FINAL

CITY COUNCIL

CITY OF WICHITA
KANSAS

City Council Meeting
09:00 a.m. April 14, 2009

City Council Chambers
455 North Main

OPENING OF REGULAR MEETING

-- Call to Order

-- Invocation by Art Smith, Trinity Presbyterian and Good Shepherd Hospice

-- Pledge of Allegiance

-- Approve the minutes of the regular meeting on April7, 2009

-- Approval of Consent Agenda:
V. Planning (Item 1)
IX. Airport (Items 1 through 4)
XII. Consent (Items 1 through 13A)

-- Presentation to outgoing Council Member Sharon Fearey

-- Comments from Mayor and Council Members

-- Video Tribute

-- Presentation by Mayor Brewer

-- Recess

CITY COUNCIL

CITY OF WICHITA
KANSAS

City Council Meeting
09:00 a.m. April 14, 2009

City Council Chambers
455 North Main

-- Reconvene

1. Call to Order

2. Introduction of new members-Oath of Office administered by Judge Jennifer Jones

3. Comments from Mayor regarding Vice-Mayor Schlapp's tenure as Vice-Mayor

4. Ballot Selection of Vice-Mayor

5. Oath of Office for new Vice-Mayor administered by Judge Jennifer Jones

6. Comments from new Vice-Mayor

7. Comments from Council Members

8. Adjournment

COUNCIL BUSINESS SUBMITTED BY CITY AUTHORITIES

PLANNING AGENDA

NOTICE: Public hearing on planning items is conducted by the MAPC under provisions of State law. Adopted policy is that additional hearing on zoning applications will not be conducted by the City Council unless a statement alleging (1) unfair hearing before the MAPC, or (2) alleging new facts or evidence has been filed with the City Clerk by 5p.m. on the Wednesday preceding this meeting. The Council will determine from the written statement whether to return the matter to the MAPC for rehearing.

V. CONSENT PLANNING AGENDA

1. *DED 2009-07 -- Dedication of Access Control and DED 2009-08 -- Dedication of a Drainage Easement located on the south side of Pawnee and east of Rock Road. (District II)

   RECOMMENDED ACTION: Accept the Dedications.

AIRPORT AGENDA

NOTICE: The City Council is meeting as the governing body of the Airport for consideration and action on items on this Agenda, pursuant to State law and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion.

IX. CONSENT AIRPORT AGENDA (ITEMS 1 THROUGH 4)

1. *Cargo Building Lease Agreements - 1935 Air Cargo Road.

   RECOMMENDED ACTION: Approve the Agreements and authorize the necessary signatures.

2. *Rockwell Collins - Supplement No. 6 - Lease Agreement Extension.

   RECOMMENDED ACTION: Approve Supplement No. 6 and authorize necessary signatures.

3. *Wichita Mid-Continent Airport Acquisition of Vacant Lot on West Montezuma.

   RECOMMENDED ACTION: Approve the purchase agreement and authorize the necessary signatures.

4. *Wichita Mid-Continent Airport Acquisition of Vacant Lot at 7004 West Montezuma.

   RECOMMENDED ACTION: Approve the purchase agreement and authorize the necessary signatures.

COUNCIL AGENDA

X. COUNCIL MEMBER AGENDA

None.

XI. COUNCIL MEMBER APPOINTMENTS

1. Board Appointments.

   RECOMMENDED ACTION: Approve the Appointments.

XII. CONSENT AGENDA (ITEMS 1 THROUGH 13A)

1. Report of Board of Bids and Contracts
   a. Report of Board of Bids and Contracts dated April 13, 2009.

   RECOMMENDED ACTION: Receive and file report; approve Contracts; authorize necessary signatures.

2. Applications for Licenses:

Renewal	2009	
Lewis F. Self	After Dark Video	2809 North Broadway
Lewis F. Self	After Dark Video	3721 South Broadway
Lewis F. Self	After Dark Video	7805 West Kellogg Drive

   RECOMMENDED ACTION: Approve the licenses.

3. Applications for Licenses to Retail Cereal Malt Beverages:

New	2009	(Consumption on Premises)
David K Arteaga	The Leprechaun*	650 North St Paul

Renewal	2009	(Consumption on Premises)
Jan Castaneda	Angela's Café *	10901 East Kellogg
Roberto Beltran	Tacos Mexican Fast Food*	1930 East Pawnee

Renewal	2009	(Consumption off Premises)
Nuot V Nguyen	Thai Binh Supermartket	1530 West 21st
Mdapifur Porthan	Gulmohur Inc dba KC Gas & Grocery	1161 North Broadway
Stephen Diehl	Dillon Stores #81	13415 West Maple
Huong Van Nguyen	Lucky Market, Inc	7100 East Harry Street
Anita Haeri	Hoss LLC	1622 South West Street
Joes O. Vazquez	El Super Del Centro LLC	1770 North Broadway

   * General/Restaurant 50% or more gross revenue from sale of food.

   RECOMMENDED ACTION: Approve licenses subject to Staff review and approval.

4. Preliminary Estimates:
   a. Preliminary Estimates (See Attached)

   RECOMMENDED ACTION: Receive and file.

5. Agreements/Contracts:
   a. Sewage Treatment - Nutrient Feasibility Agreement.
   b. Water Treatment Plant Residuals Improvements - Supplemental Agreement.

   RECOMMENDED ACTION: Approve Agreements/Contracts; authorize the necessary signatures.

6. Property Acquisition:
   a. Partial Acquisition of 11323 West Kellogg for the Lateral 23, Main 13 Southwest Interceptor Sewer Project at West Kellogg and 111th. (District IV)

   RECOMMENDED ACTION: Approve budgets and Contracts; authorize necessary signatures.

7. Senior Management Report, February 2009.

   RECOMMENDED ACTION: Receive and file.

8. March 2009 Monthly Contracts and Agreements Report to Council.

   RECOMMENDED ACTION: Receive and file.

9. Water Treatment Plant Residuals Improvements.

   RECOMMENDED ACTION: Modify the CIP, approve the expenditure, adopt the Resolution, and authorize the necessary signatures.

10. 20-inch Parallel Force Main from Pump Station No. 56 at 135th Street West and 21st Street North, North to Sewage Treatment Plant No. 3. (District V)

    RECOMMENDED ACTION: Modify the CIP, approve the expenditure, adopt the Resolution, and authorize the necessary signatures.

11. Electrical Repair Service-Selection of Vendor.

    RECOMMENDED ACTION: Approve the selection of Shelley Electric, Inc. for the electrical repair services and authorize the necessary signatures.

12. Approval of Mortgage Release, Transtecs Corporation. (District I)

    RECOMMENDED ACTION: Release the mortgage for Transtecs Corporation and authorize the necessary signatures.

13. Second Reading Ordinances: (First Read April 7, 2009)
    a. List of Ordinances (See Attached)

    RECOMMENDED ACTION: Adopt the Ordinances.

Adjournment

Reception to follow

City of Wichita
City Council Meeting
April 14, 2009

TO: Mayor and City Council Members

SUBJECT: DED 2009-07 -- Dedication of Access Control and DED 2009-08 -- Dedication of a Drainage Easement located on the south side of Pawnee and east of Rock Road. (District II)

INITIATED BY: Metropolitan Area Planning Department

AGENDA ACTION: Planning (Consent)

Staff Recommendation: Accept the Dedications.

Background: The Dedications are associated with Lot Split Case No. SUB 2009-16 (The Plaza at Cherry Creek Hills Addition). The Dedications are for access control and for construction and maintenance of a drainage system.

Analysis: None.

Financial Considerations: None.

Goal Impact: Ensure Efficient Infrastructure.

Legal Considerations: The Dedications will be recorded with the Register of Deeds.

Recommendations/Actions: It is recommended that the City Council accept the Dedications.

DEDICATION OF ACCESS CONTROL

KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations, the receipt of which is hereby acknowledged, the undersigned, Norma Hecox, trustee of the Norma Hecox Living Trust, being the owner of the following described real estate in Sedgwick County, Kansas, to wit:

Lot 1 , Block 1, The Plaza at Cherry Creek Hills, Wichita, Sedgwick County, Kansas, EXCEPT that part described as beginning at the southwest corner of said Lot 1; thence N00°00'00"E along the west line of said Lot 1, 85.16 feet to a lot corner of said Lot 1; thence N89°43'00"W, along the westerly most south line of said Lot 1, 50.00 feet to the westerly most south corner of said Lot 1; thence N00°00'00"E, along the westerly most west line of said Lot 1, 148.00 feet to the westerly most N.W. corner of said Lot 1; thence S89°43'00"E, along the westerly most north line extended, 435.17 feet; thence S00°00'00"W, parallel with the west line of said Lot 1, 233.16 feet to the south line of said Lot 1; thence N89°43'00"W along said south line, 385.17 feet to the place of beginning.

does hereby transfer and convey to the CITY of Wichita, all abutter's rights of access, ingress, and egress to said property from or to Pawnee, over and across the northeast line of the above-described property; to have and to hold the same forever. It being understood that this conveyance is a covenant running with the land and prohibits all subsequent owners thereof and all members of the public from entering upon said property from Pawnee, except for one opening and **one** shared opening along Pawnee as shown on the attached "Exhibit A".

Executed this 5th day of March, 2009.

Norma Hecox Living Trust

Norma Hecox, Trustee

Norma Hecox, trustee

STATE OF KANSAS)
) SS
COUNTY OF SEDGWICK)

BE IT REMEMBERED, that on this 5 day of March, 2009, before me, the undersigned, a Notary Public, in and for the County and State aforesaid, came, Norma Hecox, trustee of the Norma Hecox Living Trust, who are personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

SEAL

REBECCA FLOWERS
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 5-15-2011

Notary Public

Del 2009-07

(My Commission Expires: 5-15-2011)

DRAINAGE EASEMENT

THIS EASEMENT made this 5th day of March, 2009, by and between Norma Hecox, trustee of the Norma Hecox Living Trust of the first part and the City of Wichita of the second part.

WITNESSETH: That the said first party, in consideration of the sum of One Dollar ($1.00) and other valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant and convey unto the said second party a perpetual right-of-way and easement for the purpose of constructing, maintaining, and repairing a drainage system over, along, and under the following described real estate situated in Sedgwick County, Kansas, to wit:

The east 20 feet of the North 358.83 feet of Lot 1, The Plaza at Cherry Creek Hills, Wichita, Sedgwick County, Kansas, EXCEPT that part described as follows: Beginning at the northwest corner of said Lot 1; thence S00°00'00"W along the easterly most west line of said Lot, 168.91 feet; thence S89°43'00"E parallel with the north line of said Lot 1, 269.02 feet; thence S52°18'36"E, 89.42 feet; thence S89°43'00"E parallel with the north line of said Lot 1; thence N27°04'54"W along the east line of said Lot 1, 251.36 feet to the northeast corner of said Lot 1; thence N89°43'00"W along the north line of said Lot 1, 371.65 feet to the place of beginning.

And said second party is hereby granted the right to enter upon said premises at any time for the purpose of constructing, operating, maintaining, and repairing such drainage system.

IN WITNESS WHEREOF: The said first party has signed these presents the day and year first written.

Norma Hecox Living Trust

Norma Hecox, trustee

Norma Hecox, trustee

STATE OF KANSAS)
) SS
SEDGWICK COUNTY)

Personally appeared before me, a notary public in and for the County and State aforesaid, Norma Hecox, trustee of the Norma Hecox Living Trust, to me personally known to be the same person who executed the foregoing instrument of writing and said person duly acknowledged the execution thereof.

Dated at Wichita, Kansas, this 5 day of March, 2009.

Notary Public, ED 2007-08

My Appointment Expires 5-15-2011

REBECCA FLOWERS
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 5-15-2011

A G R E E M E N T

By and Between

THE WICHITA AIRPORT AUTHORITY
Wichita, Kansas

and

AIR FREIGHT CENTRAL OF KANSAS, INC.

For

Use of Space in Cargo Building
Wichita Mid-Continent Airport

THIS AGREEMENT, made and entered into this April 14, 2009, by and between THE WICHITA AIRPORT AUTHORITY, Wichita, Kansas, hereinafter referred to as the "LESSOR"; and AIR FREIGHT CENTRAL OF KANSAS, INC., hereinafter referred to as the "LESSEE".

WITNESSETH:

WHEREAS, Lessor operates and owns an existing air cargo facility located at 1935 Air Cargo Road on Wichita Mid-Continent Airport, hereinafter referred to as the Airport; and

WHEREAS, Lessor desires to lease to Lessee and Lessee is desirous of renting from Lessor certain premises at the Airport to be used in connection with Lessee's business of air freight carrier and handling services.

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

ARTICLE 1 – PREMISES

"Premises" as used herein shall be the "Exclusive Use – Building" and "Exclusive Access Areas" located at 1935 Air Cargo Road, Suite 600, on the Airport.

Exclusive Use – Building. Lessor does hereby lease to Lessee that portion of the air cargo building consisting of 3,560 square feet, as reflected on Exhibit "A", attached hereto and made a part hereof.

Exhibit "A" sets forth the general layout of the portion of the building to be leased to the Lessee but shall not be deemed to be a warranty, representation, or agreement on the part of the Lessor that the building or any portion thereof will be or will continue to be exactly as indicated on said diagram.

Exclusive Access Areas. As part of the building rental fee, Lessee shall have exclusive use and access to the dock area directly in front of its exclusive use leasehold, and the parking/loading/unloading area directly in front of the dock of its leasehold equal to the width of the exclusive use area, and extending to a point 60 feet beyond the dock edge, as reflected on Exhibit "A", attached hereto and made a part hereof. In the case of exclusive lease areas not equipped with a dock, the exclusive access area shall extend to a point 60 feet beyond the edge of the building.

Preferential Use – Equipment Staging Area and Aircraft Parking Apron – Airfield Side. In addition to the Exclusive Access Areas, Lessor hereby grants to Lessee the use of "Preferential Use Premises" which is identified as pavement assigned to the Lessee, and to which the Lessee shall have preferential use, defined herein as the unrestricted, higher and continuous priority over all other users, as reflected on Exhibit "A", attached hereto and made a part hereof.

ARTICLE 2 - USE

Permitted Use. Upon performance of the Agreement, provisions and conditions contained in this Agreement, Lessee shall have use of the Premises and Preferential Use Premises to engage in the performance of certain and specific activities as defined herein, together with the right of ingress and egress, in common with others, for both vehicles and aircraft, and its customers, agents, invitees, contractors, representatives and employees, in a reasonable manner for the purposes described hereinafter and for activities incidental or related thereto. It is understood and agreed that both the Premises and Preferential Use Premises shall be used and occupied for aviation purposes or purposes incidental or related thereto. Lessee hereby agrees that the described Premises and Preferential Use Premises may be utilized by Lessee for the sole purpose wherein Lessee and its personnel may perform the activities related to air freight carrier and/or handling service at the Airport.

In conjunction with, and to facilitate Lessee's activities related to air freight carrier and/or handling service at the Airport, the Premises may be used for minor vehicle repairs in accordance with current city codes and Airport standard operating procedures. No welding, dispensing or draining of fuels, painting of vehicles, or major repairs shall be permitted inside the building.

Non-Exclusive Use of Certain Facilities. Lessor grants the Lessee, for the purposes for which such facilities were designed and constructed and for no other purposes, in common with others, the non-exclusive use of the Airport and appurtenances, together with all facilities, equipment improvements, and services which are now, or may hereafter be, provided at, or in connection with, the Airport from time-to-time on a non-exclusive use basis, including, but not limited to the Air Operations Area of the Airport, driveways, floodlights, beacons, signals, radio aids, or other conveniences for aeronautical operations, landing and takeoff of aircraft. As used in this Agreement, "Air Operations Area" shall mean those portions of the Airport from time to time

provided and made available by the Lessor for aircraft and related operations and includes runways, taxiways, ramps, aprons, parking spaces, and areas directly associated therewith which are not exclusively leased areas of the Lessee or any other tenant on the Airport.

The Lessee recognizes that other tenants now and hereafter may occupy other portions of the Airport, and that such other tenants shall have the right to use the ramps and driveways serving their areas and other areas not under an exclusive lease, and the Lessee shall conduct its operations in such a manner as to not impede access, interfere with, or disrupt the business of and quiet enjoyment of other tenants.. The Lessor reserves the right to grant, or to permit other parties the right, to use any portion of the Airport except that described in Lessee's Premises.

Parking. Vehicle parking by the Lessee, its agents, employees, or licensees shall be by permit, and only in such places as may be authorized by Lessor from time to time and upon terms and conditions as may be imposed by Lessor.

Ramp Management. The Lessee will operate on the ramp pursuant to the directives of the Lessor.

Non-interference with Operation of Airport. Lessee covenants and agrees that it will not allow any condition on the Premises or Preferential Use Premises, nor permit the conduct of any activity on such Premises or Preferential Use Premises, which shall materially or adversely affect the development, improvement, operation, or maintenance of the Airport or its facilities; nor will Lessee use or permit the Premises or Preferential Use Premises to be used in any manner which might interfere with the landing and take-off of aircraft from the Airport or otherwise constitute a hazard. If any proscribed or prohibited condition or activity, as described above, shall be permitted to exist on the Premises, Preferential Use Premises, or on any part thereof, then, as an alternative to termination of this Agreement under Article 31 the Lessor, after giving 10 days written notice to Lessee, during which period Lessee may abate or correct the omission or objection, so set forth in Lessor's notice, may thereupon correct such omission or objection by entering the Premises or Preferential Use Premises, or by its agents or employees, without such entering causing or constituting a termination of this Agreement or an interference with possession of Premises or Preferential use Premises by Lessee, and the Lessor may cause abatement of such proscribed or prohibited condition or activity; and, in such event, the Lessee agrees to pay the Lessor the expenses of the Lessor incurred in the above connection as additional rent within 30 days after submission of an invoice showing the reasonable expenditure or the incurring of any such reasonable expenditure by the Lessor.

No Unlawful Activity. This Agreement shall not be construed as authorizing the Lessee to engage in any activity that is unlawful or which is contrary to, or in conflict with, any federal, state or local law, ordinance, rule or regulation, or standard operating procedure, and the Lessee does hereby indemnify and hold the Lessor harmless from any act or failure by the Lessee in respect to this obligation.

No Grant of Concession. This Agreement is not intended to, nor shall it be construed as, authorizing the Lessee to conduct a concession on the Airport.

No Unauthorized Use. The Lessee shall not conduct or permit any employee to conduct any business or commercial operation not herein or otherwise authorized by the Lessor. For a violation of this paragraph, in addition to the termination provisions hereunder, the rent shall be doubled while such default continues.

ARTICLE 3 - TERM

The term of this Agreement shall be for a period of five years commencing on June 1, 2009 and terminating on May 31, 2014. Lessee may cancel the Agreement after three years by providing Lessor a written notice to cancel. Such notice shall be submitted at least 180 days prior to May 31, 2012. If the Agreement is not cancelled as of May 31, 2012, the Agreement shall automatically continue until its original termination date of May 31, 2014.

ARTICLE 4 – RENEWAL OPTIONS

Lessee shall have and is hereby given the right and option to extend the term of this Agreement for up to three additional terms of five years each, provided that (i) Lessee shall give Lessor written notice of its intention to exercise such option at least 180 days prior to the expiration of the previous term, and (ii) Lessee is not in default hereunder in the payment of rent at the time it gives Lessor such notice or at the time said additional term commences. In the event that Lessee fails to give required notice to Lessor, this Agreement shall automatically terminate at the end of the previous term of this Agreement.

In the event Lessee exercises any options for the additional terms, subject to the provisions for adjustment in rents, as set forth in Article 6, all terms, covenants, and provisions set forth in this Agreement shall be in full force and effect and binding upon Lessor and Lessee during such additional term(s).

ARTICLE 5 - RENT

As rent for the Premises, Lessee covenants and agrees to pay Lessor rental during the term of this Agreement for the use of said Premises in the amount of $29,853.67 per year, payable in advance, in monthly installments of $2,487.81, commencing on June 1, 2009, or occupancy.

It is understood that this rental is based upon the rate of $9.59 per square foot per annum for 3,113 sq.ft. of first floor space, and no charge for 447 sq.ft. of mezzanine space. Rental shall be adjusted accordingly if the Premises are modified under the terms of this Agreement.

Lessee shall pay to Lessor in advance on the first day of each month, without demand or invoicing, rentals for Lessee's Premises as set forth herein. In the event Lessee fails to make payment within ten (10) days of the dates due as set forth in this Article, then Lessor may charge Lessee a monthly service charge equal to the maximum allowable under state statutes on any such overdue amount, plus reasonable attorneys' and administrative fees incurred by Lessor in attempting to obtain payment.

Lessee shall pay Lessor rentals for Lessee's Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the term of this Agreement, and shall file periodic reports as requested by Lessor from time to time.

All rental payments shall be made to The Wichita Airport Authority, 2173 Air Cargo Road, P. O. Box 9130, Wichita, Kansas 67277-0130.

ARTICLE 6 – RENT DURING RENEWAL OPTIONS

Facility rental for each option period shall be the rental during the previous five years increased by the percentage change of the CPI-U over the previous five years.

ARTICLE 7 – UTILITIES

Standard Facilities. The Lessee shall have the right to access the utility service facilities, including gas, water and electricity, which are available at the Premises. The Lessee is responsible for upgrading the existing utilities at the Premises to the condition and capacity as deemed appropriate by the Lessee and approved by the Lessor to operate the Premises, at the Lessee's sole expense. Should the Lessee's operations require utility facilities not presently at the Premises' boundary, the Lessee will, at the Lessee's sole expense, install service lines for the utility facilities; however, such installation shall require prior approval by the Lessor. It is understood by Lessee that Lessor will furnish gas, electric, and water systems to the building. Lessee shall pay all costs for utility services used by Lessee at or upon the Premises or Preferential Use Premises, if approved by Lessor, with no responsibility or expense incurred by Lessor, including all permits, licenses or authorizations necessary in connection therewith. Such payment by Lessee shall be made directly to the utility supplier or service provider, except that if such utilities should be supplied by the Lessor, then in this event, Lessee will pay those costs to Lessor upon receipt of invoice therefore. Lessee agrees that any such costs invoiced to Lessee will be based upon the rates charged to Lessor by utility supplier, plus reasonable capital and administrative recovery costs.

Network Communications/Security Cable. Lessor is the only entity allowed to install or remove any cabling. Cabling includes, but is not limited to, any type of telecommunications or network cable such as CAT3, CAT5, CAT6; fiberoptics cable; and/or coaxial cable. Cabling for basic phone service shall be provided as part of the base building. However, should additional network cable, coaxial for security or fiber optic cable, be required for Lessee's operation, Lessee shall be required to make arrangements with Lessor, and such installation shall be at Lessee's expense. It shall be Lessee's responsibility to contract for services using such cables from Lessee's preferred service provider.

ARTICLE 8 - ACCEPTANCE OF PREMISES

Except as may be otherwise expressly provided in this Agreement, the taking of possession of the Premises by Lessee shall in itself constitute acknowledgement that the Premises are in good and tenantable condition, and Lessee agrees to accept Premises in its presently existing condition, "as is," "where is," and "with all faults" and that Lessor shall not be obligated to make

any improvements or modifications thereto except to the extent that may otherwise be expressly provided in this Agreement.

ARTICLE 9 – LEASEHOLD IMPROVEMENTS/ALTERATIONS

Lessee shall have the right during the term hereof, at Lessee's expense, from time to time, to make interior modifications as it may deem necessary or desirable in connection with its operation under this Agreement; provided, however, that Lessee shall first submit plans and specifications for such alterations to the Lessor for approval.

All such alterations or improvements shall be performed in a workmanlike manner in accordance with all applicable governmental regulations, building codes, Airport rules and regulations, Lessor design and construction standards, Lessor standard operating procedures, Airport security program and all other applicable regulations, codes, and requirements, and will not weaken or impair the structural strength, or lessen the value of the building, or change the purposes for which the building or any part thereof, may be used. Any such alterations or improvements shall be erected at the sole cost and expense of Lessee, and Lessee shall have no right, authority, or power to bind Lessor or any interest of Lessor in the Premises, for the payment of any claim for labor or material or for any charge or expense incurred in the erection, construction, operation, or maintenance of said improvements/alterations.

Design and construction specifications and documents for any improvements/alterations must be reviewed by the City of Wichita Office of Central Inspection and/or the Planning Department or other departments as may be identified from time to time, as may be applicable, prior to the issuance of a building permit.

Lessee warrants that the improvements/alterations, when completed, will be necessary or useful in its development for use by Lessee for its purposes.

No exterior alterations will be allowed to the building, without prior written approval by the Lessor.

ARTICLE 10 – LIENS

Lessee, shall cause to be removed any and all liens of any nature arising out of or because of any construction performed by Lessee, or any of its contractors or subcontractors upon the Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use at the Premises by or at the direction of Lessee, except that Lessee, shall have the right to contest such a lien and the requirement to remove a lien shall be stayed as long as Lessee is prosecuting in good faith the defense of such lien, including appeals.

ARTICLE 11 - SIGNS

Lessee shall not erect, install, operate, nor cause or permit to be erected, installed, or operated upon any area outside the leasehold of the Airport property, any signs, banners, or other similar devices for its own business, or the business of others. This provision shall not have the effect of

limiting or restricting Lessee's right to enter agreement with a Lessor-authorized and permitted marketing, advertising or signage agency for the display of informational, marketing or advertising media at approved designated locations on Airport property.

Any identifying signs erected, installed, operated or attached to the Premises will require the prior written approval of Lessor. Such approval, if any, may consider and provide conditions including, but not limited to, size, type, content, and method of installation.

It is understood that signage and location of the signage may be changed and altered from time to time as mutually agreed upon between the parties.

ARTICLE 12 - PORTABLE STORAGE CONTAINERS/STRUCTURES

Unless specifically approved in writing, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable storage container, trailer, unit, box, or barrel which is used to store merchandise and/or equipment and supplies outside of an enclosed permanent building or structure, which does not qualify as a building or structure under Title 18 of the Code of the City of Wichita. Lessor will not unreasonably withhold approval of such container(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or at the discretion of Lessor, is shielded from public view by means of location, fencing, or other such approved shielding methods.

Unless specifically approved, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable or temporary structure, mobile home, modular structure or device. Lessor will not unreasonably withhold approval of such structure(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or other approved project.

Cargo shipping containers used by Lessee for the purpose of storing and shipping cargo are not subject to this provision.

ARTICLE 13 – DROP BOXES

Drop boxes will be allowed in locations approved by the Lessor. Drop boxes shall be located so as not to interfere with ingress and egress of any occupants of the cargo building.

ARTICLE 14 – MAINTENANCE AND REPAIR

Lessor's Responsibilities. Lessor shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep of the following structures, facilities, systems, equipment, and fixtures, except for damage caused by Lessee and not considered "normal wear and tear". For purposes of this Agreement, normal wear and tear shall be defined as the physical deterioration which occurs in the normal course of the use for which a property is intended, without negligence, carelessness, accident or abuse of the Premises.

(a) Roof, roof structures, ceiling tiles damaged by roof leaks, and appurtenances thereto;

(b) Exterior of structure, including the façade and exterior walls, gutters and downspouts, paint, load-bearing structures , docks and dock levelers where applicable;
(c) Mechanical systems, including heating, ventilation and air conditioning and associated motors, pumps, ducting and filtration systems;
(d) Plumbing and fixtures up to and terminating at the shut-off valve entering the building Premises;
(e) Electrical system up to and terminating at the breaker panel entering the building Premises;
(f) Gas utilities;
(g) Sewer utilities;
(h) Security access and monitoring system contained in and required by the Airport Security Plan;
(i) Fire monitoring and alarm system;
(j) Manual lock and key system;
(k) Exterior and parking lot lighting;
(l) Paved areas of the parking lot and loading docks including marking and striping;
(m) Driveways, streets and roadways, vehicular ingress/egress and access-ways;
(n) Grading and drainage;
(o) Landscaping and irrigation system;
(p) Fencing;
(q) Paved areas of Preferential Use - Equipment Staging Area and Aircraft Parking Apron, including those areas inside and outside of the full-strength paved areas provided in this Agreement; and
(r) Damages to property or equipment covered by Lessor's insurance.

Lessor shall provide suitable size and quantity of covered dumpsters for all garbage, trash and other refuse, for which Lessee agrees to pay its prorata share of the cost associated with provision of these dumpsters. Lessor provided dumpsters shall be placed within reasonable proximity to the Premises. Lessor shall be responsible at its sole cost and expense for maintenance, repair or replacement, including but not limited to, landscape, pavements, and snow and ice removal of all public and common or joint-use areas, parking lots, streets and roadways, air operations areas of the Airport outside of the Premises to the extent deemed by Lessor, in its sole opinion and judgment, to be required for the safe and efficient operation of the Airport. Lessor shall be responsible for snow and ice removal on the Preferential Use Premises beginning at the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. The Lessor shall perform such maintenance and upkeep to the best of its reasonable ability under prevailing conditions.

Lessee's Responsibilities. Lessee shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep in Lessee's Premises, including:

(a) Leasehold improvements, decorations, finishes, fixtures, equipment and furnishings;
(b) Glass replacement;
(c) Interior Painting;
(d) All interior lighting fixtures and standards including bulbs, tubes, ballasts, starters, switches and outlets;

(e) Interior and exterior pedestrian and roll-up doors, frames, closures and hardware (excluding manual locks, and security access and monitoring systems required under the Airport Security Plan);
(f) Walls, windows, ceilings, partitions and floors;
(g) Plumbing and plumbing fixtures beginning at the shut-off valve entering the building Premises;
(h) Hot water heater(s) and fixtures thereto;
(i) Electrical system beginning at the breaker panel entering the building Premises;
(j) Damages to premises which are caused by Lessee and are not considered normal wear and tear as defined herein; and
(k) Any other repairs as required or necessary to keep the Premises in proper condition for the conduct of business.

With the exception of painting, light bulbs, ballast or tubes, all maintenance, repair, or replacement by Lessee under this part shall be performed by a licensed and reputable contractor. Replacement parts and components shall be of good quality and commercial grade no less than equal to the quality of existing parts and components. In lieu of, or in addition to, services provided to the Lessee by a licensed contractor under this part, the Lessee may choose to solicit the services of the Lessor to perform maintenance, repair, or replacement, and Lessor may, at its sole option, choose to perform services at a cost mutually agreed upon by Lessee and Lessor.

Lessee shall be responsible for all janitorial service within the Premises, and shall provide daily routine premises clean-up work and trash removal to keep the Premises and Preferential Use Premises in good and tenantable condition through the term of this Agreement.

Lessee shall be responsible for the removal and disposal of garbage, debris, contaminants and any other waste material (whether solid or liquid) arising out of its occupancy of the Premises, Preferential Use Premises, or out of its operation. Such removal will conform with all governmental requirements and regulations as more fully described in Article 27, "Environmental". Such removal and disposal of garbage, debris, contaminants, or other waste material is understood to include routine, daily clean-up of the surrounding areas. Lessee shall immediately react and take prompt corrective actions to remove and dispose of any paper, garbage and debris on Premises or Preferential Use Premises upon demand of Lessor. Lessee shall provide, and screen from public view, suitable covered receptacles for all garbage, trash and other refuse. Piling of boxes, cartons, barrels, pallets or other similar items in an unsightly or unsafe manner on or about the Premises or Preferential Premises is forbidden.

In addition to other rights and remedies of the Lessor hereunder, should Lessee fail to perform its upkeep, maintenance and repair responsibilities, Lessor may, but is not obligated to, perform maintenance and make repairs thereon and thereto which it determines to be necessary, charging the same to the expense of Lessee upon thirty (30) days prior written notice of its intent to do so; except in case of emergency for which no notice is necessary, plus a fifteen percent (15%) administrative fee. Such amount shall be paid by the Lessee to Lessor no later than thirty (30) days after the date of invoice from the Lessor to the Lessee for such costs.

Lessee shall be responsible for snow and ice removal in the Premises and Preferential Use Premises from the air/ramp side building edge to the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. At no time shall Lessee engage in snow and ice removal beyond the areas identified above without the prior knowledge and approval of the Lessor.

Snow piles, windrows or other accumulations of snow shall not:

(a) Be closer than twenty five feet from any security fence;
(b) Block any access gates or controls;
(c) Block or impede any taxiway or taxi lane;
(d) Impose an obstruction within the object free area (OFA) of any taxiway or taxi lane;
(e) Infringe upon, block or interrupt the business of other airport tenant leaseholds.

Snow piles and accumulations requiring removal may be stored on pre-arranged designated paved areas, to be removed by Lessor when time and equipment availability permit, so long as such piles/accumulations comply with a. through e. of this Section.

Only FAA approved dry and liquid chemicals may be used for de-icing or snow removal on aircraft operating surfaces, as set forth in Advisory Circular 150/5200-30, current edition, or as may be amended, *Airport Winter Safety and Operations*, Section 4-6 *Approved Chemicals*, current edition, or as may be amended.

The use of snow and ice removal contractors may be authorized subject to prior written approval by Lessor, and subject to acceptable completion of contractor employee training, and other reasonable safety requirements and standards that Lessor may impose, including but not limited to compliance with Airport rules and regulations, and standard operating procedures. All such snow and ice removal contractors shall maintain a general liability insurance policy of not less than $1,000,000 limit, naming Lessee, the Wichita Airport Authority and the City of Wichita as additional insureds.

ARTICLE 15 – LESSOR'S RIGHTS AND PRIVILEGES

Lessor expressly reserves from the Premises:

(a) Mineral Rights. All gas, oil and mineral rights in and under the soil.
(b) Air Space. A public right of flight through the air space above the surface of the Premises and Preferential Use Premises. This public right of flight will include the right to cause or allow in said airspace, any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operation on the Airport. No liability on the part of Lessor will result from the exercise of this right.
(c) Navigational Aids. The right to install, maintain and modify and/or permit others to install, maintain and modify on the premises navigational aids.

(d) Utility Right-of-Way. The right to install, maintain and modify utilities and to grant utility rights of way to others over, under, through, across or on the Premises or Preferential Use Premises located within 25 feet of the outside boundary lines.

(e) Entry and Inspection of Premises. The right of Lessor, its authorized officers, employees, agents, contractors, subcontractors, authorized government agents, or other representatives to enter upon the Premises and/or Preferential Use Premises:

(1) To inspect at reasonable intervals during regular business hours (or any time in case of emergency or lawful investigation) to determine whether Lessee has complied, and is complying with the terms and conditions of this Agreement;

(2) To Inspect Premises, Preferential Use Premises, facilities, and equipment for compliance with laws, regulations and/or codes of the federal, state or local government, airport rules and regulations and airport standard operating procedures; and

(3) To perform maintenance, repair, or replacement as required and necessary to maintain Premises and Preferential Use Premises in good condition and working order as required under ARTICLE 13 (a) through (r).

(f) Radio/Wireless Communication Systems. The right to approve or withhold approval of any use of fixed RF Systems for the transmission of radio frequency signals in/on the Premises and the Preferential Use Premises. Revenue-producing communication systems or systems not directly applicable to Lessee's operations on the Premises and Preferential Use Premises are prohibited except upon the specific approval of the Lessor.

Provided that exercise by Lessor of any such reserved rights (a) through (d) will be without expense to the Lessee and will not unreasonably or materially interfere with Lessee's use of the Premises and Preferential Use Premises and will not delay Lessee in the exercise of its rights or the performance of its duties hereunder or increase the costs of such performance. Lessor shall give Lessee notice in writing of the exercise of its rights under (c) and (d).

ARTICLE 16 – LESSEE'S RIGHTS AND PRIVILEGES

Lessee shall have the following rights and privileges on the Premises and on the Airport:

(a) The right to install, operate, repair and store upon the Premises all equipment necessary for the conduct of Lessee's business.

(b) The right of ingress and egress to and from the Premises, which rights shall extend to Lessee's employees, invitees and guests, subject, however, to all reasonable security regulations; and

(c) The right in common with others authorized to do so to use the common areas of the Airport.

ARTICLE 17 – AIRPORT SECURITY PROGRAM

Lessee must obtain Airport Security Identification and Access Media (I.D. Media) for its employees, subcontractors, suppliers, agents, and representatives requiring access to the sterile areas, secured air operations area (AOA), and security identification display area (SIDA), or

other secured areas as may be identified in the Airport Security Program, and pay any related costs associated with this privileges as set forth under this Section. Said I.D. Media will be valid as set forth under the Airport Security Program, and must be returned to the Airport Public Safety Division, at 2193 Air Cargo Road within twenty-four (24) hours after expiration, suspension, and/or termination of this Agreement. Said I.D. Media will be valid for no longer than the period of this Agreement.

Lessee covenants that it will at all times maintain the integrity of the Airport Security Program and comply with all applicable provisions of the Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) regulations 49 CFR Parts 1500, 1544, 1546, 1548, and 1550 as promulgated, and that it will always maintain the security of the Airport, Premises, and/or any AOA access which Lessee maintains. Lessee hereby agrees that it shall also be responsible for conducting and verifying any and all required background checks for I.D. Media for any and all of its employees, subcontractors, suppliers, agents, and/or representatives. Lessee also hereby agrees that it shall be responsible for any and all of the actions of its employees, subcontractors, suppliers, agents, and/or representatives and shall provide any and all necessary escorts, as outlined in the Airport Security Program. Lessee hereby agrees that it will immediately implement any and all security changes that are directed either directly or indirectly by the TSA, FAA, or Lessor.

Should Lessee, its employees, subcontractors, suppliers, agents, and/or representatives cause any security violations, and should Lessor be cited for a civil fine or penalty for such security violation, Lessee agrees to reimburse Lessor for any monetary civil fine or penalty, which may be imposed on Lessor by FAA or TSA, however, nothing herein shall prevent the Lessee from contesting the legality, validity or application of such fine or penalty to the full extent Lessee may be lawfully entitled. Lessee may have I.D. Media/access privileges immediately suspended and/or revoked by Lessor for failure to adhere to the Airport Security Program, or for failure to return all I.D. Media within the time-frames specified herein. Such actions may also be grounds for termination of this Agreement for non-compliance as defined under Article 31, Cancellation by Lessor, at the sole discretion of Lessor, if such failure by Lessee is not cured by Lessee within thirty (30) days after receiving notice from Lessor of such failure.

In accordance with the Airport Security Program, Lessee must obtain Airport Security Identification and Access Media and fingerprinting (if required) for their eligible employees, subcontractors, suppliers, agents, and/or representatives.

ARTICLE 18 – TITLE TO FACILITIES, IMPROVEMENTS & TRADE FIXTURES

It is understood and agreed that title to the Premises shall be, and shall remain, exclusively with Lessor during the term of this Agreement or any extension(s) thereof. Lessee shall, without cost to Lessor, furnish and install all non-attached furniture, fixtures, decorations, accessories, equipment and tools necessary to conduct its business, referred to herein as “trade fixtures”. Title/ownership to non-attached “trade fixtures” shall remain with Lessee. All “trade fixtures” shall be high quality, safe, fire resistant, clean and attractive in appearance.

All alterations and “fixed improvements,” except “trade fixtures”, equipment, and personal property of Lessee put in at the expense of Lessee, shall remain upon and be surrendered with the Premises as a part thereof, at any termination of this Agreement, for any cause, and shall become the property of the Lessor. The term "fixed improvements" shall be construed to include all structures erected upon the Premises, including but not limited to fencing, grading and pavement, underground wires, cables, pipes, conduits, tanks and drains, and all other property of every kind and nature which is permanently affixed to the Premises.

Any movable furniture, “trade fixtures,” partitions and all other equipment installed at Lessee’s sole cost and expense shall at all times be and remain the property of Lessee. Notwithstanding anything contained herein to the contrary, Lessee shall have no obligation to remove such fixtures, equipment and alterations described herein unless Lessor shall notify Lessee of its required removal.

ARTICLE 19 – FIRE & POLICE PROTECTION

Lessor agrees to extend to Lessee the same fire and police protection extended to the other tenants on the Airport. The City of Wichita currently charges Lessor a fee for provision of police and fire protection of the Airport. It is understood and agreed that Lessor may impose a fair and equitable charge to recover Lessee’s proportionate share of Lessor’s costs of these services. If, during the term of this Agreement, Lessor chooses to provide police and fire services directly, the recovery will be adjusted based upon Lessor’s established rate.

ARTICLE 20 – FIRE EXTINGUISHERS

Lessee shall furnish and maintain on the Premises sufficient portable fire extinguishing units as may be required by insurance risks or as designated by Lessor. Lessee shall keep in proper functioning order all fire fighting equipment located on the Premises as required by Lessor, and in accordance with NFPA, and state and local fire codes.

From time to time and as often as reasonably required by Lessor and in accordance with state and local fire codes, Lessee shall conduct appropriate inspections and tests of all fire monitoring, alarm and extinguishing equipment, systems and apparatus located on the Premises. Lessor and Lessor’s agents, licensees, and invitees shall have the right to enter upon the Premises during normal working hours for the purpose of inspecting and maintaining the same.

ARTICLE 21 – INDEPENDENT CONTRACTOR

In the use of the Premises and in conducting its business, the Lessee acts as an independent contractor and not as an agent of the Lessor. The selection, retention, assignment, direction and payment of the Lessee’s employees shall be the sole responsibility of the Lessee. The Lessor shall not attempt to exercise any control over the daily performance of duties by the Lessee’s employees, except to the extent and in the manner required by law or regulation in order to meet security obligations mandatory for continued operation or certification of the Airport.

ARTICLE 22 – ASSIGNMENT OR SUBLETTING

No Sublease. Lessee may not sublease all or any portion of the Premises, or permit all or any portion of the Premises to be used or occupied by anyone other than the Lessee, without the prior written approval of Lessor. Any arrangement for the subleasing of space must be in conformance with the use of the Premises outlined in this Agreement, unless expressly approved otherwise in writing by Lessor. Any sublease to be entered into must contain a provision that the subtenant releases the Lessor from any liability of any kind or nature that the subtenant has or may have. Consent to one sublease shall not be deemed consent to any subsequent sublease. Any sublease Agreement shall be subordinate to the terms of the primary Agreement. Lessee shall indemnify and hold the Lessor harmless for any and all claims of any subtenant with respect thereto.

No Assignment Without Lessor Approval. Neither this Agreement nor any part thereof may be assigned, transferred, mortgaged, encumbered, or pledged by process or operation of law or in any other manner whatsoever, without the prior written approval of Lessor. Any transaction that has the practical or legal effect of transferring the Lessee's beneficial ownership or control of this Agreement, or any of the rights or obligations hereunder, is prohibited without Lessor's prior written approval. Lessor shall not unreasonably withhold its approval to a proposed assignment so long as the proposed assignee continues to use the premises solely for the purposes set forth in this Agreement, possesses financial resources and operational experience satisfactory to Lessor, and any guarantor hereof remains bound, agrees in writing to be bound by any of the terms and conditions of this Agreement, and the Lessee agrees to remain primarily liable for full and timely performance of this Agreement. Any legal or other fees incurred by Lessor in the review of any proposed assignment shall be paid by Lessee.

