan and Specification Development, Bidding Documents and Bidding for the Midfield Ramp Repair – Phase 3 at the Duluth International Airport

Terms:

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Background:

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The Midfield Ramp at the Duluth International Airport (DLH) is located adjacent to the Snow Removal Equipment Maintenance Facility, east of the Cirrus area. The Midfield Ramp is approximately 36,100 square yards and is intended to serve as parking for large transient aircraft, such as military cargo aircraft or commercial service aircraft that divert from other airports, also known as irregular operations (IROPS).

Some of the Midfield Ramp pavement has been rated as some of the worst on the Airfield. The most recent pavement inspection completed by MnDOT Aeronautics in 2021 showed the proposed portion of the pavement to be reconstructed as “poor” condition.

This work scope includes final design, plans and specifications development, bidding documents, and bidding for the previously identified Phase 3 portion of the Midfield Ramp Repair (construction observation, administration, and closeout are excluded.) It is understood the Midfield Ramp will be broken down into phases, and design work for subsequent phases is excluded.

The project is eligible for MnDOT funding at 70 percent. The DAA is responsible for the remaining 30 percent, and that cost is anticipated to be funded with Passenger Facility Charge (PFC) revenue.

**WORK ORDER
No. 2024-11
Between**

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

Dated: August 20, 2024

**MIDFIELD RAMP REPAIR – PHASE 3
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes final design, plan and specification development, bidding documents, and bidding for the repair of the Midfield Ramp – Phase 3 at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 3-27-2023) between the DAA and SEH remain in effect for this work order.

Estimated start date is August 20, 2024; estimated end date is January 2025.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$142,500.00.

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

Point of Contact: Shawn McMahon, PE

APPROVED:

Duluth Airport Authority (DAA)

Short Elliott Hendrickson Inc.



Title: _____

Title: Principal

Date: _____

Date: August 20, 2024

Title: _____

Date: _____

ATTACHMENT A

Duluth International Airport (DLH)

Midfield Ramp Repair – Phase 3

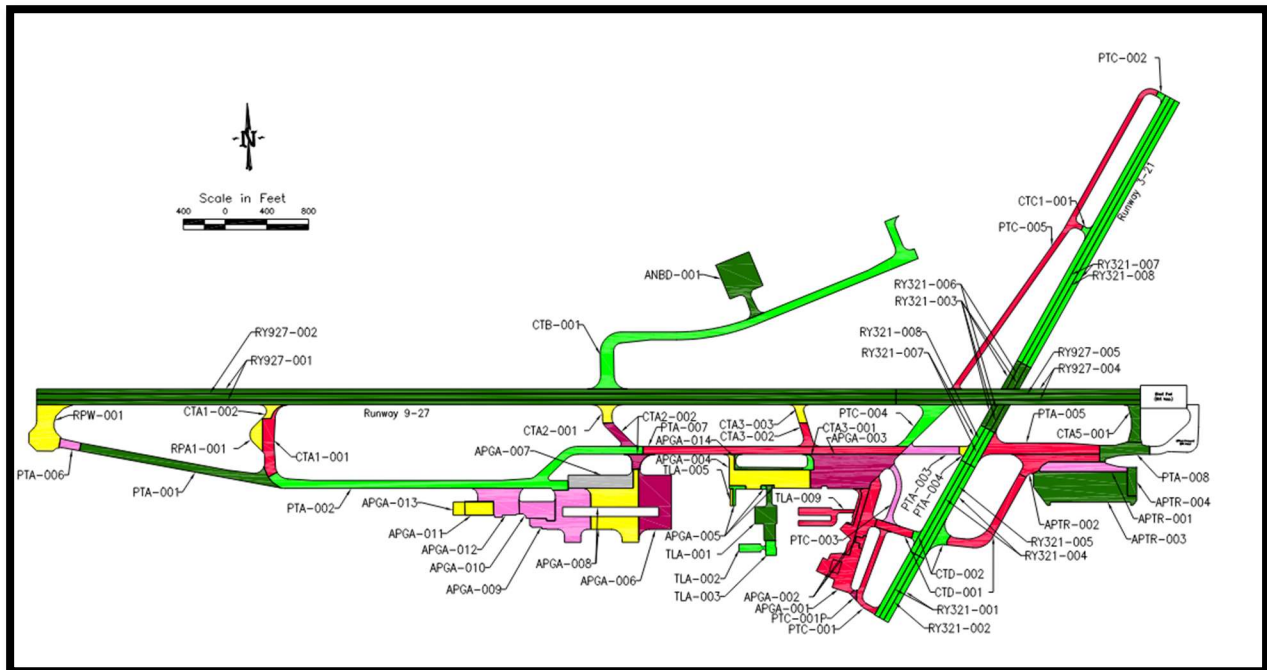
Projected State Grant SP No. TBD

Scope of Work

(Final Design, Plans and Specifications Development, Bidding Documents, and Bidding)

General – The Midfield Ramp at the Duluth International Airport (DLH) is located adjacent to the Snow Removal Equipment (SRE) Maintenance Facility, and east of the Cirrus area. The Midfield Ramp is approximately 36,100 square yards and is intended to serve as parking for large transient aircraft, such as military cargo aircraft or commercial service aircraft that diverted from other airports, also known as irregular operations (IROPS).

Some of the Midfield Ramp pavement has been rated as some of the worst on the Airfield. The most recent pavement inspection completed by the Minnesota Department of Transportation (MnDOT) Office of Aeronautics in 2021 showed a portion of the pavement as “failed” and another portion in “good” or “fair” condition. See the excerpt from the pavement condition report below. Please note the following excerpt does not show Phase 1 or Phase 2 of the Midfield Ramp repair that was completed in 2023 and slated for 2025, respectively.



	Failed	Very Poor	Poor	Fair	Good	Very Good	Excellent	
								PCI INDEX
NS	0-10	11-25	26-40	41-55	56-70	71-85	86-100	

Figure 4. 2021 Pavement Condition Index Rating at Duluth International Airport (DLH).

Figure 1: Portion of 2021 PCI Summary for DLH from the Pavement Condition Report

Reconstruction of the Phase 3 portion on the Midfield Ramp is the proposed design project. The following figure shows the location of Phase 3 that will be designed and constructed as part of this effort.

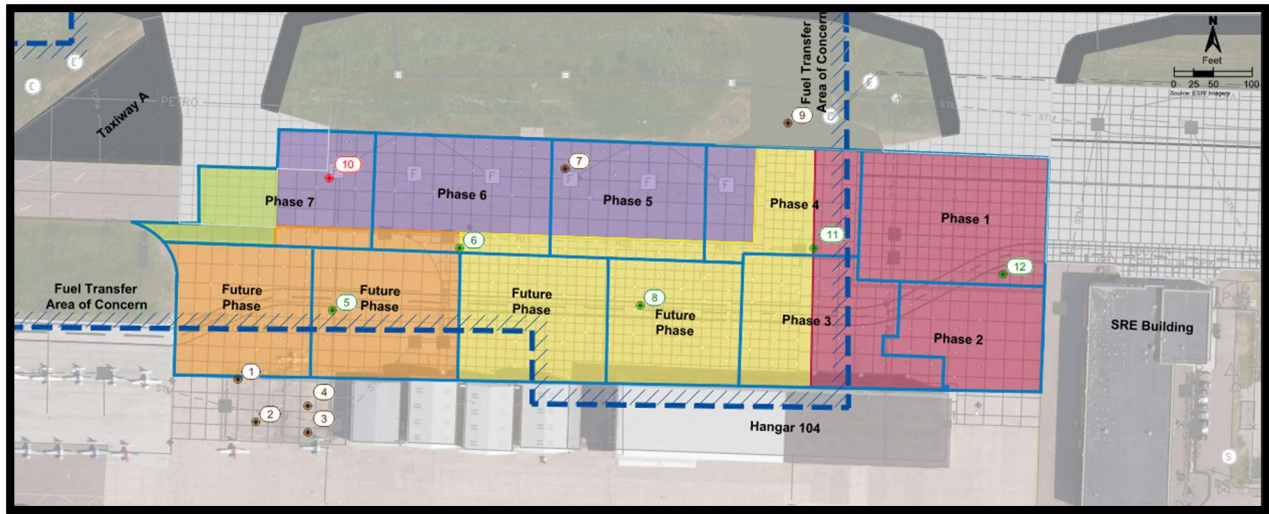


Figure 2: Proposed Phasing for the Midfield Ramp Repair

This work scope includes final design, plans and specifications development, bidding documents, and bidding for the previously identified Phase 3 portion of the Midfield Ramp Repair. It is understood that the Midfield Ramp Repair will be broken down into phases, and design work for subsequent phases is excluded from this portion of work.

The project schedule includes design in 2024 with anticipated bidding in December of 2024. Construction is anticipated to occur in 2025 or 2026, dependent on the availability of state funding support.

Projected Project Schedule – The anticipated submittal dates are:

August 20, 2024	DAA Board considers proposal
September 24, 2024	30% Design plan submittal to DAA - Critical Milestone
November 22, 2024	100% Bidding documents completion
December 20, 2024	Bid opening
January 2025	State grant application for construction
June 2025	Construction

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

1. Project Formulation
2. Topographic Analysis
3. Plan Drawings and Specifications
4. Construction Bidding Documents
5. Bidding services
6. Public Outreach and Project Management

Project Scope – The project scope includes the following deliverables:

Work Element 1: Project Formulation

Specific tasks included with this work element include:

Task 1.1 – Scoping, Review, and Coordination – Short Elliott Hendrickson (SEH and/or Consultant) will coordinate with the Duluth Airport Authority (DAA) (sponsor) to develop the appropriate scope of work. Additional coordination will include task definition and establishment of project goals and objectives. SEH will review documents on the existing conditions of the site. The scope of work will be presented to MnDOT Office of Aeronautics for review and will be updated based on input received. A maximum of 3 project scope concept alternatives will be presented to the DAA at the 30% design submittal. This submittal, upon review and comment from the DAA, will serve as the basis for the remaining work to be done. If any Owner scope changes are directed after this critical milestone that require rework by SEH, the rework will be compensated.

Task 1.2 – Project Formulation – SEH will complete the project and grant pre-application documentation, permit review submittals (as required), and cost breakdowns for the approved scope of work.

Task 1.3 – Geotechnical Evaluation Report – subconsultant will review original GER and do additional analysis. See subconsultant agreement for additional details. This task includes time for SEH staff to review the GER and any additional analysis that was performed.

Task 1.4 – Review of Contaminated Materials Potential – SEH will review soil boring and testing information to consider the potential for needing mitigation strategies for contaminated material at the site. Any required mitigation plans to include removal or remediation are not included with this project scope. High level planning will be completed for future phases of the Midfield Ramp to account for contaminated materials. Work will include reviewing existing borings and environmental reports, coordination with MPCA, FUDS program, and Air National Guard.

Work Element 2: Topographical Analysis

Specific tasks included with this work element include:

Task 2.1 – Topographic Survey – A topographic survey was completed as part of the Phase 1 design. This task will include up to two trips for verification of Phase 1 grades and to pick up additional survey as required for this design effort. SEH will complete the survey work and provide escorting and oversight during the survey. This element also includes processing the gathered survey information into 2D and 3D drawings to be used as part of design and incorporated into the overall DLH base drawing. Preconstruction photos and or video will be taken at this time.

Work Element 3: Plan Drawings and Specifications

Final design and plan drawings for Midfield Ramp Repair, will be prepared in accordance with federal and state guidelines. FAA Advisory Circular (AC) 150/5300-13B, *Airport Design*, will be utilized in the development of the plan set. Other applicable ACs, FAA Orders, Regulations and Policy Memorandums will be used as needed. Specific tasks included with this work element include:

Task 3.1 – Environmental Coordination and Permits – SEH will complete the and/or coordinate the following permits:

- National Environmental Policy Act (NEPA) determination
- MPCA NPDES permit application
- City of Duluth Haul Route Application
- City of Duluth Stormwater permit
- Stormwater Pollution Prevention Plan (SWPPP)

Task 3.2 – Construction Safety and Phasing Plan Development – SEH will complete the Construction Safety and Phasing Plan (CSPP). SEH will meet virtually with DAA staff, airfield tenants and users to evaluate potential risks and determine appropriate mitigation tactics. The preliminary CSPP will be enhanced to determine final phasing and sequencing, construction limits, haul routes, contractor staging areas, and anticipated impacts to airport users and airfield facilities. A final CSPP will be uploaded for FAA airspace review.