ARTICLE 23 – INSURANCE

The Lessee agrees to maintain public liability insurance during the term hereof which protects the Lessor and City of Wichita, their officers, agents and employees, as additional insureds, with terms and companies as approved by Lessor, which approval shall not be unreasonably withheld, in an aggregate amount of not less than $2,000,000 per occurrence. In addition, the Lessee shall maintain a policy of comprehensive automobile liability insurance in a combined single limit of not less than $500,000, and a Worker's Compensation and Employer's liability policy for limits of not less than the statutory requirement for Worker's Compensation, and $500,000 Employer's Liability. Lessee agrees that in the event of future changes in the law and upon notice by the Lessor, the minimum levels of insurance required by this paragraph may be increased within the bounds of commercial reasonableness to the amount that may be required to provide coverage of the events of this paragraph.

The Lessee agrees, prior to the commencement of this lease term, to provide Lessor with copies of all policies or certificates evidencing that such insurance is in full force and effect, and stating the terms thereof. Such policy or certificate shall contain a clause providing ten (10) days' prior notice to the Lessor before any material change or cancellation is effective.

ARTICLE 24 – FIRE AND EXTENDED COVERAGE INSURANCE

Lessor agrees to insure the Cargo Building, which includes the Premises, and Lessee, in addition to all other rentals and charges provided for herein, agrees to pay its prorata share of the annual premium cost of said Fire and Extended Coverage Insurance, plus its prorata share of any deductible required to be paid by Lessor under its blanket policy which is attributable to the Cargo Building. Lessee's prorata share will be based upon the ratio the square footage of the Premises bears to the total square footage included in the existing Cargo Building.

ARTICLE 25 – SUBROGATION OF INSURANCE

Lessor hereby waives any and all rights of recovery against Lessee for or arising out of damage or destruction of the building, or the demised premises, or any other property of Lessor, from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of such policies, whether or not such damage or destruction shall have been caused by the negligence of Lessee, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

Lessee hereby waives any and all rights of recovery against Lessor for or arising out of damage to or destruction of any property of Lessee from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of said policies, whether or not such damage or destruction shall have been caused by the negligence of Lessor, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

ARTICLE 26 – INDEMNITY

Lessee shall protect, defend and hold Lessor and the City of Wichita and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessee’s use or occupancy of the premises or the acts or omissions of Lessee's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence or the acts or omissions of the City of Wichita or Lessor’s officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur. The Lessor shall give to Lessee reasonable notice of any such claim or actions. The Lessee shall also use counsel reasonably acceptable to Lessor in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

Lessor shall protect, defend and hold Lessee and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney

fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessor's operation of the Airport or the acts or omissions of Lessor's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence of the Lessee. The Lessee shall give to Lessor reasonable notice of any such claim or actions. The Lessor shall also use counsel reasonably acceptable to Lessee in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

ARTICLE 27 – ENVIRONMENTAL

(a) The Lessee hereby covenants that it will not cause or permit any Hazardous Substances to be placed, held, located or disposed of, on, under or at the Premises or Preferential Use Premises, other than in the ordinary course of business and in compliance with all applicable laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided to the Lessor hereunder, the Lessee hereby agrees to indemnify and hold harmless the Lessor and the City of Wichita from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessor or the City of Wichita by any person or entity for or arising out of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during any term of this lease of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning, any hazardous substance) if such presence, escape, seepage, leakage, spillage, discharge, emission was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, and/or licensees, or if such Hazardous Substance was owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release).

(c) If, during the term of this Agreement, the Lessee receives any notice of (i) the happening of any event involving the use (other than in the ordinary course of business and in compliance with all applicable laws), spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance on the premises or in connection with the Lessee's operations thereon or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental, health, or safety matter affecting the Lessee (an "Environmental Complaint") from any persons or entity (including, without limitation), the United States Environmental Protection Agency (the "EPA") or the Kansas Department of Health and Environment ("KDHE"), the Lessee shall immediately notify the Lessor in writing of said notice.

(d) The Lessor shall have the right, but not the obligation, and without limitation of the Lessor's other rights under this Agreement, to enter the Premises and Preferential Use Premises or to take such other actions as deemed necessary or advisable to inspect, clean up, remove, resolve or minimize the impact of, or to otherwise deal with, any hazardous substance or environmental complaint following receipt of any notice from any person, including, without limitation, the EPA or KDHE, asserting the existence of any hazardous substance or an environmental complaint pertaining to the leased premises or any part thereof which, if true, could result in an order, suit or other action against the Lessee and/or which, in the reasonable judgment of the Lessor, could jeopardize its interests under this Agreement. If such conditions are caused by circumstances within the control of the Lessee or if such circumstances result from a Hazardous Substance owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release) all reasonable costs and expenses incurred by the Lessor in the exercise of any such rights shall be payable by the Lessee, within 15 days of written demand by Lessor.

(e) If an event of default shall have occurred and be continuing, the Lessee at the request of the Lessor shall periodically perform (at the Lessee's expense) an environmental audit and, if reasonably deemed necessary by the Lessor, an environmental risk assessment (each of which must be reasonably satisfactory to the Lessor) of the premises, or the hazardous waste management practices and/or hazardous waste disposal sites used by the Lessee with respect to the leased premises. Such audit and/or risk assessment shall be conducted by an environmental consultant satisfactory to the Lessor. Should the Lessee fail to perform any such environmental audit or risk assessment within 90 days of the written request of the Lessor, the Lessor shall have the right, but not the obligation, to retain an environmental consultant to perform any such environmental audit or risk assessment. All costs and expenses incurred by the Lessor in the exercise of such rights shall be payable by the Lessee on demand.

(f) Neither Lessee nor Lessor shall install or permit to be installed in the premises friable asbestos, electrical equipment containing polychlorinated biphenyls (PCBs), or any substance containing asbestos and deemed hazardous by federal or state regulations applicable to the premises and respecting such material. The Lessee shall defend, indemnify, and save the Lessor and the City of Wichita harmless from all costs and expenses (including consequential damages) asserted or proven against the Lessee by any person, as a result of the presence of said substances, and any removal or compliance with such regulations, if said substance was installed by the Lessee, or persons within its control.

(g) Subject to any limitations or restrictions imposed by the Kansas Budget Law or Cash Basis Law, the Lessor hereby agrees to indemnify and hold harmless the Lessee from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessee by any person or entity for, arising out of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during the

term of this Agreement and the period prior to the term of this Agreement of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order of decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning any hazardous substance) unless such presence, escape, seepage, leakage, spillage, discharge, emission or release was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, business invitees and/or licensees, or if such hazardous substance was owned by, or placed upon the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release except to the extent such was caused by the Lessor).

(h) Lessor shall grant to Lessee and its agents or contractors such access to the leased premises as is reasonably necessary to accomplish such removal and prepare such audit. If such removal is not accomplished prior to the expiration of the lease term, Lessee shall be obligated to pay rent to Lessor in the amount of One Hundred Twenty-five Percent (125%) of the last month's rent.

(i) The provisions of this article shall survive the termination of this Agreement.

ARTICLE 28 – RULES & REGULATIONS

Lessee, its agents and employees, shall be subject to any and all applicable rules, regulations, airport standard operating procedures , orders and restrictions which are now in force or which may hereafter be adopted by The Wichita Airport Authority or the City of Wichita, Kansas, in respect to the operation of the Airport; and shall also be subject to any and all applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport or Lessee's operations conducted hereunder. Such observation and compliance by Lessee shall not obligate Lessee to make any alterations or do any other work, structural or otherwise, within the Premises unless failure of the Premises to comply with such rules, laws, statutes and regulations shall have been caused by Lessee's specific use of Premises.

To the extent that applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport causes diminution or deprivation of Lessee's rights hereunder, Lessor shall not be liable to Lessee for any such diminution or deprivation of its rights, nor shall Lessee be entitled to terminate this Agreement by reason thereof unless the exercise of such authority shall so interfere with Lessee's exercise of the rights hereunder as to constitute a termination of this Agreement by operation of law in accordance with the laws of the State of Kansas.

ARTICLE 29 – IMPOSITIONS

Lessee shall, during the life of this Agreement, bear, pay and discharge, before the delinquency thereof, any and all lawful impositions, including all lawful taxes and assessments imposed on the Premises or Lessee's possessory right therein. In the event any impositions may be lawfully paid in installments, Lessee shall be required to pay only such installments thereof as become due and payable during the life of this Agreement as and when the same become due and payable. Lessor covenants that without Lessee's written consent it will not, unless required by law, take any action intended to cause or induce the levying or assessment of any imposition (other than special assessments levied on account of special benefits or other impositions for benefits or services uniformly imposed) which Lessee would be required to pay under this article and that should any such levy or assessment be threatened or occur Lessor shall, at Lessee's request, fully cooperate with Lessee in all reasonable ways to prevent any such levy or assessment. Nothing herein contained shall prevent Lessee from contesting the legality, validity or application of any such tax or assessment to the full extent Lessee may be lawfully entitled to do so.

ARTICLE 30 – DAMAGE OR DESTRUCTION

If the Premises shall be partially damaged by fire or other casualty, but not rendered untenantable, the same shall be repaired with due diligence by Lessor at its own cost and expense; if the damage shall be so extensive as to render the Premises untenantable but capable of being repaired, the same shall be repaired with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage and shall thenceforth cease until such time as the Premises shall be put in good order. In the event the Premises shall be completely destroyed by fire or other casualty or so damaged that it will remain untenantable for more than thirty (30) days, or in case it does so remain untenantable for more than thirty (30) days, at the option of Lessor (1) the Premises shall be repaired or reconstructed with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage or destruction and shall thenceforth cease until such time as the Premises shall be put in good order; or (2) within sixty (60) days after the time of such damage or destruction and before the Premises shall be put in order, either party may give the other party written notice of its election to cancel this agreement in its entirety, and Lessee shall be liable for rent only up to the time of such damage or destruction.

It is understood and agreed that nothing in this article concerning rental abatements or cancellation by Lessee shall apply in the case of damages to or the destruction of the leased Premises which is caused by the negligent acts of Lessee, its agents, employees or invitees, and further that Lessee shall, at its own expense, repair all such damages resulting from such acts; except that Lessee shall not be responsible to Lessor for damages to property or equipment fully covered by Lessor's insurance.

ARTICLE 31 – CANCELLATION BY LESSOR

The Lessor, in addition to any other rights to which it may be entitled by law or equity, may cancel this Agreement as set forth herein.

In the event that Lessee shall file a voluntary petition in bankruptcy or that proceedings in bankruptcy shall be instituted against it and Lessee is thereafter adjudicated bankrupt pursuant to such proceedings; or that the court shall take jurisdiction of Lessee and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act; or that a receiver of Lessee's assets shall be appointed; or that Lessee shall be divested of its estate herein by other operation of law; or that Lessee shall fail to perform, keep and observe any of the terms, covenants or conditions herein contained on the part of Lessee to be performed, kept or observed, Lessor may give Lessee written notice to correct such condition or cure such default, and if any such condition or default shall continue for sixty (60) days after receipt of such notice by Lessee, Lessor may terminate this lease and the term hereof shall cease and expire at the end of such sixty (60) days in the same manner and to the same effect as if it were the expiration of the original term, unless such condition or default cannot reasonably be corrected within the 60 day period and Lessee has demonstrated due diligence with respect to curing said default, then such default will be treated as cured until cured.

Acceptance of rental by Lessor for any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee shall not be deemed a waiver of any other right on the part of Lessor to cancel this lease for failure by Lessee so to perform, keep and observe any of the terms, covenants or conditions hereof to be performed, kept and observed. No waiver of default by Lessor of any of the terms, covenants or conditions hereof to be performed, kept and observed by Lessee, shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by Lessee.

ARTICLE 32 – CANCELLATION BY LESSEE

The Lessee, in addition to any other rights of cancellation herein given to Lessee, or any other rights to which the Lessee may be entitled by law or otherwise, may cancel this lease by giving Lessor sixty (60) days' advance written notice in the event of default by Lessor under this lease continuing for more than sixty (60) days after the Lessor's receipt of written notice of such default from the Lessee, upon or after the happening of any one of the following events:

(a) The failure or refusal of the Federal Aviation Administration or any other applicable state of federal authority, to grant Lessee the right to operate into, on, from or through said Airport;

(b) The issuance by any court of competent jurisdiction of a permanent injunction in any way preventing or restraining the use of the airport for airport purposes and the remaining in force of such injunction for a period of at least sixty (60) days.

(c) The breach by Lessor of any of the covenants or agreements herein contained and the refusal of Lessor to remedy such breach within a reasonable period of time after receipt of a written notice of the existence of such breach;

(d) The inability of Lessee to use said Premises and facilities continuing for a period longer than sixty (60) days due to any order, rule or regulation of any appropriate governmental authority having jurisdiction over the operations of Lessee.

ARTICLE 33 – FAA REQUIREMENTS

Lessor and Lessee further agree that the requirements of the Federal Aviation Administration set out below are approved by both parties, and if applicable, Lessee agrees to comply with all FAA requirements with respect to its operations, use of the Airport and this Agreement.

(a) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained or otherwise operated on said property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(b) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(c) The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs, and that they will require

assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

(d) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

(e) Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(f) Lessor reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard.

(g) Lessor reserves the right further to develop or improve the landing area and all publicly-owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.

(h) Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the airport which, in the opinion of Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft.

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

(j) It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

(k) There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the air space above the surface of the Premises and Preferential Use Premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on or about the airport.

(l) This Agreement shall become subordinate to provisions of any existing or future agreement between the Lessor and the United States of America or any agency thereof relative to the operation, development or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

ARTICLE 34 - MODIFICATIONS FOR GRANTING FAA FUNDS

In the event that the Federal Aviation Administration requires modifications or changes to this Agreement as a condition precedent to granting of funds for the improvement of the Airport, Lessee agrees to consent to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required to enable the Lessor to obtain said Federal Aviation Administration funds, provided that in no event shall such changes materially impair the rights of Lessee hereunder or materially increase its obligations.

ARTICLE 35 - NONDISCRIMINATION EEO/AAP

The Lessee agrees that it will not discriminate or permit discrimination against any person on the basis of race, color, sex, religion, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry in its operations or services, and its use or occupancy of property under this Agreement. The Lessee agrees to comply with all applicable provisions of the Civil Rights Act of 1964, as amended; the Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11141; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Kansas Act Against Discrimination, K.S.A. 44-1001, et seq.; the Code of the City of Wichita Section 2.12.900; and laws, regulations or amendments as may be promulgated thereunder.

ARTICLE 36 – THIRD PARTY RIGHTS

It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Agreement to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

ARTICLE 37 – NON-WAIVER

The waiver by Lessor of any breach of the Lessee of any term, covenant, provision, or condition hereof shall not operate as a waiver of any subsequent breach of the same or a waiver of any breach of any other covenant, term, provision, or condition hereof, nor shall any forbearance by Lessor to seek a remedy for any breach by Lessee be a waiver by Lessor of its rights and remedies with respect to such or any subsequent breach of the same or with respect to any other breach.

ARTICLE 38 – INVALID PROVISIONS

It is further expressly understood and agreed by and between the parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either the Lessor or the Lessee in their respective rights and obligations contained in the valid covenants, conditions or provisions in this agreement.

ARTICLE 39 – SURRENDER OF POSSESSION

Lessee shall yield and deliver to Lessor possession of the Premises leased herein at the expiration of this Agreement in good condition in accordance with its express obligations hereunder, except for reasonable wear and tear, fire and other casualty. Lessee shall deliver the Premises in good order and condition, including: (1) cleaning and hauling away all supplies and trash; (2) leaving in operating condition all bulbs and ballasts; (3) replacing all broken glass; and (4) turning in keys to all door locks.

Lessee, at Lessee’s expense, shall remove during the term hereof or at the expiration of such term all trade fixtures, equipment and personal property placed by Lessee on or about the Premises herein leased, subject to Lessee's repairing any damage thereto caused by such removal and subject to any valid lien which Lessor may have thereon for unpaid rents or fees.

Lessor may direct Lessee to remove, at Lessee’s sole expense, any cabling installed within the Premises upon surrender of possession of the Premises. Lessee shall have no obligation to remove such cabling unless Lessor shall notify Lessee of its required removal.

In the event Lessee does not remove all of said property within ten (10) days after the termination of this Agreement, the same shall be considered abandoned and Lessor may dispose of said property without any further responsibility or liability to Lessee.

At any time within ninety (90) days prior to the expiration of this Agreement, Lessor and Lessor's agents, invitees, and licensees may enter and show the Premises to persons wishing to rent the Premises and may post upon the Premises the usual notices "For Rent" or "For Lease", said notices to remain thereon without hindrance or molestation, provided Lessee has not exercised any renewal options provided herein, or has not signed a new lease. Lessor and its agents, invitees, and licensees will use their best efforts not to unreasonably interfere with Lessee’s use of the Premises during said visits.

ARTICLE 40 – ENTIRE AGREEMENT

This Agreement supersedes all previous agreements for the Premises between Lessor and any other party, and all amendments or renewals thereto. The parties hereto understand and agree that this instrument contains the entire Agreement between the parties hereto. The parties hereto further understand and agree that the other party and its agents have made no representations or

promises with respect to the Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by either party against the other and such party shall not be liable by reason of, the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other being expressly waived.

The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for which they are acting herein.

The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel deemed necessary for them to form a full and complete understanding of all rights and obligations herein.

This Agreement between the parties shall consist of this instrument. In the event of any conflict between the terms of this Agreement and the terms or provisions of the aforesaid documents, the more restrictive on Lessee shall control.

ARTICLE 41 - NOTICES

Notices to Lessor provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

The Wichita Airport Authority
P. O. Box 9130
Wichita, Kansas 67277-0130

Notices to Lessee provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

Air Freight Central of Kansas
1935 Air Cargo Road, Suite 600
Wichita, KS 67209

or to such other respective addresses as the parties may designate in writing from time to time.

ARTICLE 42 – KANSAS LAW TO GOVERN

This lease and t*he* terms and conditions herein contained shall at all times be governed, interpreted and construed under and in accordance with the laws of the State of Kansas.

ARTICLE 43 – HEADINGS

The article and paragraph headings are inserted only as a matter of convenience and for reference, and in no way define limit or describe the scope or intent of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

ATTEST:

THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS

By _____

Title _____

By _____

Title _____

"LESSOR"

By _____
Victor D. White, Director of Airports

ATTEST:

AIR FREIGHT CENTRAL OF KANSAS, INC.

By _____

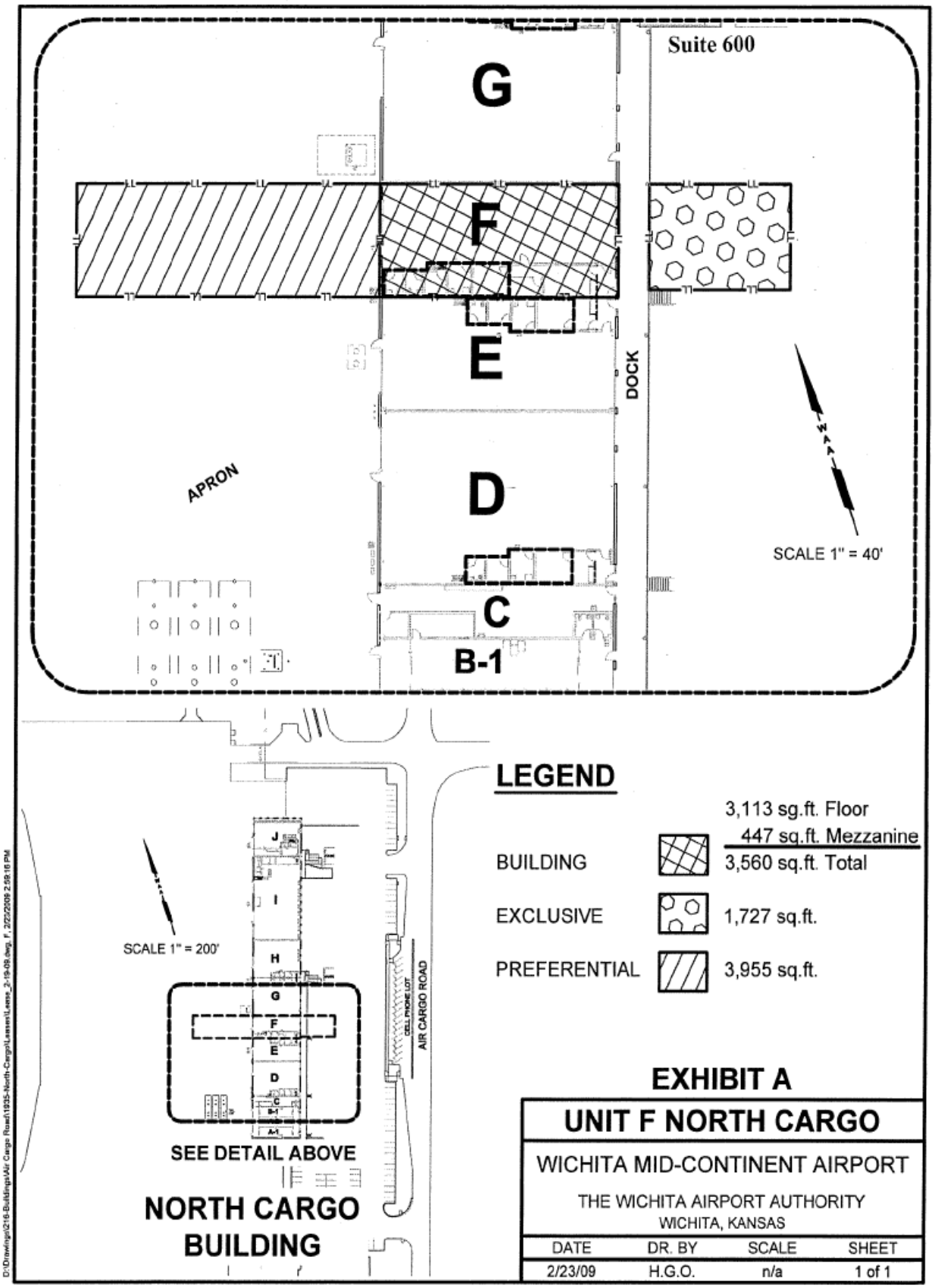
Title _____

By _____

Title _____

"LESSEE"

APPROVED AS TO FORM: _____ Date: _____
Director of Law


Suite 600
G
F
E
D
C
B-1
DOCK
APRON
SCALE 1" = 40'
LEGEND
BUILDING
3,113 sq.ft. Floor
447 sq.ft. Mezzanine
3,560 sq.ft. Total
EXCLUSIVE
1,727 sq.ft.
PREFERENTIAL
3,955 sq.ft.
SCALE 1" = 200'
J
I
H
G
F
E
D
C
B-1
A-1
CELL PHONE LOT
AIR CARGO ROAD
SEE DETAIL ABOVE
NORTH CARGO BUILDING
EXHIBIT A
UNIT F NORTH CARGO
WICHITA MID-CONTINENT AIRPORT
THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS
DATE
DR. BY
SCALE
SHEET
2/23/09
H.G.O.
n/a
1 of 1

A G R E E M E N T

By and Between

THE WICHITA AIRPORT AUTHORITY
Wichita, Kansas

and

EMPIRE AIRLINES, INC.

For

Use of Space in Cargo Building
Wichita Mid-Continent Airport

THIS AGREEMENT, made and entered into this April 14, 2009, by and between THE WICHITA AIRPORT AUTHORITY, Wichita, Kansas, hereinafter referred to as the "LESSOR"; and EMPIRE AIRLINES, INC., hereinafter referred to as the "LESSEE".

WITNESSETH:

WHEREAS, Lessor operates and owns an existing air cargo facility located at 1935 Air Cargo Road on Wichita Mid-Continent Airport, hereinafter referred to as the Airport; and

WHEREAS, Lessor desires to lease to Lessee and Lessee is desirous of renting from Lessor certain premises at the Airport to be used in connection with Lessee's business of air freight carrier and handling services.

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

ARTICLE 1 – PREMISES

"Premises" as used herein shall be the "Exclusive Use – Building" and "Exclusive Access Areas" located at 1935 Air Cargo Road, Suite 200, on the Airport.

Exclusive Use – Building. Lessor does hereby lease to Lessee that portion of the air cargo building consisting of 1,698 square feet, as reflected on Exhibit "A", attached hereto and made a part hereof.

Exhibit "A" sets forth the general layout of the portion of the building to be leased to the Lessee but shall not be deemed to be a warranty, representation, or agreement on the part of the Lessor that the building or any portion thereof will be or will continue to be exactly as indicated on said diagram.

Exclusive Access Areas. As part of the building rental fee, Lessee shall have exclusive use and access to the dock area directly in front of its exclusive use leasehold, and the parking/loading/unloading area directly in front of the dock of its leasehold equal to the width of the exclusive use area, and extending to a point 60 feet beyond the dock edge, as reflected on Exhibit "A", attached hereto and made a part hereof. In the case of exclusive lease areas not equipped with a dock, the exclusive access area shall extend to a point 60 feet beyond the edge of the building.

Preferential Use – Equipment Staging Area and Aircraft Parking Apron – Airfield Side. In addition to the Exclusive Access Areas, Lessor hereby grants to Lessee the use of "Preferential Use Premises" which is identified as pavement assigned to the Lessee, and to which the Lessee shall have preferential use, defined herein as the unrestricted, higher and continuous priority over all other users, as reflected on Exhibit "A", attached hereto and made a part hereof.

ARTICLE 2 - USE

Permitted Use. Upon performance of the Agreement, provisions and conditions contained in this Agreement, Lessee shall have use of the Premises and Preferential Use Premises to engage in the performance of certain and specific activities as defined herein, together with the right of ingress and egress, in common with others, for both vehicles and aircraft, and its customers, agents, invitees, contractors, representatives and employees, in a reasonable manner for the purposes described hereinafter and for activities incidental or related thereto. It is understood and agreed that both the Premises and Preferential Use Premises shall be used and occupied for aviation purposes or purposes incidental or related thereto. Lessee hereby agrees that the described Premises and Preferential Use Premises may be utilized by Lessee for the sole purpose wherein Lessee and its personnel may perform the activities related to air freight carrier and/or handling service at the Airport.

In conjunction with, and to facilitate Lessee's activities related to air freight carrier and/or handling service at the Airport, the Premises may be used for minor vehicle repairs in accordance with current city codes and Airport standard operating procedures. No welding, dispensing or draining of fuels, painting of vehicles, or major repairs shall be permitted inside the building.

Non-Exclusive Use of Certain Facilities. Lessor grants the Lessee, for the purposes for which such facilities were designed and constructed and for no other purposes, in common with others, the non-exclusive use of the Airport and appurtenances, together with all facilities, equipment improvements, and services which are now, or may hereafter be, provided at, or in connection with, the Airport from time-to-time on a non-exclusive use basis, including, but not limited to the Air Operations Area of the Airport, driveways, floodlights, beacons, signals, radio aids, or other conveniences for aeronautical operations, landing and takeoff of aircraft. As used in this Agreement, "Air Operations Area" shall mean those portions of the Airport from time to time

provided and made available by the Lessor for aircraft and related operations and includes runways, taxiways, ramps, aprons, parking spaces, and areas directly associated therewith which are not exclusively leased areas of the Lessee or any other tenant on the Airport.

The Lessee recognizes that other tenants now and hereafter may occupy other portions of the Airport, and that such other tenants shall have the right to use the ramps and driveways serving their areas and other areas not under an exclusive lease, and the Lessee shall conduct its operations in such a manner as to not impede access, interfere with, or disrupt the business of and quiet enjoyment of other tenants.. The Lessor reserves the right to grant, or to permit other parties the right, to use any portion of the Airport except that described in Lessee's Premises.

Parking. Vehicle parking by the Lessee, its agents, employees, or licensees shall be by permit, and only in such places as may be authorized by Lessor from time to time and upon terms and conditions as may be imposed by Lessor.

Ramp Management. The Lessee will operate on the ramp pursuant to the directives of the Lessor.

Non-interference with Operation of Airport. Lessee covenants and agrees that it will not allow any condition on the Premises or Preferential Use Premises, nor permit the conduct of any activity on such Premises or Preferential Use Premises, which shall materially or adversely affect the development, improvement, operation, or maintenance of the Airport or its facilities; nor will Lessee use or permit the Premises or Preferential Use Premises to be used in any manner which might interfere with the landing and take-off of aircraft from the Airport or otherwise constitute a hazard. If any proscribed or prohibited condition or activity, as described above, shall be permitted to exist on the Premises, Preferential Use Premises, or on any part thereof, then, as an alternative to termination of this Agreement under Article 31 the Lessor, after giving 10 days written notice to Lessee, during which period Lessee may abate or correct the omission or objection, so set forth in Lessor's notice, may thereupon correct such omission or objection by entering the Premises or Preferential Use Premises, or by its agents or employees, without such entering causing or constituting a termination of this Agreement or an interference with possession of Premises or Preferential use Premises by Lessee, and the Lessor may cause abatement of such proscribed or prohibited condition or activity; and, in such event, the Lessee agrees to pay the Lessor the expenses of the Lessor incurred in the above connection as additional rent within 30 days after submission of an invoice showing the reasonable expenditure or the incurring of any such reasonable expenditure by the Lessor.

No Unlawful Activity. This Agreement shall not be construed as authorizing the Lessee to engage in any activity that is unlawful or which is contrary to, or in conflict with, any federal, state or local law, ordinance, rule or regulation, or standard operating procedure, and the Lessee does hereby indemnify and hold the Lessor harmless from any act or failure by the Lessee in respect to this obligation.

No Grant of Concession. This Agreement is not intended to, nor shall it be construed as, authorizing the Lessee to conduct a concession on the Airport.

No Unauthorized Use. The Lessee shall not conduct or permit any employee to conduct any business or commercial operation not herein or otherwise authorized by the Lessor. For a violation of this paragraph, in addition to the termination provisions hereunder, the rent shall be doubled while such default continues.

ARTICLE 3 - TERM

The term of this Agreement shall be for a period of five years commencing on May 1, 2009 and terminating on April 30, 2014.

It is acknowledged by Lessor that, as of the commencement date of this Agreement, Lessee is under contract with FedEx, whereby Lessee serves as a feeder carrier to/from Wichita Mid-Continent Airport. If FedEx discontinues the contract for services for which Lessee has been engaged to provide to/from Wichita Mid-Continent Airport, then Lessee may cancel this Agreement by providing Lessor with a 30-day written notice.

ARTICLE 4 – RENEWAL OPTIONS

Lessee shall have and is hereby given the right and option to extend the term of this Agreement for up to three additional terms of five years each, provided that (i) Lessee shall give Lessor written notice of its intention to exercise such option at least 180 days prior to the expiration of the previous term, and (ii) Lessee is not in default hereunder in the payment of rent at the time it gives Lessor such notice or at the time said additional term commences. In the event that Lessee fails to give required notice to Lessor, this Agreement shall automatically terminate at the end of the previous term of this Agreement.

In the event Lessee exercises any options for the additional terms, subject to the provisions for adjustment in rents, as set forth in Article 6, all terms, covenants, and provisions set forth in this Agreement shall be in full force and effect and binding upon Lessor and Lessee during such additional term(s).

ARTICLE 5 - RENT

As rent for the Premises, Lessee covenants and agrees to pay Lessor rental during the term of this Agreement for the use of said Premises in the amount of $12,647.84 per year, payable in advance, in monthly installments of $1,053.99, commencing on May 1, 2009 or upon occupancy.

It is understood that this rental is based upon the rate of $9.59 per square foot per annum for 189 sq. ft. of first floor office space, and $7.19 per square foot per annum for the exclusive-use fenced area encompassing 1,000 sq. ft. and the prorata share of the 1,372 sq. ft. common-use fenced area, which is 507 sq. ft. Rental shall be adjusted accordingly if the Premises are modified under the terms of this Agreement.

Lessee shall pay to Lessor in advance on the first day of each month, without demand or invoicing, rentals for Lessee's Premises as set forth herein. In the event Lessee fails to make payment within ten (10) days of the dates due as set forth in this Article, then Lessor may charge Lessee a monthly service charge equal to the maximum allowable under state statutes on any

such overdue amount, plus reasonable attorneys' and administrative fees incurred by Lessor in attempting to obtain payment.

Lessee shall pay Lessor rentals for Lessee's Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the term of this Agreement, and shall file periodic reports as requested by Lessor from time to time.
All rental payments shall be made to The Wichita Airport Authority, 2173 Air Cargo Road, P. O. Box 9130, Wichita, Kansas 67277-0130.

ARTICLE 6 – RENT DURING RENEWAL OPTIONS

Facility rental for each option period shall be the rental during the previous five years increased by the percentage change of the CPI-U over the previous five years.

ARTICLE 7 – UTILITIES

Standard Facilities. The Lessee shall have the right to access the utility service facilities, including gas, water and electricity, which are available at the Premises. The Lessee is responsible for upgrading the existing utilities at the Premises to the condition and capacity as deemed appropriate by the Lessee and approved by the Lessor to operate the Premises, at the Lessee's sole expense. Should the Lessee's operations require utility facilities not presently at the Premises' boundary, the Lessee will, at the Lessee's sole expense, install service lines for the utility facilities; however, such installation shall require prior approval by the Lessor. It is understood by Lessee that Lessor will furnish gas, electric, and water systems to the building. Lessee shall pay all costs for utility services used by Lessee at or upon the Premises or Preferential Use Premises, if approved by Lessor, with no responsibility or expense incurred by Lessor, including all permits, licenses or authorizations necessary in connection therewith. Such payment by Lessee shall be made directly to the utility supplier or service provider, except that if such utilities should be supplied by the Lessor, then in this event, Lessee will pay those costs to Lessor upon receipt of invoice therefore. Lessee agrees that any such costs invoiced to Lessee will be based upon the rates charged to Lessor by utility supplier, plus reasonable capital and administrative recovery costs.

If utilities are not separately metered, Lessee agrees to pay its prorata share of the cost of utilities in addition to the prorata share of various services including, but not limited to, water, sewer, gas, trash removal, etc. Lessee's prorata share shall be based upon the total cost divided among the number of tenants to which the service pertains.

Network Communications/Security Cable. Lessor is the only entity allowed to install or remove any cabling. Cabling includes, but is not limited to, any type of telecommunications or network cable such as CAT3, CAT5, CAT6; fiberoptics cable; and/or coaxial cable. Cabling for basic phone service shall be provided as part of the base building. However, should additional network cable, coaxial for security or fiber optic cable, be required for Lessee's operation, Lessee shall be required to make arrangements with Lessor, and such installation shall be at Lessee's expense. It shall be Lessee's responsibility to contract for services using such cables from Lessee's preferred service provider.

ARTICLE 8 - ACCEPTANCE OF PREMISES

Except as may be otherwise expressly provided in this Agreement, the taking of possession of the Premises by Lessee shall in itself constitute acknowledgement that the Premises are in good and tenantable condition, and Lessee agrees to accept Premises in its presently existing condition, “as is,” “where is,” and “with all faults” and that Lessor shall not be obligated to make any improvements or modifications thereto except to the extent that may otherwise be expressly provided in this Agreement.

ARTICLE 9 – LEASEHOLD IMPROVEMENTS/ALTERATIONS

Lessee shall have the right during the term hereof, at Lessee's expense, from time to time, to make interior modifications as it may deem necessary or desirable in connection with its operation under this Agreement; provided, however, that Lessee shall first submit plans and specifications for such alterations to the Lessor for approval.

All such alterations or improvements shall be performed in a workmanlike manner in accordance with all applicable governmental regulations, building codes, Airport rules and regulations, Lessor design and construction standards, Lessor standard operating procedures, Airport security program and all other applicable regulations, codes, and requirements, and will not weaken or impair the structural strength, or lessen the value of the building, or change the purposes for which the building or any part thereof, may be used. Any such alterations or improvements shall be erected at the sole cost and expense of Lessee, and Lessee shall have no right, authority, or power to bind Lessor or any interest of Lessor in the Premises, for the payment of any claim for labor or material or for any charge or expense incurred in the erection, construction, operation, or maintenance of said improvements/alterations.

Design and construction specifications and documents for any improvements/alterations must be reviewed by the City of Wichita Office of Central Inspection and/or the Planning Department or other departments as may be identified from time to time, as may be applicable, prior to the issuance of a building permit.

Lessee warrants that the improvements/alterations, when completed, will be necessary or useful in its development for use by Lessee for its purposes.

No exterior alterations will be allowed to the building, without prior written approval by the Lessor.

ARTICLE 10 – LIENS

Lessee, shall cause to be removed any and all liens of any nature arising out of or because of any construction performed by Lessee, or any of its contractors or subcontractors upon the Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use at the Premises by or at the direction of Lessee, except that Lessee, shall have the right to contest such a lien and the requirement to remove a lien shall be stayed as long as Lessee is prosecuting in good faith the defense of such lien, including appeals.

ARTICLE 11 - SIGNS

Lessee shall not erect, install, operate, nor cause or permit to be erected, installed, or operated upon any area outside the leasehold of the Airport property, any signs, banners, or other similar devices for its own business, or the business of others. This provision shall not have the effect of limiting or restricting Lessee's right to enter agreement with a Lessor-authorized and permitted marketing, advertising or signage agency for the display of informational, marketing or advertising media at approved designated locations on Airport property.
Any identifying signs erected, installed, operated or attached to the Premises will require the prior written approval of Lessor. Such approval, if any, may consider and provide conditions including, but not limited to, size, type, content, and method of installation.

It is understood that signage and location of the signage may be changed and altered from time to time as mutually agreed upon between the parties.

ARTICLE 12 - PORTABLE STORAGE CONTAINERS/STRUCTURES

Unless specifically approved in writing, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable storage container, trailer, unit, box, or barrel which is used to store merchandise and/or equipment and supplies outside of an enclosed permanent building or structure, which does not qualify as a building or structure under Title 18 of the Code of the City of Wichita. Lessor will not unreasonably withhold approval of such container(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or at the discretion of Lessor, is shielded from public view by means of location, fencing, or other such approved shielding methods.

Unless specifically approved, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable or temporary structure, mobile home, modular structure or device. Lessor will not unreasonably withhold approval of such structure(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or other approved project.

Cargo shipping containers used by Lessee for the purpose of storing and shipping cargo are not subject to this provision.

ARTICLE 13 – DROP BOXES

Drop boxes will be allowed in locations approved by the Lessor. Drop boxes shall be located so as not to interfere with ingress and egress of any occupants of the cargo building.

ARTICLE 14 – MAINTENANCE AND REPAIR

Lessor's Responsibilities. Lessor shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep of the following structures, facilities, systems, equipment, and fixtures, except for damage caused by Lessee and not considered "normal wear and tear". For purposes of this Agreement, normal wear and tear shall be defined as the physical

deterioration which occurs in the normal course of the use for which a property is intended, without negligence, carelessness, accident or abuse of the Premises.

(a) Roof, roof structures, ceiling tiles damaged by roof leaks, and appurtenances thereto;
(b) Exterior of structure, including the façade and exterior walls, gutters and downspouts, paint, load-bearing structures , docks and dock levelers where applicable;
(c) Mechanical systems, including heating, ventilation and air conditioning and associated motors, pumps, ducting and filtration systems;
(d) Plumbing and fixtures up to and terminating at the shut-off valve entering the building Premises;
(e) Electrical system up to and terminating at the breaker panel entering the building Premises;
(f) Gas utilities;
(g) Sewer utilities;
(h) Security access and monitoring system contained in and required by the Airport Security Plan;
(i) Fire monitoring and alarm system;
(j) Manual lock and key system;
(k) Exterior and parking lot lighting;
(l) Paved areas of the parking lot and loading docks including marking and striping;
(m) Driveways, streets and roadways, vehicular ingress/egress and access-ways;
(n) Grading and drainage;
(o) Landscaping and irrigation system;
(p) Fencing;
(q) Paved areas of Preferential Use - Equipment Staging Area and Aircraft Parking Apron, including those areas inside and outside of the full-strength paved areas provided in this Agreement; and
(r) Damages to property or equipment covered by Lessor's insurance.

Lessor shall provide suitable size and quantity of covered dumpsters for all garbage, trash and other refuse, for which Lessee agrees to pay its prorata share of the cost associated with provision of these dumpsters. Lessor provided dumpsters shall be placed within reasonable proximity to the Premises. Lessor shall be responsible at its sole cost and expense for maintenance, repair or replacement, including but not limited to, landscape, pavements, and snow and ice removal of all public and common or joint-use areas, parking lots, streets and roadways, air operations areas of the Airport outside of the Premises to the extent deemed by Lessor, in its sole opinion and judgment, to be required for the safe and efficient operation of the Airport. Lessor shall be responsible for snow and ice removal on the Preferential Use Premises beginning at the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. The Lessor shall perform such maintenance and upkeep to the best of its reasonable ability under prevailing conditions.

Lessee's Responsibilities. Lessee shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep in Lessee's Premises, including:

(a) Leasehold improvements, decorations, finishes, fixtures, equipment and furnishings;

(b) Glass replacement;
(c) Interior Painting;
(d) All interior lighting fixtures and standards including bulbs, tubes, ballasts, starters, switches and outlets;
(e) Interior and exterior pedestrian and roll-up doors, frames, closures and hardware (excluding manual locks, and security access and monitoring systems required under the Airport Security Plan);
(f) Walls, windows, ceilings, partitions and floors;
(g) Plumbing and plumbing fixtures beginning at the shut-off valve entering the building Premises;
(h) Hot water heater(s) and fixtures thereto;
(i) Electrical system beginning at the breaker panel entering the building Premises;
(j) Damages to premises which are caused by Lessee and are not considered normal wear and tear as defined herein; and
(k) Any other repairs as required or necessary to keep the Premises in proper condition for the conduct of business.

With the exception of painting, light bulbs, ballast or tubes, all maintenance, repair, or replacement by Lessee under this part shall be performed by a licensed and reputable contractor. Replacement parts and components shall be of good quality and commercial grade no less than equal to the quality of existing parts and components. In lieu of, or in addition to, services provided to the Lessee by a licensed contractor under this part, the Lessee may choose to solicit the services of the Lessor to perform maintenance, repair, or replacement, and Lessor may, at its sole option, choose to perform services at a cost mutually agreed upon by Lessee and Lessor.

Lessee shall be responsible for all janitorial service within the Premises, and shall provide daily routine premises clean-up work and trash removal to keep the Premises and Preferential Use Premises in good and tenantable condition through the term of this Agreement.

Lessee shall be responsible for the removal and disposal of garbage, debris, contaminants and any other waste material (whether solid or liquid) arising out of its occupancy of the Premises, Preferential Use Premises, or out of its operation. Such removal will conform with all governmental requirements and regulations as more fully described in Article 27, “Environmental”. Such removal and disposal of garbage, debris, contaminants, or other waste material is understood to include routine, daily clean-up of the surrounding areas. Lessee shall immediately react and take prompt corrective actions to remove and dispose of any paper, garbage and debris on Premises or Preferential Use Premises upon demand of Lessor. Lessee shall provide, and screen from public view, suitable covered receptacles for all garbage, trash and other refuse. Piling of boxes, cartons, barrels, pallets or other similar items in an unsightly or unsafe manner on or about the Premises or Preferential Premises is forbidden.