Task 3.3 – Detailed Final Design – The final design will include design of the Phase 3 portion of the Midfield Ramp Repair. It is understood the Midfield Ramp will be broken down into phases, and design work for subsequent phases is excluded. Detailed design will include development of pavement design, repair techniques, joint layout, underdrain and storm drain design, and other necessary minor elements. SEH will also prepare a technical memorandum summarizing the stormwater calculations and the City of Duluth stormwater requirements. This report and supporting calculations will be used to submit the Application to the City of Duluth for the Stormwater Permit discussed in Task 3.1.

Task 3.4 – Construction Plan Sheets – Specific plan sheets to be developed and included in the plan set are as follows:

- Title Sheet
- Construction Safety and Phasing Plan and Details
- Traffic Control Plan
- General Notes
- Statement of Estimated Quantities
- Details and Construction Notes
- SWPPP (if needed)
- Erosion Control Plan and Details
- Alignment Plan
- Utility Locations Plan
- Typical Section(s)
- Removal Plan
- Temporary Pavement Marking Plan
- Grading Plan drawings for new pavement
- Storm Sewer and Drain Tile Plan and Details
- Concrete Pavement Joint Plan and Details
- Pavement Marking Plan and Details
- Cross Sections

Task 3.5 – Quality Control Site Visit – SEH will conduct one quality control site visit during final design to verify base maps, utility locations, light locations, grades, and other relevant site features to ensure conformance to bidding documents.

Work Element 4: Construction Bidding Documents

Elements of the Construction Bidding Documents will be prepared in accordance with applicable FAA AC's, Orders, Regulations and Policy Memorandums. Specific tasks included with this work element include:

Task 4.1 – Construction Bidding Documents – A bid proposal project manual will be prepared that will consist of a table of contents, advertisement for bids, proposal documents, schedule of

prices, State and Federal requirements, wage rates, technical specifications and special provisions. Efforts to repackage bidding documents to accommodate any need to re-bid the project are not including as part of this contract scope.

Task 4.2 – Quantity Calculations and Final Engineer’s Estimate –This task includes finalization of quantities associated with the project for use in the bid package. A final engineer’s estimate using these quantities is also included.

Task 4.3 – Quality Control Reviews –This task includes quality control reviews of the project plans and specifications, quantity determinations and construction cost estimates. An on-site plan review with DAA staff is included.

Work Element 5: Bidding Services

Bidding Services include the following tasks:

Task 5.1 – Bidding and Award – SEH will coordinate with the City of Duluth for advertisement and opening. Respond to questions from prospective bidders and issue addenda as needed. Assist the sponsor with obtaining construction bids for project, including arranging for bid advertisement, attending the bid opening and tabulating bid results. Provide a recommendation of award of contractor to the Sponsor and assist with requesting a State grant for the project.

Work Element 6: Public Outreach and Project Management – This task includes the overall project management of Work Elements 1 through 5 noted above. Public Outreach and Project Management includes administration of the project, design team meetings, agency and Sponsor meetings, airfield user and tenant outreach meetings, and related project administration tasks. Specific tasks included with this work element include:

Task 6.1 – Design Team Meetings –This task includes weekly meetings by the design team to discuss project elements, schedule, issues, and provide coordination between team members.

Task 6.2 – Agency Meetings –This task includes monthly meetings by the design team, the City of Duluth, MnDOT Office of Aeronautics, FAA ADO, DAA staff, and other individuals and agencies as needed, to discuss the project design development, schedule, and any other related items.

Task 6.3 – Public Involvement Meetings and Notifications – This task includes specific meetings with airfield businesses, airfield tenants, terminal tenants, DAA staff meetings, and other critical stakeholders to provide updates on the status of the project and address any issues or concerns. This task also includes project mailing and notifications will be sent out to the stakeholders.

Task 6.4 – Overall Project Management –This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, progress reports, budget updates and monthly invoices.

ATTACHMENT B
ESTIMATED FEES AND EXPENSES
MIDFIELD RAMP REPAIR - PHASE 3
FINAL DESIGN, PLANS AND SPECIFICATIONS, BIDDING DOCUMENTS, AND BIDDING
DULUTH INTERNATIONAL AIRPORT (DLH)
DULUTH, MN

Task No.	Task Description	Project Director	Project Manager	Professional Engineer	Project Engineer II	Project Engineer I	Senior Technician	Sr. Aviation Planner	Sr. Environmental Engineer	Water Resources Professional Engineer	Water Resources Engineer	Structural	Surveyor	Admin Technician
Project Formulation														
1.1	Scoping, Review, and Coordination	1	4	7	2	15	2					3		
1.2	Project Formulation	1	4	7	3	2	2							2
1.3	Geotechnical Analysis/Borings (see subconsultant)			1	2							1		
1.4	Review of Contaminated Materials		2			2			4					
Topographic Analysis														
2.1	Topographic Survey		2	2	8								16	
Plan Drawings for Midfield Ramp Repair														
3.1	Environmental Coordination and Permits		2	2		8	2	2						
	NEPA Determination					12		8						
	MPCA NPDES/SWPPP Permit		4		4						24			
	City of Duluth Permits (Haul Route, Stormwater)				1						3			
3.2	Construction Safety and Phasing Plan Development		2				8	2						
	FAA Airspace Review			2	8									
3.3	Detailed Final Design		16	50	60					8	32	2		
3.4	Construction Plan Sheets		2	12	32	20	55				1	8		
3.5	Quality Control Site Visits		8	10										
Construction Bidding Documents														
4.1	Construction Bidding Documents		2	12	20		6					1		4
4.3	Quantity Calculations and Final Engineer's Estimate		2	8	8		2							
4.4	Quality Control Reviews	1	12	8	8									
Bidding Services														
5.1	Bidding and Award		12	12	8	4								
Public Outreach and Project Management														
6.1	Design Team Meetings		12	12	12	6								
6.2	Agency Meetings	1	4	4	4									
6.3	Public Involvement Meetings and Notifications	1		4				6						2
6.4	Overall Project Management	1	20											
Total hours per labor category		6	110	153	180	69	77	18	4	8	60	15	16	8

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Project Director	6	\$85.60	\$513.60
Project Manager	110	\$79.19	\$8,710.90
Professional Engineer	153	\$52.57	\$8,043.21
Project Engineer II	180	\$42.26	\$7,606.80
Project Engineer I	69	\$38.37	\$2,647.53
Senior Technician	77	\$48.75	\$3,753.75
Sr. Aviation Planner	18	\$55.33	\$995.94
Sr. Environmental Engineer	4	\$65.04	\$260.16
Water Resources Professional Engineer	8	\$64.02	\$512.16
Water Resources Engineer	60	\$46.02	\$2,761.20
Structural	15	\$76.48	\$1,147.20
Surveyor	16	\$42.22	\$675.52
Admin Technician	8	\$35.44	\$283.52

Total Direct Labor Costs: 724 \$37,911.49
Direct Salary Costs plus Overhead (90%) \$72,031.83

Total Labor Costs \$109,943.32

Fixed Fee on Labor Costs (15%) \$16,491.50

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Geotechnical Field Investigation - Subconsultant (Braun Intertec)	1	\$9,160.00	\$9,160.00
Parking	2	\$9.00	\$18.00
Auto Allowance	2	\$16.00	\$32.00
Employee Mileage	2,368	\$0.67	\$1,586.56
Per Diem	2	\$200.00	\$400.00
Computer Charge	724	\$5.55	\$4,018.20
Survey Truck	16	\$4.90	\$78.40
Survey Equipment (Total Station/GPS)	16	\$45.00	\$720.00
Reproductions / Miscellaneous	1	\$100.00	\$100.00

Total Expenses \$16,113.16

SUMMARY:

Total Labor Costs + Expenses + Fixed Fee \$142,547.98

Estimated Total \$142,500.00

June 24, 2024

Proposal QTB199792

Allison Andrashko, PE
Short Elliott Hendrickson, Inc.
3535 Vadnais Center Drive
Saint Paul, MN 55110

Re: Proposal for a Geotechnical Evaluation
Proposed Midfield Ramp Phases 3 & 4 Addendum
Duluth International Airport
4701 Grinden Drive
Duluth, Minnesota

Dear Ms. Andrashko:

Braun Intertec Corporation respectfully submits this proposal to complete a geotechnical evaluation for the proposed reconstruction of Phases 3 & 4 of the Midfield Ramp at the referenced site.

Project Information

Per our correspondence with you, the project will include the reconstruction of approximately 75,000 square feet of the Midfield Ramp north of Hangar 104. This geotechnical evaluation will serve as an Addendum to our Geotechnical Evaluation and Limited Environmental Investigation Report for the Midfield Ramp, under project number B2106381, dated August 27, 2021. The Addendum will provide additional soil borings in the Phases 3 & 4 areas. The locations of the pavement cores and soil borings will be selected and surveyed by SEH.

Purpose

The purpose of our geotechnical evaluation will be to characterize existing pavement and subsurface geologic conditions at selected exploration locations and evaluate their impact on the design and reconstruction of the pavement area.

Scope of Services

We propose the following tasks to help achieve the stated purpose. If we encounter unfavorable or unforeseen conditions during the completion of our tasks that lead us to recommend an expanded scope of services, we will contact you to discuss the conditions before resuming our services.

Site Access

Based on aerial photographs and previous site visits, it appears that the site is accessible to a float tire-mounted drill rig. We understand our field work will be completed during daylight hours. We assume there will be no cause for delays in accessing the exploration locations.

Depending on access requirements, ground conditions or potential utility conflicts, our field crew may alter the exploration locations from those proposed to facilitate accessibility.

Utility Clearance

Prior to drilling or excavating, we will contact Gopher State One Call and arrange for notification of the appropriate utility vendors to mark and clear the exploration locations of public underground utilities. A Braun Intertec representative will arrange an on-site utility meet with the notified locators at the project site. You, or your authorized representative, are responsible to notify us before we begin our work of the presence and location of any underground objects or private utilities that are not the responsibility of public agencies.

Penetration Test Borings

As requested, we will drill 4 standard penetration test (SPT) borings for the project, extending them to 10 feet. Standard penetration tests will be performed continuously in the upper 5 feet and at 2 1/2-foot vertical intervals at greater depths.

If the borings encounter groundwater during or immediately after drilling of each boring, we will record the observed depth on the boring logs.

If the intended boring depths do not extend through unsuitable material, we will extend the borings at least 5 feet into suitable material at greater depths. If we identify a need for deeper (or additional) borings, we will contact you prior to increasing our total estimated drilled footage and submit a Change Order summarizing the anticipated additional effort and the associated cost, for your review and authorization.

Pavement Coring

We will core pavements at the soil boring locations. The cores will be extracted and visually evaluated. Thickness and pavement condition within the cores will be reported. We understand this work will take place when temperatures are above freezing.

MDH Notification and Sealing Record

Since our planned exploration will be less than 15 feet in depth, the Minnesota Statutes will not require that we complete any notifications or sealing records. If we extend any of the borings to a depth of 15 feet or greater, the Statutes requires that we seal the boreholes and complete a Sealing Record. If 25 feet or greater, the Statutes also require us to complete a Sealing Notification Form. If the Record or Form are required, we will contact you to discuss the additional fees and sealing requirements.

Borehole Abandonment

After completing the soil borings, the borings will be backfilled with cuttings and borings in the pavement will be patched. Over time, subsidence of borehole backfill may occur, requiring surface grades to be re-leveled or patches to be replaced. Braun Intertec is not assuming responsibility for re-leveling or re-patching subsequent to initial backfilling and patching long term.

Sample Review and Laboratory Testing

We will return recovered samples to our laboratory, where a geotechnical engineer will visually classify and log them. To help classify the materials encountered and estimate the engineering properties necessary to our analyses, we anticipate performing 4 moisture content tests, 2 Atterberg limits tests, and 2 mechanical analyses (through a #200 sieve only). We will adjust the actual number and type of tests based on the results of our borings.

Addendum

We will prepare an addendum including:

- A sketch showing the boring locations.
- Logs of the borings describing the materials encountered and presenting the results of our groundwater measurements and laboratory tests.
- A summary of the subsurface profile and groundwater conditions.
- Discussion identifying the subsurface conditions that will impact pavement design and construction.
- Discussion regarding the reuse of on-site materials during construction.
- Recommendations for preparing pavement subgrades, and the selection, placement, and compaction of fill.