In addition to other rights and remedies of the Lessor hereunder, should Lessee fail to perform its upkeep, maintenance and repair responsibilities, Lessor may, but is not obligated to, perform maintenance and make repairs thereon and thereto which it determines to be necessary, charging the same to the expense of Lessee upon thirty (30) days prior written notice of its intent to do so; except in case of emergency for which no notice is necessary, plus a fifteen percent (15%)

administrative fee. Such amount shall be paid by the Lessee to Lessor no later than thirty (30) days after the date of invoice from the Lessor to the Lessee for such costs.

Lessee shall be responsible for snow and ice removal in the Premises and Preferential Use Premises from the air/ramp side building edge to the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. At no time shall Lessee engage in snow and ice removal beyond the areas identified above without the prior knowledge and approval of the Lessor.

Snow piles, windrows or other accumulations of snow shall not:

(a) Be closer than twenty five feet from any security fence;
(b) Block any access gates or controls;
(c) Block or impede any taxiway or taxi lane;
(d) Impose an obstruction within the object free area (OFA) of any taxiway or taxi lane;
(e) Infringe upon, block or interrupt the business of other airport tenant leaseholds.

Snow piles and accumulations requiring removal may be stored on pre-arranged designated paved areas, to be removed by Lessor when time and equipment availability permit, so long as such piles/accumulations comply with a. through e. of this Section.

Only FAA approved dry and liquid chemicals may be used for de-icing or snow removal on aircraft operating surfaces, as set forth in Advisory Circular 150/5200-30, current edition, or as may be amended, *Airport Winter Safety and Operations*, Section 4-6 *Approved Chemicals*, current edition, or as may be amended.

The use of snow and ice removal contractors may be authorized subject to prior written approval by Lessor, and subject to acceptable completion of contractor employee training, and other reasonable safety requirements and standards that Lessor may impose, including but not limited to compliance with Airport rules and regulations, and standard operating procedures. All such snow and ice removal contractors shall maintain a general liability insurance policy of not less than $1,000,000 limit, naming Lessee, the Wichita Airport Authority and the City of Wichita as additional insureds.

ARTICLE 15 – LESSOR'S RIGHTS AND PRIVILEGES

Lessor expressly reserves from the Premises:

(a) Mineral Rights. All gas, oil and mineral rights in and under the soil.
(b) Air Space. A public right of flight through the air space above the surface of the Premises and Preferential Use Premises. This public right of flight will include the right to cause or allow in said airspace, any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operation on the Airport. No liability on the part of Lessor will result from the exercise of this right.

(c) Navigational Aids. The right to install, maintain and modify and/or permit others to install, maintain and modify on the premises navigational aids.

(d) Utility Right-of-Way. The right to install, maintain and modify utilities and to grant utility rights of way to others over, under, through, across or on the Premises or Preferential Use Premises located within 25 feet of the outside boundary lines.

(e) Entry and Inspection of Premises. The right of Lessor, its authorized officers, employees, agents, contractors, subcontractors, authorized government agents, or other representatives to enter upon the Premises and/or Preferential Use Premises:

(1) To inspect at reasonable intervals during regular business hours (or any time in case of emergency or lawful investigation) to determine whether Lessee has complied, and is complying with the terms and conditions of this Agreement;

(2) To Inspect Premises, Preferential Use Premises, facilities, and equipment for compliance with laws, regulations and/or codes of the federal, state or local government, airport rules and regulations and airport standard operating procedures; and

(3) To perform maintenance, repair, or replacement as required and necessary to maintain Premises and Preferential Use Premises in good condition and working order as required under ARTICLE 13 (a) through (r).

(f) Radio/Wireless Communication Systems. The right to approve or withhold approval of any use of fixed RF Systems for the transmission of radio frequency signals in/on the Premises and the Preferential Use Premises. Revenue-producing communication systems or systems not directly applicable to Lessee's operations on the Premises and Preferential Use Premises are prohibited except upon the specific approval of the Lessor.

Provided that exercise by Lessor of any such reserved rights (a) through (d) will be without expense to the Lessee and will not unreasonably or materially interfere with Lessee's use of the Premises and Preferential Use Premises and will not delay Lessee in the exercise of its rights or the performance of its duties hereunder or increase the costs of such performance. Lessor shall give Lessee notice in writing of the exercise of its rights under (c) and (d).

ARTICLE 16 – LESSEE'S RIGHTS AND PRIVILEGES

Lessee shall have the following rights and privileges on the Premises and on the Airport:

(a) The right to install, operate, repair and store upon the Premises all equipment necessary for the conduct of Lessee's business.

(b) The right of ingress and egress to and from the Premises, which rights shall extend to Lessee's employees, invitees and guests, subject, however, to all reasonable security regulations; and

(c) The right in common with others authorized to do so to use the common areas of the Airport.

ARTICLE 17 – AIRPORT SECURITY PROGRAM

Lessee must obtain Airport Security Identification and Access Media (I.D. Media) for its employees, subcontractors, suppliers, agents, and representatives requiring access to the sterile areas, secured air operations area (AOA), and security identification display area (SIDA), or other secured areas as may be identified in the Airport Security Program, and pay any related costs associated with this privileges as set forth under this Section. Said I.D. Media will be valid as set forth under the Airport Security Program, and must be returned to the Airport Public Safety Division, at 2193 Air Cargo Road within twenty-four (24) hours after expiration, suspension, and/or termination of this Agreement. Said I.D. Media will be valid for no longer than the period of this Agreement.

Lessee covenants that it will at all times maintain the integrity of the Airport Security Program and comply with all applicable provisions of the Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) regulations 49 CFR Parts 1500, 1544, 1546, 1548, and 1550 as promulgated, and that it will always maintain the security of the Airport, Premises, and/or any AOA access which Lessee maintains. Lessee hereby agrees that it shall also be responsible for conducting and verifying any and all required background checks for I.D. Media for any and all of its employees, subcontractors, suppliers, agents, and/or representatives. Lessee also hereby agrees that it shall be responsible for any and all of the actions of its employees, subcontractors, suppliers, agents, and/or representatives and shall provide any and all necessary escorts, as outlined in the Airport Security Program. Lessee hereby agrees that it will immediately implement any and all security changes that are directed either directly or indirectly by the TSA, FAA, or Lessor.

Should Lessee, its employees, subcontractors, suppliers, agents, and/or representatives cause any security violations, and should Lessor be cited for a civil fine or penalty for such security violation, Lessee agrees to reimburse Lessor for any monetary civil fine or penalty, which may be imposed on Lessor by FAA or TSA, however, nothing herein shall prevent the Lessee from contesting the legality, validity or application of such fine or penalty to the full extent Lessee may be lawfully entitled. Lessee may have I.D. Media/access privileges immediately suspended and/or revoked by Lessor for failure to adhere to the Airport Security Program, or for failure to return all I.D. Media within the time-frames specified herein. Such actions may also be grounds for termination of this Agreement for non-compliance as defined under Article 31, Cancellation by Lessor, at the sole discretion of Lessor, if such failure by Lessee is not cured by Lessee within thirty (30) days after receiving notice from Lessor of such failure.

In accordance with the Airport Security Program, Lessee must obtain Airport Security Identification and Access Media and fingerprinting (if required) for their eligible employees, subcontractors, suppliers, agents, and/or representatives.

ARTICLE 18 – TITLE TO FACILITIES, IMPROVEMENTS & TRADE FIXTURES

It is understood and agreed that title to the Premises shall be, and shall remain, exclusively with Lessor during the term of this Agreement or any extension(s) thereof. Lessee shall, without cost to Lessor, furnish and install all non-attached furniture, fixtures, decorations, accessories,

equipment and tools necessary to conduct its business, referred to herein as “trade fixtures”. Title/ownership to non-attached “trade fixtures” shall remain with Lessee. All “trade fixtures” shall be high quality, safe, fire resistant, clean and attractive in appearance.

All alterations and “fixed improvements,” except “trade fixtures”, equipment, and personal property of Lessee put in at the expense of Lessee, shall remain upon and be surrendered with the Premises as a part thereof, at any termination of this Agreement, for any cause, and shall become the property of the Lessor. The term "fixed improvements" shall be construed to include all structures erected upon the Premises, including but not limited to fencing, grading and pavement, underground wires, cables, pipes, conduits, tanks and drains, and all other property of every kind and nature which is permanently affixed to the Premises.

Any movable furniture, “trade fixtures,” partitions and all other equipment installed at Lessee’s sole cost and expense shall at all times be and remain the property of Lessee. Notwithstanding anything contained herein to the contrary, Lessee shall have no obligation to remove such fixtures, equipment and alterations described herein unless Lessor shall notify Lessee of its required removal.

ARTICLE 19 – FIRE & POLICE PROTECTION

Lessor agrees to extend to Lessee the same fire and police protection extended to the other tenants on the Airport. The City of Wichita currently charges Lessor a fee for provision of police and fire protection of the Airport. It is understood and agreed that Lessor may impose a fair and equitable charge to recover Lessee’s proportionate share of Lessor’s costs of these services. If, during the term of this Agreement, Lessor chooses to provide police and fire services directly, the recovery will be adjusted based upon Lessor’s established rate.

ARTICLE 20 – FIRE EXTINGUISHERS

Lessee shall furnish and maintain on the Premises sufficient portable fire extinguishing units as may be required by insurance risks or as designated by Lessor. Lessee shall keep in proper functioning order all fire fighting equipment located on the Premises as required by Lessor, and in accordance with NFPA, and state and local fire codes.

From time to time and as often as reasonably required by Lessor and in accordance with state and local fire codes, Lessee shall conduct appropriate inspections and tests of all fire monitoring, alarm and extinguishing equipment, systems and apparatus located on the Premises. Lessor and Lessor’s agents, licensees, and invitees shall have the right to enter upon the Premises during normal working hours for the purpose of inspecting and maintaining the same.

ARTICLE 21 – INDEPENDENT CONTRACTOR

In the use of the Premises and in conducting its business, the Lessee acts as an independent contractor and not as an agent of the Lessor. The selection, retention, assignment, direction and payment of the Lessee’s employees shall be the sole responsibility of the Lessee. The Lessor shall not attempt to exercise any control over the daily performance of duties by the Lessee’s

employees, except to the extent and in the manner required by law or regulation in order to meet security obligations mandatory for continued operation or certification of the Airport.

ARTICLE 22 – ASSIGNMENT OR SUBLETTING

No Sublease. Lessee may not sublease all or any portion of the Premises, or permit all or any portion of the Premises to be used or occupied by anyone other than the Lessee, without the prior written approval of Lessor. Any arrangement for the subleasing of space must be in conformance with the use of the Premises outlined in this Agreement, unless expressly approved otherwise in writing by Lessor. Any sublease to be entered into must contain a provision that the subtenant releases the Lessor from any liability of any kind or nature that the subtenant has or may have. Consent to one sublease shall not be deemed consent to any subsequent sublease. Any sublease Agreement shall be subordinate to the terms of the primary Agreement. Lessee shall indemnify and hold the Lessor harmless for any and all claims of any subtenant with respect thereto.

No Assignment Without Lessor Approval. Neither this Agreement nor any part thereof may be assigned, transferred, mortgaged, encumbered, or pledged by process or operation of law or in any other manner whatsoever, without the prior written approval of Lessor. Any transaction that has the practical or legal effect of transferring the Lessee's beneficial ownership or control of this Agreement, or any of the rights or obligations hereunder, is prohibited without Lessor's prior written approval. Lessor shall not unreasonably withhold its approval to a proposed assignment so long as the proposed assignee continues to use the premises solely for the purposes set forth in this Agreement, possesses financial resources and operational experience satisfactory to Lessor, and any guarantor hereof remains bound, agrees in writing to be bound by any of the terms and conditions of this Agreement, and the Lessee agrees to remain primarily liable for full and timely performance of this Agreement. Any legal or other fees incurred by Lessor in the review of any proposed assignment shall be paid by Lessee.

ARTICLE 23 – INSURANCE

The Lessee agrees to maintain public liability insurance during the term hereof which protects the Lessor and City of Wichita, their officers, agents and employees, as additional insureds, with terms and companies as approved by Lessor, which approval shall not be unreasonably withheld, in an aggregate amount of not less than $2,000,000 per occurrence. In addition, the Lessee shall maintain a policy of comprehensive automobile liability insurance in a combined single limit of not less than $500,000, and a Worker's Compensation and Employer's liability policy for limits of not less than the statutory requirement for Worker's Compensation, and $500,000 Employer's Liability. Lessee agrees that in the event of future changes in the law and upon notice by the Lessor, the minimum levels of insurance required by this paragraph may be increased within the bounds of commercial reasonableness to the amount that may be required to provide coverage of the events of this paragraph.

The Lessee agrees, prior to the commencement of this lease term, to provide Lessor with copies of all policies or certificates evidencing that such insurance is in full force and effect, and stating

the terms thereof. Such policy or certificate shall contain a clause providing ten (10) days' prior notice to the Lessor before any material change or cancellation is effective.

ARTICLE 24 – FIRE AND EXTENDED COVERAGE INSURANCE

Lessor agrees to insure the Cargo Building, which includes the Premises, and Lessee, in addition to all other rentals and charges provided for herein, agrees to pay its prorata share of the annual premium cost of said Fire and Extended Coverage Insurance, plus its prorata share of any deductible required to be paid by Lessor under its blanket policy which is attributable to the Cargo Building. Lessee's prorata share will be based upon the ratio the square footage of the Premises bears to the total square footage included in the existing Cargo Building.

ARTICLE 25 – SUBROGATION OF INSURANCE

Lessor hereby waives any and all rights of recovery against Lessee for or arising out of damage or destruction of the building, or the demised premises, or any other property of Lessor, from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of such policies, whether or not such damage or destruction shall have been caused by the negligence of Lessee, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

Lessee hereby waives any and all rights of recovery against Lessor for or arising out of damage to or destruction of any property of Lessee from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of said policies, whether or not such damage or destruction shall have been caused by the negligence of Lessor, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

ARTICLE 26 – INDEMNITY

Lessee shall protect, defend and hold Lessor and the City of Wichita and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessee’s use or occupancy of the premises or the acts or omissions of Lessee's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence or the acts or omissions of the City of Wichita or Lessor’s officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur. The Lessor shall give to Lessee reasonable notice of any such claim or actions. The Lessee shall also use counsel reasonably acceptable to Lessor in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

Lessor shall protect, defend and hold Lessee and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessor's operation of the Airport or the acts or omissions of Lessor's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence of the Lessee. The Lessee shall give to Lessor reasonable notice of any such claim or actions. The Lessor shall also use counsel reasonably acceptable to Lessee in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

ARTICLE 27 – ENVIRONMENTAL

(a) The Lessee hereby covenants that it will not cause or permit any Hazardous Substances to be placed, held, located or disposed of, on, under or at the Premises or Preferential Use Premises, other than in the ordinary course of business and in compliance with all applicable laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided to the Lessor hereunder, the Lessee hereby agrees to indemnify and hold harmless the Lessor and the City of Wichita from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessor or the City of Wichita by any person or entity for or arising out of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during any term of this lease of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning, any hazardous substance) if such presence, escape, seepage, leakage, spillage, discharge, emission was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, and/or licensees, or if such Hazardous Substance was owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release).

(c) If, during the term of this Agreement, the Lessee receives any notice of (i) the happening of any event involving the use (other than in the ordinary course of business and in compliance with all applicable laws), spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance on the premises or in connection with the Lessee's operations thereon or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental, health, or safety matter affecting the Lessee (an

"Environmental Complaint") from any persons or entity (including, without limitation), the United States Environmental Protection Agency (the "EPA") or the Kansas Department of Health and Environment ("KDHE"), the Lessee shall immediately notify the Lessor in writing of said notice.

(d) The Lessor shall have the right, but not the obligation, and without limitation of the Lessor's other rights under this Agreement, to enter the Premises and Preferential Use Premises or to take such other actions as deemed necessary or advisable to inspect, clean up, remove, resolve or minimize the impact of, or to otherwise deal with, any hazardous substance or environmental complaint following receipt of any notice from any person, including, without limitation, the EPA or KDHE, asserting the existence of any hazardous substance or an environmental complaint pertaining to the leased premises or any part thereof which, if true, could result in an order, suit or other action against the Lessee and/or which, in the reasonable judgment of the Lessor, could jeopardize its interests under this Agreement. If such conditions are caused by circumstances within the control of the Lessee or if such circumstances result from a Hazardous Substance owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release) all reasonable costs and expenses incurred by the Lessor in the exercise of any such rights shall be payable by the Lessee, within 15 days of written demand by Lessor.

(e) If an event of default shall have occurred and be continuing, the Lessee at the request of the Lessor shall periodically perform (at the Lessee's expense) an environmental audit and, if reasonably deemed necessary by the Lessor, an environmental risk assessment (each of which must be reasonably satisfactory to the Lessor) of the premises, or the hazardous waste management practices and/or hazardous waste disposal sites used by the Lessee with respect to the leased premises. Such audit and/or risk assessment shall be conducted by an environmental consultant satisfactory to the Lessor. Should the Lessee fail to perform any such environmental audit or risk assessment within 90 days of the written request of the Lessor, the Lessor shall have the right, but not the obligation, to retain an environmental consultant to perform any such environmental audit or risk assessment. All costs and expenses incurred by the Lessor in the exercise of such rights shall be payable by the Lessee on demand.

(f) Neither Lessee nor Lessor shall install or permit to be installed in the premises friable asbestos, electrical equipment containing polychlorinated biphenyls (PCBs), or any substance containing asbestos and deemed hazardous by federal or state regulations applicable to the premises and respecting such material. The Lessee shall defend, indemnify, and save the Lessor and the City of Wichita harmless from all costs and expenses (including consequential damages) asserted or proven against the Lessee by any person, as a result of the presence of said substances, and any removal or compliance with such regulations, if said substance was installed by the Lessee, or persons within its control.

(g) Subject to any limitations or restrictions imposed by the Kansas Budget Law or Cash Basis Law, the Lessor hereby agrees to indemnify and hold harmless the Lessee from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses,

including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessee by any person or entity for, arising out of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during the term of this Agreement and the period prior to the term of this Agreement of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order of decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning any hazardous substance) unless such presence, escape, seepage, leakage, spillage, discharge, emission or release was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, business invitees and/or licensees, or if such hazardous substance was owned by, or placed upon the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release except to the extent such was caused by the Lessor).

(h) Lessor shall grant to Lessee and its agents or contractors such access to the leased premises as is reasonably necessary to accomplish such removal and prepare such audit. If such removal is not accomplished prior to the expiration of the lease term, Lessee shall be obligated to pay rent to Lessor in the amount of One Hundred Twenty-five Percent (125%) of the last month's rent.

(i) The provisions of this article shall survive the termination of this Agreement.

ARTICLE 28 – RULES & REGULATIONS

Lessee, its agents and employees, shall be subject to any and all applicable rules, regulations, airport standard operating procedures , orders and restrictions which are now in force or which may hereafter be adopted by The Wichita Airport Authority or the City of Wichita, Kansas, in respect to the operation of the Airport; and shall also be subject to any and all applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport or Lessee's operations conducted hereunder. Such observation and compliance by Lessee shall not obligate Lessee to make any alterations or do any other work, structural or otherwise, within the Premises unless failure of the Premises to comply with such rules, laws, statutes and regulations shall have been caused by Lessee's specific use of Premises.

To the extent that applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport causes diminution or deprivation of Lessee's rights hereunder, Lessor shall not be liable to Lessee for any such diminution or deprivation of its rights, nor shall Lessee be entitled to terminate this Agreement by reason thereof unless the exercise of such authority shall so interfere with Lessee's exercise of the rights hereunder as to constitute a termination of this Agreement by operation of law in accordance with the laws of the State of Kansas.

ARTICLE 29 – IMPOSITIONS

Lessee shall, during the life of this Agreement, bear, pay and discharge, before the delinquency thereof, any and all lawful impositions, including all lawful taxes and assessments imposed on the Premises or Lessee's possessory right therein. In the event any impositions may be lawfully paid in installments, Lessee shall be required to pay only such installments thereof as become due and payable during the life of this Agreement as and when the same become due and payable. Lessor covenants that without Lessee's written consent it will not, unless required by law, take any action intended to cause or induce the levying or assessment of any imposition (other than special assessments levied on account of special benefits or other impositions for benefits or services uniformly imposed) which Lessee would be required to pay under this article and that should any such levy or assessment be threatened or occur Lessor shall, at Lessee's request, fully cooperate with Lessee in all reasonable ways to prevent any such levy or assessment. Nothing herein contained shall prevent Lessee from contesting the legality, validity or application of any such tax or assessment to the full extent Lessee may be lawfully entitled to do so.

ARTICLE 30 – DAMAGE OR DESTRUCTION

If the Premises shall be partially damaged by fire or other casualty, but not rendered untenantable, the same shall be repaired with due diligence by Lessor at its own cost and expense; if the damage shall be so extensive as to render the Premises untenantable but capable of being repaired, the same shall be repaired with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage and shall thenceforth cease until such time as the Premises shall be put in good order. In the event the Premises shall be completely destroyed by fire or other casualty or so damaged that it will remain untenantable for more than thirty (30) days, or in case it does so remain untenantable for more than thirty (30) days, at the option of Lessor (1) the Premises shall be repaired or reconstructed with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage or destruction and shall thenceforth cease until such time as the Premises shall be put in good order; or (2) within sixty (60) days after the time of such damage or destruction and before the Premises shall be put in order, either party may give the other party written notice of its election to cancel this agreement in its entirety, and Lessee shall be liable for rent only up to the time of such damage or destruction.

It is understood and agreed that nothing in this article concerning rental abatements or cancellation by Lessee shall apply in the case of damages to or the destruction of the leased Premises which is caused by the negligent acts of Lessee, its agents, employees or invitees, and further that Lessee shall, at its own expense, repair all such damages resulting from such acts; except that Lessee shall not be responsible to Lessor for damages to property or equipment fully covered by Lessor's insurance.

ARTICLE 31 – CANCELLATION BY LESSOR

The Lessor, in addition to any other rights to which it may be entitled by law or equity, may cancel this Agreement as set forth herein.

In the event that Lessee shall file a voluntary petition in bankruptcy or that proceedings in bankruptcy shall be instituted against it and Lessee is thereafter adjudicated bankrupt pursuant to such proceedings; or that the court shall take jurisdiction of Lessee and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act; or that a receiver of Lessee's assets shall be appointed; or that Lessee shall be divested of its estate herein by other operation of law; or that Lessee shall fail to perform, keep and observe any of the terms, covenants or conditions herein contained on the part of Lessee to be performed, kept or observed, Lessor may give Lessee written notice to correct such condition or cure such default, and if any such condition or default shall continue for sixty (60) days after receipt of such notice by Lessee, Lessor may terminate this lease and the term hereof shall cease and expire at the end of such sixty (60) days in the same manner and to the same effect as if it were the expiration of the original term, unless such condition or default cannot reasonably be corrected within the 60 day period and Lessee has demonstrated due diligence with respect to curing said default, then such default will be treated as cured until cured.

Acceptance of rental by Lessor for any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee shall not be deemed a waiver of any other right on the part of Lessor to cancel this lease for failure by Lessee so to perform, keep and observe any of the terms, covenants or conditions hereof to be performed, kept and observed. No waiver of default by Lessor of any of the terms, covenants or conditions hereof to be performed, kept and observed by Lessee, shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by Lessee.

ARTICLE 32 – CANCELLATION BY LESSEE

The Lessee, in addition to any other rights of cancellation herein given to Lessee, or any other rights to which the Lessee may be entitled by law or otherwise, may cancel this lease by giving Lessor sixty (60) days' advance written notice in the event of default by Lessor under this lease continuing for more than sixty (60) days after the Lessor's receipt of written notice of such default from the Lessee, upon or after the happening of any one of the following events:

(a) The failure or refusal of the Federal Aviation Administration or any other applicable state of federal authority, to grant Lessee the right to operate into, on, from or through said Airport;

(b) The issuance by any court of competent jurisdiction of a permanent injunction in any way preventing or restraining the use of the airport for airport purposes and the remaining in force of such injunction for a period of at least sixty (60) days.

(c) The breach by Lessor of any of the covenants or agreements herein contained and the refusal of Lessor to remedy such breach within a reasonable period of time after receipt of a written notice of the existence of such breach;

(d) The inability of Lessee to use said Premises and facilities continuing for a period longer than sixty (60) days due to any order, rule or regulation of any appropriate governmental authority having jurisdiction over the operations of Lessee.

ARTICLE 33 – FAA REQUIREMENTS

Lessor and Lessee further agree that the requirements of the Federal Aviation Administration set out below are approved by both parties, and if applicable, Lessee agrees to comply with all FAA requirements with respect to its operations, use of the Airport and this Agreement.

(a) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained or otherwise operated on said property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(b) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(c) The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs, and that they will require

assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

(d) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

(e) Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(f) Lessor reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard.

(g) Lessor reserves the right further to develop or improve the landing area and all publicly-owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.

(h) Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the airport which, in the opinion of Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft.

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

(j) It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

(k) There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the air

space above the surface of the Premises and Preferential Use Premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on or about the airport.

(l) This Agreement shall become subordinate to provisions of any existing or future agreement between the Lessor and the United States of America or any agency thereof relative to the operation, development or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

ARTICLE 34 - MODIFICATIONS FOR GRANTING FAA FUNDS

In the event that the Federal Aviation Administration requires modifications or changes to this Agreement as a condition precedent to granting of funds for the improvement of the Airport, Lessee agrees to consent to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required to enable the Lessor to obtain said Federal Aviation Administration funds, provided that in no event shall such changes materially impair the rights of Lessee hereunder or materially increase its obligations.

ARTICLE 35 - NONDISCRIMINATION EEO/AAP

The Lessee agrees that it will not discriminate or permit discrimination against any person on the basis of race, color, sex, religion, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry in its operations or services, and its use or occupancy of property under this Agreement. The Lessee agrees to comply with all applicable provisions of the Civil Rights Act of 1964, as amended; the Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11141; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Kansas Act Against Discrimination, K.S.A. 44-1001, et seq.; the Code of the City of Wichita Section 2.12.900; and laws, regulations or amendments as may be promulgated thereunder.

ARTICLE 36 – THIRD PARTY RIGHTS

It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Agreement to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

ARTICLE 37 – NON-WAIVER

The waiver by Lessor of any breach of the Lessee of any term, covenant, provision, or condition hereof shall not operate as a waiver of any subsequent breach of the same or a waiver of any breach of any other covenant, term, provision, or condition hereof, nor shall any forbearance by Lessor to seek a remedy for any breach by Lessee be a waiver by Lessor of its rights and remedies with respect to such or any subsequent breach of the same or with respect to any other breach.

ARTICLE 38 – INVALID PROVISIONS

It is further expressly understood and agreed by and between the parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either the Lessor or the Lessee in their respective rights and obligations contained in the valid covenants, conditions or provisions in this agreement.

ARTICLE 39 – SURRENDER OF POSSESSION

Lessee shall yield and deliver to Lessor possession of the Premises leased herein at the expiration of this Agreement in good condition in accordance with its express obligations hereunder, except for reasonable wear and tear, fire and other casualty. Lessee shall deliver the Premises in good order and condition, including: (1) cleaning and hauling away all supplies and trash; (2) leaving in operating condition all bulbs and ballasts; (3) replacing all broken glass; and (4) turning in keys to all door locks.

Lessee, at Lessee’s expense, shall remove during the term hereof or at the expiration of such term all trade fixtures, equipment and personal property placed by Lessee on or about the Premises herein leased, subject to Lessee's repairing any damage thereto caused by such removal and subject to any valid lien which Lessor may have thereon for unpaid rents or fees.

Lessor may direct Lessee to remove, at Lessee’s sole expense, any cabling installed within the Premises upon surrender of possession of the Premises. Lessee shall have no obligation to remove such cabling unless Lessor shall notify Lessee of its required removal.

In the event Lessee does not remove all of said property within ten (10) days after the termination of this Agreement, the same shall be considered abandoned and Lessor may dispose of said property without any further responsibility or liability to Lessee.

At any time within ninety (90) days prior to the expiration of this Agreement, Lessor and Lessor's agents, invitees, and licensees may enter and show the Premises to persons wishing to rent the Premises and may post upon the Premises the usual notices "For Rent" or "For Lease", said notices to remain thereon without hindrance or molestation, provided Lessee has not exercised any renewal options provided herein, or has not signed a new lease. Lessor and its

agents, invitees, and licensees will use their best efforts not to unreasonably interfere with Lessee's use of the Premises during said visits.

ARTICLE 40 – ENTIRE AGREEMENT

This Agreement supersedes all previous agreements for the Premises between Lessor and any other party, and all amendments or renewals thereto. The parties hereto understand and agree that this instrument contains the entire Agreement between the parties hereto. The parties hereto further understand and agree that the other party and its agents have made no representations or promises with respect to the Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by either party against the other and such party shall not be liable by reason of, the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other being expressly waived.

The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for which they are acting herein.

The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel deemed necessary for them to form a full and complete understanding of all rights and obligations herein.

This Agreement between the parties shall consist of this instrument. In the event of any conflict between the terms of this Agreement and the terms or provisions of the aforesaid documents, the more restrictive on Lessee shall control.

ARTICLE 41 - NOTICES

Notices to Lessor provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

The Wichita Airport Authority
P. O. Box 9130
Wichita, Kansas 67277-0130

Notices to Lessee provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

Empire Airlines, Inc.
11559 North Atlas Road
Hayden, ID 83835
Attn: Director of Maintenance

or to such other respective addresses as the parties may designate in writing from time to time.

ARTICLE 42 – KANSAS LAW TO GOVERN

This lease and t*he* terms and conditions herein contained shall at all times be governed, interpreted and construed under and in accordance with the laws of the State of Kansas.

ARTICLE 43 – HEADINGS

The article and paragraph headings are inserted only as a matter of convenience and for reference, and in no way define limit or describe the scope or intent of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

ATTEST:

THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS

By _____

Title _____

By _____

Title _____

"LESSOR"

By _____
Victor D. White, Director of Airports

ATTEST:

EMPIRE AIRLINES, INC.

By _____

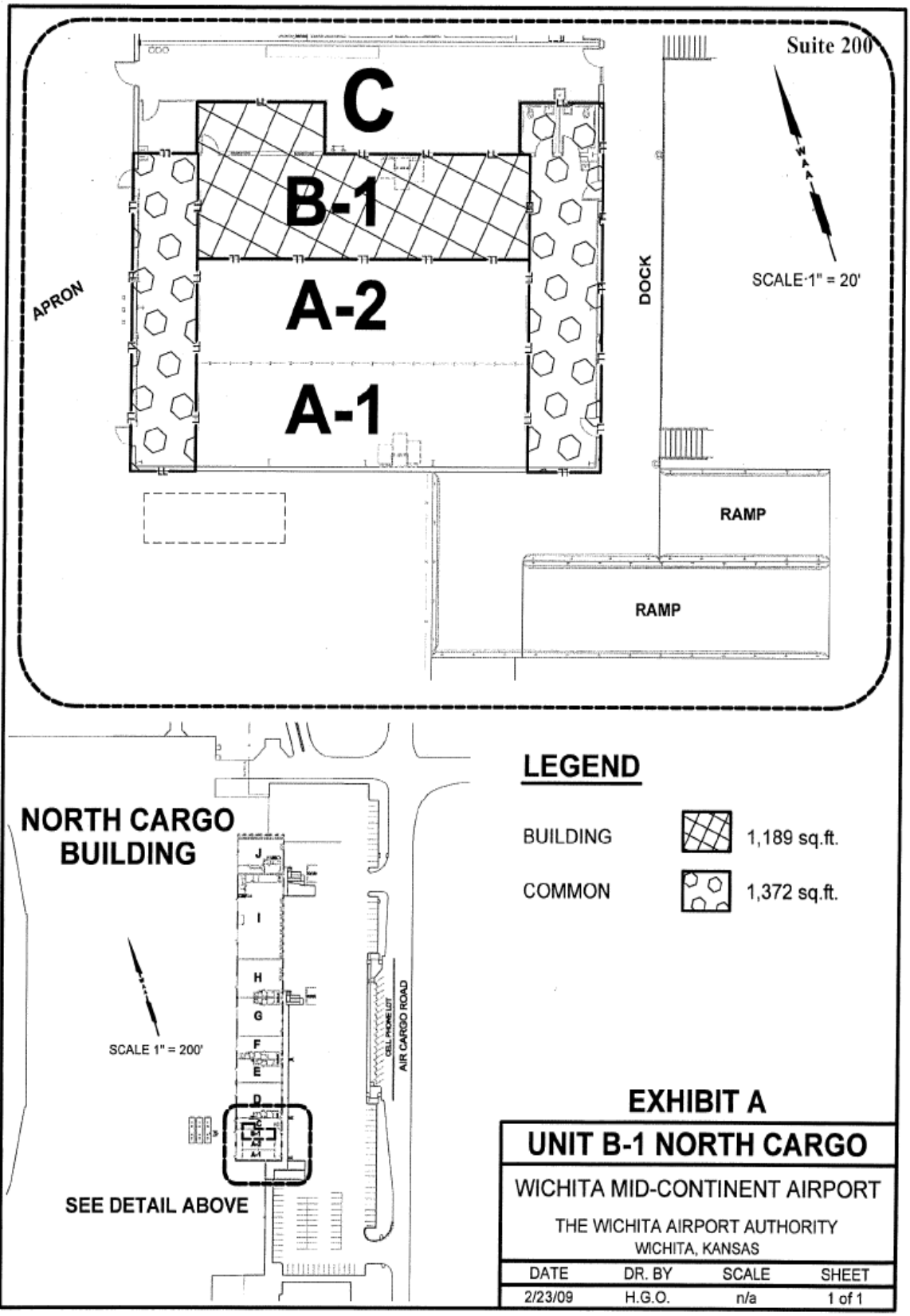
Title _____

By _____

Title _____

"LESSEE"

APPROVED AS TO FORM: _____ Date: _____
Director of Law


Suite 200
C
B-1
A-2
A-1
APRON
DOCK
SCALE 1" = 20'
RAMP
RAMP
NORTH CARGO BUILDING
SCALE 1" = 200'
SEE DETAIL ABOVE
CELL PHONE LOT
AIR CARGO ROAD
LEGEND
BUILDING 1,189 sq.ft.
COMMON 1,372 sq.ft.
EXHIBIT A
UNIT B-1 NORTH CARGO
WICHITA MID-CONTINENT AIRPORT
THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS
DATE DR. BY SCALE SHEET
2/23/09 H.G.O. n/a 1 of 1

A G R E E M E N T

By and Between

THE WICHITA AIRPORT AUTHORITY
Wichita, Kansas

and

EVERGREEN AVIATION GROUND LOGISTICS ENTERPRISES, INC.

For

Use of Space in Cargo Building
Wichita Mid-Continent Airport

THIS AGREEMENT, made and entered into this April 14, 2009, by and between THE WICHITA AIRPORT AUTHORITY, Wichita, Kansas, hereinafter referred to as the "LESSOR"; and EVERGREEN AVIATION GROUND LOGISTICS ENTERPRISES, INC., hereinafter referred to as the "LESSEE".

WITNESSETH:

WHEREAS, Lessor operates and owns an existing air cargo facility located at 1935 Air Cargo Road on Wichita Mid-Continent Airport, hereinafter referred to as the Airport; and

WHEREAS, Lessor desires to lease to Lessee and Lessee is desirous of renting from Lessor certain premises at the Airport to be used in connection with Lessee's business of air freight carrier and handling services.

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

ARTICLE 1 – PREMISES

"Premises" as used herein shall be the "Exclusive Use – Building" and "Exclusive Access Areas" located at 1935 Air Cargo Road, Suite 700, on the Airport.

Exclusive Use – Building. Lessor does hereby lease to Lessee that portion of the air cargo building consisting of 5,573 square feet, as reflected on Exhibit "A", attached hereto and made a part hereof.

Exhibit "A" sets forth the general layout of the portion of the building to be leased to the Lessee but shall not be deemed to be a warranty, representation, or agreement on the part of the Lessor that the building or any portion thereof will be or will continue to be exactly as indicated on said diagram.

Exclusive Access Areas. As part of the building rental fee, Lessee shall have exclusive use and access to the dock area directly in front of its exclusive use leasehold, and the parking/loading/unloading area directly in front of the dock of its leasehold equal to the width of the exclusive use area, and extending to a point 60 feet beyond the dock edge, as reflected on Exhibit "A", attached hereto and made a part hereof. In the case of exclusive lease areas not equipped with a dock, the exclusive access area shall extend to a point 60 feet beyond the edge of the building.

Preferential Use – Equipment Staging Area and Aircraft Parking Apron – Airfield Side. In addition to the Exclusive Access Areas, Lessor hereby grants to Lessee the use of "Preferential Use Premises" which is identified as pavement assigned to the Lessee, and to which the Lessee shall have preferential use, defined herein as the unrestricted, higher and continuous priority over all other users, as reflected on Exhibit "A", attached hereto and made a part hereof.

ARTICLE 2 - USE

Permitted Use. Upon performance of the Agreement, provisions and conditions contained in this Agreement, Lessee shall have use of the Premises and Preferential Use Premises to engage in the performance of certain and specific activities as defined herein, together with the right of ingress and egress, in common with others, for both vehicles and aircraft, and its customers, agents, invitees, contractors, representatives and employees, in a reasonable manner for the purposes described hereinafter and for activities incidental or related thereto. It is understood and agreed that both the Premises and Preferential Use Premises shall be used and occupied for aviation purposes or purposes incidental or related thereto. Lessee hereby agrees that the described Premises and Preferential Use Premises may be utilized by Lessee for the sole purpose wherein Lessee and its personnel may perform the activities related to air freight carrier and/or handling service at the Airport.

In conjunction with, and to facilitate Lessee's activities related to air freight carrier and/or handling service at the Airport, the Premises may be used for minor vehicle repairs in accordance with current city codes and Airport standard operating procedures. No welding, dispensing or draining of fuels, painting of vehicles, or major repairs shall be permitted inside the building.

Non-Exclusive Use of Certain Facilities. Lessor grants the Lessee, for the purposes for which such facilities were designed and constructed and for no other purposes, in common with others, the non-exclusive use of the Airport and appurtenances, together with all facilities, equipment improvements, and services which are now, or may hereafter be, provided at, or in connection with, the Airport from time-to-time on a non-exclusive use basis, including, but not limited to the Air Operations Area of the Airport, driveways, floodlights, beacons, signals, radio aids, or other conveniences for aeronautical operations, landing and takeoff of aircraft. As used in this Agreement, "Air Operations Area" shall mean those portions of the Airport from time to time

provided and made available by the Lessor for aircraft and related operations and includes runways, taxiways, ramps, aprons, parking spaces, and areas directly associated therewith which are not exclusively leased areas of the Lessee or any other tenant on the Airport.

The Lessee recognizes that other tenants now and hereafter may occupy other portions of the Airport, and that such other tenants shall have the right to use the ramps and driveways serving their areas and other areas not under an exclusive lease, and the Lessee shall conduct its operations in such a manner as to not impede access, interfere with, or disrupt the business of and quiet enjoyment of other tenants.. The Lessor reserves the right to grant, or to permit other parties the right, to use any portion of the Airport except that described in Lessee's Premises.

Parking. Vehicle parking by the Lessee, its agents, employees, or licensees shall be by permit, and only in such places as may be authorized by Lessor from time to time and upon terms and conditions as may be imposed by Lessor.

Ramp Management. The Lessee will operate on the ramp pursuant to the directives of the Lessor.

Non-interference with Operation of Airport. Lessee covenants and agrees that it will not allow any condition on the Premises or Preferential Use Premises, nor permit the conduct of any activity on such Premises or Preferential Use Premises, which shall materially or adversely affect the development, improvement, operation, or maintenance of the Airport or its facilities; nor will Lessee use or permit the Premises or Preferential Use Premises to be used in any manner which might interfere with the landing and take-off of aircraft from the Airport or otherwise constitute a hazard. If any proscribed or prohibited condition or activity, as described above, shall be permitted to exist on the Premises, Preferential Use Premises, or on any part thereof, then, as an alternative to termination of this Agreement under Article 31 the Lessor, after giving 10 days written notice to Lessee, during which period Lessee may abate or correct the omission or objection, so set forth in Lessor's notice, may thereupon correct such omission or objection by entering the Premises or Preferential Use Premises, or by its agents or employees, without such entering causing or constituting a termination of this Agreement or an interference with possession of Premises or Preferential use Premises by Lessee, and the Lessor may cause abatement of such proscribed or prohibited condition or activity; and, in such event, the Lessee agrees to pay the Lessor the expenses of the Lessor incurred in the above connection as additional rent within 30 days after submission of an invoice showing the reasonable expenditure or the incurring of any such reasonable expenditure by the Lessor.

No Unlawful Activity. This Agreement shall not be construed as authorizing the Lessee to engage in any activity that is unlawful or which is contrary to, or in conflict with, any federal, state or local law, ordinance, rule or regulation, or standard operating procedure, and the Lessee does hereby indemnify and hold the Lessor harmless from any act or failure by the Lessee in respect to this obligation.

No Grant of Concession. This Agreement is not intended to, nor shall it be construed as, authorizing the Lessee to conduct a concession on the Airport.

No Unauthorized Use. The Lessee shall not conduct or permit any employee to conduct any business or commercial operation not herein or otherwise authorized by the Lessor. For a violation of this paragraph, in addition to the termination provisions hereunder, the rent shall be doubled while such default continues.

ARTICLE 3 - TERM

The term of this Agreement shall be for a period of five years commencing on May 1, 2009 and terminating on April 30, 2014.

It is acknowledged by Lessor that, as of the commencement date of this Agreement, Lessee is under contract with the United States Postal Service (USPS) for weighing and distributing origination and destination mail for the USPS through March 14, 2010. It is further acknowledged that the USPS contract includes two successive, two-year options through March 14, 2014. If the Lessee and/or the USPS do not exercise the option(s), then Lessee may cancel this Agreement after March 14, 2010 or March 14, 2012, by providing Lessor with a 60-day written notice prior to the end of the initial term or the first option.

ARTICLE 4 – RENEWAL OPTIONS

Lessee shall have and is hereby given the right and option to extend the term of this Agreement for up to three additional terms of five years each, provided that (i) Lessee shall give Lessor written notice of its intention to exercise such option at least 180 days prior to the expiration of the previous term, and (ii) Lessee is not in default hereunder in the payment of rent at the time it gives Lessor such notice or at the time said additional term commences. In the event that Lessee fails to give required notice to Lessor, this Agreement shall automatically terminate at the end of the previous term of this Agreement.