We will only submit an electronic copy of our addendum to you unless you request otherwise. At your request, we can also send the addendum to additional project team members.

Schedule

We anticipate performing our work according to the following schedule.

- Drill rig mobilization – we understand that soil borings can be performed concurrently with the Taxiway A Phase 6 soil borings. We plan to perform these soil borings the week of August 5, 2024.
- Field exploration – 1 day on site to complete the work
- Classification and laboratory testing – within 2 weeks after completion of field exploration
- Preliminary results – within 2 weeks after completion of field exploration
- Addendum submittal – within 4 weeks after completion of field exploration

If we cannot complete our proposed scope of services according to this schedule due to circumstances beyond our control, we may need to revise this proposal prior to completing the remaining tasks.

Fees

We will furnish the services described in this proposal for a lump sum fee of \$9,160, Please note that our drilling/field services were budgeted to occur within our normal work hours of 7:00 a.m. to 5:00 p.m., Monday through Friday. We have budgeted for nighttime work for a portion of the fieldwork. If conditions occur that require us to work outside of these hours discussed, we will request additional fees to cover our additional costs. Our work may extend over several invoicing periods. As such, we will submit partial progress invoices for work we perform during each invoicing period.

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. Please sign and return a copy to us in its entirety.

We based the proposed fee on the scope of services described and the assumptions that you will authorize our services within 30 days and that others will not delay us beyond our proposed schedule.

Our services will be provided under the terms of our Master Subcontractor Agreement with Short Elliott Hendrickson, Inc., dated March 19, 2024.

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 (atast@braunintertec.com).

Sincerely,

BRAUN INTERTEC CORPORATION



Colin L. Anderson, PE
Project Engineer



Aaron M. Tast
Senior Manager, Aviation Services



Joseph C. Butler, PE
Associate Director, Senior Engineer

The proposal is accepted, and you are authorized to proceed.

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date

VII. - J.

**Duluth Airport Authority
DAA Board Packet Budget vs. Actual Summary
From Jan 2024 to Jun 2024**

UNAUDITED							
Financial Row	Prior Year Actual (Jan 2023 - Jun 2023)	Current Year Actual (Jan 2024 - Jun 2024)	Budget Amount (Jan 2024 - Jun 2024)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2024 - Adjust 2024)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	1,886,011	1,685,771	1,550,264	108.74%	(200,239)	135,507	3,270,423
Non-Passenger Aeronautical Revenue	839,798	853,194	830,643	102.71%	13,396	22,551	1,699,641
Passenger Airline Aeronautical Revenue	686,140	808,841	814,755	99.27%	122,701	(5,914)	1,626,676
Total - Income	3,411,949	3,347,806	3,195,663	104.76%	(64,142)	152,143	6,596,739
Gross Profit	3,411,949	3,347,806	3,195,663	104.76%	(64,142)	152,143	6,596,739
Expense							
Miscellaneous Expenses	47,400	155,950	53,160	293.36%	108,549	102,790	96,690
Personnel Compensation & Benefits	1,312,242	1,296,278	1,420,168	91.28%	(15,965)	(123,890)	3,015,668
Services and Charges	1,148,641	1,272,301	1,262,427	100.78%	123,660	9,874	2,433,958
Supplies	411,740	382,204	439,517	86.96%	(29,536)	(57,313)	767,463
Total - Expense	2,920,023	3,106,732	3,175,272	97.84%	186,709	(68,539)	6,313,779
Net Ordinary Income	491,925	241,074	20,391	1,182.24%	(250,851)	220,683	282,959
Other Income and Expenses							
Other Income							
Capital Contributions	2,400,321	0	0	0.00%	(2,400,321)	0	0
Non-Operating Revenue	460,557	383,948	390,970	98.20%	(76,609)	(7,022)	648,529
Total - Other Income	2,860,878	383,948	390,970	98.20%	(2,476,930)	(7,022)	648,529
Other Expense							
Non-Operating Expense	70,982	60,660	70,587	85.94%	(10,321)	(9,927)	141,174
Total - Other Expense	70,982	60,660	70,587	85.94%	(10,321)	(9,927)	141,174
Net Other Income	2,789,896	323,287	320,383	100.91%	(2,466,609)	2,904	507,355
Net Income Exclusive of Project Expenses, Depreciation & Amortization	3,281,822	564,362	340,774	165.61%	(2,717,460)	223,587	790,315
Projects/Grants	1,003,456	6,510,569	9,885,231	65.86%	5,507,112	(3,374,662)	19,770,462
Depreciation & Amortization	(5,689,515)	0	(5,371,825)	0.00%	5,689,515	5,371,825	(10,743,651)
Net Income	(1,404,237)	7,074,930	4,854,180	145.75%	8,479,167	2,220,750	9,817,126

- **Overall:** At the time this report was generated for the above period, the DAA is at an overall favorable variance budget vs actual of \$223K.
- **Operating Revenue:** Non-Aeronautical Revenue is \$135k over budget overall. Concessions revenues are \$6k over budget, parking revenues are \$67k over budget and customer facility charges are \$62k over budget. We also received an insurance reimbursement for damage to the terminal and cameras. Non-passenger aeronautical revenue is 22k over budget due to increased rent, aviation gas sales, and concessions. Security reimbursements are down over \$13k due to the loss of the TSA LEO reimbursement program. Passenger Airline Aeronautical revenue is nearly 6k under budget due to less landing fees than predicted. Operating Revenues are 152k over budget overall.
- **Operating Expenses:** Miscellaneous Expenses are \$102k over budget, mostly due to the North Business Development Area Buyout. Personnel Compensation and Benefits are \$123k under budget. Supplies are \$57k under budget. Services and charges are nearly \$10k over budget. Operating expenses are \$68k under budget overall.
- **Non-Operating Revenue:** Non-operating revenue is under budget by \$7k. Interest income of is under budget by over \$12k and PFCs over budget by \$5.6k..
- **Non-Operating Expenses:** Non-Operating Expenses is under budget by nearly 10k due to reduced interest expense as the line of credit was not been utilized in 2024.
- **Report Disclaimer:** The results of this report are expected to change slightly with delayed revenue and expense postings.
- **OPERATING POLICY #28 MINIMUM CASH BALANCE REPORTING BASED ON 2023 AUDITED FINANCIALS AS OF 8/13/2024:**
 - Minimum Cash Balance Goal: \$2,930,908 Current Balance: \$2,531,143 (does not include grants receivable)
 - Days Cash on Hand: 155 days currently vs 180 day benchmark (25 days UNDER goal)
 - Construction grants receivable are over \$3M.

Duluth Airport Authority
Income Statement
From Jan 2024 to Jun 2024

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$8,978.00
Concession Revenue	
ATM	\$262.50
Car Rental Concession	\$253,283.77
Food & Beverage Concession	\$46,925.25
Lottery Concessions	\$720.24
Per Departure Fee	\$1,470.00
Per Passenger Fee	\$15,416.00
Services/Other	\$459.67
TNC Per Trip Fee	\$6,394.50
Vending	\$3,118.73
Total - Concession Revenue	\$328,050.66
Customer Facility Charges	\$165,424.00
Miscellaneous Revenues	\$61,793.92
Parking	\$902,047.93
Permits	\$5,014.93
Reimbursed Expenses	\$53,823.57
Rent	\$122,638.47
Sponsorship Income	\$38,000.00
Total - Non-Aeronautical Revenue	\$1,685,771.48
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$28,177.07
Concession Revenue	\$85,723.26
Event Income	\$38,179.00
Landing Fees	\$19,287.29
Ramp Fees	\$10,170.00
Rent	\$633,843.22
Security Reimbursement	\$36,274.26
Tie Downs	\$1,540.00
Total - Non-Passenger Aeronautical Revenue	\$853,194.10
Passenger Airline Aeronautical Revenue	
Landing Fees	\$161,302.84
Per Use Fee	\$2,123.43
Terminal Office/Space Rental	\$645,414.58
Total - Passenger Airline Aeronautical Revenue	\$808,840.85
Total - Income	\$3,347,806.43
Gross Profit	\$3,347,806.43
Expense	
Miscellaneous Expenses	\$155,949.82
Personnel Compensation & Benefits	
Benefit Administration Fees	\$81.60
Employer Contributions for Retirement	\$115,239.50
Employer Paid Insurance	\$215,350.76
Retiree Benefits	\$69,109.91
Wages & Salaries	\$883,252.97
Worker's Compensation	\$13,243.02
Total - Personnel Compensation & Benefits	\$1,296,277.76
Services and Charges	
Central Services Fee	\$38,980.00
Communications & Technology	\$156,999.26
Employee Development Services	\$36,418.47
Employee Physicals	\$1,615.00
Insurance	\$71,063.28

Financial Row	Amount
Marketing	\$127,973.42
Professional Services	\$218,399.35
Rentals	\$11,334.90
Repairs and Maintenance - Contractual/Services	\$247,574.34
Sponsorship Expenses	\$4,000.00
Transportation	\$1,714.18
Utility Services	
Electric	\$223,017.85
Natural Gas	\$36,914.52
Propane	\$2,858.74
Refuse Disposal	\$16,544.70
Storm Water	\$67,246.53
Water	\$9,646.19
Total - Utility Services	\$356,228.53
Total - Services and Charges	\$1,272,300.73
Supplies	
Merchandise for Resale	\$26,982.64
Office Supplies	\$56,936.37
Operating Supplies	\$75,194.76
Repairs & Maintenance Supplies	
Airfield	\$116,316.55
Building	\$32,790.33
Fencing & Gates	\$3,174.90
Fuel System	\$387.28
Grounds & Landscaping	\$2,820.19
Heavy Equipment	\$34,946.35
Heavy Equipment Accessories	\$1,117.95
Jet Bridge	\$2,897.33
Large Tools	\$40.28
Light Equipment	\$22,625.37
Sand/Deicer	\$489.02
Shop Supplies	\$3,086.41
Small Tools	\$2,398.25
Total - Repairs & Maintenance Supplies	\$223,090.21
Total - Supplies	\$382,203.98
Total - Expense	\$3,106,732.29
Net Ordinary Income	\$241,074.14
Other Income and Expenses	
Other Income	
Capital Contributions	
Grants	\$6,510,568.81
Total - Capital Contributions	\$6,510,568.81
Non-Operating Revenue	
Interest Income	\$119,893.52
Passenger Facility Charges	\$264,054.31
Total - Non-Operating Revenue	\$383,947.83
Total - Other Income	\$6,894,516.64
Other Expense	
Non-Operating Expense	
Interest Expense	\$60,660.38
Total - Non-Operating Expense	\$60,660.38
Total - Other Expense	\$60,660.38
Net Other Income	\$6,833,856.26
Net Income	\$7,074,930.40

Duluth Airport Authority
Balance Sheet
End of Jun 2024

Financial Row	Amount
ASSETS	
Current Assets	
Bank	\$2,719,940.09
Accounts Receivable	
Accounts Receivable - Restricted PFC	\$98,708.21
Accounts Receivable Billed	\$538,562.07
Accrued Receivable	\$21,520.30
Grants Receivable	\$6,770,956.89
ST Lease Receivable	\$29,630.33
Total Accounts Receivable	\$7,459,377.80
Other Current Asset	\$286,145.75
Total Current Assets	\$10,465,463.64
Fixed Assets	
Accumulated Depreciation	(\$162,823,496.37)
Capital Assets	\$280,664,254.47
Work in Progress	\$14,963,790.43
Total Fixed Assets	\$132,804,548.53
Other Assets	
Accumulated Amortization	(\$3,152,423.67)
Airport Planning Projects - Contributed	\$5,518,016.49
Airport Planning Projects - Invested	\$772,784.00
Deferred Outflows - OPEB	\$225,995.00
Deferred Outflows - Pension	\$408,765.00
LT Lease Receivable	\$2,229,714.06
Total Other Assets	\$6,002,850.88
Total ASSETS	\$149,272,863.05
Liabilities & Equity	
Current Liabilities	
Accounts Payable	\$2,861,865.40
Credit Card	\$3,135.74
Other Current Liability	
Accrued Interest	\$60,586.92
Accrued Sales Taxes Payable - All	\$10,980.00
Accrued Vacation	\$122,778.26
Deferred Inflows - Lease Asset	\$2,155,143.79
Deferred Inflows - OPEB Liabilities	\$435,328.00
Deferred Inflows - Pension	\$402,277.00
Loans Payable to City of Duluth	\$955,000.00
Unearned Revenue - Current	\$112,543.32
Unearned Revenue - Non Current	\$10,932.40
Total Other Current Liability	\$4,265,569.69
Total Current Liabilities	\$7,130,570.83
Long Term Liabilities	
LT Loans Payable to City of Duluth	\$3,210,000.00
Net Pension Liability	\$1,252,584.00
Total Other Post Employment Benefit Liability	\$3,056,943.02
Total Long Term Liabilities	\$7,519,527.02
Equity	
Contributed Equity	\$16,621,668.70
Retained Earnings	\$110,926,166.10
Net Income	\$7,074,930.40
Total Equity	\$134,622,765.20
Total Liabilities & Equity	\$149,272,863.05