In the event Lessee exercises any options for the additional terms, subject to the provisions for adjustment in rents, as set forth in Article 6, all terms, covenants, and provisions set forth in this Agreement shall be in full force and effect and binding upon Lessor and Lessee during such additional term(s).

ARTICLE 5 - RENT

As rent for the Premises, Lessee covenants and agrees to pay Lessor rental during the term of this Agreement for the use of said Premises in the amount of $50,669.73 per year, payable in advance, in monthly installments of $4,222.48, commencing on May 1, 2009 or upon occupancy.

It is understood that this rental is based upon the rate of $9.59 per square foot per annum for 5,187 sq.ft. of first floor space, and a rate of $2.40 per square foot per annum for 386 sq.ft. of mezzanine space. Rental shall be adjusted accordingly if the Premises are modified under the terms of this Agreement.

Lessee shall pay to Lessor in advance on the first day of each month, without demand or invoicing, rentals for Lessee's Premises as set forth herein. In the event Lessee fails to make payment within ten (10) days of the dates due as set forth in this Article, then Lessor may charge

Lessee a monthly service charge equal to the maximum allowable under state statutes on any such overdue amount, plus reasonable attorneys' and administrative fees incurred by Lessor in attempting to obtain payment.

Lessee shall pay Lessor rentals for Lessee's Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the term of this Agreement, and shall file periodic reports as requested by Lessor from time to time.

All rental payments shall be made to The Wichita Airport Authority, 2173 Air Cargo Road, P. O. Box 9130, Wichita, Kansas 67277-0130.

ARTICLE 6 – RENT DURING RENEWAL OPTIONS

Facility rental for each option period shall be the rental during the previous five years increased by the percentage change of the CPI-U over the previous five years.

ARTICLE 7 – UTILITIES

Standard Facilities. The Lessee shall have the right to access the utility service facilities, including gas, water and electricity, which are available at the Premises. The Lessee is responsible for upgrading the existing utilities at the Premises to the condition and capacity as deemed appropriate by the Lessee and approved by the Lessor to operate the Premises, at the Lessee's sole expense. Should the Lessee's operations require utility facilities not presently at the Premises' boundary, the Lessee will, at the Lessee's sole expense, install service lines for the utility facilities; however, such installation shall require prior approval by the Lessor. It is understood by Lessee that Lessor will furnish gas, electric, and water systems to the building. Lessee shall pay all costs for utility services used by Lessee at or upon the Premises or Preferential Use Premises, if approved by Lessor, with no responsibility or expense incurred by Lessor, including all permits, licenses or authorizations necessary in connection therewith. Such payment by Lessee shall be made directly to the utility supplier or service provider, except that if such utilities should be supplied by the Lessor, then in this event, Lessee will pay those costs to Lessor upon receipt of invoice therefore. Lessee agrees that any such costs invoiced to Lessee will be based upon the rates charged to Lessor by utility supplier, plus reasonable capital and administrative recovery costs.

Network Communications/Security Cable. Lessor is the only entity allowed to install or remove any cabling. Cabling includes, but is not limited to, any type of telecommunications or network cable such as CAT3, CAT5, CAT6; fiberoptics cable; and/or coaxial cable. Cabling for basic phone service shall be provided as part of the base building. However, should additional network cable, coaxial for security or fiber optic cable, be required for Lessee's operation, Lessee shall be required to make arrangements with Lessor, and such installation shall be at Lessee's expense. It shall be Lessee's responsibility to contract for services using such cables from Lessee's preferred service provider.

ARTICLE 8 - ACCEPTANCE OF PREMISES

Except as may be otherwise expressly provided in this Agreement, the taking of possession of the Premises by Lessee shall in itself constitute acknowledgement that the Premises are in good and tenantable condition, and Lessee agrees to accept Premises in its presently existing condition, “as is,” “where is,” and “with all faults” and that Lessor shall not be obligated to make any improvements or modifications thereto except to the extent that may otherwise be expressly provided in this Agreement.

ARTICLE 9 – LEASEHOLD IMPROVEMENTS/ALTERATIONS

Lessee shall have the right during the term hereof, at Lessee's expense, from time to time, to make interior modifications as it may deem necessary or desirable in connection with its operation under this Agreement; provided, however, that Lessee shall first submit plans and specifications for such alterations to the Lessor for approval.

All such alterations or improvements shall be performed in a workmanlike manner in accordance with all applicable governmental regulations, building codes, Airport rules and regulations, Lessor design and construction standards, Lessor standard operating procedures, Airport security program and all other applicable regulations, codes, and requirements, and will not weaken or impair the structural strength, or lessen the value of the building, or change the purposes for which the building or any part thereof, may be used. Any such alterations or improvements shall be erected at the sole cost and expense of Lessee, and Lessee shall have no right, authority, or power to bind Lessor or any interest of Lessor in the Premises, for the payment of any claim for labor or material or for any charge or expense incurred in the erection, construction, operation, or maintenance of said improvements/alterations.

Design and construction specifications and documents for any improvements/alterations must be reviewed by the City of Wichita Office of Central Inspection and/or the Planning Department or other departments as may be identified from time to time, as may be applicable, prior to the issuance of a building permit.

Lessee warrants that the improvements/alterations, when completed, will be necessary or useful in its development for use by Lessee for its purposes.

No exterior alterations will be allowed to the building, without prior written approval by the Lessor.

ARTICLE 10 – LIENS

Lessee, shall cause to be removed any and all liens of any nature arising out of or because of any construction performed by Lessee, or any of its contractors or subcontractors upon the Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use at the Premises by or at the direction of Lessee, except that Lessee, shall have the right to contest such a lien and the requirement to remove a lien shall be stayed as long as Lessee is prosecuting in good faith the defense of such lien, including appeals.

ARTICLE 11 - SIGNS

Lessee shall not erect, install, operate, nor cause or permit to be erected, installed, or operated upon any area outside the leasehold of the Airport property, any signs, banners, or other similar devices for its own business, or the business of others. This provision shall not have the effect of limiting or restricting Lessee's right to enter agreement with a Lessor-authorized and permitted marketing, advertising or signage agency for the display of informational, marketing or advertising media at approved designated locations on Airport property.

Any identifying signs erected, installed, operated or attached to the Premises will require the prior written approval of Lessor. Such approval, if any, may consider and provide conditions including, but not limited to, size, type, content, and method of installation.

It is understood that signage and location of the signage may be changed and altered from time to time as mutually agreed upon between the parties.

ARTICLE 12 - PORTABLE STORAGE CONTAINERS/STRUCTURES

Unless specifically approved in writing, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable storage container, trailer, unit, box, or barrel which is used to store merchandise and/or equipment and supplies outside of an enclosed permanent building or structure, which does not qualify as a building or structure under Title 18 of the Code of the City of Wichita. Lessor will not unreasonably withhold approval of such container(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or at the discretion of Lessor, is shielded from public view by means of location, fencing, or other such approved shielding methods.

Unless specifically approved, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable or temporary structure, mobile home, modular structure or device. Lessor will not unreasonably withhold approval of such structure(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or other approved project.

Cargo shipping containers used by Lessee for the purpose of storing and shipping cargo are not subject to this provision.

ARTICLE 13 – DROP BOXES

Drop boxes will be allowed in locations approved by the Lessor. Drop boxes shall be located so as not to interfere with ingress and egress of any occupants of the cargo building.

ARTICLE 14 – MAINTENANCE AND REPAIR

Lessor's Responsibilities. Lessor shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep of the following structures, facilities, systems, equipment, and fixtures, except for damage caused by Lessee and not considered "normal wear and tear". For purposes of this Agreement, normal wear and tear shall be defined as the physical

deterioration which occurs in the normal course of the use for which a property is intended, without negligence, carelessness, accident or abuse of the Premises.

(a) Roof, roof structures, ceiling tiles damaged by roof leaks, and appurtenances thereto;
(b) Exterior of structure, including the façade and exterior walls, gutters and downspouts, paint, load-bearing structures , docks and dock levelers where applicable;
(c) Mechanical systems, including heating, ventilation and air conditioning and associated motors, pumps, ducting and filtration systems;
(d) Plumbing and fixtures up to and terminating at the shut-off valve entering the building Premises;
(e) Electrical system up to and terminating at the breaker panel entering the building Premises;
(f) Gas utilities;
(g) Sewer utilities;
(h) Security access and monitoring system contained in and required by the Airport Security Plan;
(i) Fire monitoring and alarm system;
(j) Manual lock and key system;
(k) Exterior and parking lot lighting;
(l) Paved areas of the parking lot and loading docks including marking and striping;
(m) Driveways, streets and roadways, vehicular ingress/egress and access-ways;
(n) Grading and drainage;
(o) Landscaping and irrigation system;
(p) Fencing;
(q) Paved areas of Preferential Use - Equipment Staging Area and Aircraft Parking Apron, including those areas inside and outside of the full-strength paved areas provided in this Agreement; and
(r) Damages to property or equipment covered by Lessor's insurance.

Lessor shall provide suitable size and quantity of covered dumpsters for all garbage, trash and other refuse, for which Lessee agrees to pay its prorata share of the cost associated with provision of these dumpsters. Lessor provided dumpsters shall be placed within reasonable proximity to the Premises. Lessor shall be responsible at its sole cost and expense for maintenance, repair or replacement, including but not limited to, landscape, pavements, and snow and ice removal of all public and common or joint-use areas, parking lots, streets and roadways, air operations areas of the Airport outside of the Premises to the extent deemed by Lessor, in its sole opinion and judgment, to be required for the safe and efficient operation of the Airport. Lessor shall be responsible for snow and ice removal on the Preferential Use Premises beginning at the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. The Lessor shall perform such maintenance and upkeep to the best of its reasonable ability under prevailing conditions.

Lessee's Responsibilities. Lessee shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep in Lessee's Premises, including:

(a) Leasehold improvements, decorations, finishes, fixtures, equipment and furnishings;

(b) Glass replacement;
(c) Interior Painting;
(d) All interior lighting fixtures and standards including bulbs, tubes, ballasts, starters, switches and outlets;
(e) Interior and exterior pedestrian and roll-up doors, frames, closures and hardware (excluding manual locks, and security access and monitoring systems required under the Airport Security Plan);
(f) Walls, windows, ceilings, partitions and floors;
(g) Plumbing and plumbing fixtures beginning at the shut-off valve entering the building Premises;
(h) Hot water heater(s) and fixtures thereto;
(i) Electrical system beginning at the breaker panel entering the building Premises;
(j) Damages to premises which are caused by Lessee and are not considered normal wear and tear as defined herein; and
(k) Any other repairs as required or necessary to keep the Premises in proper condition for the conduct of business.

With the exception of painting, light bulbs, ballast or tubes, all maintenance, repair, or replacement by Lessee under this part shall be performed by a licensed and reputable contractor. Replacement parts and components shall be of good quality and commercial grade no less than equal to the quality of existing parts and components. In lieu of, or in addition to, services provided to the Lessee by a licensed contractor under this part, the Lessee may choose to solicit the services of the Lessor to perform maintenance, repair, or replacement, and Lessor may, at its sole option, choose to perform services at a cost mutually agreed upon by Lessee and Lessor.

Lessee shall be responsible for all janitorial service within the Premises, and shall provide daily routine premises clean-up work and trash removal to keep the Premises and Preferential Use Premises in good and tenantable condition through the term of this Agreement.

Lessee shall be responsible for the removal and disposal of garbage, debris, contaminants and any other waste material (whether solid or liquid) arising out of its occupancy of the Premises, Preferential Use Premises, or out of its operation. Such removal will conform with all governmental requirements and regulations as more fully described in Article 27, "Environmental". Such removal and disposal of garbage, debris, contaminants, or other waste material is understood to include routine, daily clean-up of the surrounding areas. Lessee shall immediately react and take prompt corrective actions to remove and dispose of any paper, garbage and debris on Premises or Preferential Use Premises upon demand of Lessor. Lessee shall provide, and screen from public view, suitable covered receptacles for all garbage, trash and other refuse. Piling of boxes, cartons, barrels, pallets or other similar items in an unsightly or unsafe manner on or about the Premises or Preferential Premises is forbidden.

In addition to other rights and remedies of the Lessor hereunder, should Lessee fail to perform its upkeep, maintenance and repair responsibilities, Lessor may, but is not obligated to, perform maintenance and make repairs thereon and thereto which it determines to be necessary, charging the same to the expense of Lessee upon thirty (30) days prior written notice of its intent to do so; except in case of emergency for which no notice is necessary, plus a fifteen percent (15%)

administrative fee. Such amount shall be paid by the Lessee to Lessor no later than thirty (30) days after the date of invoice from the Lessor to the Lessee for such costs.

Lessee shall be responsible for snow and ice removal in the Premises and Preferential Use Premises from the air/ramp side building edge to the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. At no time shall Lessee engage in snow and ice removal beyond the areas identified above without the prior knowledge and approval of the Lessor.

Snow piles, windrows or other accumulations of snow shall not:

(a) Be closer than twenty five feet from any security fence;
(b) Block any access gates or controls;
(c) Block or impede any taxiway or taxi lane;
(d) Impose an obstruction within the object free area (OFA) of any taxiway or taxi lane;
(e) Infringe upon, block or interrupt the business of other airport tenant leaseholds.

Snow piles and accumulations requiring removal may be stored on pre-arranged designated paved areas, to be removed by Lessor when time and equipment availability permit, so long as such piles/accumulations comply with a. through e. of this Section.

Only FAA approved dry and liquid chemicals may be used for de-icing or snow removal on aircraft operating surfaces, as set forth in Advisory Circular 150/5200-30, current edition, or as may be amended, *Airport Winter Safety and Operations*, Section 4-6 *Approved Chemicals*, current edition, or as may be amended.

The use of snow and ice removal contractors may be authorized subject to prior written approval by Lessor, and subject to acceptable completion of contractor employee training, and other reasonable safety requirements and standards that Lessor may impose, including but not limited to compliance with Airport rules and regulations, and standard operating procedures. All such snow and ice removal contractors shall maintain a general liability insurance policy of not less than $1,000,000 limit, naming Lessee, the Wichita Airport Authority and the City of Wichita as additional insureds.

ARTICLE 15 – LESSOR'S RIGHTS AND PRIVILEGES

Lessor expressly reserves from the Premises:

(a) Mineral Rights. All gas, oil and mineral rights in and under the soil.
(b) Air Space. A public right of flight through the air space above the surface of the Premises and Preferential Use Premises. This public right of flight will include the right to cause or allow in said airspace, any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operation on the Airport. No liability on the part of Lessor will result from the exercise of this right.

(c) Navigational Aids. The right to install, maintain and modify and/or permit others to install, maintain and modify on the premises navigational aids.

(d) Utility Right-of-Way. The right to install, maintain and modify utilities and to grant utility rights of way to others over, under, through, across or on the Premises or Preferential Use Premises located within 25 feet of the outside boundary lines.

(e) Entry and Inspection of Premises. The right of Lessor, its authorized officers, employees, agents, contractors, subcontractors, authorized government agents, or other representatives to enter upon the Premises and/or Preferential Use Premises:

(1) To inspect at reasonable intervals during regular business hours (or any time in case of emergency or lawful investigation) to determine whether Lessee has complied, and is complying with the terms and conditions of this Agreement;

(2) To Inspect Premises, Preferential Use Premises, facilities, and equipment for compliance with laws, regulations and/or codes of the federal, state or local government, airport rules and regulations and airport standard operating procedures; and

(3) To perform maintenance, repair, or replacement as required and necessary to maintain Premises and Preferential Use Premises in good condition and working order as required under ARTICLE 13 (a) through (r).

(f) Radio/Wireless Communication Systems. The right to approve or withhold approval of any use of fixed RF Systems for the transmission of radio frequency signals in/on the Premises and the Preferential Use Premises. Revenue-producing communication systems or systems not directly applicable to Lessee's operations on the Premises and Preferential Use Premises are prohibited except upon the specific approval of the Lessor.

Provided that exercise by Lessor of any such reserved rights (a) through (d) will be without expense to the Lessee and will not unreasonably or materially interfere with Lessee's use of the Premises and Preferential Use Premises and will not delay Lessee in the exercise of its rights or the performance of its duties hereunder or increase the costs of such performance. Lessor shall give Lessee notice in writing of the exercise of its rights under (c) and (d).

ARTICLE 16 – LESSEE'S RIGHTS AND PRIVILEGES

Lessee shall have the following rights and privileges on the Premises and on the Airport:

(a) The right to install, operate, repair and store upon the Premises all equipment necessary for the conduct of Lessee's business.

(b) The right of ingress and egress to and from the Premises, which rights shall extend to Lessee's employees, invitees and guests, subject, however, to all reasonable security regulations; and

(c) The right in common with others authorized to do so to use the common areas of the Airport.

ARTICLE 17 – AIRPORT SECURITY PROGRAM

Lessee must obtain Airport Security Identification and Access Media (I.D. Media) for its employees, subcontractors, suppliers, agents, and representatives requiring access to the sterile areas, secured air operations area (AOA), and security identification display area (SIDA), or other secured areas as may be identified in the Airport Security Program, and pay any related costs associated with this privileges as set forth under this Section. Said I.D. Media will be valid as set forth under the Airport Security Program, and must be returned to the Airport Public Safety Division, at 2193 Air Cargo Road within twenty-four (24) hours after expiration, suspension, and/or termination of this Agreement. Said I.D. Media will be valid for no longer than the period of this Agreement.

Lessee covenants that it will at all times maintain the integrity of the Airport Security Program and comply with all applicable provisions of the Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) regulations 49 CFR Parts 1500, 1544, 1546, 1548, and 1550 as promulgated, and that it will always maintain the security of the Airport, Premises, and/or any AOA access which Lessee maintains. Lessee hereby agrees that it shall also be responsible for conducting and verifying any and all required background checks for I.D. Media for any and all of its employees, subcontractors, suppliers, agents, and/or representatives. Lessee also hereby agrees that it shall be responsible for any and all of the actions of its employees, subcontractors, suppliers, agents, and/or representatives and shall provide any and all necessary escorts, as outlined in the Airport Security Program. Lessee hereby agrees that it will immediately implement any and all security changes that are directed either directly or indirectly by the TSA, FAA, or Lessor.

Should Lessee, its employees, subcontractors, suppliers, agents, and/or representatives cause any security violations, and should Lessor be cited for a civil fine or penalty for such security violation, Lessee agrees to reimburse Lessor for any monetary civil fine or penalty, which may be imposed on Lessor by FAA or TSA, however, nothing herein shall prevent the Lessee from contesting the legality, validity or application of such fine or penalty to the full extent Lessee may be lawfully entitled. Lessee may have I.D. Media/access privileges immediately suspended and/or revoked by Lessor for failure to adhere to the Airport Security Program, or for failure to return all I.D. Media within the time-frames specified herein. Such actions may also be grounds for termination of this Agreement for non-compliance as defined under Article 31, Cancellation by Lessor, at the sole discretion of Lessor, if such failure by Lessee is not cured by Lessee within thirty (30) days after receiving notice from Lessor of such failure.

In accordance with the Airport Security Program, Lessee must obtain Airport Security Identification and Access Media and fingerprinting (if required) for their eligible employees, subcontractors, suppliers, agents, and/or representatives.

ARTICLE 18 – TITLE TO FACILITIES, IMPROVEMENTS & TRADE FIXTURES

It is understood and agreed that title to the Premises shall be, and shall remain, exclusively with Lessor during the term of this Agreement or any extension(s) thereof. Lessee shall, without cost to Lessor, furnish and install all non-attached furniture, fixtures, decorations, accessories,

equipment and tools necessary to conduct its business, referred to herein as “trade fixtures”. Title/ownership to non-attached “trade fixtures” shall remain with Lessee. All “trade fixtures” shall be high quality, safe, fire resistant, clean and attractive in appearance.

All alterations and “fixed improvements,” except “trade fixtures”, equipment, and personal property of Lessee put in at the expense of Lessee, shall remain upon and be surrendered with the Premises as a part thereof, at any termination of this Agreement, for any cause, and shall become the property of the Lessor. The term "fixed improvements" shall be construed to include all structures erected upon the Premises, including but not limited to fencing, grading and pavement, underground wires, cables, pipes, conduits, tanks and drains, and all other property of every kind and nature which is permanently affixed to the Premises.

Any movable furniture, “trade fixtures,” partitions and all other equipment installed at Lessee’s sole cost and expense shall at all times be and remain the property of Lessee. Notwithstanding anything contained herein to the contrary, Lessee shall have no obligation to remove such fixtures, equipment and alterations described herein unless Lessor shall notify Lessee of its required removal.

ARTICLE 19 – FIRE & POLICE PROTECTION

Lessor agrees to extend to Lessee the same fire and police protection extended to the other tenants on the Airport. The City of Wichita currently charges Lessor a fee for provision of police and fire protection of the Airport. It is understood and agreed that Lessor may impose a fair and equitable charge to recover Lessee’s proportionate share of Lessor’s costs of these services. If, during the term of this Agreement, Lessor chooses to provide police and fire services directly, the recovery will be adjusted based upon Lessor’s established rate.

ARTICLE 20 – FIRE EXTINGUISHERS

Lessee shall furnish and maintain on the Premises sufficient portable fire extinguishing units as may be required by insurance risks or as designated by Lessor. Lessee shall keep in proper functioning order all fire fighting equipment located on the Premises as required by Lessor, and in accordance with NFPA, and state and local fire codes.

From time to time and as often as reasonably required by Lessor and in accordance with state and local fire codes, Lessee shall conduct appropriate inspections and tests of all fire monitoring, alarm and extinguishing equipment, systems and apparatus located on the Premises. Lessor and Lessor’s agents, licensees, and invitees shall have the right to enter upon the Premises during normal working hours for the purpose of inspecting and maintaining the same.

ARTICLE 21 – INDEPENDENT CONTRACTOR

In the use of the Premises and in conducting its business, the Lessee acts as an independent contractor and not as an agent of the Lessor. The selection, retention, assignment, direction and payment of the Lessee’s employees shall be the sole responsibility of the Lessee. The Lessor shall not attempt to exercise any control over the daily performance of duties by the Lessee’s

employees, except to the extent and in the manner required by law or regulation in order to meet security obligations mandatory for continued operation or certification of the Airport.

ARTICLE 22 – ASSIGNMENT OR SUBLETTING

No Sublease. Lessee may not sublease all or any portion of the Premises, or permit all or any portion of the Premises to be used or occupied by anyone other than the Lessee, without the prior written approval of Lessor. Any arrangement for the subleasing of space must be in conformance with the use of the Premises outlined in this Agreement, unless expressly approved otherwise in writing by Lessor. Any sublease to be entered into must contain a provision that the subtenant releases the Lessor from any liability of any kind or nature that the subtenant has or may have. Consent to one sublease shall not be deemed consent to any subsequent sublease. Any sublease Agreement shall be subordinate to the terms of the primary Agreement. Lessee shall indemnify and hold the Lessor harmless for any and all claims of any subtenant with respect thereto.

No Assignment Without Lessor Approval. Neither this Agreement nor any part thereof may be assigned, transferred, mortgaged, encumbered, or pledged by process or operation of law or in any other manner whatsoever, without the prior written approval of Lessor. Any transaction that has the practical or legal effect of transferring the Lessee's beneficial ownership or control of this Agreement, or any of the rights or obligations hereunder, is prohibited without Lessor's prior written approval. Lessor shall not unreasonably withhold its approval to a proposed assignment so long as the proposed assignee continues to use the premises solely for the purposes set forth in this Agreement, possesses financial resources and operational experience satisfactory to Lessor, and any guarantor hereof remains bound, agrees in writing to be bound by any of the terms and conditions of this Agreement, and the Lessee agrees to remain primarily liable for full and timely performance of this Agreement. Any legal or other fees incurred by Lessor in the review of any proposed assignment shall be paid by Lessee.

ARTICLE 23 – INSURANCE

The Lessee agrees to maintain public liability insurance during the term hereof which protects the Lessor and City of Wichita, their officers, agents and employees, as additional insureds, with terms and companies as approved by Lessor, which approval shall not be unreasonably withheld, in an aggregate amount of not less than $2,000,000 per occurrence. In addition, the Lessee shall maintain a policy of comprehensive automobile liability insurance in a combined single limit of not less than $500,000, and a Worker's Compensation and Employer's liability policy for limits of not less than the statutory requirement for Worker's Compensation, and $500,000 Employer's Liability. Lessee agrees that in the event of future changes in the law and upon notice by the Lessor, the minimum levels of insurance required by this paragraph may be increased within the bounds of commercial reasonableness to the amount that may be required to provide coverage of the events of this paragraph.

The Lessee agrees, prior to the commencement of this lease term, to provide Lessor with copies of all policies or certificates evidencing that such insurance is in full force and effect, and stating

the terms thereof. Such policy or certificate shall contain a clause providing ten (10) days' prior notice to the Lessor before any material change or cancellation is effective.

ARTICLE 24 – FIRE AND EXTENDED COVERAGE INSURANCE

Lessor agrees to insure the Cargo Building, which includes the Premises, and Lessee, in addition to all other rentals and charges provided for herein, agrees to pay its prorata share of the annual premium cost of said Fire and Extended Coverage Insurance, plus its prorata share of any deductible required to be paid by Lessor under its blanket policy which is attributable to the Cargo Building. Lessee's prorata share will be based upon the ratio the square footage of the Premises bears to the total square footage included in the existing Cargo Building.

ARTICLE 25 – SUBROGATION OF INSURANCE

Lessor hereby waives any and all rights of recovery against Lessee for or arising out of damage or destruction of the building, or the demised premises, or any other property of Lessor, from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of such policies, whether or not such damage or destruction shall have been caused by the negligence of Lessee, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

Lessee hereby waives any and all rights of recovery against Lessor for or arising out of damage to or destruction of any property of Lessee from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of said policies, whether or not such damage or destruction shall have been caused by the negligence of Lessor, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

ARTICLE 26 – INDEMNITY

Lessee shall protect, defend and hold Lessor and the City of Wichita and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessee’s use or occupancy of the premises or the acts or omissions of Lessee's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence or the acts or omissions of the City of Wichita or Lessor’s officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur. The Lessor shall give to Lessee reasonable notice of any such claim or actions. The Lessee shall also use counsel reasonably acceptable to Lessor in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

Lessor shall protect, defend and hold Lessee and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessor's operation of the Airport or the acts or omissions of Lessor's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence of the Lessee. The Lessee shall give to Lessor reasonable notice of any such claim or actions. The Lessor shall also use counsel reasonably acceptable to Lessee in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

ARTICLE 27 – ENVIRONMENTAL

(a) The Lessee hereby covenants that it will not cause or permit any Hazardous Substances to be placed, held, located or disposed of, on, under or at the Premises or Preferential Use Premises, other than in the ordinary course of business and in compliance with all applicable laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided to the Lessor hereunder, the Lessee hereby agrees to indemnify and hold harmless the Lessor and the City of Wichita from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessor or the City of Wichita by any person or entity for or arising out of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during any term of this lease of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning, any hazardous substance) if such presence, escape, seepage, leakage, spillage, discharge, emission was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, and/or licensees, or if such Hazardous Substance was owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release).

(c) If, during the term of this Agreement, the Lessee receives any notice of (i) the happening of any event involving the use (other than in the ordinary course of business and in compliance with all applicable laws), spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance on the premises or in connection with the Lessee's operations thereon or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental, health, or safety matter affecting the Lessee (an

"Environmental Complaint") from any persons or entity (including, without limitation), the United States Environmental Protection Agency (the "EPA") or the Kansas Department of Health and Environment ("KDHE"), the Lessee shall immediately notify the Lessor in writing of said notice.

(d) The Lessor shall have the right, but not the obligation, and without limitation of the Lessor's other rights under this Agreement, to enter the Premises and Preferential Use Premises or to take such other actions as deemed necessary or advisable to inspect, clean up, remove, resolve or minimize the impact of, or to otherwise deal with, any hazardous substance or environmental complaint following receipt of any notice from any person, including, without limitation, the EPA or KDHE, asserting the existence of any hazardous substance or an environmental complaint pertaining to the leased premises or any part thereof which, if true, could result in an order, suit or other action against the Lessee and/or which, in the reasonable judgment of the Lessor, could jeopardize its interests under this Agreement. If such conditions are caused by circumstances within the control of the Lessee or if such circumstances result from a Hazardous Substance owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release) all reasonable costs and expenses incurred by the Lessor in the exercise of any such rights shall be payable by the Lessee, within 15 days of written demand by Lessor.

(e) If an event of default shall have occurred and be continuing, the Lessee at the request of the Lessor shall periodically perform (at the Lessee's expense) an environmental audit and, if reasonably deemed necessary by the Lessor, an environmental risk assessment (each of which must be reasonably satisfactory to the Lessor) of the premises, or the hazardous waste management practices and/or hazardous waste disposal sites used by the Lessee with respect to the leased premises. Such audit and/or risk assessment shall be conducted by an environmental consultant satisfactory to the Lessor. Should the Lessee fail to perform any such environmental audit or risk assessment within 90 days of the written request of the Lessor, the Lessor shall have the right, but not the obligation, to retain an environmental consultant to perform any such environmental audit or risk assessment. All costs and expenses incurred by the Lessor in the exercise of such rights shall be payable by the Lessee on demand.

(f) Neither Lessee nor Lessor shall install or permit to be installed in the premises friable asbestos, electrical equipment containing polychlorinated biphenyls (PCBs), or any substance containing asbestos and deemed hazardous by federal or state regulations applicable to the premises and respecting such material. The Lessee shall defend, indemnify, and save the Lessor and the City of Wichita harmless from all costs and expenses (including consequential damages) asserted or proven against the Lessee by any person, as a result of the presence of said substances, and any removal or compliance with such regulations, if said substance was installed by the Lessee, or persons within its control.

(g) Subject to any limitations or restrictions imposed by the Kansas Budget Law or Cash Basis Law, the Lessor hereby agrees to indemnify and hold harmless the Lessee from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses,

including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessee by any person or entity for, arising out of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during the term of this Agreement and the period prior to the term of this Agreement of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order of decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning any hazardous substance) unless such presence, escape, seepage, leakage, spillage, discharge, emission or release was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, business invitees and/or licensees, or if such hazardous substance was owned by, or placed upon the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release except to the extent such was caused by the Lessor).

(h) Lessor shall grant to Lessee and its agents or contractors such access to the leased premises as is reasonably necessary to accomplish such removal and prepare such audit. If such removal is not accomplished prior to the expiration of the lease term, Lessee shall be obligated to pay rent to Lessor in the amount of One Hundred Twenty-five Percent (125%) of the last month's rent.

(i) The provisions of this article shall survive the termination of this Agreement.

ARTICLE 28 – RULES & REGULATIONS

Lessee, its agents and employees, shall be subject to any and all applicable rules, regulations, airport standard operating procedures , orders and restrictions which are now in force or which may hereafter be adopted by The Wichita Airport Authority or the City of Wichita, Kansas, in respect to the operation of the Airport; and shall also be subject to any and all applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport or Lessee's operations conducted hereunder. Such observation and compliance by Lessee shall not obligate Lessee to make any alterations or do any other work, structural or otherwise, within the Premises unless failure of the Premises to comply with such rules, laws, statutes and regulations shall have been caused by Lessee's specific use of Premises.

To the extent that applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport causes diminution or deprivation of Lessee's rights hereunder, Lessor shall not be liable to Lessee for any such diminution or deprivation of its rights, nor shall Lessee be entitled to terminate this Agreement by reason thereof unless the exercise of such authority shall so interfere with Lessee's exercise of the rights hereunder as to constitute a termination of this Agreement by operation of law in accordance with the laws of the State of Kansas.

ARTICLE 29 – IMPOSITIONS

Lessee shall, during the life of this Agreement, bear, pay and discharge, before the delinquency thereof, any and all lawful impositions, including all lawful taxes and assessments imposed on the Premises or Lessee's possessory right therein. In the event any impositions may be lawfully paid in installments, Lessee shall be required to pay only such installments thereof as become due and payable during the life of this Agreement as and when the same become due and payable. Lessor covenants that without Lessee's written consent it will not, unless required by law, take any action intended to cause or induce the levying or assessment of any imposition (other than special assessments levied on account of special benefits or other impositions for benefits or services uniformly imposed) which Lessee would be required to pay under this article and that should any such levy or assessment be threatened or occur Lessor shall, at Lessee's request, fully cooperate with Lessee in all reasonable ways to prevent any such levy or assessment. Nothing herein contained shall prevent Lessee from contesting the legality, validity or application of any such tax or assessment to the full extent Lessee may be lawfully entitled to do so.

ARTICLE 30 – DAMAGE OR DESTRUCTION

If the Premises shall be partially damaged by fire or other casualty, but not rendered untenantable, the same shall be repaired with due diligence by Lessor at its own cost and expense; if the damage shall be so extensive as to render the Premises untenantable but capable of being repaired, the same shall be repaired with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage and shall thenceforth cease until such time as the Premises shall be put in good order. In the event the Premises shall be completely destroyed by fire or other casualty or so damaged that it will remain untenantable for more than thirty (30) days, or in case it does so remain untenantable for more than thirty (30) days, at the option of Lessor (1) the Premises shall be repaired or reconstructed with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage or destruction and shall thenceforth cease until such time as the Premises shall be put in good order; or (2) within sixty (60) days after the time of such damage or destruction and before the Premises shall be put in order, either party may give the other party written notice of its election to cancel this agreement in its entirety, and Lessee shall be liable for rent only up to the time of such damage or destruction.

It is understood and agreed that nothing in this article concerning rental abatements or cancellation by Lessee shall apply in the case of damages to or the destruction of the leased Premises which is caused by the negligent acts of Lessee, its agents, employees or invitees, and further that Lessee shall, at its own expense, repair all such damages resulting from such acts; except that Lessee shall not be responsible to Lessor for damages to property or equipment fully covered by Lessor's insurance.

ARTICLE 31 – CANCELLATION BY LESSOR

The Lessor, in addition to any other rights to which it may be entitled by law or equity, may cancel this Agreement as set forth herein.

In the event that Lessee shall file a voluntary petition in bankruptcy or that proceedings in bankruptcy shall be instituted against it and Lessee is thereafter adjudicated bankrupt pursuant to such proceedings; or that the court shall take jurisdiction of Lessee and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act; or that a receiver of Lessee's assets shall be appointed; or that Lessee shall be divested of its estate herein by other operation of law; or that Lessee shall fail to perform, keep and observe any of the terms, covenants or conditions herein contained on the part of Lessee to be performed, kept or observed, Lessor may give Lessee written notice to correct such condition or cure such default, and if any such condition or default shall continue for sixty (60) days after receipt of such notice by Lessee, Lessor may terminate this lease and the term hereof shall cease and expire at the end of such sixty (60) days in the same manner and to the same effect as if it were the expiration of the original term, unless such condition or default cannot reasonably be corrected within the 60 day period and Lessee has demonstrated due diligence with respect to curing said default, then such default will be treated as cured until cured.

Acceptance of rental by Lessor for any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee shall not be deemed a waiver of any other right on the part of Lessor to cancel this lease for failure by Lessee so to perform, keep and observe any of the terms, covenants or conditions hereof to be performed, kept and observed. No waiver of default by Lessor of any of the terms, covenants or conditions hereof to be performed, kept and observed by Lessee, shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by Lessee.

ARTICLE 32 – CANCELLATION BY LESSEE

The Lessee, in addition to any other rights of cancellation herein given to Lessee, or any other rights to which the Lessee may be entitled by law or otherwise, may cancel this lease by giving Lessor sixty (60) days' advance written notice in the event of default by Lessor under this lease continuing for more than sixty (60) days after the Lessor's receipt of written notice of such default from the Lessee, upon or after the happening of any one of the following events:

(a) The failure or refusal of the Federal Aviation Administration or any other applicable state of federal authority, to grant Lessee the right to operate into, on, from or through said Airport;

(b) The issuance by any court of competent jurisdiction of a permanent injunction in any way preventing or restraining the use of the airport for airport purposes and the remaining in force of such injunction for a period of at least sixty (60) days.

(c) The breach by Lessor of any of the covenants or agreements herein contained and the refusal of Lessor to remedy such breach within a reasonable period of time after receipt of a written notice of the existence of such breach;

(d) The inability of Lessee to use said Premises and facilities continuing for a period longer than sixty (60) days due to any order, rule or regulation of any appropriate governmental authority having jurisdiction over the operations of Lessee.

ARTICLE 33 – FAA REQUIREMENTS

Lessor and Lessee further agree that the requirements of the Federal Aviation Administration set out below are approved by both parties, and if applicable, Lessee agrees to comply with all FAA requirements with respect to its operations, use of the Airport and this Agreement.

(a) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained or otherwise operated on said property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(b) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(c) The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or

benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs, and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

(d) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

(e) Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(f) Lessor reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard.

(g) Lessor reserves the right further to develop or improve the landing area and all publicly-owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.

(h) Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the airport which, in the opinion of Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft.

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

(j) It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

(k) There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the air space above the surface of the Premises and Preferential Use Premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on or about the airport.

(l) This Agreement shall become subordinate to provisions of any existing or future agreement between the Lessor and the United States of America or any agency thereof relative to the operation, development or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

ARTICLE 34 - MODIFICATIONS FOR GRANTING FAA FUNDS

In the event that the Federal Aviation Administration requires modifications or changes to this Agreement as a condition precedent to granting of funds for the improvement of the Airport, Lessee agrees to consent to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required to enable the Lessor to obtain said Federal Aviation Administration funds, provided that in no event shall such changes materially impair the rights of Lessee hereunder or materially increase its obligations.

ARTICLE 35 - NONDISCRIMINATION EEO/AAP

The Lessee agrees that it will not discriminate or permit discrimination against any person on the basis of race, color, sex, religion, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry in its operations or services, and its use or occupancy of property under this Agreement. The Lessee agrees to comply with all applicable provisions of the Civil Rights Act of 1964, as amended; the Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11141; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Kansas Act Against Discrimination, K.S.A. 44-1001, et seq.; the Code of the City of Wichita Section 2.12.900; and laws, regulations or amendments as may be promulgated thereunder.

ARTICLE 36 – THIRD PARTY RIGHTS

It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Agreement to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

ARTICLE 37 – NON-WAIVER

The waiver by Lessor of any breach of the Lessee of any term, covenant, provision, or condition hereof shall not operate as a waiver of any subsequent breach of the same or a waiver of any breach of any other covenant, term, provision, or condition hereof, nor shall any forbearance by Lessor to seek a remedy for any breach by Lessee be a waiver by Lessor of its rights and remedies with respect to such or any subsequent breach of the same or with respect to any other breach.

ARTICLE 38 – INVALID PROVISIONS

It is further expressly understood and agreed by and between the parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either the Lessor or the Lessee in their respective rights and obligations contained in the valid covenants, conditions or provisions in this agreement.

ARTICLE 39 – SURRENDER OF POSSESSION

Lessee shall yield and deliver to Lessor possession of the Premises leased herein at the expiration of this Agreement in good condition in accordance with its express obligations hereunder, except for reasonable wear and tear, fire and other casualty. Lessee shall deliver the Premises in good order and condition, including: (1) cleaning and hauling away all supplies and trash; (2) leaving in operating condition all bulbs and ballasts; (3) replacing all broken glass; and (4) turning in keys to all door locks.

Lessee, at Lessee’s expense, shall remove during the term hereof or at the expiration of such term all trade fixtures, equipment and personal property placed by Lessee on or about the Premises herein leased, subject to Lessee's repairing any damage thereto caused by such removal and subject to any valid lien which Lessor may have thereon for unpaid rents or fees.

Lessor may direct Lessee to remove, at Lessee’s sole expense, any cabling installed within the Premises upon surrender of possession of the Premises. Lessee shall have no obligation to remove such cabling unless Lessor shall notify Lessee of its required removal.

In the event Lessee does not remove all of said property within ten (10) days after the termination of this Agreement, the same shall be considered abandoned and Lessor may dispose of said property without any further responsibility or liability to Lessee.

At any time within ninety (90) days prior to the expiration of this Agreement, Lessor and Lessor's agents, invitees, and licensees may enter and show the Premises to persons wishing to rent the Premises and may post upon the Premises the usual notices "For Rent" or "For Lease", said notices to remain thereon without hindrance or molestation, provided Lessee has not exercised any renewal options provided herein, or has not signed a new lease. Lessor and its

agents, invitees, and licensees will use their best efforts not to unreasonably interfere with Lessee's use of the Premises during said visits.

ARTICLE 40 – ENTIRE AGREEMENT

This Agreement supersedes all previous agreements for the Premises between Lessor and any other party, and all amendments or renewals thereto. The parties hereto understand and agree that this instrument contains the entire Agreement between the parties hereto. The parties hereto further understand and agree that the other party and its agents have made no representations or promises with respect to the Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by either party against the other and such party shall not be liable by reason of, the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other being expressly waived.

The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for which they are acting herein.

The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel deemed necessary for them to form a full and complete understanding of all rights and obligations herein.

This Agreement between the parties shall consist of this instrument. In the event of any conflict between the terms of this Agreement and the terms or provisions of the aforesaid documents, the more restrictive on Lessee shall control.

ARTICLE 41 - NOTICES

Notices to Lessor provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

The Wichita Airport Authority
P. O. Box 9130
Wichita, Kansas 67277-0130

Notices to Lessee provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

Evergreen Aviation Ground Logistics Enterprises
3850 Three Mile Lane
McMinville, OR 97128

ATTN: President EAGLE

or to such other respective addresses as the parties may designate in writing from time to time.

ARTICLE 42 – KANSAS LAW TO GOVERN

This lease and t*he* terms and conditions herein contained shall at all times be governed, interpreted and construed under and in accordance with the laws of the State of Kansas.

ARTICLE 43 – HEADINGS

The article and paragraph headings are inserted only as a matter of convenience and for reference, and in no way define limit or describe the scope or intent of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

ATTEST:

THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS

By _____

Title _____

By _____

Title _____
"LESSOR"

By _____
Victor D. White, Director of Airports

ATTEST:

EVERGREEN AVIATION GROUND
LOGISTICS ENTERPRISES, INC.