VII. - K.

**Duluth Airport Authority
Duluth A/R Aging Report
As of August 14, 2024**

Customer	60 Days	90 Days	>90 Days	Total
	Open Balance	Open Balance	Open Balance	Open Balance
Azbell, Austin	\$0.00	\$0.00	\$51.00	\$51.00
Bellamy Bill	\$0.00	\$0.00	\$0.00	(\$191.64)
Benson Electric	\$0.00	\$0.00	\$0.00	\$115.00
Chad's Pad, LLC	\$0.00	\$0.00	\$0.00	\$502.90
Churchill, Sean	\$0.00	\$0.00	\$0.00	\$254.28
Cirrus Design Corporation	\$1,665.00	\$0.00	\$0.00	\$26,967.48
City of Duluth	\$0.00	\$0.00	\$0.00	\$1,770.34
Civil Air Patrol	\$0.00	\$0.00	\$0.00	\$417.79
Clobes, Nathan	\$153.00	\$0.00	\$0.00	\$153.00
Cohen, Marc	\$0.00	\$0.00	\$0.00	\$51.00
Delta Airlines	(\$6,242.00)	\$0.00	\$115.00	\$50,365.07
DeSutter, Peter	\$0.00	\$0.00	\$0.00	\$51.00
Divine Carriers	\$147.60	\$147.60	\$242.80	\$685.60
Dudley Bruce	\$0.00	\$0.00	\$90.00	\$90.00
Duluth Economic Development Authority	\$0.00	\$0.00	\$0.00	\$26,616.00
Duluth Hangar, LLC	\$0.00	\$0.00	\$0.00	\$899.04
Dunker, Christopher L	\$0.00	\$0.00	\$9,028.20	\$9,028.20
Ellefson, Nicholas	\$0.00	\$0.00	\$0.00	\$745.00
Enterprise Leasing Company	(\$29,158.80)	\$0.00	\$0.00	(\$52,281.53)
Federal Aviation Administration	\$13,026.00	\$13,026.00	\$13,026.00	\$52,104.00
Galchus, Kurt	\$379.28	\$254.28	\$0.00	\$887.84
General Services Administration	\$0.00	\$0.00	\$0.00	\$5,725.48
Goritchan Boris	\$0.00	\$0.00	\$2,004.00	\$2,004.00
Griffith Evans	\$0.00	\$0.00	\$0.00	\$90.00
GSSC	\$525.00	\$0.00	\$0.00	\$725.00
Hagberg, Rick	\$0.00	\$0.00	\$0.00	\$254.28
Hall John	\$0.00	\$0.00	\$0.00	\$312.67
Harris, Melissa	\$153.00	\$0.00	\$0.00	\$153.00
Hatfield, Dan	\$0.00	\$0.00	\$0.00	\$254.28
Hermantown Hydraulics	\$0.00	\$0.00	\$1,526.68	\$1,526.68
Hillman Colin	\$0.00	\$0.00	\$0.00	\$275.00
Hunstad, Nicholas	\$0.00	\$0.00	\$0.00	\$114.83
HydroSolutions Of Duluth, Inc.	\$3,466.75	\$3,466.75	\$0.00	\$6,933.50
Johnson, Richard	\$0.00	\$0.00	\$0.00	\$583.30
Johnston, Paul	\$0.00	\$0.00	\$0.00	\$254.28
K & D Auctions	\$0.00	\$0.00	(\$1,968.62)	(\$8,493.06)
Kern & Kompany	\$630.00	\$0.00	\$0.00	\$630.00
KGM Contractors, Inc.	\$0.00	\$0.00	\$0.00	\$4,025.00
Kleen-Tech Services, LLC	\$0.00	\$0.00	\$0.00	\$844.97
Lake Superior College	\$34,468.27	\$0.00	\$0.00	\$31,281.17
Lake Superior Helicopters	\$0.00	\$0.00	\$0.00	\$9,297.69
Larsen, Shane	(\$90.00)	\$0.00	\$0.00	(\$90.00)
Maurices, Inc.	\$900.00	\$0.00	\$0.00	\$900.00
Messerer Jon	\$0.00	\$0.00	\$0.00	\$2,138.96
Minnesota Air National Guard	\$1,256,296.75	\$2,187.42	\$0.00	\$1,260,780.92