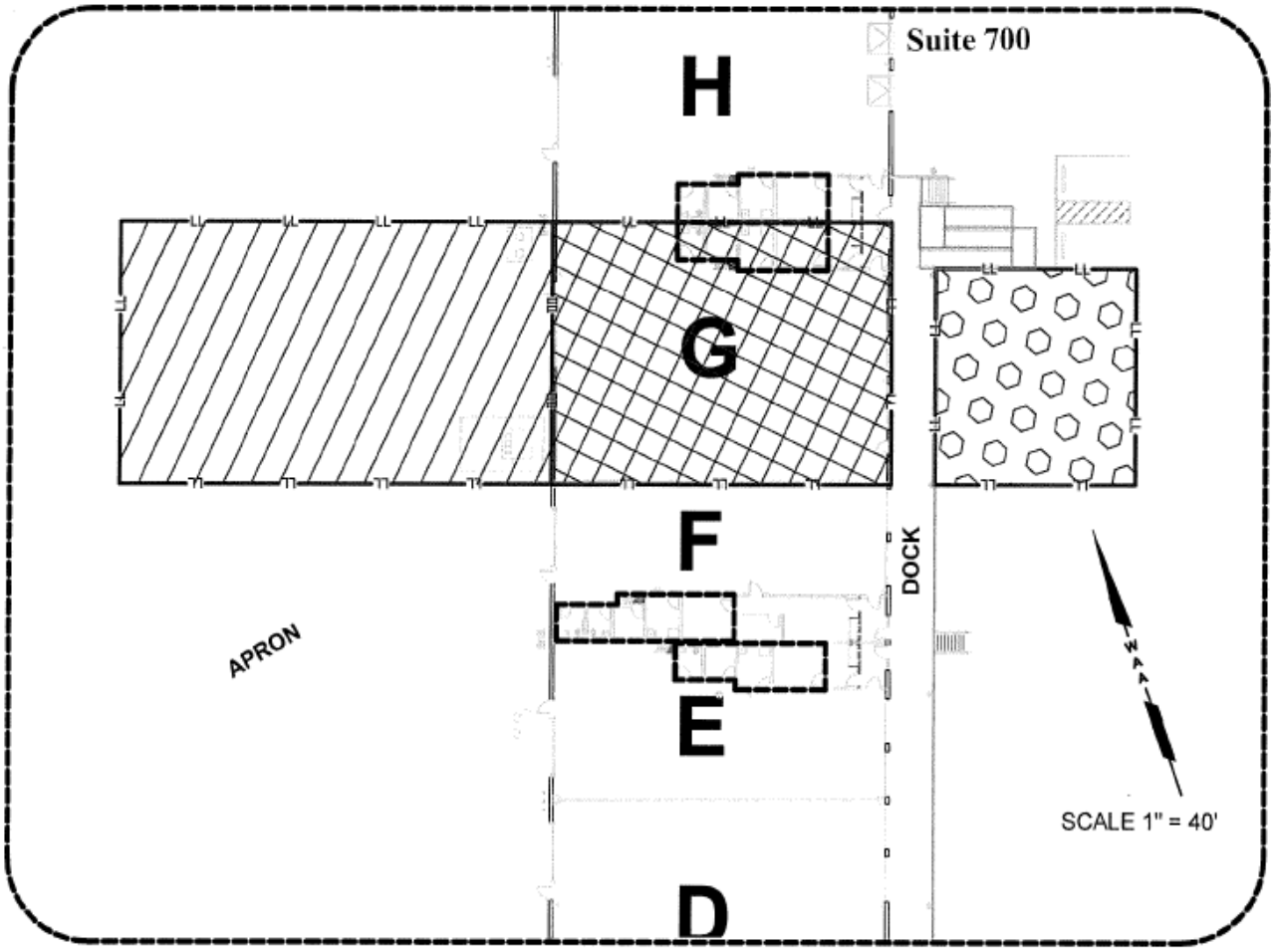
By _____

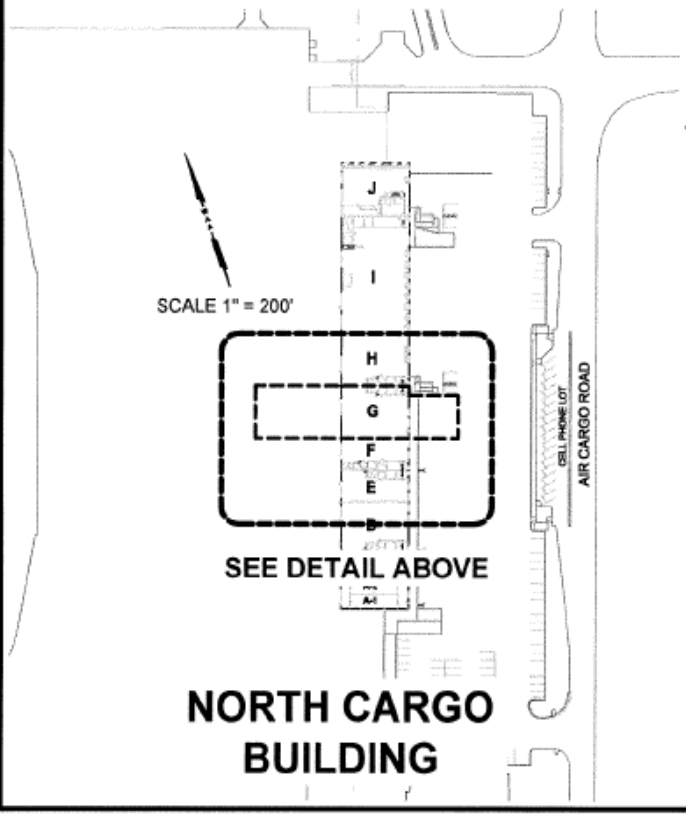
Title _____

By _____

Title _____
"LESSEE"

APPROVED AS TO FORM: _____ Date: _____
Director of Law





LEGEND

BUILDING		5,187 sq.ft. Floor 386 sq.ft. Mezzanine 5,573 sq.ft. Total
EXCLUSIVE		2,541 sq.ft.
PREFERENTIAL		6,594 sq.ft.

EXHIBIT A

UNIT G NORTH CARGO

WICHITA MID-CONTINENT AIRPORT

THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS

DATE	DR. BY	SCALE	SHEET
2/23/09	H.G.O.	n/a	1 of 1

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A G R E E M E N T

By and Between

THE WICHITA AIRPORT AUTHORITY
Wichita, Kansas

and

UNITED AIRLINES, INC.

For

Use of Space in Cargo Building
Wichita Mid-Continent Airport

THIS AGREEMENT, made and entered into this April 14, 2009, by and between THE WICHITA AIRPORT AUTHORITY, Wichita, Kansas, hereinafter referred to as the "LESSOR"; and UNITED AIRLINES, INC., hereinafter referred to as the "LESSEE".

WITNESSETH:

WHEREAS, Lessor operates and owns an existing air cargo facility located at 1935 Air Cargo Road on Wichita Mid-Continent Airport, hereinafter referred to as the Airport; and

WHEREAS, Lessor desires to lease to Lessee and Lessee is desirous of renting from Lessor certain premises at the Airport to be used in connection with Lessee's business of air freight carrier and handling services.

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

ARTICLE 1 – PREMISES

"Premises" as used herein shall be the "Exclusive Use – Building" and "Exclusive Access Areas" located at 1935 Air Cargo Road, Suite 100, on the Airport.

Exclusive Use – Building. Lessor does hereby lease to Lessee that portion of the air cargo building consisting of 1,470 square feet, as reflected on Exhibit "A", attached hereto and made a part hereof.

Exhibit "A" sets forth the general layout of the portion of the building to be leased to the Lessee but shall not be deemed to be a warranty, representation, or agreement on the part of the Lessor that the building or any portion thereof will be or will continue to be exactly as indicated on said diagram.

Exclusive Access Areas. As part of the building rental fee, Lessee shall have exclusive use and access to the dock area directly in front of its exclusive use leasehold, and the parking/loading/unloading area directly in front of the dock of its leasehold equal to the width of the exclusive use area, and extending to a point 60 feet beyond the dock edge, as reflected on Exhibit "A", attached hereto and made a part hereof. In the case of exclusive lease areas not equipped with a dock, the exclusive access area shall extend to a point 60 feet beyond the edge of the building.

Preferential Use – Equipment Staging Area and Aircraft Parking Apron – Airfield Side. In addition to the Exclusive Access Areas, Lessor hereby grants to Lessee the use of "Preferential Use Premises" which is identified as pavement assigned to the Lessee, and to which the Lessee shall have preferential use, defined herein as the unrestricted, higher and continuous priority over all other users, as reflected on Exhibit "A", attached hereto and made a part hereof.

ARTICLE 2 - USE

Permitted Use. Upon performance of the Agreement, provisions and conditions contained in this Agreement, Lessee shall have use of the Premises and Preferential Use Premises to engage in the performance of certain and specific activities as defined herein, together with the right of ingress and egress, in common with others, for both vehicles and aircraft, and its customers, agents, invitees, contractors, representatives and employees, in a reasonable manner for the purposes described hereinafter and for activities incidental or related thereto. It is understood and agreed that both the Premises and Preferential Use Premises shall be used and occupied for aviation purposes or purposes incidental or related thereto. Lessee hereby agrees that the described Premises and Preferential Use Premises may be utilized by Lessee for the sole purpose wherein Lessee and its personnel may perform the activities related to air freight carrier and/or handling service at the Airport.

In conjunction with, and to facilitate Lessee's activities related to air freight carrier and/or handling service at the Airport, the Premises may be used for minor vehicle repairs in accordance with current city codes and Airport standard operating procedures. No welding, dispensing or draining of fuels, painting of vehicles, or major repairs shall be permitted inside the building.

Non-Exclusive Use of Certain Facilities. Lessor grants the Lessee, for the purposes for which such facilities were designed and constructed and for no other purposes, in common with others, the non-exclusive use of the Airport and appurtenances, together with all facilities, equipment improvements, and services which are now, or may hereafter be, provided at, or in connection with, the Airport from time-to-time on a non-exclusive use basis, including, but not limited to the Air Operations Area of the Airport, driveways, floodlights, beacons, signals, radio aids, or other conveniences for aeronautical operations, landing and takeoff of aircraft. As used in this Agreement, "Air Operations Area" shall mean those portions of the Airport from time to time

provided and made available by the Lessor for aircraft and related operations and includes runways, taxiways, ramps, aprons, parking spaces, and areas directly associated therewith which are not exclusively leased areas of the Lessee or any other tenant on the Airport.

The Lessee recognizes that other tenants now and hereafter may occupy other portions of the Airport, and that such other tenants shall have the right to use the ramps and driveways serving their areas and other areas not under an exclusive lease, and the Lessee shall conduct its operations in such a manner as to not impede access, interfere with, or disrupt the business of and quiet enjoyment of other tenants.. The Lessor reserves the right to grant, or to permit other parties the right, to use any portion of the Airport except that described in Lessee's Premises.

Parking. Vehicle parking by the Lessee, its agents, employees, or licensees shall be by permit, and only in such places as may be authorized by Lessor from time to time and upon terms and conditions as may be imposed by Lessor.

Ramp Management. The Lessee will operate on the ramp pursuant to the directives of the Lessor.

Non-interference with Operation of Airport. Lessee covenants and agrees that it will not allow any condition on the Premises or Preferential Use Premises, nor permit the conduct of any activity on such Premises or Preferential Use Premises, which shall materially or adversely affect the development, improvement, operation, or maintenance of the Airport or its facilities; nor will Lessee use or permit the Premises or Preferential Use Premises to be used in any manner which might interfere with the landing and take-off of aircraft from the Airport or otherwise constitute a hazard. If any proscribed or prohibited condition or activity, as described above, shall be permitted to exist on the Premises, Preferential Use Premises, or on any part thereof, then, as an alternative to termination of this Agreement under Article 31 the Lessor, after giving 10 days written notice to Lessee, during which period Lessee may abate or correct the omission or objection, so set forth in Lessor's notice, may thereupon correct such omission or objection by entering the Premises or Preferential Use Premises, or by its agents or employees, without such entering causing or constituting a termination of this Agreement or an interference with possession of Premises or Preferential use Premises by Lessee, and the Lessor may cause abatement of such proscribed or prohibited condition or activity; and, in such event, the Lessee agrees to pay the Lessor the expenses of the Lessor incurred in the above connection as additional rent within 30 days after submission of an invoice showing the reasonable expenditure or the incurring of any such reasonable expenditure by the Lessor.

No Unlawful Activity. This Agreement shall not be construed as authorizing the Lessee to engage in any activity that is unlawful or which is contrary to, or in conflict with, any federal, state or local law, ordinance, rule or regulation, or standard operating procedure, and the Lessee does hereby indemnify and hold the Lessor harmless from any act or failure by the Lessee in respect to this obligation.

No Grant of Concession. This Agreement is not intended to, nor shall it be construed as, authorizing the Lessee to conduct a concession on the Airport.

No Unauthorized Use. The Lessee shall not conduct or permit any employee to conduct any business or commercial operation not herein or otherwise authorized by the Lessor. For a violation of this paragraph, in addition to the termination provisions hereunder, the rent shall be doubled while such default continues.

ARTICLE 3 - TERM

The term of this Agreement shall be for a period of five years commencing on June 1, 2009 and terminating on May 31, 2014. If, at any time after the commencement of this Agreement, Lessee does not require this space for its air cargo activities, then Lessee may cancel this Agreement by providing Lessor with a 60-day written notice.

ARTICLE 4 – RENEWAL OPTIONS

Lessee shall have and is hereby given the right and option to extend the term of this Agreement for up to three additional terms of five years each, provided that (i) Lessee shall give Lessor written notice of its intention to exercise such option at least 180 days prior to the expiration of the previous term, and (ii) Lessee is not in default hereunder in the payment of rent at the time it gives Lessor such notice or at the time said additional term commences. In the event that Lessee fails to give required notice to Lessor, this Agreement shall automatically terminate at the end of the previous term of this Agreement.

In the event Lessee exercises any options for the additional terms, subject to the provisions for adjustment in rents, as set forth in Article 6, all terms, covenants, and provisions set forth in this Agreement shall be in full force and effect and binding upon Lessor and Lessee during such additional term(s).

ARTICLE 5 - RENT

As rent for the Premises, Lessee covenants and agrees to pay Lessor rental during the term of this Agreement for the use of said Premises in the amount of $10,569.30 per year, payable in advance, in monthly installments of $880.78, commencing on June 1, 2009 or upon occupancy.

It is understood that this rental is based upon the rate of $7.19 per square foot per annum for the exclusive-use fenced area encompassing 1,030 sq. ft. and the prorata share of the 1,372 sq. ft. common-use fenced area, which is 440 sq. ft. Rental shall be adjusted accordingly if the Premises are modified under the terms of this Agreement.

Lessee shall pay to Lessor in advance on the first day of each month, without demand or invoicing, rentals for Lessee's Premises as set forth herein. In the event Lessee fails to make payment within ten (10) days of the dates due as set forth in this Article, then Lessor may charge Lessee a monthly service charge equal to the maximum allowable under state statutes on any such overdue amount, plus reasonable attorneys' and administrative fees incurred by Lessor in attempting to obtain payment.

Lessee shall pay Lessor rentals for Lessee's Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the term of this Agreement, and shall file

periodic reports as requested by Lessor from time to time.

All rental payments shall be made to The Wichita Airport Authority, 2173 Air Cargo Road, P. O. Box 9130, Wichita, Kansas 67277-0130.

ARTICLE 6 – RENT DURING RENEWAL OPTIONS

Facility rental for each option period shall be the rental during the previous five years increased by the percentage change of the CPI-U over the previous five years.

ARTICLE 7 – UTILITIES

Standard Facilities. The Lessee shall have the right to access the utility service facilities, including gas, water and electricity, which are available at the Premises. The Lessee is responsible for upgrading the existing utilities at the Premises to the condition and capacity as deemed appropriate by the Lessee and approved by the Lessor to operate the Premises, at the Lessee's sole expense. Should the Lessee's operations require utility facilities not presently at the Premises' boundary, the Lessee will, at the Lessee's sole expense, install service lines for the utility facilities; however, such installation shall require prior approval by the Lessor. It is understood by Lessee that Lessor will furnish gas, electric, and water systems to the building. Lessee shall pay all costs for utility services used by Lessee at or upon the Premises or Preferential Use Premises, if approved by Lessor, with no responsibility or expense incurred by Lessor, including all permits, licenses or authorizations necessary in connection therewith. Such payment by Lessee shall be made directly to the utility supplier or service provider, except that if such utilities should be supplied by the Lessor, then in this event, Lessee will pay those costs to Lessor upon receipt of invoice therefore. Lessee agrees that any such costs invoiced to Lessee will be based upon the rates charged to Lessor by utility supplier, plus reasonable capital and administrative recovery costs.

If utilities are not separately metered, Lessee agrees to pay its prorata share of the cost of utilities in addition to the prorata share of various services including, but not limited to, water, sewer, gas, trash removal, etc. Lessee's prorata share shall be based upon the total cost divided among the number of tenants to which the service pertains.

Network Communications/Security Cable. Lessor is the only entity allowed to install or remove any cabling. Cabling includes, but is not limited to, any type of telecommunications or network cable such as CAT3, CAT5, CAT6; fiberoptics cable; and/or coaxial cable. Cabling for basic phone service shall be provided as part of the base building. However, should additional network cable, coaxial for security or fiber optic cable, be required for Lessee's operation, Lessee shall be required to make arrangements with Lessor, and such installation shall be at Lessee's expense. It shall be Lessee's responsibility to contract for services using such cables from Lessee's preferred service provider.

ARTICLE 8 - ACCEPTANCE OF PREMISES

Except as may be otherwise expressly provided in this Agreement, the taking of possession of the Premises by Lessee shall in itself constitute acknowledgement that the Premises are in good and tenantable condition, and Lessee agrees to accept Premises in its presently existing condition, “as is,” “where is,” and “with all faults” and that Lessor shall not be obligated to make any improvements or modifications thereto except to the extent that may otherwise be expressly provided in this Agreement.

ARTICLE 9 – LEASEHOLD IMPROVEMENTS/ALTERATIONS

Lessee shall have the right during the term hereof, at Lessee's expense, from time to time, to make interior modifications as it may deem necessary or desirable in connection with its operation under this Agreement; provided, however, that Lessee shall first submit plans and specifications for such alterations to the Lessor for approval.

All such alterations or improvements shall be performed in a workmanlike manner in accordance with all applicable governmental regulations, building codes, Airport rules and regulations, Lessor design and construction standards, Lessor standard operating procedures, Airport security program and all other applicable regulations, codes, and requirements, and will not weaken or impair the structural strength, or lessen the value of the building, or change the purposes for which the building or any part thereof, may be used. Any such alterations or improvements shall be erected at the sole cost and expense of Lessee, and Lessee shall have no right, authority, or power to bind Lessor or any interest of Lessor in the Premises, for the payment of any claim for labor or material or for any charge or expense incurred in the erection, construction, operation, or maintenance of said improvements/alterations.

Design and construction specifications and documents for any improvements/alterations must be reviewed by the City of Wichita Office of Central Inspection and/or the Planning Department or other departments as may be identified from time to time, as may be applicable, prior to the issuance of a building permit.

Lessee warrants that the improvements/alterations, when completed, will be necessary or useful in its development for use by Lessee for its purposes.

No exterior alterations will be allowed to the building, without prior written approval by the Lessor.

ARTICLE 10 – LIENS

Lessee, shall cause to be removed any and all liens of any nature arising out of or because of any construction performed by Lessee, or any of its contractors or subcontractors upon the Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use at the Premises by or at the direction of Lessee, except that Lessee, shall have the right to contest such a lien and the requirement to remove a lien shall be stayed as long as Lessee is prosecuting in good faith the defense of such lien, including appeals.

ARTICLE 11 - SIGNS

Lessee shall not erect, install, operate, nor cause or permit to be erected, installed, or operated upon any area outside the leasehold of the Airport property, any signs, banners, or other similar devices for its own business, or the business of others. This provision shall not have the effect of limiting or restricting Lessee's right to enter agreement with a Lessor-authorized and permitted marketing, advertising or signage agency for the display of informational, marketing or advertising media at approved designated locations on Airport property.

Any identifying signs erected, installed, operated or attached to the Premises will require the prior written approval of Lessor. Such approval, if any, may consider and provide conditions including, but not limited to, size, type, content, and method of installation.

It is understood that signage and location of the signage may be changed and altered from time to time as mutually agreed upon between the parties.

ARTICLE 12 - PORTABLE STORAGE CONTAINERS/STRUCTURES

Unless specifically approved in writing, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable storage container, trailer, unit, box, or barrel which is used to store merchandise and/or equipment and supplies outside of an enclosed permanent building or structure, which does not qualify as a building or structure under Title 18 of the Code of the City of Wichita. Lessor will not unreasonably withhold approval of such container(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or at the discretion of Lessor, is shielded from public view by means of location, fencing, or other such approved shielding methods.

Unless specifically approved, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable or temporary structure, mobile home, modular structure or device. Lessor will not unreasonably withhold approval of such structure(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or other approved project.

Cargo shipping containers used by Lessee for the purpose of storing and shipping cargo are not subject to this provision.

ARTICLE 13 – DROP BOXES

Drop boxes will be allowed in locations approved by the Lessor. Drop boxes shall be located so as not to interfere with ingress and egress of any occupants of the cargo building.

ARTICLE 14 – MAINTENANCE AND REPAIR

Lessor's Responsibilities. Lessor shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep of the following structures, facilities, systems, equipment, and fixtures, except for damage caused by Lessee and not considered "normal wear and tear". For purposes of this Agreement, normal wear and tear shall be defined as the physical

deterioration which occurs in the normal course of the use for which a property is intended, without negligence, carelessness, accident or abuse of the Premises.

(a) Roof, roof structures, ceiling tiles damaged by roof leaks, and appurtenances thereto;
(b) Exterior of structure, including the façade and exterior walls, gutters and downspouts, paint, load-bearing structures , docks and dock levelers where applicable;
(c) Mechanical systems, including heating, ventilation and air conditioning and associated motors, pumps, ducting and filtration systems;
(d) Plumbing and fixtures up to and terminating at the shut-off valve entering the building Premises;
(e) Electrical system up to and terminating at the breaker panel entering the building Premises;
(f) Gas utilities;
(g) Sewer utilities;
(h) Security access and monitoring system contained in and required by the Airport Security Plan;
(i) Fire monitoring and alarm system;
(j) Manual lock and key system;
(k) Exterior and parking lot lighting;
(l) Paved areas of the parking lot and loading docks including marking and striping;
(m) Driveways, streets and roadways, vehicular ingress/egress and access-ways;
(n) Grading and drainage;
(o) Landscaping and irrigation system;
(p) Fencing;
(q) Paved areas of Preferential Use - Equipment Staging Area and Aircraft Parking Apron, including those areas inside and outside of the full-strength paved areas provided in this Agreement; and
(r) Damages to property or equipment covered by Lessor's insurance.

Lessor shall provide suitable size and quantity of covered dumpsters for all garbage, trash and other refuse, for which Lessee agrees to pay its prorata share of the cost associated with provision of these dumpsters. Lessor provided dumpsters shall be placed within reasonable proximity to the Premises. Lessor shall be responsible at its sole cost and expense for maintenance, repair or replacement, including but not limited to, landscape, pavements, and snow and ice removal of all public and common or joint-use areas, parking lots, streets and roadways, air operations areas of the Airport outside of the Premises to the extent deemed by Lessor, in its sole opinion and judgment, to be required for the safe and efficient operation of the Airport. Lessor shall be responsible for snow and ice removal on the Preferential Use Premises beginning at the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. The Lessor shall perform such maintenance and upkeep to the best of its reasonable ability under prevailing conditions.

Lessee's Responsibilities. Lessee shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep in Lessee's Premises, including:

(a) Leasehold improvements, decorations, finishes, fixtures, equipment and furnishings;

(b) Glass replacement;
(c) Interior Painting;
(d) All interior lighting fixtures and standards including bulbs, tubes, ballasts, starters, switches and outlets;
(e) Interior and exterior pedestrian and roll-up doors, frames, closures and hardware (excluding manual locks, and security access and monitoring systems required under the Airport Security Plan);
(f) Walls, windows, ceilings, partitions and floors;
(g) Plumbing and plumbing fixtures beginning at the shut-off valve entering the building Premises;
(h) Hot water heater(s) and fixtures thereto;
(i) Electrical system beginning at the breaker panel entering the building Premises;
(j) Damages to premises which are caused by Lessee and are not considered normal wear and tear as defined herein; and
(k) Any other repairs as required or necessary to keep the Premises in proper condition for the conduct of business.

With the exception of painting, light bulbs, ballast or tubes, all maintenance, repair, or replacement by Lessee under this part shall be performed by a licensed and reputable contractor. Replacement parts and components shall be of good quality and commercial grade no less than equal to the quality of existing parts and components. In lieu of, or in addition to, services provided to the Lessee by a licensed contractor under this part, the Lessee may choose to solicit the services of the Lessor to perform maintenance, repair, or replacement, and Lessor may, at its sole option, choose to perform services at a cost mutually agreed upon by Lessee and Lessor.

Lessee shall be responsible for all janitorial service within the Premises, and shall provide daily routine premises clean-up work and trash removal to keep the Premises and Preferential Use Premises in good and tenantable condition through the term of this Agreement.

Lessee shall be responsible for the removal and disposal of garbage, debris, contaminants and any other waste material (whether solid or liquid) arising out of its occupancy of the Premises, Preferential Use Premises, or out of its operation. Such removal will conform with all governmental requirements and regulations as more fully described in Article 27, “Environmental”. Such removal and disposal of garbage, debris, contaminants, or other waste material is understood to include routine, daily clean-up of the surrounding areas. Lessee shall immediately react and take prompt corrective actions to remove and dispose of any paper, garbage and debris on Premises or Preferential Use Premises upon demand of Lessor. Lessee shall provide, and screen from public view, suitable covered receptacles for all garbage, trash and other refuse. Piling of boxes, cartons, barrels, pallets or other similar items in an unsightly or unsafe manner on or about the Premises or Preferential Premises is forbidden.

In addition to other rights and remedies of the Lessor hereunder, should Lessee fail to perform its upkeep, maintenance and repair responsibilities, Lessor may, but is not obligated to, perform maintenance and make repairs thereon and thereto which it determines to be necessary, charging the same to the expense of Lessee upon thirty (30) days prior written notice of its intent to do so; except in case of emergency for which no notice is necessary, plus a fifteen percent (15%)

administrative fee. Such amount shall be paid by the Lessee to Lessor no later than thirty (30) days after the date of invoice from the Lessor to the Lessee for such costs.

Lessee shall be responsible for snow and ice removal in the Premises and Preferential Use Premises from the air/ramp side building edge to the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. At no time shall Lessee engage in snow and ice removal beyond the areas identified above without the prior knowledge and approval of the Lessor.

Snow piles, windrows or other accumulations of snow shall not:

(a) Be closer than twenty five feet from any security fence;
(b) Block any access gates or controls;
(c) Block or impede any taxiway or taxi lane;
(d) Impose an obstruction within the object free area (OFA) of any taxiway or taxi lane;
(e) Infringe upon, block or interrupt the business of other airport tenant leaseholds.

Snow piles and accumulations requiring removal may be stored on pre-arranged designated paved areas, to be removed by Lessor when time and equipment availability permit, so long as such piles/accumulations comply with a. through e. of this Section.

Only FAA approved dry and liquid chemicals may be used for de-icing or snow removal on aircraft operating surfaces, as set forth in Advisory Circular 150/5200-30, current edition, or as may be amended, *Airport Winter Safety and Operations*, Section 4-6 *Approved Chemicals*, current edition, or as may be amended.

The use of snow and ice removal contractors may be authorized subject to prior written approval by Lessor, and subject to acceptable completion of contractor employee training, and other reasonable safety requirements and standards that Lessor may impose, including but not limited to compliance with Airport rules and regulations, and standard operating procedures. All such snow and ice removal contractors shall maintain a general liability insurance policy of not less than $1,000,000 limit, naming Lessee, the Wichita Airport Authority and the City of Wichita as additional insureds.

ARTICLE 15 – LESSOR'S RIGHTS AND PRIVILEGES

Lessor expressly reserves from the Premises:

(a) Mineral Rights. All gas, oil and mineral rights in and under the soil.
(b) Air Space. A public right of flight through the air space above the surface of the Premises and Preferential Use Premises. This public right of flight will include the right to cause or allow in said airspace, any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operation on the Airport. No liability on the part of Lessor will result from the exercise of this right.

(c) Navigational Aids. The right to install, maintain and modify and/or permit others to install, maintain and modify on the premises navigational aids.

(d) Utility Right-of-Way. The right to install, maintain and modify utilities and to grant utility rights of way to others over, under, through, across or on the Premises or Preferential Use Premises located within 25 feet of the outside boundary lines.

(e) Entry and Inspection of Premises. The right of Lessor, its authorized officers, employees, agents, contractors, subcontractors, authorized government agents, or other representatives to enter upon the Premises and/or Preferential Use Premises:

(1) To inspect at reasonable intervals during regular business hours (or any time in case of emergency or lawful investigation) to determine whether Lessee has complied, and is complying with the terms and conditions of this Agreement;

(2) To Inspect Premises, Preferential Use Premises, facilities, and equipment for compliance with laws, regulations and/or codes of the federal, state or local government, airport rules and regulations and airport standard operating procedures; and

(3) To perform maintenance, repair, or replacement as required and necessary to maintain Premises and Preferential Use Premises in good condition and working order as required under ARTICLE 13 (a) through (r).

(f) Radio/Wireless Communication Systems. The right to approve or withhold approval of any use of fixed RF Systems for the transmission of radio frequency signals in/on the Premises and the Preferential Use Premises. Revenue-producing communication systems or systems not directly applicable to Lessee's operations on the Premises and Preferential Use Premises are prohibited except upon the specific approval of the Lessor.

Provided that exercise by Lessor of any such reserved rights (a) through (d) will be without expense to the Lessee and will not unreasonably or materially interfere with Lessee's use of the Premises and Preferential Use Premises and will not delay Lessee in the exercise of its rights or the performance of its duties hereunder or increase the costs of such performance. Lessor shall give Lessee notice in writing of the exercise of its rights under (c) and (d).

ARTICLE 16 – LESSEE'S RIGHTS AND PRIVILEGES

Lessee shall have the following rights and privileges on the Premises and on the Airport:

(a) The right to install, operate, repair and store upon the Premises all equipment necessary for the conduct of Lessee's business.

(b) The right of ingress and egress to and from the Premises, which rights shall extend to Lessee's employees, invitees and guests, subject, however, to all reasonable security regulations; and

(c) The right in common with others authorized to do so to use the common areas of the Airport.

ARTICLE 17 – AIRPORT SECURITY PROGRAM

Lessee must obtain Airport Security Identification and Access Media (I.D. Media) for its

employees, subcontractors, suppliers, agents, and representatives requiring access to the sterile areas, secured air operations area (AOA), and security identification display area (SIDA), or other secured areas as may be identified in the Airport Security Program, and pay any related costs associated with this privileges as set forth under this Section. Said I.D. Media will be valid as set forth under the Airport Security Program, and must be returned to the Airport Public Safety Division, at 2193 Air Cargo Road within twenty-four (24) hours after expiration, suspension, and/or termination of this Agreement. Said I.D. Media will be valid for no longer than the period of this Agreement.

Lessee covenants that it will at all times maintain the integrity of the Airport Security Program and comply with all applicable provisions of the Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) regulations 49 CFR Parts 1500, 1544, 1546, 1548, and 1550 as promulgated, and that it will always maintain the security of the Airport, Premises, and/or any AOA access which Lessee maintains. Lessee hereby agrees that it shall also be responsible for conducting and verifying any and all required background checks for I.D. Media for any and all of its employees, subcontractors, suppliers, agents, and/or representatives. Lessee also hereby agrees that it shall be responsible for any and all of the actions of its employees, subcontractors, suppliers, agents, and/or representatives and shall provide any and all necessary escorts, as outlined in the Airport Security Program. Lessee hereby agrees that it will immediately implement any and all security changes that are directed either directly or indirectly by the TSA, FAA, or Lessor.

Should Lessee, its employees, subcontractors, suppliers, agents, and/or representatives cause any security violations, and should Lessor be cited for a civil fine or penalty for such security violation, Lessee agrees to reimburse Lessor for any monetary civil fine or penalty, which may be imposed on Lessor by FAA or TSA, however, nothing herein shall prevent the Lessee from contesting the legality, validity or application of such fine or penalty to the full extent Lessee may be lawfully entitled. Lessee may have I.D. Media/access privileges immediately suspended and/or revoked by Lessor for failure to adhere to the Airport Security Program, or for failure to return all I.D. Media within the time-frames specified herein. Such actions may also be grounds for termination of this Agreement for non-compliance as defined under Article 31, Cancellation by Lessor, at the sole discretion of Lessor, if such failure by Lessee is not cured by Lessee within thirty (30) days after receiving notice from Lessor of such failure.

In accordance with the Airport Security Program, Lessee must obtain Airport Security Identification and Access Media and fingerprinting (if required) for their eligible employees, subcontractors, suppliers, agents, and/or representatives.

ARTICLE 18 – TITLE TO FACILITIES, IMPROVEMENTS & TRADE FIXTURES

It is understood and agreed that title to the Premises shall be, and shall remain, exclusively with Lessor during the term of this Agreement or any extension(s) thereof. Lessee shall, without cost to Lessor, furnish and install all non-attached furniture, fixtures, decorations, accessories, equipment and tools necessary to conduct its business, referred to herein as “trade fixtures”. Title/ownership to non-attached “trade fixtures” shall remain with Lessee. All “trade fixtures” shall be high quality, safe, fire resistant, clean and attractive in appearance.

All alterations and “fixed improvements,” except “trade fixtures”, equipment, and personal property of Lessee put in at the expense of Lessee, shall remain upon and be surrendered with the Premises as a part thereof, at any termination of this Agreement, for any cause, and shall become the property of the Lessor. The term "fixed improvements" shall be construed to include all structures erected upon the Premises, including but not limited to fencing, grading and pavement, underground wires, cables, pipes, conduits, tanks and drains, and all other property of every kind and nature which is permanently affixed to the Premises.

Any movable furniture, “trade fixtures,” partitions and all other equipment installed at Lessee’s sole cost and expense shall at all times be and remain the property of Lessee. Notwithstanding anything contained herein to the contrary, Lessee shall have no obligation to remove such fixtures, equipment and alterations described herein unless Lessor shall notify Lessee of its required removal.

ARTICLE 19 – FIRE & POLICE PROTECTION

Lessor agrees to extend to Lessee the same fire and police protection extended to the other tenants on the Airport. The City of Wichita currently charges Lessor a fee for provision of police and fire protection of the Airport. It is understood and agreed that Lessor may impose a fair and equitable charge to recover Lessee’s proportionate share of Lessor’s costs of these services. If, during the term of this Agreement, Lessor chooses to provide police and fire services directly, the recovery will be adjusted based upon Lessor’s established rate.

ARTICLE 20 – FIRE EXTINGUISHERS

Lessee shall furnish and maintain on the Premises sufficient portable fire extinguishing units as may be required by insurance risks or as designated by Lessor. Lessee shall keep in proper functioning order all fire fighting equipment located on the Premises as required by Lessor, and in accordance with NFPA, and state and local fire codes.

From time to time and as often as reasonably required by Lessor and in accordance with state and local fire codes, Lessee shall conduct appropriate inspections and tests of all fire monitoring, alarm and extinguishing equipment, systems and apparatus located on the Premises. Lessor and Lessor’s agents, licensees, and invitees shall have the right to enter upon the Premises during normal working hours for the purpose of inspecting and maintaining the same.

ARTICLE 21 – INDEPENDENT CONTRACTOR

In the use of the Premises and in conducting its business, the Lessee acts as an independent contractor and not as an agent of the Lessor. The selection, retention, assignment, direction and payment of the Lessee’s employees shall be the sole responsibility of the Lessee. The Lessor shall not attempt to exercise any control over the daily performance of duties by the Lessee’s employees, except to the extent and in the manner required by law or regulation in order to meet security obligations mandatory for continued operation or certification of the Airport.

ARTICLE 22 – ASSIGNMENT OR SUBLETTING

No Sublease. Lessee may not sublease all or any portion of the Premises, or permit all or any portion of the Premises to be used or occupied by anyone other than the Lessee, without the prior written approval of Lessor. Any arrangement for the subleasing of space must be in conformance with the use of the Premises outlined in this Agreement, unless expressly approved otherwise in writing by Lessor. Any sublease to be entered into must contain a provision that the subtenant releases the Lessor from any liability of any kind or nature that the subtenant has or may have. Consent to one sublease shall not be deemed consent to any subsequent sublease. Any sublease Agreement shall be subordinate to the terms of the primary Agreement. Lessee shall indemnify and hold the Lessor harmless for any and all claims of any subtenant with respect thereto.

No Assignment Without Lessor Approval. Neither this Agreement nor any part thereof may be assigned, transferred, mortgaged, encumbered, or pledged by process or operation of law or in any other manner whatsoever, without the prior written approval of Lessor. Any transaction that has the practical or legal effect of transferring the Lessee's beneficial ownership or control of this Agreement, or any of the rights or obligations hereunder, is prohibited without Lessor's prior written approval. Lessor shall not unreasonably withhold its approval to a proposed assignment so long as the proposed assignee continues to use the premises solely for the purposes set forth in this Agreement, possesses financial resources and operational experience satisfactory to Lessor, and any guarantor hereof remains bound, agrees in writing to be bound by any of the terms and conditions of this Agreement, and the Lessee agrees to remain primarily liable for full and timely performance of this Agreement. Any legal or other fees incurred by Lessor in the review of any proposed assignment shall be paid by Lessee.

ARTICLE 23 – INSURANCE

The Lessee agrees to maintain public liability insurance during the term hereof which protects the Lessor and City of Wichita, their officers, agents and employees, as additional insureds, with terms and companies as approved by Lessor, which approval shall not be unreasonably withheld, in an aggregate amount of not less than $2,000,000 per occurrence. In addition, the Lessee shall maintain a policy of comprehensive automobile liability insurance in a combined single limit of not less than $500,000, and a Worker's Compensation and Employer's liability policy for limits of not less than the statutory requirement for Worker's Compensation, and $500,000 Employer's Liability. Lessee agrees that in the event of future changes in the law and upon notice by the Lessor, the minimum levels of insurance required by this paragraph may be increased within the bounds of commercial reasonableness to the amount that may be required to provide coverage of the events of this paragraph.

The Lessee agrees, prior to the commencement of this lease term, to provide Lessor with copies of all policies or certificates evidencing that such insurance is in full force and effect, and stating the terms thereof. Such policy or certificate shall contain a clause providing ten (10) days' prior notice to the Lessor before any material change or cancellation is effective.

ARTICLE 24 – FIRE AND EXTENDED COVERAGE INSURANCE

Lessor agrees to insure the Cargo Building, which includes the Premises, and Lessee, in addition to all other rentals and charges provided for herein, agrees to pay its prorata share of the annual premium cost of said Fire and Extended Coverage Insurance, plus its prorata share of any deductible required to be paid by Lessor under its blanket policy which is attributable to the Cargo Building. Lessee's prorata share will be based upon the ratio the square footage of the Premises bears to the total square footage included in the existing Cargo Building.

ARTICLE 25 – SUBROGATION OF INSURANCE

Lessor hereby waives any and all rights of recovery against Lessee for or arising out of damage or destruction of the building, or the demised premises, or any other property of Lessor, from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of such policies, whether or not such damage or destruction shall have been caused by the negligence of Lessee, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

Lessee hereby waives any and all rights of recovery against Lessor for or arising out of damage to or destruction of any property of Lessee from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of said policies, whether or not such damage or destruction shall have been caused by the negligence of Lessor, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

ARTICLE 26 – INDEMNITY

Lessee shall protect, defend and hold Lessor and the City of Wichita and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessee’s use or occupancy of the premises or the acts or omissions of Lessee's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence or the acts or omissions of the City of Wichita or Lessor’s officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur. The Lessor shall give to Lessee reasonable notice of any such claim or actions. The Lessee shall also use counsel reasonably acceptable to Lessor in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

Lessor shall protect, defend and hold Lessee and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including

all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessor's operation of the Airport or the acts or omissions of Lessor's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence of the Lessee. The Lessee shall give to Lessor reasonable notice of any such claim or actions. The Lessor shall also use counsel reasonably acceptable to Lessee in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

ARTICLE 27 – ENVIRONMENTAL

(a) The Lessee hereby covenants that it will not cause or permit any Hazardous Substances to be placed, held, located or disposed of, on, under or at the Premises or Preferential Use Premises, other than in the ordinary course of business and in compliance with all applicable laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided to the Lessor hereunder, the Lessee hereby agrees to indemnify and hold harmless the Lessor and the City of Wichita from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessor or the City of Wichita by any person or entity for or arising out of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during any term of this lease of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning, any hazardous substance) if such presence, escape, seepage, leakage, spillage, discharge, emission was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, and/or licensees, or if such Hazardous Substance was owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release).

(c) If, during the term of this Agreement, the Lessee receives any notice of (i) the happening of any event involving the use (other than in the ordinary course of business and in compliance with all applicable laws), spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance on the premises or in connection with the Lessee's operations thereon or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental, health, or safety matter affecting the Lessee (an "Environmental Complaint") from any persons or entity (including, without limitation), the United States Environmental Protection Agency (the "EPA") or the Kansas Department of

Health and Environment ("KDHE"), the Lessee shall immediately notify the Lessor in writing of said notice.

(d) The Lessor shall have the right, but not the obligation, and without limitation of the Lessor's other rights under this Agreement, to enter the Premises and Preferential Use Premises or to take such other actions as deemed necessary or advisable to inspect, clean up, remove, resolve or minimize the impact of, or to otherwise deal with, any hazardous substance or environmental complaint following receipt of any notice from any person, including, without limitation, the EPA or KDHE, asserting the existence of any hazardous substance or an environmental complaint pertaining to the leased premises or any part thereof which, if true, could result in an order, suit or other action against the Lessee and/or which, in the reasonable judgment of the Lessor, could jeopardize its interests under this Agreement. If such conditions are caused by circumstances within the control of the Lessee or if such circumstances result from a Hazardous Substance owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release) all reasonable costs and expenses incurred by the Lessor in the exercise of any such rights shall be payable by the Lessee, within 15 days of written demand by Lessor.

(e) If an event of default shall have occurred and be continuing, the Lessee at the request of the Lessor shall periodically perform (at the Lessee's expense) an environmental audit and, if reasonably deemed necessary by the Lessor, an environmental risk assessment (each of which must be reasonably satisfactory to the Lessor) of the premises, or the hazardous waste management practices and/or hazardous waste disposal sites used by the Lessee with respect to the leased premises. Such audit and/or risk assessment shall be conducted by an environmental consultant satisfactory to the Lessor. Should the Lessee fail to perform any such environmental audit or risk assessment within 90 days of the written request of the Lessor, the Lessor shall have the right, but not the obligation, to retain an environmental consultant to perform any such environmental audit or risk assessment. All costs and expenses incurred by the Lessor in the exercise of such rights shall be payable by the Lessee on demand.

(f) Neither Lessee nor Lessor shall install or permit to be installed in the premises friable asbestos, electrical equipment containing polychlorinated biphenyls (PCBs), or any substance containing asbestos and deemed hazardous by federal or state regulations applicable to the premises and respecting such material. The Lessee shall defend, indemnify, and save the Lessor and the City of Wichita harmless from all costs and expenses (including consequential damages) asserted or proven against the Lessee by any person, as a result of the presence of said substances, and any removal or compliance with such regulations, if said substance was installed by the Lessee, or persons within its control.

(g) Subject to any limitations or restrictions imposed by the Kansas Budget Law or Cash Basis Law, the Lessor hereby agrees to indemnify and hold harmless the Lessee from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessee by

any person or entity for, arising out of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during the term of this Agreement and the period prior to the term of this Agreement of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order of decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning any hazardous substance) unless such presence, escape, seepage, leakage, spillage, discharge, emission or release was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, business invitees and/or licensees, or if such hazardous substance was owned by, or placed upon the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release except to the extent such was caused by the Lessor).

(h) Lessor shall grant to Lessee and its agents or contractors such access to the leased premises as is reasonably necessary to accomplish such removal and prepare such audit. If such removal is not accomplished prior to the expiration of the lease term, Lessee shall be obligated to pay rent to Lessor in the amount of One Hundred Twenty-five Percent (125%) of the last month's rent.

(i) The provisions of this article shall survive the termination of this Agreement.

ARTICLE 28 – RULES & REGULATIONS

Lessee, its agents and employees, shall be subject to any and all applicable rules, regulations, airport standard operating procedures , orders and restrictions which are now in force or which may hereafter be adopted by The Wichita Airport Authority or the City of Wichita, Kansas, in respect to the operation of the Airport; and shall also be subject to any and all applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport or Lessee's operations conducted hereunder. Such observation and compliance by Lessee shall not obligate Lessee to make any alterations or do any other work, structural or otherwise, within the Premises unless failure of the Premises to comply with such rules, laws, statutes and regulations shall have been caused by Lessee's specific use of Premises.

To the extent that applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport causes diminution or deprivation of Lessee's rights hereunder, Lessor shall not be liable to Lessee for any such diminution or deprivation of its rights, nor shall Lessee be entitled to terminate this Agreement by reason thereof unless the exercise of such authority shall so interfere with Lessee's exercise of the rights hereunder as to constitute a termination of this Agreement by operation of law in accordance with the laws of the State of Kansas.

ARTICLE 29 – IMPOSITIONS

Lessee shall, during the life of this Agreement, bear, pay and discharge, before the delinquency thereof, any and all lawful impositions, including all lawful taxes and assessments imposed on the Premises or Lessee's possessory right therein. In the event any impositions may be lawfully paid in installments, Lessee shall be required to pay only such installments thereof as become due and payable during the life of this Agreement as and when the same become due and payable. Lessor covenants that without Lessee's written consent it will not, unless required by law, take any action intended to cause or induce the levying or assessment of any imposition (other than special assessments levied on account of special benefits or other impositions for benefits or services uniformly imposed) which Lessee would be required to pay under this article and that should any such levy or assessment be threatened or occur Lessor shall, at Lessee's request, fully cooperate with Lessee in all reasonable ways to prevent any such levy or assessment. Nothing herein contained shall prevent Lessee from contesting the legality, validity or application of any such tax or assessment to the full extent Lessee may be lawfully entitled to do so.

ARTICLE 30 – DAMAGE OR DESTRUCTION

If the Premises shall be partially damaged by fire or other casualty, but not rendered untenantable, the same shall be repaired with due diligence by Lessor at its own cost and expense; if the damage shall be so extensive as to render the Premises untenantable but capable of being repaired, the same shall be repaired with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage and shall thenceforth cease until such time as the Premises shall be put in good order. In the event the Premises shall be completely destroyed by fire or other casualty or so damaged that it will remain untenantable for more than thirty (30) days, or in case it does so remain untenantable for more than thirty (30) days, at the option of Lessor (1) the Premises shall be repaired or reconstructed with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage or destruction and shall thenceforth cease until such time as the Premises shall be put in good order; or (2) within sixty (60) days after the time of such damage or destruction and before the Premises shall be put in order, either party may give the other party written notice of its election to cancel this agreement in its entirety, and Lessee shall be liable for rent only up to the time of such damage or destruction.

It is understood and agreed that nothing in this article concerning rental abatements or cancellation by Lessee shall apply in the case of damages to or the destruction of the leased Premises which is caused by the negligent acts of Lessee, its agents, employees or invitees, and further that Lessee shall, at its own expense, repair all such damages resulting from such acts; except that Lessee shall not be responsible to Lessor for damages to property or equipment fully covered by Lessor's insurance.

ARTICLE 31 – CANCELLATION BY LESSOR

The Lessor, in addition to any other rights to which it may be entitled by law or equity, may cancel this Agreement as set forth herein.
In the event that Lessee shall file a voluntary petition in bankruptcy or that proceedings in bankruptcy shall be instituted against it and Lessee is thereafter adjudicated bankrupt pursuant to such proceedings; or that the court shall take jurisdiction of Lessee and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act; or that a receiver of Lessee's assets shall be appointed; or that Lessee shall be divested of its estate herein by other operation of law; or that Lessee shall fail to perform, keep and observe any of the terms, covenants or conditions herein contained on the part of Lessee to be performed, kept or observed, Lessor may give Lessee written notice to correct such condition or cure such default, and if any such condition or default shall continue for sixty (60) days after receipt of such notice by Lessee, Lessor may terminate this lease and the term hereof shall cease and expire at the end of such sixty (60) days in the same manner and to the same effect as if it were the expiration of the original term, unless such condition or default cannot reasonably be corrected within the 60 day period and Lessee has demonstrated due diligence with respect to curing said default, then such default will be treated as cured until cured.

Acceptance of rental by Lessor for any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee shall not be deemed a waiver of any other right on the part of Lessor to cancel this lease for failure by Lessee so to perform, keep and observe any of the terms, covenants or conditions hereof to be performed, kept and observed. No waiver of default by Lessor of any of the terms, covenants or conditions hereof to be performed, kept and observed by Lessee, shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by Lessee.

ARTICLE 32 – CANCELLATION BY LESSEE

The Lessee, in addition to any other rights of cancellation herein given to Lessee, or any other rights to which the Lessee may be entitled by law or otherwise, may cancel this lease by giving Lessor sixty (60) days' advance written notice in the event of default by Lessor under this lease continuing for more than sixty (60) days after the Lessor's receipt of written notice of such default from the Lessee, upon or after the happening of any one of the following events:

(a) The failure or refusal of the Federal Aviation Administration or any other applicable state of federal authority, to grant Lessee the right to operate into, on, from or through said Airport;

(b) The issuance by any court of competent jurisdiction of a permanent injunction in any way preventing or restraining the use of the airport for airport purposes and the remaining in force of such injunction for a period of at least sixty (60) days.

(c) The breach by Lessor of any of the covenants or agreements herein contained and the refusal of Lessor to remedy such breach within a reasonable period of time after receipt of a written notice of the existence of such breach;

(d) The inability of Lessee to use said Premises and facilities continuing for a period longer than sixty (60) days due to any order, rule or regulation of any appropriate governmental authority having jurisdiction over the operations of Lessee.

ARTICLE 33 – FAA REQUIREMENTS

Lessor and Lessee further agree that the requirements of the Federal Aviation Administration set out below are approved by both parties, and if applicable, Lessee agrees to comply with all FAA requirements with respect to its operations, use of the Airport and this Agreement.

(a) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained or otherwise operated on said property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(b) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(c) The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs, and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

(d) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

(e) Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(f) Lessor reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard.

(g) Lessor reserves the right further to develop or improve the landing area and all publicly-owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.

(h) Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the airport which, in the opinion of Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft.

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

(j) It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

(k) There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the air space above the surface of the Premises and Preferential Use Premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on or about the airport.

(l) This Agreement shall become subordinate to provisions of any existing or future agreement between the Lessor and the United States of America or any agency thereof relative to the operation, development or maintenance of the airport, the execution of

which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

ARTICLE 34 - MODIFICATIONS FOR GRANTING FAA FUNDS

In the event that the Federal Aviation Administration requires modifications or changes to this Agreement as a condition precedent to granting of funds for the improvement of the Airport, Lessee agrees to consent to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required to enable the Lessor to obtain said Federal Aviation Administration funds, provided that in no event shall such changes materially impair the rights of Lessee hereunder or materially increase its obligations.

ARTICLE 35 - NONDISCRIMINATION EEO/AAP

The Lessee agrees that it will not discriminate or permit discrimination against any person on the basis of race, color, sex, religion, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry in its operations or services, and its use or occupancy of property under this Agreement. The Lessee agrees to comply with all applicable provisions of the Civil Rights Act of 1964, as amended; the Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11141; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Kansas Act Against Discrimination, K.S.A. 44-1001, et seq.; the Code of the City of Wichita Section 2.12.900; and laws, regulations or amendments as may be promulgated thereunder.

ARTICLE 36 – THIRD PARTY RIGHTS

It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Agreement to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

ARTICLE 37 – NON-WAIVER

The waiver by Lessor of any breach of the Lessee of any term, covenant, provision, or condition hereof shall not operate as a waiver of any subsequent breach of the same or a waiver of any breach of any other covenant, term, provision, or condition hereof, nor shall any forbearance by Lessor to seek a remedy for any breach by Lessee be a waiver by Lessor of its rights and remedies with respect to such or any subsequent breach of the same or with respect to any other breach.

ARTICLE 38 – INVALID PROVISIONS

It is further expressly understood and agreed by and between the parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that

the invalidity of any such covenant, condition or provision does not materially prejudice either the Lessor or the Lessee in their respective rights and obligations contained in the valid covenants, conditions or provisions in this agreement.

ARTICLE 39 – SURRENDER OF POSSESSION

Lessee shall yield and deliver to Lessor possession of the Premises leased herein at the expiration of this Agreement in good condition in accordance with its express obligations hereunder, except for reasonable wear and tear, fire and other casualty. Lessee shall deliver the Premises in good order and condition, including: (1) cleaning and hauling away all supplies and trash; (2) leaving in operating condition all bulbs and ballasts; (3) replacing all broken glass; and (4) turning in keys to all door locks.

Lessee, at Lessee's expense, shall remove during the term hereof or at the expiration of such term all trade fixtures, equipment and personal property placed by Lessee on or about the Premises herein leased, subject to Lessee's repairing any damage thereto caused by such removal and subject to any valid lien which Lessor may have thereon for unpaid rents or fees.

Lessor may direct Lessee to remove, at Lessee's sole expense, any cabling installed within the Premises upon surrender of possession of the Premises. Lessee shall have no obligation to remove such cabling unless Lessor shall notify Lessee of its required removal.

In the event Lessee does not remove all of said property within ten (10) days after the termination of this Agreement, the same shall be considered abandoned and Lessor may dispose of said property without any further responsibility or liability to Lessee.

At any time within ninety (90) days prior to the expiration of this Agreement, Lessor and Lessor's agents, invitees, and licensees may enter and show the Premises to persons wishing to rent the Premises and may post upon the Premises the usual notices "For Rent" or "For Lease", said notices to remain thereon without hindrance or molestation, provided Lessee has not exercised any renewal options provided herein, or has not signed a new lease. Lessor and its agents, invitees, and licensees will use their best efforts not to unreasonably interfere with Lessee's use of the Premises during said visits.

ARTICLE 40 – ENTIRE AGREEMENT

This Agreement supersedes all previous agreements for the Premises between Lessor and any other party, and all amendments or renewals thereto. The parties hereto understand and agree that this instrument contains the entire Agreement between the parties hereto. The parties hereto further understand and agree that the other party and its agents have made no representations or promises with respect to the Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by either party against the other and such party shall not be liable by reason of, the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other being expressly waived.

The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for which they are acting herein.

The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel deemed necessary for them to form a full and complete understanding of all rights and obligations herein.

This Agreement between the parties shall consist of this instrument. In the event of any conflict between the terms of this Agreement and the terms or provisions of the aforesaid documents, the more restrictive on Lessee shall control.

ARTICLE 41 - NOTICES

Notices to Lessor provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

The Wichita Airport Authority
P. O. Box 9130
Wichita, Kansas 67277-0130

Notices to Lessee provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

United Airlines
P.O.Box 66100
Chicago, IL 60666

ATTN: Regional Manager – Corporate Real Estate

or to such other respective addresses as the parties may designate in writing from time to time.

ARTICLE 42 – KANSAS LAW TO GOVERN

This lease and t*he* terms and conditions herein contained shall at all times be governed, interpreted and construed under and in accordance with the laws of the State of Kansas.

ARTICLE 43 – HEADINGS

The article and paragraph headings are inserted only as a matter of convenience and for reference, and in no way define limit or describe the scope or intent of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

ATTEST:

THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS

By _____

Title _____

By _____

Title _____

"LESSOR"

By _____
Victor D. White, Director of Airports

ATTEST:

UNITED AIRLINES, INC.

By _____

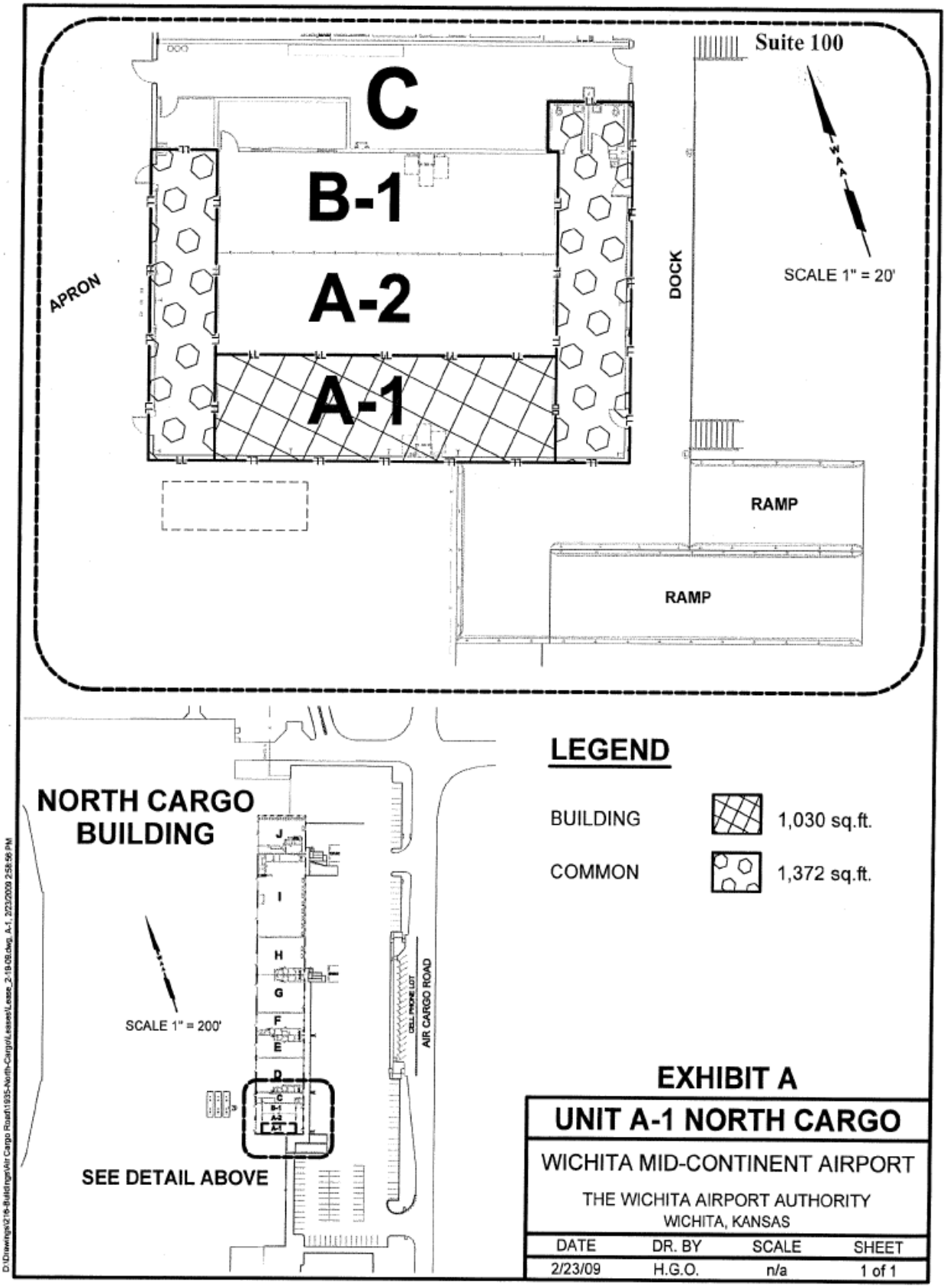
Title _____

By _____

Title _____

"LESSEE"

APPROVED AS TO FORM: _____ Date: _____
Director of Law


Suite 100
C
B-1
A-2
A-1
APRON
DOCK
SCALE 1" = 20'
RAMP
RAMP
NORTH CARGO BUILDING
SCALE 1" = 200'
SEE DETAIL ABOVE
AIR CARGO ROAD
LEGEND
BUILDING
1,030 sq.ft.
COMMON
1,372 sq.ft.
EXHIBIT A
UNIT A-1 NORTH CARGO
WICHITA MID-CONTINENT AIRPORT
THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS
DATE
DR. BY
SCALE
SHEET
2/23/09
H.G.O.
n/a
1 of 1

A G R E E M E N T

By and Between

THE WICHITA AIRPORT AUTHORITY
Wichita, Kansas

and

UPS SUPPLY CHAIN SOLUTIONS, INC.

For

Use of Space in Cargo Building
Wichita Mid-Continent Airport

THIS AGREEMENT, made and entered into this April 14, 2009, by and between THE WICHITA AIRPORT AUTHORITY, Wichita, Kansas, hereinafter referred to as the "LESSOR"; and UPS SUPPLY CHAIN SOLUTIONS, INC., a Delaware Corporation, hereinafter referred to as the "LESSEE".

WITNESSETH:

WHEREAS, Lessor operates and owns an existing air cargo facility located at 1935 Air Cargo Road on Wichita Mid-Continent Airport, hereinafter referred to as the Airport; and

WHEREAS, Lessor desires to lease to Lessee and Lessee is desirous of renting from Lessor certain premises at the Airport to be used in connection with Lessee's business of air freight carrier and handling services.

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

ARTICLE 1 – PREMISES

"Premises" as used herein shall be the "Exclusive Use – Building" and "Exclusive Access Areas" located at 1935 Air Cargo Road, Suite 900, on the Airport.

Exclusive Use – Building. Lessor does hereby lease to Lessee that portion of the air cargo building consisting of 11,834 square feet, as reflected on Exhibit "A", attached hereto and made a part hereof.

Exhibit "A" sets forth the general layout of the portion of the building to be leased to the Lessee but shall not be deemed to be a warranty, representation, or agreement on the part of the Lessor that the building or any portion thereof will be or will continue to be exactly as indicated on said diagram.

Exclusive Access Areas. As part of the building rental fee, Lessee shall have exclusive use and access to the dock area directly in front of its exclusive use leasehold, and the parking/loading/unloading area directly in front of the dock of its leasehold equal to the width of the exclusive use area, and extending to a point 60 feet beyond the dock edge, as reflected on Exhibit "A", attached hereto and made a part hereof. In the case of exclusive lease areas not equipped with a dock, the exclusive access area shall extend to a point 60 feet beyond the edge of the building.

Preferential Use – Equipment Staging Area and Aircraft Parking Apron – Airfield Side. In addition to the Exclusive Access Areas, Landlord hereby grants to Lessee the use of "Preferential Use Premises" which is identified as pavement assigned to the Lessee, and to which the Lessee shall have preferential use, defined herein as the unrestricted, higher and continuous priority over all other users, as reflected on Exhibit "A", attached hereto and made a part hereof.

ARTICLE 2 - USE

Permitted Use. Upon performance of the Agreement, provisions and conditions contained in this Agreement, Lessee shall have use of the Premises and Preferential Use Premises to engage in the performance of certain and specific activities as defined herein, together with the right of ingress and egress, in common with others, for both vehicles and aircraft, and its customers, agents, invitees, contractors, representatives and employees, in a reasonable manner for the purposes described hereinafter and for activities incidental or related thereto. It is understood and agreed that both the Premises and Preferential Use Premises shall be used and occupied for aviation purposes or purposes incidental or related thereto. Lessee hereby agrees that the described Premises and Preferential Use Premises may be utilized by Lessee for the sole purpose wherein Lessee and its personnel may perform the activities related to air freight carrier and/or handling service at the Airport.

In conjunction with, and to facilitate Lessee's activities related to air freight carrier and/or handling service at the Airport, the Premises may be used for minor vehicle repairs in accordance with current city codes and Airport standard operating procedures. No welding, dispensing or draining of fuels, painting of vehicles, or major repairs shall be permitted inside the building.

Non-Exclusive Use of Certain Facilities. Lessor grants the Lessee, for the purposes for which such facilities were designed and constructed and for no other purposes, in common with others, the non-exclusive use of the Airport and appurtenances, together with all facilities, equipment improvements, and services which are now, or may hereafter be, provided at, or in connection with, the Airport from time-to-time on a non-exclusive use basis, including, but not limited to the Air Operations Area of the Airport, driveways, floodlights, beacons, signals, radio aids, or other conveniences for aeronautical operations, landing and takeoff of aircraft. As used in this Agreement, "Air Operations Area" shall mean those portions of the Airport from time to time

provided and made available by the Lessor for aircraft and related operations and includes runways, taxiways, ramps, aprons, and areas directly associated therewith which are not exclusively leased areas of the Lessee or any other tenant on the Airport.

The Lessee recognizes that other tenants now and hereafter may occupy other portions of the Airport, and that such other tenants shall have the right to use the ramps and driveways serving their areas and other areas not under an exclusive lease, and the Lessee shall conduct its operations in such a manner as to not impede access, interfere with, or disrupt the business of and quiet enjoyment of other tenants.. The Lessor reserves the right to grant, or to permit other parties the right, to use any portion of the Airport except that described in Lessee's Premises.

Parking. Vehicle parking by the Lessee, its agents, employees, or licensees shall be by permit, and only in such places as may be authorized by Lessor from time to time and upon terms and conditions as may be imposed by Lessor.

Ramp Management. The Lessee will operate on the ramp pursuant to the directives of the Lessor.

Non-interference with Operation of Airport. Lessee covenants and agrees that it will not allow any condition on the Premises or Preferential Use Premises, nor permit the conduct of any activity on such Premises or Preferential Use Premises, which shall materially or adversely affect the development, improvement, operation, or maintenance of the Airport or its facilities; nor will Lessee use or permit the Premises or Preferential Use Premises to be used in any manner which might interfere with the landing and take-off of aircraft from the Airport or otherwise constitute a hazard. If any proscribed or prohibited condition or activity, as described above, shall be permitted to exist on the Premises, Preferential Use Premises, or on any part thereof, then, as an alternative to termination of this Agreement under Article 31 the Lessor, after giving 10 days written notice to Lessee, during which period Lessee may abate or correct the omission or objection, so set forth in Lessor's notice, may thereupon correct such omission or objection by entering the Premises or Preferential Use Premises, or by its agents or employees, without such entering causing or constituting a termination of this Agreement or an interference with possession of Premises or Preferential use Premises by Lessee, and the Lessor may cause abatement of such proscribed or prohibited condition or activity; and, in such event, the Lessee agrees to pay the Lessor the expenses of the Lessor incurred in the above connection as additional rent within 30 days after submission of an invoice showing the reasonable expenditure or the incurring of any such reasonable expenditure by the Lessor.

No Unlawful Activity. This Agreement shall not be construed as authorizing the Lessee to engage in any activity that is unlawful or which is contrary to, or in conflict with, any federal, state or local law, ordinance, rule or regulation, or standard operating procedure, and the Lessee does hereby indemnify and hold the Lessor harmless from any act or failure by the Lessee in respect to this obligation.

No Grant of Concession. This Agreement is not intended to, nor shall it be construed as, authorizing the Lessee to conduct a concession on the Airport.

No Unauthorized Use. The Lessee shall not conduct or permit any employee to conduct any business or commercial operation not herein or otherwise authorized by the Lessor. For a violation of this paragraph, in addition to the termination provisions hereunder, the rent shall be doubled while such default continues.

ARTICLE 3 - TERM

The term of this Agreement shall be for a period of five years commencing on June 1, 2009 and terminating on May 31, 2014.

ARTICLE 4 – RENEWAL OPTIONS

Lessee shall have and is hereby given the right and option to extend the term of this Agreement for up to three additional terms of five years each, provided that (i) Lessee shall give Lessor written notice of its intention to exercise such option at least 180 days prior to the expiration of the previous term, and (ii) Lessee is not in default hereunder in the payment of rent at the time it gives Lessor such notice or at the time said additional term commences. In the event that Lessee fails to give required notice to Lessor, this Agreement shall automatically terminate at the end of the previous term of this Agreement.

In the event Lessee exercises any options for the additional terms, subject to the provisions for adjustment in rents, as set forth in Article 6, all terms, covenants, and provisions set forth in this Agreement shall be in full force and effect and binding upon Lessor and Lessee during such additional term(s).

ARTICLE 5 - RENT

As rent for the Premises, Lessee covenants and agrees to pay Lessor rental during the term of this Agreement for the use of said Premises commencing on June 1, 2009, or upon occupancy. If the building occupancy begins on a day other than the first of the month, then that first month's rents will be prorated based on the number of days occupied in that month divided by the total number of days in the same month.

Rental shall be based upon the use of 11,412 sq. ft. of first floor space, and 422 sq. ft. of mezzanine space, as follows. The rental amount for the mezzanine space shall be 50% of the rate assessed for the first floor.

First Floor:

Period	Rate/Sq.Ft.	Annual	Monthly
06/01/09 – 05/31/10	$9.55	$108,984.60	$9,082.05
06/01/10 – 05/31/11	$9.65	$110,125.70	$9,177.14
06/01/11 – 05/31/12	$9.75	$111,267.00	$9,272.25
06/01/12 – 05/31/13	$9.85	$112,408.20	$9,367.25
06/01/13 – 05/31/14	$9.95	$113,549.40	$9,462.45

Mezzanine:

Period	Rate/Sq.Ft.	Annual	Monthly
06/01/09 – 05/31/10	$4.78	$2,017.16	$168.10
06/01/10 – 05/31/11	$4.83	$2,038.26	$169.86
06/01/11 – 05/31/12	$4.88	$2,059.36	$171.61
06/01/12 – 05/31/13	$4.93	$2,080.46	$173.13
06/01/13 – 05/31/14	$4.98	$2,101.56	$175.13

Rental shall be adjusted accordingly if the Premises are modified under the terms of this Agreement.

Lessee shall pay to Lessor in advance on the first day of each month, without demand or invoicing, rentals for Lessee's Premises as set forth herein. In the event Lessee fails to make payment within ten (10) days of the dates due as set forth in this Article, then Lessor may charge Lessee a monthly service charge equal to the maximum allowable under state statutes on any such overdue amount, plus reasonable attorneys' and administrative fees incurred by Lessor in attempting to obtain payment.

Lessee shall pay Lessor rentals for Lessee's Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the term of this Agreement, and shall file periodic reports as requested by Lessor from time to time.

All rental payments shall be made to The Wichita Airport Authority, 2173 Air Cargo Road, P. O. Box 9130, Wichita, Kansas 67277-0130.

ARTICLE 6 – RENT DURING RENEWAL OPTIONS

Facility rental for each option period shall be the rental during the previous five years increased by the percentage change of the CPI-U over the previous five years. Data used for the calculation shall be the most recent information available when the 180 notice is provided by Lessee to exercise the option to renew the Agreement,

ARTICLE 7 – UTILITIES

Standard Facilities. The Lessee shall have the right to access the utility service facilities, including gas, water and electricity, which are available at the Premises. The Lessee is responsible for upgrading the existing utilities at the Premises to the condition and capacity as deemed appropriate by the Lessee and approved by the Lessor to operate the Premises, at the Lessee’s sole expense. Should the Lessee’s operations require utility facilities not presently at the Premises’ boundary, the Lessee will, at the Lessee’s sole expense, install service lines for the utility facilities; however, such installation shall require prior approval by the Lessor. It is understood by Lessee that Lessor will furnish gas, electric, and water systems to the building. Lessee shall pay all costs for utility services used by Lessee at or upon the Premises or Preferential Use Premises, if approved by Lessor, with no responsibility or expense incurred by Lessor, including all permits, licenses or authorizations necessary in connection therewith. Such payment by Lessee shall be made directly to the utility supplier or service provider, except that if

such utilities should be supplied by the Lessor, then in this event, Lessee will pay those costs to Lessor upon receipt of invoice therefore. Lessee agrees that any such costs invoiced to Lessee will be based upon the rates charged to Lessor by utility supplier, plus reasonable capital and administrative recovery costs.

Network Communications/Security Cable. Lessor is the only entity allowed to install or remove any cabling. Cabling includes, but is not limited to, any type of telecommunications or network cable such as CAT3, CAT5, CAT6; fiberoptics cable; and/or coaxial cable. Cabling for basic phone service shall be provided as part of the base building. However, should additional network cable, coaxial for security or fiber optic cable, be required for Lessee's operation, Lessee shall be required to make arrangements with Lessor, and such installation shall be at Lessee's expense. Should the Lessee be able to demonstrate that the Lessor is not reasonably cost competitive in provision of cabling beyond that needed for basic phone service, the Lessor shall permit, in writing, to the Lessee an alternative means for accomplishing this work while still maintaining the Lessor's facility standards and without resulting in excessive additional expense to the Lessee. It shall be Lessee's responsibility to contract for services using such cables from Lessee's preferred service provider.

ARTICLE 8 - ACCEPTANCE OF PREMISES

Except as may be otherwise expressly provided in this Agreement, the taking of possession of the Premises by Lessee shall in itself constitute acknowledgement that the Premises are in good and tenantable condition, and Lessee agrees to accept Premises in its presently existing condition, "as is," "where is," and "with all faults" and that Lessor shall not be obligated to make any improvements or modifications thereto except to the extent that may otherwise be expressly provided in this Agreement. Not withstanding, the Lessor and Lessee shall mutually agree, before the Lessee occupies the space they intend to develop and occupy, to a punch list. This punch list shall identify all remaining items which Lessor is still required to complete. Lessee can occupy the space once the punch list has been established. Both parties shall also mutually sign off on punchlist items once they have been completed.

ARTICLE 9 – LEASEHOLD IMPROVEMENTS/ALTERATIONS

Lessee shall have the right during the term hereof, at Lessee's expense, from time to time, to make interior modifications as it may deem necessary or desirable in connection with its operation under this Agreement; provided, however, that Lessee shall first submit plans and specifications for such alterations to the Lessor for approval.

All such alterations or improvements shall be performed in a workmanlike manner in accordance with all applicable governmental regulations, building codes, Airport rules and regulations, Lessor design and construction standards, Lessor standard operating procedures, Airport security program and all other applicable regulations, codes, and requirements, and will not weaken or impair the structural strength, or lessen the value of the building, or change the purposes for which the building or any part thereof, may be used. Any such alterations or improvements shall be erected at the sole cost and expense of Lessee, and Lessee shall have no right, authority, or power to bind Lessor or any interest of Lessor in the Premises, for the payment of any claim for

labor or material or for any charge or expense incurred in the erection, construction, operation, or maintenance of said improvements/alterations.

Design and construction specifications and documents for any improvements/alterations must be reviewed by the City of Wichita Office of Central Inspection and/or the Planning Department or other departments as may be identified from time to time, as may be applicable, prior to the issuance of a building permit.

Lessee warrants that the improvements/alterations, when completed, will be necessary or useful in its development for use by Lessee for its purposes.

No exterior alterations will be allowed to the building, without prior written approval by the Lessor.

ARTICLE 10 – LIENS

Lessee, shall cause to be removed any and all liens of any nature arising out of or because of any construction performed by Lessee, or any of its contractors or subcontractors upon the Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use at the Premises by or at the direction of Lessee, except that Lessee, shall have the right to contest such a lien and the requirement to remove a lien shall be stayed as long as Lessee is prosecuting in good faith the defense of such lien, including appeals.

ARTICLE 11 - SIGNS

Lessee shall not erect, install, operate, nor cause or permit to be erected, installed, or operated upon any area outside the leasehold of the Airport property, any signs, banners, or other similar devices for its own business, or the business of others. This provision shall not have the effect of limiting or restricting Lessee's right to enter agreement with a Lessor-authorized and permitted marketing, advertising or signage agency for the display of informational, marketing or advertising media at approved designated locations on Airport property.

Any identifying signs erected, installed, operated or attached to the Premises will require the prior written approval of Lessor. Such approval, if any, may consider and provide conditions including, but not limited to, size, type, content, and method of installation.

It is understood that signage and location of the signage may be changed and altered from time to time as mutually agreed upon between the parties.

ARTICLE 12 - PORTABLE STORAGE CONTAINERS/STRUCTURES

Unless specifically approved in writing, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable storage container, trailer, unit, box, or barrel which is used to store merchandise and/or equipment and supplies outside of an enclosed permanent building or structure, which does not qualify as a building or structure under Title 18 of the Code of the City of Wichita. Lessor will not unreasonably withhold

approval of such container(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or at the discretion of Lessor, is shielded from public view by means of location, fencing, or other such approved shielding methods.

Unless specifically approved, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable or temporary structure, mobile home, modular structure or device. Lessor will not unreasonably withhold approval of such structure(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or other approved project.

Cargo shipping containers used by Lessee for the purpose of storing and shipping cargo are not subject to this provision.

ARTICLE 13 – DROP BOXES

Drop boxes will be allowed in locations approved by the Lessor. Drop boxes shall be located so as not to interfere with ingress and egress of any occupants of the cargo building.

ARTICLE 14 – MAINTENANCE AND REPAIR

Lessor's Responsibilities. Lessor shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep of the following structures, facilities, systems, equipment, and fixtures, except for damage caused by Lessee and not considered "normal wear and tear". For purposes of this Agreement, normal wear and tear shall be defined as the physical deterioration which occurs in the normal course of the use for which a property is intended, without negligence, carelessness, accident or abuse of the Premises.

(a) Roof, roof structures, ceiling tiles damaged by roof leaks, and appurtenances thereto;
(b) Exterior of structure, including the façade and exterior walls, gutters and downspouts, paint, load-bearing structures , docks and dock levelers where applicable;
(c) Mechanical systems, including heating, ventilation and air conditioning and associated motors, pumps, ducting and filtration systems;
(d) Plumbing and fixtures up to and terminating at the shut-off valve entering the building Premises;
(e) Electrical system up to and terminating at the breaker panel entering the building Premises;
(f) Gas utilities;
(g) Sewer utilities;
(h) Security access and monitoring system contained in and required by the Airport Security Plan;
(i) Fire monitoring and alarm system;
(j) Manual lock and key system;
(k) Exterior and parking lot lighting;
(l) Paved areas of the parking lot and loading docks including marking and striping;
(m) Driveways, streets and roadways, vehicular ingress/egress and access-ways;
(n) Grading and drainage;

(o) Landscaping and irrigation system;
(p) Fencing;
(q) Paved areas of Preferential Use - Equipment Staging Area and Aircraft Parking Apron, including those areas inside and outside of the full-strength paved areas provided in this Agreement; and
(r) Damages to property or equipment covered by Lessor's insurance.

Lessor shall provide suitable size and quantity of covered dumpsters for all garbage, trash and other refuse. Lessor provided dumpsters shall be placed within reasonable proximity to the Premises, for which Lessee agrees to pay its prorate share of the cost associated with provision of these dumpsters. The prorata share shall be calculated by dividing the Lessee's Exclusive Use – Building space by the building's total occupied Exclusive Use – Building space. Lessor shall be responsible at its sole cost and expense for maintenance, repair or replacement, including but not limited to, landscape, pavements, and snow and ice removal of all public and common or joint-use areas, parking lots, streets and roadways, air operations areas of the Airport outside of the Premises to the extent deemed by Lessor, in its sole opinion and judgment, to be required for the safe and efficient operation of the Airport. Lessor shall be responsible for snow and ice removal on the Preferential Use Premises beginning at the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. The Lessor shall perform such maintenance and upkeep to the best of its reasonable ability under prevailing conditions.

Lessee's Responsibilities. Lessee shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep in Lessee's Premises, including:

(a) Leasehold improvements, decorations, finishes, fixtures, equipment and furnishings;
(b) Glass replacement;
(c) Interior painting;
(d) All interior lighting fixtures and standards including bulbs, tubes, ballasts, starters, switches and outlets;
(e) Interior and exterior pedestrian and roll-up doors, frames, closures and hardware (excluding manual locks, and security access and monitoring systems required under the Airport Security Plan);
(f) Walls, windows, ceilings, partitions and floors;
(g) Plumbing and plumbing fixtures beginning at the shut-off valve entering the building Premises;
(h) Hot water heater(s) and fixtures thereto;
(i) Electrical system beginning at the breaker panel entering the building Premises;
(j) Damages to premises which are caused by Lessee and are not considered normal wear and tear as defined herein; and
(k) Any other repairs as required or necessary to keep the Premises in proper condition for the conduct of business.

With the exception of painting, light bulbs, ballast or tubes, all maintenance, repair, or replacement by Lessee under this part shall be performed by a licensed and reputable contractor. Replacement parts and components shall be of good quality and commercial grade no less than

equal to the quality of existing parts and components. In lieu of, or in addition to, services provided to the Lessee by a licensed contractor under this part, the Lessee may choose to solicit the services of the Lessor to perform maintenance, repair, or replacement, and Lessor may, at its sole option, choose to perform services at a cost mutually agreed upon by Lessee and Lessor.

Lessee shall be responsible for all janitorial service within the Premises, and shall provide daily routine premises clean-up work and trash removal to keep the Premises and Preferential Use Premises in good and tenantable condition through the term of this Agreement.

Lessee shall be responsible for the removal and disposal of garbage, debris, contaminants and any other waste material (whether solid or liquid) arising out of its occupancy of the Premises, Preferential Use Premises, or out of its operation. Such removal will conform with all governmental requirements and regulations as more fully described in Article 27, "Environmental". Such removal and disposal of garbage, debris, contaminants, or other waste material is understood to include routine, daily clean-up of the surrounding areas. Lessee shall immediately react and take prompt corrective actions to remove and dispose of any paper, garbage and debris on Premises or Preferential Use Premises upon demand of Lessor. Lessee shall provide, and screen from public view, suitable covered receptacles for all garbage, trash and other refuse. Piling of boxes, cartons, barrels, pallets or other similar items in an unsightly or unsafe manner on or about the Premises or Preferential Premises is forbidden.

In addition to other rights and remedies of the Lessor hereunder, should Lessee fail to perform its upkeep, maintenance and repair responsibilities, Lessor may, but is not obligated to, perform maintenance and make repairs thereon and thereto which it determines to be necessary, charging the same to the expense of Lessee upon thirty (30) days prior written notice of its intent to do so; except in case of emergency for which no notice is necessary, plus a fifteen percent (15%) administrative fee. Such amount shall be paid by the Lessee to Lessor no later than thirty (30) days after the date of invoice from the Lessor to the Lessee for such costs.

Lessee shall be responsible for snow and ice removal in the Premises and Preferential Use Premises from the air/ramp side building edge to the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. At no time shall Lessee engage in snow and ice removal beyond the areas identified above without the prior knowledge and approval of the Lessor.

Snow piles, windrows or other accumulations of snow shall <u>not</u>:

(a) Be closer than twenty five feet from any security fence;
(b) Block any access gates or controls;
(c) Block or impede any taxiway or taxi lane;
(d) Impose an obstruction within the object free area (OFA) of any taxiway or taxi lane;
(e) Infringe upon, block or interrupt the business of other airport tenant leaseholds.

Snow piles and accumulations requiring removal may be stored on pre-arranged designated paved areas, to be removed by Lessor when time and equipment availability permit, so long as such piles/accumulations comply with a. through e. of this Section.

Only FAA approved dry and liquid chemicals may be used for de-icing or snow removal on aircraft operating surfaces, as set forth in Advisory Circular 150/5200-30, current edition, or as may be amended, *Airport Winter Safety and Operations*, Section 4-6 *Approved Chemicals*, current edition, or as may be amended.

The use of snow and ice removal contractors may be authorized subject to prior written approval by Lessor, and subject to acceptable completion of contractor employee training, and other reasonable safety requirements and standards that Lessor may impose, including but not limited to compliance with Airport rules and regulations, and standard operating procedures. All such snow and ice removal contractors shall maintain a general liability insurance policy of not less than $1,000,000 limit, naming Lessee, the Wichita Airport Authority and the City of Wichita as additional insureds.

ARTICLE 15 – LESSOR'S RIGHTS AND PRIVILEGES

Lessor expressly reserves from the Premises:

(a) Mineral Rights. All gas, oil and mineral rights in and under the soil.

(b) Air Space. A public right of flight through the air space above the surface of the Premises and Preferential Use Premises. This public right of flight will include the right to cause or allow in said airspace, any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operation on the Airport. No liability on the part of Lessor will result from the exercise of this right.

(c) Navigational Aids. The right to install, maintain and modify and/or permit others to install, maintain and modify on the premises navigational aids.

(d) Utility Right-of-Way. The right to install, maintain and modify utilities and to grant utility rights of way to others over, under, through, across or on the Premises or Preferential Use Premises located within 25 feet of the outside boundary lines.

(e) Entry and Inspection of Premises. The right of Lessor, its authorized officers, employees, agents, contractors, subcontractors, authorized government agents, or other representatives to enter upon the Premises and/or Preferential Use Premises:

(1) To inspect at reasonable intervals during regular business hours (or any time in case of emergency or lawful investigation) to determine whether Lessee has complied, and is complying with the terms and conditions of this Agreement;

(2) To Inspect Premises, Preferential Use Premises, facilities, and equipment for compliance with laws, regulations and/or codes of the federal, state or local government, airport rules and regulations and airport standard operating procedures; and

(3) To perform maintenance, repair, or replacement as required and necessary to maintain Premises and Preferential Use Premises in good condition and working order as required under ARTICLE 13 (a) through (r).

(f) Radio/Wireless Communication Systems. The right to approve or withhold approval of any use of fixed RF Systems for the transmission of radio frequency signals in/on the Premises and the Preferential Use Premises. Revenue-producing communication systems or systems not directly applicable to Lessee's operations on the Premises and

Preferential Use Premises are prohibited except upon the specific approval of the Lessor.

Provided that exercise by Lessor of any such reserved rights (a) through (d) will be without expense to the Lessee and will not unreasonably or materially interfere with Lessee's use of the Premises and Preferential Use Premises and will not delay Lessee in the exercise of its rights or the performance of its duties hereunder or increase the costs of such performance. Lessor shall give Lessee notice in writing of the exercise of its rights under (c) and (d).

ARTICLE 16 – LESSEE'S RIGHTS AND PRIVILEGES

Lessee shall have the following rights and privileges on the Premises and on the Airport:

(a) The right to install, operate, repair and store upon the Premises all equipment necessary for the conduct of Lessee's business.
(b) The right of ingress and egress to and from the Premises, which rights shall extend to Lessee's employees, invitees and guests, subject, however, to all reasonable security regulations; and
(c) The right in common with others authorized to do so to use the common areas of the Airport.