Minnesota Department of Transportation	\$0.00	\$903.06	\$1,024,502.40	\$2,472,161.30
Minnesota Power	\$0.00	\$0.00	\$0.00	\$466.46
Miscellaneous	\$0.00	\$0.00	\$0.00	(\$200.00)
Monaco Air Duluth	\$0.00	\$0.00	\$0.00	\$4,671.52
National Weather Service	\$0.00	\$0.00	\$0.00	\$125.00
Northland Constructors, Inc.	\$0.00	\$0.00	\$0.00	\$181.50
Oakwells CR, LLC	\$0.00	\$0.00	\$0.00	\$712.00
Opack Matthew Jr.	\$0.00	\$0.00	\$0.00	\$249.15
Payne, Robert	\$0.00	\$0.00	\$0.00	\$329.02
Pfaltzgraff, George	\$0.00	\$0.00	\$0.00	\$745.00
PGKK (Goldschmidt & Kundel)	\$0.00	\$0.00	\$0.00	\$1,399.00
Piirto, Cynthia I	\$0.00	\$0.00	\$0.00	\$189.92
Plucinak, Joseph	(\$1,249.99)	(\$115.01)	\$0.00	(\$1,365.00)
Rasier, LLC	\$0.00	\$0.00	\$0.00	(\$918.00)
Rogers, Alexander	\$0.00	\$0.00	\$0.00	\$254.28
RS&H	\$0.00	\$0.00	\$0.00	\$2,839.82
SEH	(\$792.78)	\$0.00	\$0.00	(\$662.78)
Shafer Contracting	\$0.00	\$0.00	\$0.00	\$2,100.00
Stevens, Mike	\$0.00	\$0.00	\$0.00	\$254.28
Sun Country, Inc. dba Sun Country Airlines	\$0.00	\$0.00	\$120.00	\$240.00
Sydow Dan	\$0.00	\$0.00	\$0.00	\$329.02
The Landline Company	\$0.00	\$0.00	\$0.00	\$618.19
Tom Sullivan	\$275.00	\$0.00	\$0.00	\$550.00
Transportation Security Administration	\$0.00	\$0.00	\$0.00	\$345.00
Twin Ports Dermatology	\$10,000.00	\$0.00	\$0.00	\$10,000.00
unifi	\$0.00	\$0.00	\$4,147.00	\$4,462.00
United Airlines	\$0.00	\$0.00	\$0.00	(\$1,758.39)
United Parcel Service	\$65.00	\$0.00	\$0.00	\$65.00
University of Minnesota Duluth	\$0.00	\$0.00	\$0.00	\$3,250.00
Valentine, Ian	\$0.00	\$0.00	\$0.00	\$51.00
Williams, Ron	\$0.00	\$0.00	\$0.00	\$319.28
Winter, Detrich	\$0.00	\$0.00	\$0.00	\$745.00
Total	\$1,284,617.08	\$19,870.10	\$1,052,884.46	\$3,942,551.89

VII. - L.

Year to Date Airline Statistics

Month	DELTA					UNITED					SUN COUNTRY				
	2024 Enplanements		2024 Deplanements		Total	2024 Enplanements		2024 Deplanements		Total	2024 Enplanements		2024 Deplanements		Total
	Revenue	Non Rev	Revenue	Non Rev		Revenue	Non Rev	Revenue	Non Rev		Revenue	Non Rev	Revenue	Non Rev	
JAN	5,411	119	4,885	151	10,566	2,540	46	2,309	44	4,939	-	-	-	-	-
FEB	4,823	150	5,916	155	11,044	2,654	56	2,641	46	5,397	1,434	1	1,117	1	2,553
MAR	5,206	165	5,145	158	10,674	3,252	89	3,374	83	6,798	1,563	3	1,465	2	3,033
APR	5,260	211	5,125	214	10,810	4,013	103	4,232	102	8,450	947	-	1,184	1	2,132
MAY	5,493	165	5,959	171	11,788	3,969	145	4,418	125	8,657	177	4	177	4	362
JUN	6,907	167	7,040	178	14,292	3,915	128	4,047	109	8,199	-	-	-	-	-
JUL	7,761	196	8,393	217	16,567	5,180	120	5,167	122	10,589	-	-	-	-	-
AUG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SEP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OCT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	40,861	1,173	42,463	1,244	85,741	25,523	687	26,188	631	53,029	4,121	8	3,943	8	8,080

Month	CHARTERS					2024 Total Passenger Data Including Charters							2023 - 2024 Difference		
	2024 Enplanements		2024 Deplanements		Total	2024 Enplanements			2024 Deplanements			Total Passenger	Enplanements	Deplanements	Total Passengers
	Revenue	Non Rev	Revenue	Non Rev		Rev	Non Rev	Total	Rev	Non Rev	Total				
JAN	182	-	180	-	362	8,133	165	8,298	7,374	195	7,569	15,867	(466)	(1,364)	(1,830)
FEB	-	-	-	-	-	8,911	207	9,118	9,674	202	9,876	18,994	(408)	(323)	(731)
MAR	181	-	217	-	398	10,202	257	10,459	10,201	243	10,444	20,903	(3,337)	1,896	(1,441)
APR	181	-	180	-	361	10,401	314	10,715	10,721	317	11,038	21,753	(79)	(17)	(96)
MAY	-	-	-	-	-	9,639	314	9,953	10,554	300	10,854	20,807	(712)	(458)	(1,170)
JUN	-	-	-	-	-	10,822	295	11,117	11,087	287	11,374	22,491	1,389	1,691	3,080
JUL	-	-	-	-	-	12,941	316	13,257	13,560	339	13,899	27,156	1,182	1,670	2,852
AUG	-	-	-	-	-	-	-	-	-	-	-	-	(13,744)	(13,216)	(26,960)
SEP	-	-	-	-	-	-	-	-	-	-	-	-	(11,126)	(10,493)	(21,619)
OCT	-	-	-	-	-	-	-	-	-	-	-	-	(10,283)	(9,640)	(19,923)
NOV	-	-	-	-	-	-	-	-	-	-	-	-	(9,058)	(8,811)	(17,869)
DEC	-	-	-	-	-	-	-	-	-	-	-	-	(8,306)	(8,412)	(16,718)
Total	544	-	541	-	1,121	71,049	1,868	72,917	73,171	1,883	75,054	147,971	(54,948)	(47,477)	(102,425)

2024 Landline Passengers

Arrivals

Departures

	Arrivals				Departures				2023 Grand		
	Revenue	Non-Rev	Seats (AU)	Total	Revenue	Non-Rev	Seats (AU)	Total	Grand Total	Total	Inc /Dec
January	446	13	1,104	459	732	17	1,104	749	1,208	2,206	(998)
February	614	13	1,150	627	703	16	1,150	719	1,346	2,064	(718)
March	638	13	1,242	651	693	20	1,242	713	1,364	2,266	(902)
April	613	11	1,058	624	685	6	1,058	691	1,315	2,328	(1,013)
May	659	16	1,012	675	522	16	1,012	538	1,213	1,601	(388)
June	601	13	1,196	614	519	7	1,196	526	1,140	1,558	(418)
July	578	15	1,196	593	740	10	1,196	750	1,343	1,879	(536)
August				-				-	-	1,697	-
September				-				-	-	902	-
October				-				-	-	1,083	-
November				-				-	-	1,190	-
December				-				-	-	1,616	-
	4,149	94	7,958	4,243	4,594	92	7,958	4,686	8,929	20,390	(4,973)