ARTICLE 17 – AIRPORT SECURITY PROGRAM

Lessee must obtain Airport Security Identification and Access Media (I.D. Media) for its employees, subcontractors, suppliers, agents, and representatives requiring access to the sterile areas, secured air operations area (AOA), and security identification display area (SIDA), or other secured areas as may be identified in the Airport Security Program, and pay any related costs associated with this privileges as set forth under this Section. Said I.D. Media will be valid as set forth under the Airport Security Program, and must be returned to the Airport Public Safety Division, at 2193 Air Cargo Road within twenty-four (24) hours after expiration, suspension, and/or termination of this Agreement. Said I.D. Media will be valid for no longer than the period of this Agreement.

Lessee covenants that it will at all times maintain the integrity of the Airport Security Program and comply with all applicable provisions of the Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) regulations 49 CFR Parts 1500, 1544, 1546, 1548, and 1550 as promulgated, and that it will always maintain the security of the Airport, Premises, and/or any AOA access which Lessee maintains. Lessee hereby agrees that it shall also be responsible for conducting and verifying any and all required background checks for I.D. Media for any and all of its employees, subcontractors, suppliers, agents, and/or representatives. Lessee also hereby agrees that it shall be responsible for any and all of the actions of its employees, subcontractors, suppliers, agents, and/or representatives and shall provide any and all necessary escorts, as outlined in the Airport Security Program. Lessee hereby agrees that it will immediately implement any and all security changes that are directed either directly or indirectly by the TSA, FAA, or Lessor.

Should Lessee, its employees, subcontractors, suppliers, agents, and/or representatives cause any security violations, and should Lessor be cited for a civil fine or penalty for such security violation, Lessee agrees to reimburse Lessor for any monetary civil fine or penalty, which may be imposed on Lessor by FAA or TSA, however, nothing herein shall prevent the Lessee from contesting the legality, validity or application of such fine or penalty to the full extent Lessee may be lawfully entitled. Lessee may have I.D. Media/access privileges immediately suspended and/or revoked by Lessor for failure to adhere to the Airport Security Program, or for failure to return all I.D. Media within the time-frames specified herein. Such actions may also be grounds for termination of this Agreement for non-compliance as defined under Article 31, Cancellation by Lessor, at the sole discretion of Lessor, if such failure by Lessee is not cured by Lessee within thirty (30) days after receiving notice from Lessor of such failure.

In accordance with the Airport Security Program, Lessee must obtain Airport Security Identification and Access Media and fingerprinting (if required) for their eligible employees, subcontractors, suppliers, agents, and/or representatives.

ARTICLE 18 – TITLE TO FACILITIES, IMPROVEMENTS & TRADE FIXTURES

It is understood and agreed that title to the Premises shall be, and shall remain, exclusively with Lessor during the term of this Agreement or any extension(s) thereof. Lessee shall, without cost to Lessor, furnish and install all non-attached furniture, fixtures, decorations, accessories, equipment and tools necessary to conduct its business, referred to herein as “trade fixtures”. Title/ownership to non-attached “trade fixtures” shall remain with Lessee. All “trade fixtures” shall be high quality, safe, fire resistant, clean and attractive in appearance.

All alterations and “fixed improvements,” except “trade fixtures”, equipment, and personal property of Lessee put in at the expense of Lessee, shall remain upon and be surrendered with the Premises as a part thereof, at any termination of this Agreement, for any cause, and shall become the property of the Lessor. The term "fixed improvements" shall be construed to include all structures erected upon the Premises, including but not limited to fencing, grading and pavement, underground wires, cables, pipes, conduits, tanks and drains, and all other property of every kind and nature which is permanently affixed to the Premises.

Any movable furniture, “trade fixtures,” partitions and all other equipment installed at Lessee’s sole cost and expense shall at all times be and remain the property of Lessee. Notwithstanding anything contained herein to the contrary, Lessee shall have no obligation to remove such fixtures, equipment and alterations described herein unless Lessor shall notify Lessee of its required removal.

ARTICLE 19 – FIRE & POLICE PROTECTION

Lessor agrees to extend to Lessee the same fire and police protection extended to the other tenants on the Airport. The City of Wichita currently charges Lessor a fee for provision of police and fire protection of the Airport. It is understood and agreed that Lessor may impose a fair and equitable charge to recover Lessee’s proportionate share of Lessor’s costs of these services. If,

during the term of this Agreement, Lessor chooses to provide police and fire services directly, the recovery will be adjusted based upon Lessor's established rate.

ARTICLE 20 – FIRE EXTINGUISHERS

Lessee shall furnish and maintain on the Premises sufficient portable fire extinguishing units as may be required by insurance risks or as designated by Lessor. Lessee shall keep in proper functioning order all fire fighting equipment located on the Premises as required by Lessor, and in accordance with NFPA, and state and local fire codes.

From time to time and as often as reasonably required by Lessor and in accordance with state and local fire codes, Lessee shall conduct appropriate inspections and tests of all fire monitoring, alarm and extinguishing equipment, systems and apparatus located on the Premises. Lessor and Lessor's agents, licensees, and invitees shall have the right to enter upon the Premises during normal working hours for the purpose of inspecting and maintaining the same.

ARTICLE 21 – INDEPENDENT CONTRACTOR

In the use of the Premises and in conducting its business, the Lessee acts as an independent contractor and not as an agent of the Lessor. The selection, retention, assignment, direction and payment of the Lessee's employees shall be the sole responsibility of the Lessee. The Lessor shall not attempt to exercise any control over the daily performance of duties by the Lessee's employees, except to the extent and in the manner required by law or regulation in order to meet security obligations mandatory for continued operation or certification of the Airport.

ARTICLE 22 – ASSIGNMENT OR SUBLETTING

No Sublease. Lessee may not sublease all or any portion of the Premises, or permit all or any portion of the Premises to be used or occupied by anyone other than the Lessee, without the prior written approval of Lessor. Any arrangement for the subleasing of space must be in conformance with the use of the Premises outlined in this Agreement, unless expressly approved otherwise in writing by Lessor. Any sublease to be entered into must contain a provision that the subtenant releases the Lessor from any liability of any kind or nature that the subtenant has or may have. Consent to one sublease shall not be deemed consent to any subsequent sublease. Any sublease Agreement shall be subordinate to the terms of the primary Agreement. Lessee shall indemnify and hold the Lessor harmless for claims of any subtenant with respect thereto except to the extent caused by the Lessor.

No Assignment Without Lessor Approval. Neither this Agreement nor any part thereof may be assigned, transferred, mortgaged, encumbered, or pledged by process or operation of law or in any other manner whatsoever, without the prior written approval of Lessor. Any transaction that has the practical or legal effect of transferring the Lessee's beneficial ownership or control of this Agreement, or any of the rights or obligations hereunder, is prohibited without Lessor's prior written approval. Lessor shall not unreasonably withhold its approval to a proposed assignment so long as the proposed assignee continues to use the premises solely for the purposes set forth in this Agreement, possesses financial resources and operational experience satisfactory to Lessor,

and any guarantor hereof remains bound, agrees in writing to be bound by any of the terms and conditions of this Agreement, and the Lessee agrees to remain primarily liable for full and timely performance of this Agreement. Any legal or other fees incurred by Lessor in the review of any proposed assignment shall be paid by Lessee.

ARTICLE 23 – INSURANCE

The Lessee agrees to maintain public liability insurance during the term hereof which protects the Lessor and City of Wichita, their officers, agents and employees, as additional insureds, with terms and companies as approved by Lessor, which approval shall not be unreasonably withheld, in an aggregate amount of not less than $2,000,000 per occurrence. In addition, the Lessee shall maintain a policy of comprehensive automobile liability insurance in a combined single limit of not less than $500,000, and a Worker's Compensation and Employer's liability policy for limits of not less than the statutory requirement for Worker's Compensation, and $500,000 Employer's Liability. Lessee agrees that in the event of future changes in the law and upon notice by the Lessor, the minimum levels of insurance required by this paragraph may be increased within the bounds of commercial reasonableness to the amount that may be required to provide coverage of the events of this paragraph.

The Lessee agrees, prior to the commencement of this lease term, to provide Lessor with copies of all policies or certificates evidencing that such insurance is in full force and effect, and stating the terms thereof. Such policy or certificate shall contain a clause providing ten (10) days' prior notice to the Lessor before any material change or cancellation is effective.

ARTICLE 24 – FIRE AND EXTENDED COVERAGE INSURANCE

Lessor agrees to insure the Cargo Building, which includes the Premises, and Lessee, in addition to all other rentals and charges provided for herein, agrees to pay its prorata share of the annual premium cost of said Fire and Extended Coverage Insurance, plus its prorata share of any deductible required to be paid by Lessor under its blanket policy which is attributable to the Cargo Building. Lessee's prorata share will be based upon the ratio the square footage of the Premises bears to the total square footage included in the existing Cargo Building.

ARTICLE 25 – SUBROGATION OF INSURANCE

Lessor hereby waives any and all rights of recovery against Lessee for or arising out of damage or destruction of the building, or the demised premises, or any other property of Lessor, from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of such policies, whether or not such damage or destruction shall have been caused by the negligence of Lessee, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

Lessee hereby waives any and all rights of recovery against Lessor for or arising out of damage to or destruction of any property of Lessee from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of said policies, whether or not such damage or destruction shall have been caused by the negligence of

Lessor, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

ARTICLE 26 – INDEMNITY

Lessee shall protect, defend and hold Lessor and the City of Wichita and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessee's use or occupancy of the premises or the acts or omissions of Lessee's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence or the acts or omissions of the City of Wichita or Lessor's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur. The Lessor shall give to Lessee reasonable notice of any such claim or actions. The Lessee shall also use counsel reasonably acceptable to Lessor in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

Lessor shall protect, defend and hold Lessee and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessor's operation of the Airport or the acts or omissions of Lessor's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence of the Lessee. The Lessee shall give to Lessor reasonable notice of any such claim or actions. The Lessor shall also use counsel reasonably acceptable to Lessee in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

ARTICLE 27 – ENVIRONMENTAL

(a) The Lessee hereby covenants that it will not cause or permit any Hazardous Substances to be placed, held, located or disposed of, on, under or at the Premises or Preferential Use Premises, other than in the ordinary course of business and in compliance with all applicable laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided to the Lessor hereunder, the Lessee hereby agrees to indemnify and hold harmless the Lessor and the City of Wichita from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessor or the City of Wichita by any person or entity for or arising out

of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during any term of this lease of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning, any hazardous substance) ("Environmental Laws") if such presence, escape, seepage, leakage, spillage, discharge, emission was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, and/or licensees, or if such Hazardous Substance was owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release).

(c) If, during the term of this Agreement, the Lessee receives any written notice of (i) the happening of any event involving the use (other than in the ordinary course of business and in compliance with all applicable laws), spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance on the premises or in connection with the Lessee's operations thereon or (ii) any written complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental, health, or safety matter affecting the Lessee (an "Environmental Complaint") from any persons or government authority responsible for enforcing Environmental Laws (including, without limitation), the United States Environmental Protection Agency (the "EPA") or the Kansas Department of Health and Environment ("KDHE"), the Lessee shall immediately notify the Lessor in writing of said notice.

(d) If Lessee fails to address timely and in accordance with Environmental laws any spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance caused by Lessee, or persons within the control of Lessee, its officers, employees, agents and/or licensees, the Lessor shall have the right, but not the obligation, and without limitation of the Lessor's other rights under this Agreement, to enter the Premises and Preferential Use Premises, at an appropriate time so as to cause the least impact on Lessee's business, and to take such other actions as deemed necessary or advisable by the government agency responsible for enforcing Environmental Laws or by the Lessor in its reasonable determination of its responsibilities as the owner of the property to inspect, clean up, remove, resolve or minimize the impact of, or to otherwise deal with, any such Hazardous Substance. Lessee shall reimburse Lessor for all reasonable costs incurred under this provision by the Lessor in the exercise of the rights hereunder within 90 days of written demand by Lessor.

(e) If an event of default shall have occurred and be continuing, the Lessee at the request of the Lessor shall periodically perform (at the Lessee's expense) an environmental audit and, if reasonably deemed necessary by the Lessor, an environmental risk assessment (each of which must be reasonably satisfactory to the Lessor) of the premises, or the hazardous waste management practices and/or hazardous waste disposal sites used by the Lessee with respect to the leased premises. Such audit and/or risk assessment shall be conducted by an environmental consultant satisfactory to the Lessor. Should the Lessee fail to perform any

such environmental audit or risk assessment within 90 days of the written request of the Lessor, the Lessor shall have the right, but not the obligation, to retain an environmental consultant to perform any such environmental audit or risk assessment. All costs and expenses incurred by the Lessor in the exercise of such rights shall be payable by the Lessee on demand.

(f) Neither Lessee nor Lessor shall install or permit to be installed in the premises friable asbestos, electrical equipment containing polychlorinated biphenyls (PCBs), or any substance containing asbestos and deemed hazardous by federal or state regulations applicable to the premises and respecting such material. The Lessee shall defend, indemnify, and save the Lessor and the City of Wichita harmless from all costs and expenses (including consequential damages) asserted or proven against the Lessee by any person, as a result of the presence of said substances, and any removal or compliance with such regulations, if said substance was installed by the Lessee, or persons within its control.

(g) Subject to any limitations or restrictions imposed by the Kansas Budget Law or Cash Basis Law, the Lessor hereby agrees to indemnify and hold harmless the Lessee from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessee by any person or entity for, arising out of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during the term of this Agreement and the period prior to the term of this Agreement of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order of decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning any hazardous substance) unless such presence, escape, seepage, leakage, spillage, discharge, emission or release was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, business invitees and/or licensees, or if such hazardous substance was owned by, or placed upon the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release except to the extent such was caused by the Lessor).

(h) Lessor shall grant to Lessee and its agents or contractors such access to the leased premises as is reasonably necessary to accomplish the Lessee's requirements and obligations under this Article. If actions required of Lessee are not accomplished by the expiration of the lease term, Lessee shall be obligated to pay rent to Landlord to the extent the premises are impacted by Lessee's failure to complete such activities.

(i) The provisions of this article shall survive the termination of this Agreement.

ARTICLE 28 – RULES & REGULATIONS

Lessee, its agents and employees, shall be subject to any and all applicable rules, regulations, airport standard operating procedures , orders and restrictions which are now in force or which may hereafter be adopted by The Wichita Airport Authority or the City of Wichita, Kansas, in respect to the operation of the Airport; and shall also be subject to any and all applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport or Lessee's operations conducted hereunder. Such observation and compliance by Lessee shall not obligate Lessee to make any alterations or do any other work, structural or otherwise, within the Premises unless failure of the Premises to comply with such rules, laws, statutes and regulations shall have been caused by Lessee's specific use of Premises.

To the extent that applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport causes diminution or deprivation of Lessee's rights hereunder, Lessor shall not be liable to Lessee for any such diminution or deprivation of its rights, nor shall Lessee be entitled to terminate this Agreement by reason thereof unless the exercise of such authority shall so interfere with Lessee's exercise of the rights hereunder as to constitute a termination of this Agreement by operation of law in accordance with the laws of the State of Kansas.

ARTICLE 29 – IMPOSITIONS

Lessee shall, during the life of this Agreement, bear, pay and discharge, before the delinquency thereof, any and all lawful impositions, including all lawful taxes and assessments imposed on the Premises or Lessee's possessory right therein. In the event any impositions may be lawfully paid in installments, Lessee shall be required to pay only such installments thereof as become due and payable during the life of this Agreement as and when the same become due and payable. Lessor covenants that without Lessee's written consent it will not, unless required by law, take any action intended to cause or induce the levying or assessment of any imposition (other than special assessments levied on account of special benefits or other impositions for benefits or services uniformly imposed) which Lessee would be required to pay under this article and that should any such levy or assessment be threatened or occur Lessor shall, at Lessee's request, fully cooperate with Lessee in all reasonable ways to prevent any such levy or assessment. Nothing herein contained shall prevent Lessee from contesting the legality, validity or application of any such tax or assessment to the full extent Lessee may be lawfully entitled to do so.

ARTICLE 30 – DAMAGE OR DESTRUCTION

If the Premises shall be partially damaged by fire or other casualty, but not rendered untenantable, the same shall be repaired with due diligence by Lessor at its own cost and expense; if the damage shall be so extensive as to render the Premises untenantable but capable of being repaired, the same shall be repaired with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage and shall thenceforth cease until such time as the Premises shall be put in good order. In

the event the Premises shall be completely destroyed by fire or other casualty or so damaged that it will remain untenantable for more than thirty (30) days, or in case it does so remain untenantable for more than thirty (30) days, at the option of Lessor (1) the Premises shall be repaired or reconstructed with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage or destruction and shall thenceforth cease until such time as the Premises shall be put in good order; or (2) within sixty (60) days after the time of such damage or destruction and before the Premises shall be put in order, either party may give the other party written notice of its election to cancel this agreement in its entirety, and Lessee shall be liable for rent only up to the time of such damage or destruction.

It is understood and agreed that nothing in this article concerning rental abatements or cancellation by Lessee shall apply in the case of damages to or the destruction of the leased Premises which is caused by the negligent acts of Lessee, its agents, employees or invitees, and further that Lessee shall, at its own expense, repair all such damages resulting from such acts; except that Lessee shall not be responsible to Lessor for damages to property or equipment fully covered by Lessor's insurance.

ARTICLE 31 – CANCELLATION BY LESSOR

The Lessor, in addition to any other rights to which it may be entitled by law or equity, may cancel this Agreement as set forth herein.

In the event that Lessee shall file a voluntary petition in bankruptcy or that proceedings in bankruptcy shall be instituted against it and Lessee is thereafter adjudicated bankrupt pursuant to such proceedings; or that the court shall take jurisdiction of Lessee and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act; or that a receiver of Lessee's assets shall be appointed; or that Lessee shall be divested of its estate herein by other operation of law; or that Lessee shall fail to perform, keep and observe any of the terms, covenants or conditions herein contained on the part of Lessee to be performed, kept or observed, Lessor may give Lessee written notice to correct such condition or cure such default, and if any such condition or default shall continue for sixty (60) days after receipt of such notice by Lessee, Lessor may terminate this lease and the term hereof shall cease and expire at the end of such sixty (60) days in the same manner and to the same effect as if it were the expiration of the original term, unless such condition or default cannot reasonably be corrected within the 60 day period and Lessee has demonstrated due diligence with respect to curing said default, then such default will be treated as cured until cured.

Acceptance of rental by Lessor for any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee shall not be deemed a waiver of any other right on the part of Lessor to cancel this lease for failure by Lessee so to perform, keep and observe any of the terms, covenants or conditions hereof to be performed, kept and observed. No waiver of default by Lessor of any of the terms, covenants or conditions hereof to be performed, kept and observed by Lessee, shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by Lessee.

ARTICLE 32 – CANCELLATION BY LESSEE

The Lessee, in addition to any other rights of cancellation herein given to Lessee, or any other rights to which the Lessee may be entitled by law or otherwise, may cancel this lease by giving Lessor sixty (60) days' advance written notice in the event of default by Lessor under this lease continuing for more than sixty (60) days after the Lessor's receipt of written notice of such default from the Lessee, upon or after the happening of any one of the following events:

(a) The failure or refusal of the Federal Aviation Administration or any other applicable state of federal authority, to grant Lessee the right to operate into, on, from or through said Airport;

(b) The issuance by any court of competent jurisdiction of a permanent injunction in any way preventing or restraining the use of the airport for airport purposes and the remaining in force of such injunction for a period of at least sixty (60) days.

(c) The breach by Lessor of any of the covenants or agreements herein contained and the refusal of Lessor to remedy such breach within a reasonable period of time after receipt of a written notice of the existence of such breach;

(d) The inability of Lessee to use said Premises and facilities continuing for a period longer than sixty (60) days due to any order, rule or regulation of any appropriate governmental authority having jurisdiction over the operations of Lessee.

ARTICLE 33 – FAA REQUIREMENTS

Lessor and Lessee further agree that the requirements of the Federal Aviation Administration set out below are approved by both parties, and if applicable, Lessee agrees to comply with all FAA requirements with respect to its operations, use of the Airport and this Agreement.

(a) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained or otherwise operated on said property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(b) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no

person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(c) The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs, and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

(d) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

(e) Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(f) Lessor reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard.

(g) Lessor reserves the right further to develop or improve the landing area and all publicly-owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.

(h) Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the airport which, in the opinion of Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft.

(i) During time of war or national emergency Lessor shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly-owned air navigation facilities and/or other areas or facilities of the airport. If any such agreement is executed, the provisions of this

instrument, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.

(j) It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

(k) There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the air space above the surface of the Premises and Preferential Use Premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on or about the airport.

(l) This Agreement shall become subordinate to provisions of any existing or future agreement between the Lessor and the United States of America or any agency thereof relative to the operation, development or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

ARTICLE 34 - MODIFICATIONS FOR GRANTING FAA FUNDS

In the event that the Federal Aviation Administration requires modifications or changes to this Agreement as a condition precedent to granting of funds for the improvement of the Airport, Lessee agrees to consent to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required to enable the Lessor to obtain said Federal Aviation Administration funds, provided that in no event shall such changes materially impair the rights of Lessee hereunder or materially increase its obligations.

ARTICLE 35 - NONDISCRIMINATION EEO/AAP

The Lessee agrees that it will not discriminate or permit discrimination against any person on the basis of race, color, sex, religion, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry in its operations or services, and its use or occupancy of property under this Agreement. The Lessee agrees to comply with all applicable provisions of the Civil Rights Act of 1964, as amended; the Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11141; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Kansas Act Against Discrimination, K.S.A. 44-1001, et seq.; the Code of the City of Wichita Section 2.12.900; and laws, regulations or amendments as may be promulgated thereunder.

ARTICLE 36 – THIRD PARTY RIGHTS

It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Agreement to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

ARTICLE 37 – NON-WAIVER

The waiver by Lessor of any breach of the Lessee of any term, covenant, provision, or condition hereof shall not operate as a waiver of any subsequent breach of the same or a waiver of any breach of any other covenant, term, provision, or condition hereof, nor shall any forbearance by Lessor to seek a remedy for any breach by Lessee be a waiver by Lessor of its rights and remedies with respect to such or any subsequent breach of the same or with respect to any other breach.

ARTICLE 38 – INVALID PROVISIONS

It is further expressly understood and agreed by and between the parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either the Lessor or the Lessee in their respective rights and obligations contained in the valid covenants, conditions or provisions in this agreement.

ARTICLE 39 – SURRENDER OF POSSESSION

Lessee shall yield and deliver to Lessor possession of the Premises leased herein at the expiration of this Agreement in good condition in accordance with its express obligations hereunder, except for reasonable wear and tear, fire and other casualty. Lessee shall deliver the Premises in good order and condition, including: (1) cleaning and hauling away all supplies and trash; (2) leaving in operating condition all bulbs and ballasts; (3) replacing all broken glass; and (4) turning in keys to all door locks.

Lessee, at Lessee’s expense, shall remove during the term hereof or at the expiration of such term all trade fixtures, equipment and personal property placed by Lessee on or about the Premises herein leased, subject to Lessee's repairing any damage thereto caused by such removal and subject to any valid lien which Lessor may have thereon for unpaid rents or fees.

Lessor may direct Lessee to remove, at Lessee’s sole expense, any cabling installed within the Premises upon surrender of possession of the Premises. Lessee shall have no obligation to remove such cabling unless Lessor shall notify Lessee of its required removal.

In the event Lessee does not remove all of said property within ten (10) days after the termination of this Agreement, the same shall be considered abandoned and Lessor may dispose of said property without any further responsibility or liability to Lessee.

At any time within ninety (90) days prior to the expiration of this Agreement, Lessor and Lessor's agents, invitees, and licensees may enter and show the Premises to persons wishing to rent the Premises and may post upon the Premises the usual notices "For Rent" or "For Lease", said notices to remain thereon without hindrance or molestation, provided Lessee has not exercised any renewal options provided herein, or has not signed a new lease. Lessor and its agents, invitees, and licensees will use their best efforts not to unreasonably interfere with Lessee's use of the Premises during said visits.

ARTICLE 40 – ENTIRE AGREEMENT

This Agreement supersedes all previous agreements for the Premises between Lessor and any other party, and all amendments or renewals thereto. The parties hereto understand and agree that this instrument contains the entire Agreement between the parties hereto. The parties hereto further understand and agree that the other party and its agents have made no representations or promises with respect to the Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by either party against the other and such party shall not be liable by reason of, the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other being expressly waived.

The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for which they are acting herein.

The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel deemed necessary for them to form a full and complete understanding of all rights and obligations herein.

This Agreement between the parties shall consist of this instrument. In the event of any conflict between the terms of this Agreement and the terms or provisions of the aforesaid documents, the more restrictive on Lessee shall control.

ARTICLE 41 - NOTICES

Notices to Lessor provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

The Wichita Airport Authority
P. O. Box 9130
Wichita, Kansas 67277-0130

Notices to Lessee provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

UPS – Supply Chain Solutions
Attn: Real Estate
12380 Morris Road
Alpharetta, GA 30005

UPS – Supply Chain Solutions
Attn: Patrick Scharf
775 East Drive
Carol Stream, IL 60188

or to such other respective addresses as the parties may designate in writing from time to time.

ARTICLE 42 – KANSAS LAW TO GOVERN

This lease and t*he* terms and conditions herein contained shall at all times be governed, interpreted and construed under and in accordance with the laws of the State of Kansas.

ARTICLE 43 – HEADINGS

The article and paragraph headings are inserted only as a matter of convenience and for reference, and in no way define limit or describe the scope or intent of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

ATTEST:

THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS

By _____

Title _____

By _____

Title _____
"LESSOR"

By _____
Victor D. White, Director of Airports

ATTEST: UPS SUPPLY CHAIN SOLUTIONS, INC.

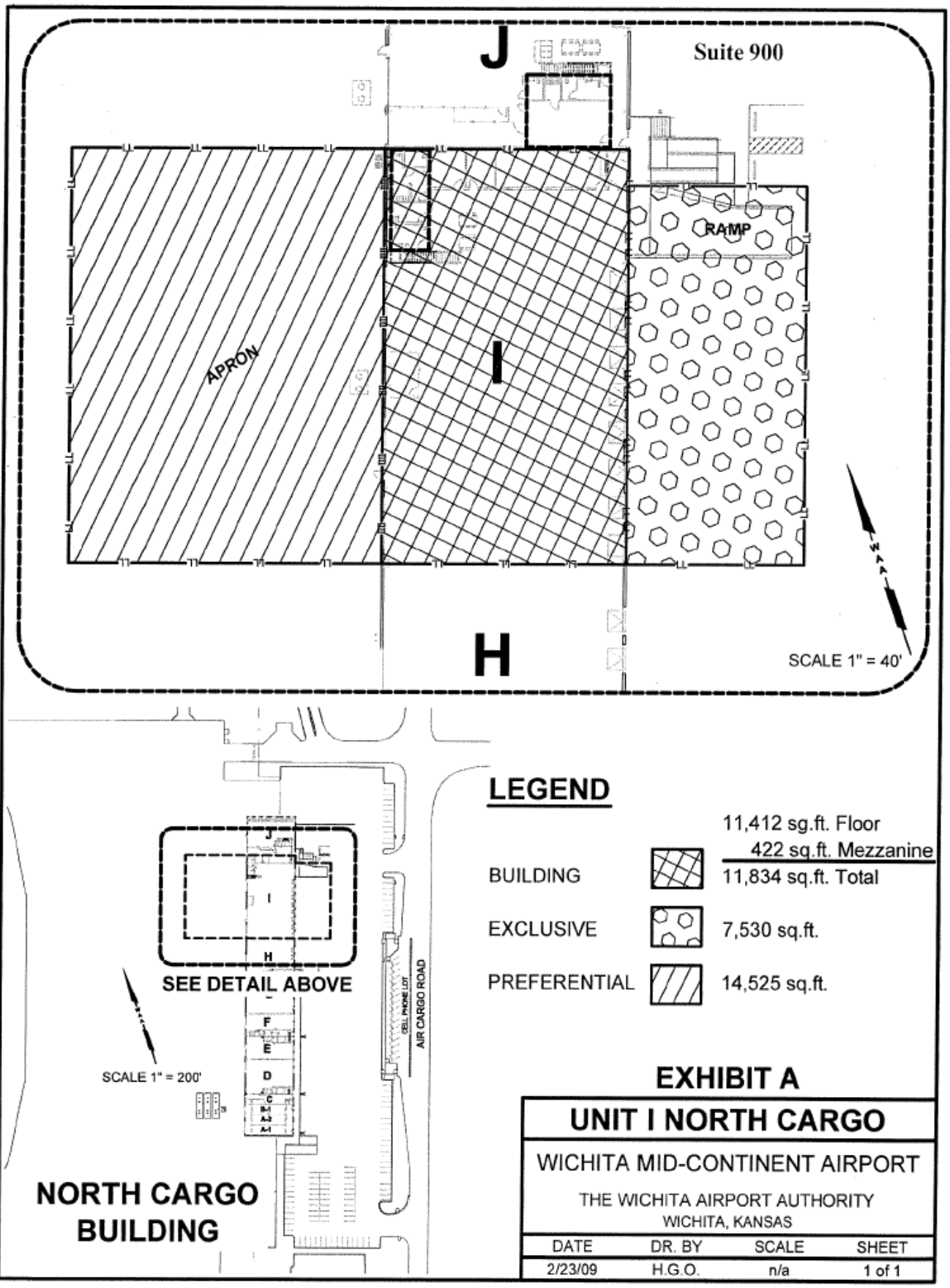
By _____ By _____

Title _____ Title _____

"LESSEE"

APPROVED AS TO FORM: _____Date: _____

Director of Law


J
Suite 900
RAMP
APRON
I
H
SCALE 1" = 40'
SEE DETAIL ABOVE
SCALE 1" = 200'
CELL PHONE LOT
AIR CARGO ROAD
NORTH CARGO BUILDING
LEGEND
BUILDING
11,412 sq.ft. Floor
422 sq.ft. Mezzanine
11,834 sq.ft. Total
EXCLUSIVE
7,530 sq.ft.
PREFERENTIAL
14,525 sq.ft.
EXHIBIT A
UNIT I NORTH CARGO
WICHITA MID-CONTINENT AIRPORT
THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS
DATE
DR. BY
SCALE
SHEET
2/23/09
H.G.O.
n/a
1 of 1

A G R E E M E N T

By and Between

THE WICHITA AIRPORT AUTHORITY
Wichita, Kansas

and

UPS SUPPLY CHAIN SOLUTIONS, INC.

For

Use of Space in Cargo Building
Wichita Mid-Continent Airport

THIS AGREEMENT, made and entered into this April 14, 2009, by and between THE WICHITA AIRPORT AUTHORITY, Wichita, Kansas, hereinafter referred to as the "LESSOR"; and UPS SUPPLY CHAIN SOLUTIONS, INC., a Delaware Corporation, hereinafter referred to as the "LESSEE".

WITNESSETH:

WHEREAS, Lessor operates and owns an existing air cargo facility located at 1935 Air Cargo Road on Wichita Mid-Continent Airport, hereinafter referred to as the Airport; and

WHEREAS, Lessor desires to lease to Lessee and Lessee is desirous of renting from Lessor certain premises at the Airport to be used in connection with Lessee's business of air freight carrier and handling services.

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

ARTICLE 1 – PREMISES

"Premises" as used herein shall be the "Exclusive Use – Building" and "Exclusive Access Areas" located at 1935 Air Cargo Road, Suite 900, on the Airport.

Exclusive Use – Building. Lessor does hereby lease to Lessee that portion of the air cargo building consisting of 11,834 square feet, as reflected on Exhibit "A", attached hereto and made a part hereof.

Exhibit "A" sets forth the general layout of the portion of the building to be leased to the Lessee but shall not be deemed to be a warranty, representation, or agreement on the part of the Lessor that the building or any portion thereof will be or will continue to be exactly as indicated on said diagram.

Exclusive Access Areas. As part of the building rental fee, Lessee shall have exclusive use and access to the dock area directly in front of its exclusive use leasehold, and the parking/loading/unloading area directly in front of the dock of its leasehold equal to the width of the exclusive use area, and extending to a point 60 feet beyond the dock edge, as reflected on Exhibit "A", attached hereto and made a part hereof. In the case of exclusive lease areas not equipped with a dock, the exclusive access area shall extend to a point 60 feet beyond the edge of the building.

Preferential Use – Equipment Staging Area and Aircraft Parking Apron – Airfield Side. In addition to the Exclusive Access Areas, Landlord hereby grants to Lessee the use of "Preferential Use Premises" which is identified as pavement assigned to the Lessee, and to which the Lessee shall have preferential use, defined herein as the unrestricted, higher and continuous priority over all other users, as reflected on Exhibit "A", attached hereto and made a part hereof.

ARTICLE 2 - USE

Permitted Use. Upon performance of the Agreement, provisions and conditions contained in this Agreement, Lessee shall have use of the Premises and Preferential Use Premises to engage in the performance of certain and specific activities as defined herein, together with the right of ingress and egress, in common with others, for both vehicles and aircraft, and its customers, agents, invitees, contractors, representatives and employees, in a reasonable manner for the purposes described hereinafter and for activities incidental or related thereto. It is understood and agreed that both the Premises and Preferential Use Premises shall be used and occupied for aviation purposes or purposes incidental or related thereto. Lessee hereby agrees that the described Premises and Preferential Use Premises may be utilized by Lessee for the sole purpose wherein Lessee and its personnel may perform the activities related to air freight carrier and/or handling service at the Airport.

In conjunction with, and to facilitate Lessee's activities related to air freight carrier and/or handling service at the Airport, the Premises may be used for minor vehicle repairs in accordance with current city codes and Airport standard operating procedures. No welding, dispensing or draining of fuels, painting of vehicles, or major repairs shall be permitted inside the building.

Non-Exclusive Use of Certain Facilities. Lessor grants the Lessee, for the purposes for which such facilities were designed and constructed and for no other purposes, in common with others, the non-exclusive use of the Airport and appurtenances, together with all facilities, equipment improvements, and services which are now, or may hereafter be, provided at, or in connection with, the Airport from time-to-time on a non-exclusive use basis, including, but not limited to the Air Operations Area of the Airport, driveways, floodlights, beacons, signals, radio aids, or other conveniences for aeronautical operations, landing and takeoff of aircraft. As used in this Agreement, "Air Operations Area" shall mean those portions of the Airport from time to time

provided and made available by the Lessor for aircraft and related operations and includes runways, taxiways, ramps, aprons, and areas directly associated therewith which are not exclusively leased areas of the Lessee or any other tenant on the Airport.

The Lessee recognizes that other tenants now and hereafter may occupy other portions of the Airport, and that such other tenants shall have the right to use the ramps and driveways serving their areas and other areas not under an exclusive lease, and the Lessee shall conduct its operations in such a manner as to not impede access, interfere with, or disrupt the business of and quiet enjoyment of other tenants.. The Lessor reserves the right to grant, or to permit other parties the right, to use any portion of the Airport except that described in Lessee's Premises.

Parking. Vehicle parking by the Lessee, its agents, employees, or licensees shall be by permit, and only in such places as may be authorized by Lessor from time to time and upon terms and conditions as may be imposed by Lessor.

Ramp Management. The Lessee will operate on the ramp pursuant to the directives of the Lessor.

Non-interference with Operation of Airport. Lessee covenants and agrees that it will not allow any condition on the Premises or Preferential Use Premises, nor permit the conduct of any activity on such Premises or Preferential Use Premises, which shall materially or adversely affect the development, improvement, operation, or maintenance of the Airport or its facilities; nor will Lessee use or permit the Premises or Preferential Use Premises to be used in any manner which might interfere with the landing and take-off of aircraft from the Airport or otherwise constitute a hazard. If any proscribed or prohibited condition or activity, as described above, shall be permitted to exist on the Premises, Preferential Use Premises, or on any part thereof, then, as an alternative to termination of this Agreement under Article 31 the Lessor, after giving 10 days written notice to Lessee, during which period Lessee may abate or correct the omission or objection, so set forth in Lessor's notice, may thereupon correct such omission or objection by entering the Premises or Preferential Use Premises, or by its agents or employees, without such entering causing or constituting a termination of this Agreement or an interference with possession of Premises or Preferential use Premises by Lessee, and the Lessor may cause abatement of such proscribed or prohibited condition or activity; and, in such event, the Lessee agrees to pay the Lessor the expenses of the Lessor incurred in the above connection as additional rent within 30 days after submission of an invoice showing the reasonable expenditure or the incurring of any such reasonable expenditure by the Lessor.

No Unlawful Activity. This Agreement shall not be construed as authorizing the Lessee to engage in any activity that is unlawful or which is contrary to, or in conflict with, any federal, state or local law, ordinance, rule or regulation, or standard operating procedure, and the Lessee does hereby indemnify and hold the Lessor harmless from any act or failure by the Lessee in respect to this obligation.

No Grant of Concession. This Agreement is not intended to, nor shall it be construed as, authorizing the Lessee to conduct a concession on the Airport.

No Unauthorized Use. The Lessee shall not conduct or permit any employee to conduct any business or commercial operation not herein or otherwise authorized by the Lessor. For a violation of this paragraph, in addition to the termination provisions hereunder, the rent shall be doubled while such default continues.

ARTICLE 3 - TERM

The term of this Agreement shall be for a period of five years commencing on June 1, 2009 and terminating on May 31, 2014.

ARTICLE 4 – RENEWAL OPTIONS

Lessee shall have and is hereby given the right and option to extend the term of this Agreement for up to three additional terms of five years each, provided that (i) Lessee shall give Lessor written notice of its intention to exercise such option at least 180 days prior to the expiration of the previous term, and (ii) Lessee is not in default hereunder in the payment of rent at the time it gives Lessor such notice or at the time said additional term commences. In the event that Lessee fails to give required notice to Lessor, this Agreement shall automatically terminate at the end of the previous term of this Agreement.

In the event Lessee exercises any options for the additional terms, subject to the provisions for adjustment in rents, as set forth in Article 6, all terms, covenants, and provisions set forth in this Agreement shall be in full force and effect and binding upon Lessor and Lessee during such additional term(s).

ARTICLE 5 - RENT

As rent for the Premises, Lessee covenants and agrees to pay Lessor rental during the term of this Agreement for the use of said Premises commencing on June 1, 2009, or upon occupancy. If the building occupancy begins on a day other than the first of the month, then that first month's rents will be prorated based on the number of days occupied in that month divided by the total number of days in the same month.

Rental shall be based upon the use of 11,412 sq. ft. of first floor space, and 422 sq. ft. of mezzanine space, as follows. The rental amount for the mezzanine space shall be 50% of the rate assessed for the first floor.

First Floor:

Period	Rate/Sq.Ft.	Annual	Monthly
06/01/09 – 05/31/10	$9.55	$108,984.60	$9,082.05
06/01/10 – 05/31/11	$9.65	$110,125.70	$9,177.14
06/01/11 – 05/31/12	$9.75	$111,267.00	$9,272.25
06/01/12 – 05/31/13	$9.85	$112,408.20	$9,367.25
06/01/13 – 05/31/14	$9.95	$113,549.40	$9,462.45

Mezzanine:

Period	Rate/Sq.Ft.	Annual	Monthly
06/01/09 – 05/31/10	$4.78	$2,017.16	$168.10
06/01/10 – 05/31/11	$4.83	$2,038.26	$169.86
06/01/11 – 05/31/12	$4.88	$2,059.36	$171.61
06/01/12 – 05/31/13	$4.93	$2,080.46	$173.13
06/01/13 – 05/31/14	$4.98	$2,101.56	$175.13

Rental shall be adjusted accordingly if the Premises are modified under the terms of this Agreement.

Lessee shall pay to Lessor in advance on the first day of each month, without demand or invoicing, rentals for Lessee's Premises as set forth herein. In the event Lessee fails to make payment within ten (10) days of the dates due as set forth in this Article, then Lessor may charge Lessee a monthly service charge equal to the maximum allowable under state statutes on any such overdue amount, plus reasonable attorneys' and administrative fees incurred by Lessor in attempting to obtain payment.

Lessee shall pay Lessor rentals for Lessee's Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the term of this Agreement, and shall file periodic reports as requested by Lessor from time to time.

All rental payments shall be made to The Wichita Airport Authority, 2173 Air Cargo Road, P. O. Box 9130, Wichita, Kansas 67277-0130.

ARTICLE 6 – RENT DURING RENEWAL OPTIONS

Facility rental for each option period shall be the rental during the previous five years increased by the percentage change of the CPI-U over the previous five years. Data used for the calculation shall be the most recent information available when the 180 notice is provided by Lessee to exercise the option to renew the Agreement,

ARTICLE 7 – UTILITIES

Standard Facilities. The Lessee shall have the right to access the utility service facilities, including gas, water and electricity, which are available at the Premises. The Lessee is responsible for upgrading the existing utilities at the Premises to the condition and capacity as deemed appropriate by the Lessee and approved by the Lessor to operate the Premises, at the Lessee’s sole expense. Should the Lessee’s operations require utility facilities not presently at the Premises’ boundary, the Lessee will, at the Lessee’s sole expense, install service lines for the utility facilities; however, such installation shall require prior approval by the Lessor. It is understood by Lessee that Lessor will furnish gas, electric, and water systems to the building. Lessee shall pay all costs for utility services used by Lessee at or upon the Premises or Preferential Use Premises, if approved by Lessor, with no responsibility or expense incurred by Lessor, including all permits, licenses or authorizations necessary in connection therewith. Such payment by Lessee shall be made directly to the utility supplier or service provider, except that if

such utilities should be supplied by the Lessor, then in this event, Lessee will pay those costs to Lessor upon receipt of invoice therefore. Lessee agrees that any such costs invoiced to Lessee will be based upon the rates charged to Lessor by utility supplier, plus reasonable capital and administrative recovery costs.

Network Communications/Security Cable. Lessor is the only entity allowed to install or remove any cabling. Cabling includes, but is not limited to, any type of telecommunications or network cable such as CAT3, CAT5, CAT6; fiberoptics cable; and/or coaxial cable. Cabling for basic phone service shall be provided as part of the base building. However, should additional network cable, coaxial for security or fiber optic cable, be required for Lessee's operation, Lessee shall be required to make arrangements with Lessor, and such installation shall be at Lessee's expense. Should the Lessee be able to demonstrate that the Lessor is not reasonably cost competitive in provision of cabling beyond that needed for basic phone service, the Lessor shall permit, in writing, to the Lessee an alternative means for accomplishing this work while still maintaining the Lessor's facility standards and without resulting in excessive additional expense to the Lessee. It shall be Lessee's responsibility to contract for services using such cables from Lessee's preferred service provider.

ARTICLE 8 - ACCEPTANCE OF PREMISES

Except as may be otherwise expressly provided in this Agreement, the taking of possession of the Premises by Lessee shall in itself constitute acknowledgement that the Premises are in good and tenantable condition, and Lessee agrees to accept Premises in its presently existing condition, "as is," "where is," and "with all faults" and that Lessor shall not be obligated to make any improvements or modifications thereto except to the extent that may otherwise be expressly provided in this Agreement. Not withstanding, the Lessor and Lessee shall mutually agree, before the Lessee occupies the space they intend to develop and occupy, to a punch list. This punch list shall identify all remaining items which Lessor is still required to complete. Lessee can occupy the space once the punch list has been established. Both parties shall also mutually sign off on punchlist items once they have been completed.

ARTICLE 9 – LEASEHOLD IMPROVEMENTS/ALTERATIONS

Lessee shall have the right during the term hereof, at Lessee's expense, from time to time, to make interior modifications as it may deem necessary or desirable in connection with its operation under this Agreement; provided, however, that Lessee shall first submit plans and specifications for such alterations to the Lessor for approval.

All such alterations or improvements shall be performed in a workmanlike manner in accordance with all applicable governmental regulations, building codes, Airport rules and regulations, Lessor design and construction standards, Lessor standard operating procedures, Airport security program and all other applicable regulations, codes, and requirements, and will not weaken or impair the structural strength, or lessen the value of the building, or change the purposes for which the building or any part thereof, may be used. Any such alterations or improvements shall be erected at the sole cost and expense of Lessee, and Lessee shall have no right, authority, or power to bind Lessor or any interest of Lessor in the Premises, for the payment of any claim for

labor or material or for any charge or expense incurred in the erection, construction, operation, or maintenance of said improvements/alterations.

Design and construction specifications and documents for any improvements/alterations must be reviewed by the City of Wichita Office of Central Inspection and/or the Planning Department or other departments as may be identified from time to time, as may be applicable, prior to the issuance of a building permit.

Lessee warrants that the improvements/alterations, when completed, will be necessary or useful in its development for use by Lessee for its purposes.

No exterior alterations will be allowed to the building, without prior written approval by the Lessor.

ARTICLE 10 – LIENS

Lessee, shall cause to be removed any and all liens of any nature arising out of or because of any construction performed by Lessee, or any of its contractors or subcontractors upon the Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use at the Premises by or at the direction of Lessee, except that Lessee, shall have the right to contest such a lien and the requirement to remove a lien shall be stayed as long as Lessee is prosecuting in good faith the defense of such lien, including appeals.

ARTICLE 11 - SIGNS

Lessee shall not erect, install, operate, nor cause or permit to be erected, installed, or operated upon any area outside the leasehold of the Airport property, any signs, banners, or other similar devices for its own business, or the business of others. This provision shall not have the effect of limiting or restricting Lessee's right to enter agreement with a Lessor-authorized and permitted marketing, advertising or signage agency for the display of informational, marketing or advertising media at approved designated locations on Airport property.

Any identifying signs erected, installed, operated or attached to the Premises will require the prior written approval of Lessor. Such approval, if any, may consider and provide conditions including, but not limited to, size, type, content, and method of installation.

It is understood that signage and location of the signage may be changed and altered from time to time as mutually agreed upon between the parties.

ARTICLE 12 - PORTABLE STORAGE CONTAINERS/STRUCTURES

Unless specifically approved in writing, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable storage container, trailer, unit, box, or barrel which is used to store merchandise and/or equipment and supplies outside of an enclosed permanent building or structure, which does not qualify as a building or structure under Title 18 of the Code of the City of Wichita. Lessor will not unreasonably withhold

approval of such container(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or at the discretion of Lessor, is shielded from public view by means of location, fencing, or other such approved shielding methods.

Unless specifically approved, and under conditions specified by Lessor, Lessee shall not place or allow to be placed upon Premises, any type of portable or temporary structure, mobile home, modular structure or device. Lessor will not unreasonably withhold approval of such structure(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or other approved project.

Cargo shipping containers used by Lessee for the purpose of storing and shipping cargo are not subject to this provision.

ARTICLE 13 – DROP BOXES

Drop boxes will be allowed in locations approved by the Lessor. Drop boxes shall be located so as not to interfere with ingress and egress of any occupants of the cargo building.

ARTICLE 14 – MAINTENANCE AND REPAIR

Lessor's Responsibilities. Lessor shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep of the following structures, facilities, systems, equipment, and fixtures, except for damage caused by Lessee and not considered "normal wear and tear". For purposes of this Agreement, normal wear and tear shall be defined as the physical deterioration which occurs in the normal course of the use for which a property is intended, without negligence, carelessness, accident or abuse of the Premises.

(a) Roof, roof structures, ceiling tiles damaged by roof leaks, and appurtenances thereto;
(b) Exterior of structure, including the façade and exterior walls, gutters and downspouts, paint, load-bearing structures , docks and dock levelers where applicable;
(c) Mechanical systems, including heating, ventilation and air conditioning and associated motors, pumps, ducting and filtration systems;
(d) Plumbing and fixtures up to and terminating at the shut-off valve entering the building Premises;
(e) Electrical system up to and terminating at the breaker panel entering the building Premises;
(f) Gas utilities;
(g) Sewer utilities;
(h) Security access and monitoring system contained in and required by the Airport Security Plan;
(i) Fire monitoring and alarm system;
(j) Manual lock and key system;
(k) Exterior and parking lot lighting;
(l) Paved areas of the parking lot and loading docks including marking and striping;
(m) Driveways, streets and roadways, vehicular ingress/egress and access-ways;
(n) Grading and drainage;

(o) Landscaping and irrigation system;
(p) Fencing;
(q) Paved areas of Preferential Use - Equipment Staging Area and Aircraft Parking Apron, including those areas inside and outside of the full-strength paved areas provided in this Agreement; and
(r) Damages to property or equipment covered by Lessor's insurance.

Lessor shall provide suitable size and quantity of covered dumpsters for all garbage, trash and other refuse. Lessor provided dumpsters shall be placed within reasonable proximity to the Premises, for which Lessee agrees to pay its prorate share of the cost associated with provision of these dumpsters. The prorata share shall be calculated by dividing the Lessee's Exclusive Use – Building space by the building's total occupied Exclusive Use – Building space. Lessor shall be responsible at its sole cost and expense for maintenance, repair or replacement, including but not limited to, landscape, pavements, and snow and ice removal of all public and common or joint-use areas, parking lots, streets and roadways, air operations areas of the Airport outside of the Premises to the extent deemed by Lessor, in its sole opinion and judgment, to be required for the safe and efficient operation of the Airport. Lessor shall be responsible for snow and ice removal on the Preferential Use Premises beginning at the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. The Lessor shall perform such maintenance and upkeep to the best of its reasonable ability under prevailing conditions.

Lessee's Responsibilities. Lessee shall be responsible at its sole cost and expense for maintenance, repair, or replacement and upkeep in Lessee's Premises, including:

(a) Leasehold improvements, decorations, finishes, fixtures, equipment and furnishings;
(b) Glass replacement;
(c) Interior painting;
(d) All interior lighting fixtures and standards including bulbs, tubes, ballasts, starters, switches and outlets;
(e) Interior and exterior pedestrian and roll-up doors, frames, closures and hardware (excluding manual locks, and security access and monitoring systems required under the Airport Security Plan);
(f) Walls, windows, ceilings, partitions and floors;
(g) Plumbing and plumbing fixtures beginning at the shut-off valve entering the building Premises;
(h) Hot water heater(s) and fixtures thereto;
(i) Electrical system beginning at the breaker panel entering the building Premises;
(j) Damages to premises which are caused by Lessee and are not considered normal wear and tear as defined herein; and
(k) Any other repairs as required or necessary to keep the Premises in proper condition for the conduct of business.

With the exception of painting, light bulbs, ballast or tubes, all maintenance, repair, or replacement by Lessee under this part shall be performed by a licensed and reputable contractor. Replacement parts and components shall be of good quality and commercial grade no less than

equal to the quality of existing parts and components. In lieu of, or in addition to, services provided to the Lessee by a licensed contractor under this part, the Lessee may choose to solicit the services of the Lessor to perform maintenance, repair, or replacement, and Lessor may, at its sole option, choose to perform services at a cost mutually agreed upon by Lessee and Lessor.

Lessee shall be responsible for all janitorial service within the Premises, and shall provide daily routine premises clean-up work and trash removal to keep the Premises and Preferential Use Premises in good and tenantable condition through the term of this Agreement.

Lessee shall be responsible for the removal and disposal of garbage, debris, contaminants and any other waste material (whether solid or liquid) arising out of its occupancy of the Premises, Preferential Use Premises, or out of its operation. Such removal will conform with all governmental requirements and regulations as more fully described in Article 27, "Environmental". Such removal and disposal of garbage, debris, contaminants, or other waste material is understood to include routine, daily clean-up of the surrounding areas. Lessee shall immediately react and take prompt corrective actions to remove and dispose of any paper, garbage and debris on Premises or Preferential Use Premises upon demand of Lessor. Lessee shall provide, and screen from public view, suitable covered receptacles for all garbage, trash and other refuse. Piling of boxes, cartons, barrels, pallets or other similar items in an unsightly or unsafe manner on or about the Premises or Preferential Premises is forbidden.

In addition to other rights and remedies of the Lessor hereunder, should Lessee fail to perform its upkeep, maintenance and repair responsibilities, Lessor may, but is not obligated to, perform maintenance and make repairs thereon and thereto which it determines to be necessary, charging the same to the expense of Lessee upon thirty (30) days prior written notice of its intent to do so; except in case of emergency for which no notice is necessary, plus a fifteen percent (15%) administrative fee. Such amount shall be paid by the Lessee to Lessor no later than thirty (30) days after the date of invoice from the Lessor to the Lessee for such costs.

Lessee shall be responsible for snow and ice removal in the Premises and Preferential Use Premises from the air/ramp side building edge to the demarcation line (two 6" solid yellow lines) identifying the beginning of the full-strength usable pavement of the aircraft parking ramp. At no time shall Lessee engage in snow and ice removal beyond the areas identified above without the prior knowledge and approval of the Lessor.

Snow piles, windrows or other accumulations of snow shall <u>not</u>:

(a) Be closer than twenty five feet from any security fence;
(b) Block any access gates or controls;
(c) Block or impede any taxiway or taxi lane;
(d) Impose an obstruction within the object free area (OFA) of any taxiway or taxi lane;
(e) Infringe upon, block or interrupt the business of other airport tenant leaseholds.

Snow piles and accumulations requiring removal may be stored on pre-arranged designated paved areas, to be removed by Lessor when time and equipment availability permit, so long as such piles/accumulations comply with a. through e. of this Section.

Only FAA approved dry and liquid chemicals may be used for de-icing or snow removal on aircraft operating surfaces, as set forth in Advisory Circular 150/5200-30, current edition, or as may be amended, *Airport Winter Safety and Operations*, Section 4-6 *Approved Chemicals*, current edition, or as may be amended.

The use of snow and ice removal contractors may be authorized subject to prior written approval by Lessor, and subject to acceptable completion of contractor employee training, and other reasonable safety requirements and standards that Lessor may impose, including but not limited to compliance with Airport rules and regulations, and standard operating procedures. All such snow and ice removal contractors shall maintain a general liability insurance policy of not less than $1,000,000 limit, naming Lessee, the Wichita Airport Authority and the City of Wichita as additional insureds.

ARTICLE 15 – LESSOR'S RIGHTS AND PRIVILEGES

Lessor expressly reserves from the Premises:

(a) Mineral Rights. All gas, oil and mineral rights in and under the soil.

(b) Air Space. A public right of flight through the air space above the surface of the Premises and Preferential Use Premises. This public right of flight will include the right to cause or allow in said airspace, any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operation on the Airport. No liability on the part of Lessor will result from the exercise of this right.

(c) Navigational Aids. The right to install, maintain and modify and/or permit others to install, maintain and modify on the premises navigational aids.

(d) Utility Right-of-Way. The right to install, maintain and modify utilities and to grant utility rights of way to others over, under, through, across or on the Premises or Preferential Use Premises located within 25 feet of the outside boundary lines.

(e) Entry and Inspection of Premises. The right of Lessor, its authorized officers, employees, agents, contractors, subcontractors, authorized government agents, or other representatives to enter upon the Premises and/or Preferential Use Premises:

(1) To inspect at reasonable intervals during regular business hours (or any time in case of emergency or lawful investigation) to determine whether Lessee has complied, and is complying with the terms and conditions of this Agreement;

(2) To Inspect Premises, Preferential Use Premises, facilities, and equipment for compliance with laws, regulations and/or codes of the federal, state or local government, airport rules and regulations and airport standard operating procedures; and

(3) To perform maintenance, repair, or replacement as required and necessary to maintain Premises and Preferential Use Premises in good condition and working order as required under ARTICLE 13 (a) through (r).

(f) Radio/Wireless Communication Systems. The right to approve or withhold approval of any use of fixed RF Systems for the transmission of radio frequency signals in/on the Premises and the Preferential Use Premises. Revenue-producing communication systems or systems not directly applicable to Lessee's operations on the Premises and

Preferential Use Premises are prohibited except upon the specific approval of the Lessor.

Provided that exercise by Lessor of any such reserved rights (a) through (d) will be without expense to the Lessee and will not unreasonably or materially interfere with Lessee's use of the Premises and Preferential Use Premises and will not delay Lessee in the exercise of its rights or the performance of its duties hereunder or increase the costs of such performance. Lessor shall give Lessee notice in writing of the exercise of its rights under (c) and (d).

ARTICLE 16 – LESSEE'S RIGHTS AND PRIVILEGES

Lessee shall have the following rights and privileges on the Premises and on the Airport:

(a) The right to install, operate, repair and store upon the Premises all equipment necessary for the conduct of Lessee's business.
(b) The right of ingress and egress to and from the Premises, which rights shall extend to Lessee's employees, invitees and guests, subject, however, to all reasonable security regulations; and
(c) The right in common with others authorized to do so to use the common areas of the Airport.

ARTICLE 17 – AIRPORT SECURITY PROGRAM

Lessee must obtain Airport Security Identification and Access Media (I.D. Media) for its employees, subcontractors, suppliers, agents, and representatives requiring access to the sterile areas, secured air operations area (AOA), and security identification display area (SIDA), or other secured areas as may be identified in the Airport Security Program, and pay any related costs associated with this privileges as set forth under this Section. Said I.D. Media will be valid as set forth under the Airport Security Program, and must be returned to the Airport Public Safety Division, at 2193 Air Cargo Road within twenty-four (24) hours after expiration, suspension, and/or termination of this Agreement. Said I.D. Media will be valid for no longer than the period of this Agreement.

Lessee covenants that it will at all times maintain the integrity of the Airport Security Program and comply with all applicable provisions of the Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) regulations 49 CFR Parts 1500, 1544, 1546, 1548, and 1550 as promulgated, and that it will always maintain the security of the Airport, Premises, and/or any AOA access which Lessee maintains. Lessee hereby agrees that it shall also be responsible for conducting and verifying any and all required background checks for I.D. Media for any and all of its employees, subcontractors, suppliers, agents, and/or representatives. Lessee also hereby agrees that it shall be responsible for any and all of the actions of its employees, subcontractors, suppliers, agents, and/or representatives and shall provide any and all necessary escorts, as outlined in the Airport Security Program. Lessee hereby agrees that it will immediately implement any and all security changes that are directed either directly or indirectly by the TSA, FAA, or Lessor.

Should Lessee, its employees, subcontractors, suppliers, agents, and/or representatives cause any security violations, and should Lessor be cited for a civil fine or penalty for such security violation, Lessee agrees to reimburse Lessor for any monetary civil fine or penalty, which may be imposed on Lessor by FAA or TSA, however, nothing herein shall prevent the Lessee from contesting the legality, validity or application of such fine or penalty to the full extent Lessee may be lawfully entitled. Lessee may have I.D. Media/access privileges immediately suspended and/or revoked by Lessor for failure to adhere to the Airport Security Program, or for failure to return all I.D. Media within the time-frames specified herein. Such actions may also be grounds for termination of this Agreement for non-compliance as defined under Article 31, Cancellation by Lessor, at the sole discretion of Lessor, if such failure by Lessee is not cured by Lessee within thirty (30) days after receiving notice from Lessor of such failure.

In accordance with the Airport Security Program, Lessee must obtain Airport Security Identification and Access Media and fingerprinting (if required) for their eligible employees, subcontractors, suppliers, agents, and/or representatives.

ARTICLE 18 – TITLE TO FACILITIES, IMPROVEMENTS & TRADE FIXTURES

It is understood and agreed that title to the Premises shall be, and shall remain, exclusively with Lessor during the term of this Agreement or any extension(s) thereof. Lessee shall, without cost to Lessor, furnish and install all non-attached furniture, fixtures, decorations, accessories, equipment and tools necessary to conduct its business, referred to herein as “trade fixtures”. Title/ownership to non-attached “trade fixtures” shall remain with Lessee. All “trade fixtures” shall be high quality, safe, fire resistant, clean and attractive in appearance.

All alterations and “fixed improvements,” except “trade fixtures”, equipment, and personal property of Lessee put in at the expense of Lessee, shall remain upon and be surrendered with the Premises as a part thereof, at any termination of this Agreement, for any cause, and shall become the property of the Lessor. The term "fixed improvements" shall be construed to include all structures erected upon the Premises, including but not limited to fencing, grading and pavement, underground wires, cables, pipes, conduits, tanks and drains, and all other property of every kind and nature which is permanently affixed to the Premises.

Any movable furniture, “trade fixtures,” partitions and all other equipment installed at Lessee’s sole cost and expense shall at all times be and remain the property of Lessee. Notwithstanding anything contained herein to the contrary, Lessee shall have no obligation to remove such fixtures, equipment and alterations described herein unless Lessor shall notify Lessee of its required removal.

ARTICLE 19 – FIRE & POLICE PROTECTION

Lessor agrees to extend to Lessee the same fire and police protection extended to the other tenants on the Airport. The City of Wichita currently charges Lessor a fee for provision of police and fire protection of the Airport. It is understood and agreed that Lessor may impose a fair and equitable charge to recover Lessee’s proportionate share of Lessor’s costs of these services. If,

during the term of this Agreement, Lessor chooses to provide police and fire services directly, the recovery will be adjusted based upon Lessor's established rate.

ARTICLE 20 – FIRE EXTINGUISHERS

Lessee shall furnish and maintain on the Premises sufficient portable fire extinguishing units as may be required by insurance risks or as designated by Lessor. Lessee shall keep in proper functioning order all fire fighting equipment located on the Premises as required by Lessor, and in accordance with NFPA, and state and local fire codes.

From time to time and as often as reasonably required by Lessor and in accordance with state and local fire codes, Lessee shall conduct appropriate inspections and tests of all fire monitoring, alarm and extinguishing equipment, systems and apparatus located on the Premises. Lessor and Lessor's agents, licensees, and invitees shall have the right to enter upon the Premises during normal working hours for the purpose of inspecting and maintaining the same.

ARTICLE 21 – INDEPENDENT CONTRACTOR

In the use of the Premises and in conducting its business, the Lessee acts as an independent contractor and not as an agent of the Lessor. The selection, retention, assignment, direction and payment of the Lessee's employees shall be the sole responsibility of the Lessee. The Lessor shall not attempt to exercise any control over the daily performance of duties by the Lessee's employees, except to the extent and in the manner required by law or regulation in order to meet security obligations mandatory for continued operation or certification of the Airport.

ARTICLE 22 – ASSIGNMENT OR SUBLETTING

No Sublease. Lessee may not sublease all or any portion of the Premises, or permit all or any portion of the Premises to be used or occupied by anyone other than the Lessee, without the prior written approval of Lessor. Any arrangement for the subleasing of space must be in conformance with the use of the Premises outlined in this Agreement, unless expressly approved otherwise in writing by Lessor. Any sublease to be entered into must contain a provision that the subtenant releases the Lessor from any liability of any kind or nature that the subtenant has or may have. Consent to one sublease shall not be deemed consent to any subsequent sublease. Any sublease Agreement shall be subordinate to the terms of the primary Agreement. Lessee shall indemnify and hold the Lessor harmless for claims of any subtenant with respect thereto except to the extent caused by the Lessor.

No Assignment Without Lessor Approval. Neither this Agreement nor any part thereof may be assigned, transferred, mortgaged, encumbered, or pledged by process or operation of law or in any other manner whatsoever, without the prior written approval of Lessor. Any transaction that has the practical or legal effect of transferring the Lessee's beneficial ownership or control of this Agreement, or any of the rights or obligations hereunder, is prohibited without Lessor's prior written approval. Lessor shall not unreasonably withhold its approval to a proposed assignment so long as the proposed assignee continues to use the premises solely for the purposes set forth in this Agreement, possesses financial resources and operational experience satisfactory to Lessor,

and any guarantor hereof remains bound, agrees in writing to be bound by any of the terms and conditions of this Agreement, and the Lessee agrees to remain primarily liable for full and timely performance of this Agreement. Any legal or other fees incurred by Lessor in the review of any proposed assignment shall be paid by Lessee.

ARTICLE 23 – INSURANCE

The Lessee agrees to maintain public liability insurance during the term hereof which protects the Lessor and City of Wichita, their officers, agents and employees, as additional insureds, with terms and companies as approved by Lessor, which approval shall not be unreasonably withheld, in an aggregate amount of not less than $2,000,000 per occurrence. In addition, the Lessee shall maintain a policy of comprehensive automobile liability insurance in a combined single limit of not less than $500,000, and a Worker's Compensation and Employer's liability policy for limits of not less than the statutory requirement for Worker's Compensation, and $500,000 Employer's Liability. Lessee agrees that in the event of future changes in the law and upon notice by the Lessor, the minimum levels of insurance required by this paragraph may be increased within the bounds of commercial reasonableness to the amount that may be required to provide coverage of the events of this paragraph.

The Lessee agrees, prior to the commencement of this lease term, to provide Lessor with copies of all policies or certificates evidencing that such insurance is in full force and effect, and stating the terms thereof. Such policy or certificate shall contain a clause providing ten (10) days' prior notice to the Lessor before any material change or cancellation is effective.

ARTICLE 24 – FIRE AND EXTENDED COVERAGE INSURANCE

Lessor agrees to insure the Cargo Building, which includes the Premises, and Lessee, in addition to all other rentals and charges provided for herein, agrees to pay its prorata share of the annual premium cost of said Fire and Extended Coverage Insurance, plus its prorata share of any deductible required to be paid by Lessor under its blanket policy which is attributable to the Cargo Building. Lessee's prorata share will be based upon the ratio the square footage of the Premises bears to the total square footage included in the existing Cargo Building.

ARTICLE 25 – SUBROGATION OF INSURANCE

Lessor hereby waives any and all rights of recovery against Lessee for or arising out of damage or destruction of the building, or the demised premises, or any other property of Lessor, from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of such policies, whether or not such damage or destruction shall have been caused by the negligence of Lessee, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

Lessee hereby waives any and all rights of recovery against Lessor for or arising out of damage to or destruction of any property of Lessee from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of said policies, whether or not such damage or destruction shall have been caused by the negligence of

Lessor, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

ARTICLE 26 – INDEMNITY

Lessee shall protect, defend and hold Lessor and the City of Wichita and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessee's use or occupancy of the premises or the acts or omissions of Lessee's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence or the acts or omissions of the City of Wichita or Lessor's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur. The Lessor shall give to Lessee reasonable notice of any such claim or actions. The Lessee shall also use counsel reasonably acceptable to Lessor in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

Lessor shall protect, defend and hold Lessee and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the Lessor's operation of the Airport or the acts or omissions of Lessor's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence of the Lessee. The Lessee shall give to Lessor reasonable notice of any such claim or actions. The Lessor shall also use counsel reasonably acceptable to Lessee in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

ARTICLE 27 – ENVIRONMENTAL

(a) The Lessee hereby covenants that it will not cause or permit any Hazardous Substances to be placed, held, located or disposed of, on, under or at the Premises or Preferential Use Premises, other than in the ordinary course of business and in compliance with all applicable laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided to the Lessor hereunder, the Lessee hereby agrees to indemnify and hold harmless the Lessor and the City of Wichita from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessor or the City of Wichita by any person or entity for or arising out

of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during any term of this lease of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning, any hazardous substance) ("Environmental Laws") if such presence, escape, seepage, leakage, spillage, discharge, emission was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, and/or licensees, or if such Hazardous Substance was owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release).

(c) If, during the term of this Agreement, the Lessee receives any written notice of (i) the happening of any event involving the use (other than in the ordinary course of business and in compliance with all applicable laws), spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance on the premises or in connection with the Lessee's operations thereon or (ii) any written complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental, health, or safety matter affecting the Lessee (an "Environmental Complaint") from any persons or government authority responsible for enforcing Environmental Laws (including, without limitation), the United States Environmental Protection Agency (the "EPA") or the Kansas Department of Health and Environment ("KDHE"), the Lessee shall immediately notify the Lessor in writing of said notice.

(d) If Lessee fails to address timely and in accordance with Environmental laws any spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance caused by Lessee, or persons within the control of Lessee, its officers, employees, agents and/or licensees, the Lessor shall have the right, but not the obligation, and without limitation of the Lessor's other rights under this Agreement, to enter the Premises and Preferential Use Premises, at an appropriate time so as to cause the least impact on Lessee's business, and to take such other actions as deemed necessary or advisable by the government agency responsible for enforcing Environmental Laws or by the Lessor in its reasonable determination of its responsibilities as the owner of the property to inspect, clean up, remove, resolve or minimize the impact of, or to otherwise deal with, any such Hazardous Substance. Lessee shall reimburse Lessor for all reasonable costs incurred under this provision by the Lessor in the exercise of the rights hereunder within 90 days of written demand by Lessor.

(e) If an event of default shall have occurred and be continuing, the Lessee at the request of the Lessor shall periodically perform (at the Lessee's expense) an environmental audit and, if reasonably deemed necessary by the Lessor, an environmental risk assessment (each of which must be reasonably satisfactory to the Lessor) of the premises, or the hazardous waste management practices and/or hazardous waste disposal sites used by the Lessee with respect to the leased premises. Such audit and/or risk assessment shall be conducted by an environmental consultant satisfactory to the Lessor. Should the Lessee fail to perform any

such environmental audit or risk assessment within 90 days of the written request of the Lessor, the Lessor shall have the right, but not the obligation, to retain an environmental consultant to perform any such environmental audit or risk assessment. All costs and expenses incurred by the Lessor in the exercise of such rights shall be payable by the Lessee on demand.

(f) Neither Lessee nor Lessor shall install or permit to be installed in the premises friable asbestos, electrical equipment containing polychlorinated biphenyls (PCBs), or any substance containing asbestos and deemed hazardous by federal or state regulations applicable to the premises and respecting such material. The Lessee shall defend, indemnify, and save the Lessor and the City of Wichita harmless from all costs and expenses (including consequential damages) asserted or proven against the Lessee by any person, as a result of the presence of said substances, and any removal or compliance with such regulations, if said substance was installed by the Lessee, or persons within its control.

(g) Subject to any limitations or restrictions imposed by the Kansas Budget Law or Cash Basis Law, the Lessor hereby agrees to indemnify and hold harmless the Lessee from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessee by any person or entity for, arising out of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during the term of this Agreement and the period prior to the term of this Agreement of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order of decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning any hazardous substance) unless such presence, escape, seepage, leakage, spillage, discharge, emission or release was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, business invitees and/or licensees, or if such hazardous substance was owned by, or placed upon the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release except to the extent such was caused by the Lessor).

(h) Lessor shall grant to Lessee and its agents or contractors such access to the leased premises as is reasonably necessary to accomplish the Lessee's requirements and obligations under this Article. If actions required of Lessee are not accomplished by the expiration of the lease term, Lessee shall be obligated to pay rent to Landlord to the extent the premises are impacted by Lessee's failure to complete such activities.

(i) The provisions of this article shall survive the termination of this Agreement.

ARTICLE 28 – RULES & REGULATIONS

Lessee, its agents and employees, shall be subject to any and all applicable rules, regulations, airport standard operating procedures , orders and restrictions which are now in force or which may hereafter be adopted by The Wichita Airport Authority or the City of Wichita, Kansas, in respect to the operation of the Airport; and shall also be subject to any and all applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport or Lessee's operations conducted hereunder. Such observation and compliance by Lessee shall not obligate Lessee to make any alterations or do any other work, structural or otherwise, within the Premises unless failure of the Premises to comply with such rules, laws, statutes and regulations shall have been caused by Lessee's specific use of Premises.

To the extent that applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport causes diminution or deprivation of Lessee's rights hereunder, Lessor shall not be liable to Lessee for any such diminution or deprivation of its rights, nor shall Lessee be entitled to terminate this Agreement by reason thereof unless the exercise of such authority shall so interfere with Lessee's exercise of the rights hereunder as to constitute a termination of this Agreement by operation of law in accordance with the laws of the State of Kansas.

ARTICLE 29 – IMPOSITIONS

Lessee shall, during the life of this Agreement, bear, pay and discharge, before the delinquency thereof, any and all lawful impositions, including all lawful taxes and assessments imposed on the Premises or Lessee's possessory right therein. In the event any impositions may be lawfully paid in installments, Lessee shall be required to pay only such installments thereof as become due and payable during the life of this Agreement as and when the same become due and payable. Lessor covenants that without Lessee's written consent it will not, unless required by law, take any action intended to cause or induce the levying or assessment of any imposition (other than special assessments levied on account of special benefits or other impositions for benefits or services uniformly imposed) which Lessee would be required to pay under this article and that should any such levy or assessment be threatened or occur Lessor shall, at Lessee's request, fully cooperate with Lessee in all reasonable ways to prevent any such levy or assessment. Nothing herein contained shall prevent Lessee from contesting the legality, validity or application of any such tax or assessment to the full extent Lessee may be lawfully entitled to do so.

ARTICLE 30 – DAMAGE OR DESTRUCTION

If the Premises shall be partially damaged by fire or other casualty, but not rendered untenantable, the same shall be repaired with due diligence by Lessor at its own cost and expense; if the damage shall be so extensive as to render the Premises untenantable but capable of being repaired, the same shall be repaired with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage and shall thenceforth cease until such time as the Premises shall be put in good order. In

the event the Premises shall be completely destroyed by fire or other casualty or so damaged that it will remain untenantable for more than thirty (30) days, or in case it does so remain untenantable for more than thirty (30) days, at the option of Lessor (1) the Premises shall be repaired or reconstructed with due diligence by Lessor at its own cost and expense and the rent payable hereunder shall be proportionately paid up to the time of such damage or destruction and shall thenceforth cease until such time as the Premises shall be put in good order; or (2) within sixty (60) days after the time of such damage or destruction and before the Premises shall be put in order, either party may give the other party written notice of its election to cancel this agreement in its entirety, and Lessee shall be liable for rent only up to the time of such damage or destruction.

It is understood and agreed that nothing in this article concerning rental abatements or cancellation by Lessee shall apply in the case of damages to or the destruction of the leased Premises which is caused by the negligent acts of Lessee, its agents, employees or invitees, and further that Lessee shall, at its own expense, repair all such damages resulting from such acts; except that Lessee shall not be responsible to Lessor for damages to property or equipment fully covered by Lessor's insurance.

ARTICLE 31 – CANCELLATION BY LESSOR

The Lessor, in addition to any other rights to which it may be entitled by law or equity, may cancel this Agreement as set forth herein.

In the event that Lessee shall file a voluntary petition in bankruptcy or that proceedings in bankruptcy shall be instituted against it and Lessee is thereafter adjudicated bankrupt pursuant to such proceedings; or that the court shall take jurisdiction of Lessee and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act; or that a receiver of Lessee's assets shall be appointed; or that Lessee shall be divested of its estate herein by other operation of law; or that Lessee shall fail to perform, keep and observe any of the terms, covenants or conditions herein contained on the part of Lessee to be performed, kept or observed, Lessor may give Lessee written notice to correct such condition or cure such default, and if any such condition or default shall continue for sixty (60) days after receipt of such notice by Lessee, Lessor may terminate this lease and the term hereof shall cease and expire at the end of such sixty (60) days in the same manner and to the same effect as if it were the expiration of the original term, unless such condition or default cannot reasonably be corrected within the 60 day period and Lessee has demonstrated due diligence with respect to curing said default, then such default will be treated as cured until cured.

Acceptance of rental by Lessor for any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee shall not be deemed a waiver of any other right on the part of Lessor to cancel this lease for failure by Lessee so to perform, keep and observe any of the terms, covenants or conditions hereof to be performed, kept and observed. No waiver of default by Lessor of any of the terms, covenants or conditions hereof to be performed, kept and observed by Lessee, shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by Lessee.

ARTICLE 32 – CANCELLATION BY LESSEE

The Lessee, in addition to any other rights of cancellation herein given to Lessee, or any other rights to which the Lessee may be entitled by law or otherwise, may cancel this lease by giving Lessor sixty (60) days' advance written notice in the event of default by Lessor under this lease continuing for more than sixty (60) days after the Lessor's receipt of written notice of such default from the Lessee, upon or after the happening of any one of the following events:

(a) The failure or refusal of the Federal Aviation Administration or any other applicable state of federal authority, to grant Lessee the right to operate into, on, from or through said Airport;

(b) The issuance by any court of competent jurisdiction of a permanent injunction in any way preventing or restraining the use of the airport for airport purposes and the remaining in force of such injunction for a period of at least sixty (60) days.

(c) The breach by Lessor of any of the covenants or agreements herein contained and the refusal of Lessor to remedy such breach within a reasonable period of time after receipt of a written notice of the existence of such breach;

(d) The inability of Lessee to use said Premises and facilities continuing for a period longer than sixty (60) days due to any order, rule or regulation of any appropriate governmental authority having jurisdiction over the operations of Lessee.

ARTICLE 33 – FAA REQUIREMENTS

Lessor and Lessee further agree that the requirements of the Federal Aviation Administration set out below are approved by both parties, and if applicable, Lessee agrees to comply with all FAA requirements with respect to its operations, use of the Airport and this Agreement.

(a) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained or otherwise operated on said property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(b) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no

person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(c) The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs, and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

(d) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

(e) Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(f) Lessor reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard.

(g) Lessor reserves the right further to develop or improve the landing area and all publicly-owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.

(h) Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the airport which, in the opinion of Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft.

(i) During time of war or national emergency Lessor shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly-owned air navigation facilities and/or other areas or facilities of the airport. If any such agreement is executed, the provisions of this

instrument, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.

(j) It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

(k) There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the air space above the surface of the Premises and Preferential Use Premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on or about the airport.

(l) This Agreement shall become subordinate to provisions of any existing or future agreement between the Lessor and the United States of America or any agency thereof relative to the operation, development or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

ARTICLE 34 - MODIFICATIONS FOR GRANTING FAA FUNDS

In the event that the Federal Aviation Administration requires modifications or changes to this Agreement as a condition precedent to granting of funds for the improvement of the Airport, Lessee agrees to consent to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required to enable the Lessor to obtain said Federal Aviation Administration funds, provided that in no event shall such changes materially impair the rights of Lessee hereunder or materially increase its obligations.

ARTICLE 35 - NONDISCRIMINATION EEO/AAP

The Lessee agrees that it will not discriminate or permit discrimination against any person on the basis of race, color, sex, religion, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry in its operations or services, and its use or occupancy of property under this Agreement. The Lessee agrees to comply with all applicable provisions of the Civil Rights Act of 1964, as amended; the Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11141; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Kansas Act Against Discrimination, K.S.A. 44-1001, et seq.; the Code of the City of Wichita Section 2.12.900; and laws, regulations or amendments as may be promulgated thereunder.

ARTICLE 36 – THIRD PARTY RIGHTS

It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Agreement to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

ARTICLE 37 – NON-WAIVER

The waiver by Lessor of any breach of the Lessee of any term, covenant, provision, or condition hereof shall not operate as a waiver of any subsequent breach of the same or a waiver of any breach of any other covenant, term, provision, or condition hereof, nor shall any forbearance by Lessor to seek a remedy for any breach by Lessee be a waiver by Lessor of its rights and remedies with respect to such or any subsequent breach of the same or with respect to any other breach.

ARTICLE 38 – INVALID PROVISIONS

It is further expressly understood and agreed by and between the parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either the Lessor or the Lessee in their respective rights and obligations contained in the valid covenants, conditions or provisions in this agreement.

ARTICLE 39 – SURRENDER OF POSSESSION

Lessee shall yield and deliver to Lessor possession of the Premises leased herein at the expiration of this Agreement in good condition in accordance with its express obligations hereunder, except for reasonable wear and tear, fire and other casualty. Lessee shall deliver the Premises in good order and condition, including: (1) cleaning and hauling away all supplies and trash; (2) leaving in operating condition all bulbs and ballasts; (3) replacing all broken glass; and (4) turning in keys to all door locks.

Lessee, at Lessee’s expense, shall remove during the term hereof or at the expiration of such term all trade fixtures, equipment and personal property placed by Lessee on or about the Premises herein leased, subject to Lessee's repairing any damage thereto caused by such removal and subject to any valid lien which Lessor may have thereon for unpaid rents or fees.

Lessor may direct Lessee to remove, at Lessee’s sole expense, any cabling installed within the Premises upon surrender of possession of the Premises. Lessee shall have no obligation to remove such cabling unless Lessor shall notify Lessee of its required removal.

In the event Lessee does not remove all of said property within ten (10) days after the termination of this Agreement, the same shall be considered abandoned and Lessor may dispose of said property without any further responsibility or liability to Lessee.

At any time within ninety (90) days prior to the expiration of this Agreement, Lessor and Lessor's agents, invitees, and licensees may enter and show the Premises to persons wishing to rent the Premises and may post upon the Premises the usual notices "For Rent" or "For Lease", said notices to remain thereon without hindrance or molestation, provided Lessee has not exercised any renewal options provided herein, or has not signed a new lease. Lessor and its agents, invitees, and licensees will use their best efforts not to unreasonably interfere with Lessee's use of the Premises during said visits.

ARTICLE 40 – ENTIRE AGREEMENT

This Agreement supersedes all previous agreements for the Premises between Lessor and any other party, and all amendments or renewals thereto. The parties hereto understand and agree that this instrument contains the entire Agreement between the parties hereto. The parties hereto further understand and agree that the other party and its agents have made no representations or promises with respect to the Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by either party against the other and such party shall not be liable by reason of, the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other being expressly waived.

The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for which they are acting herein.

The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel deemed necessary for them to form a full and complete understanding of all rights and obligations herein.

This Agreement between the parties shall consist of this instrument. In the event of any conflict between the terms of this Agreement and the terms or provisions of the aforesaid documents, the more restrictive on Lessee shall control.

ARTICLE 41 - NOTICES

Notices to Lessor provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

The Wichita Airport Authority
P. O. Box 9130
Wichita, Kansas 67277-0130

Notices to Lessee provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

UPS – Supply Chain Solutions
Attn: Real Estate
12380 Morris Road
Alpharetta, GA 30005

UPS – Supply Chain Solutions
Attn: Patrick Scharf
775 East Drive
Carol Stream, IL 60188

or to such other respective addresses as the parties may designate in writing from time to time.

ARTICLE 42 – KANSAS LAW TO GOVERN

This lease and t*he* terms and conditions herein contained shall at all times be governed, interpreted and construed under and in accordance with the laws of the State of Kansas.

ARTICLE 43 – HEADINGS

The article and paragraph headings are inserted only as a matter of convenience and for reference, and in no way define limit or describe the scope or intent of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

ATTEST:

THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS

By _____

Title _____

By _____

Title _____
"LESSOR"

By _____
Victor D. White, Director of Airports

ATTEST: UPS SUPPLY CHAIN SOLUTIONS, INC.

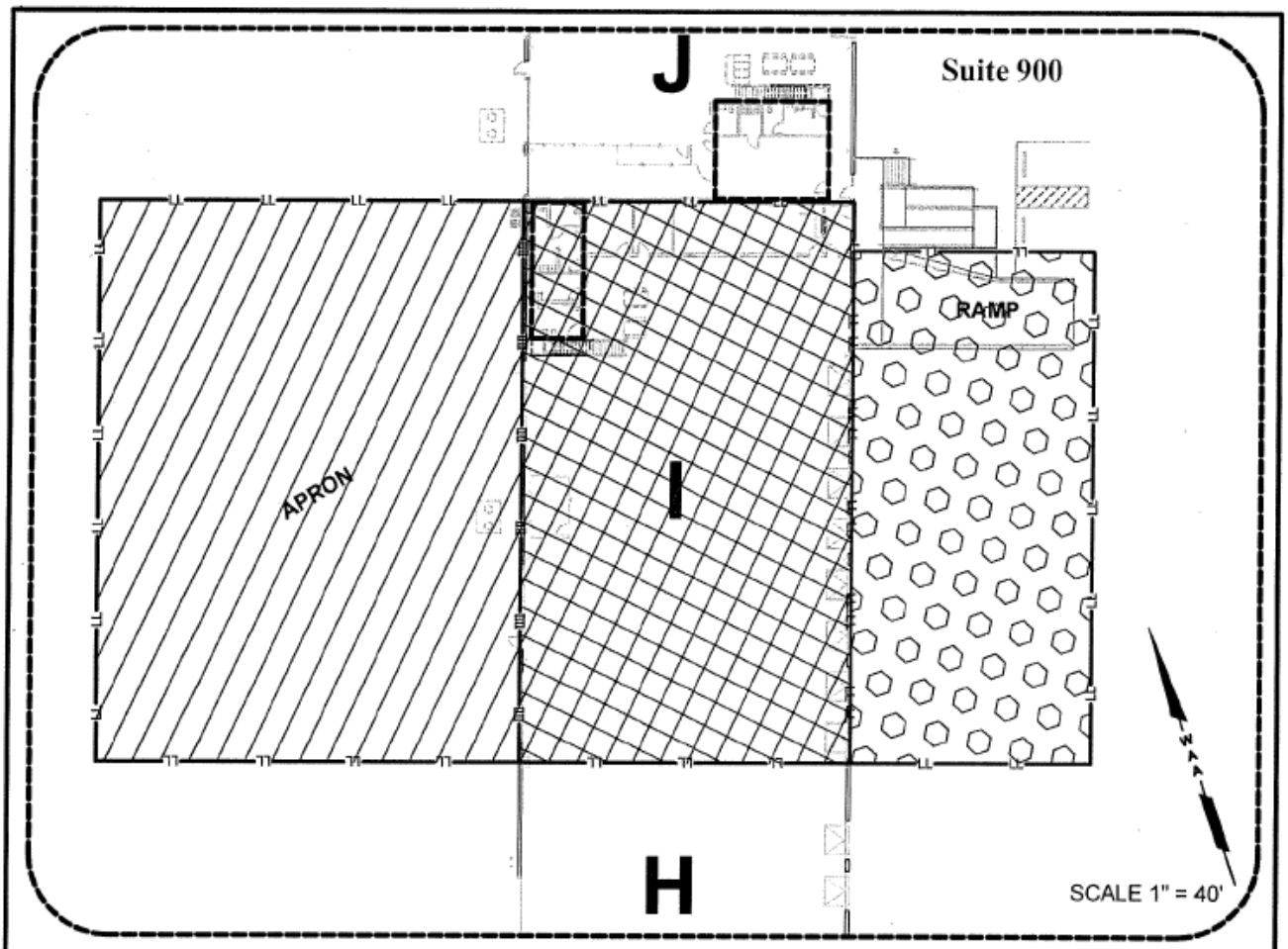
By _____ By _____

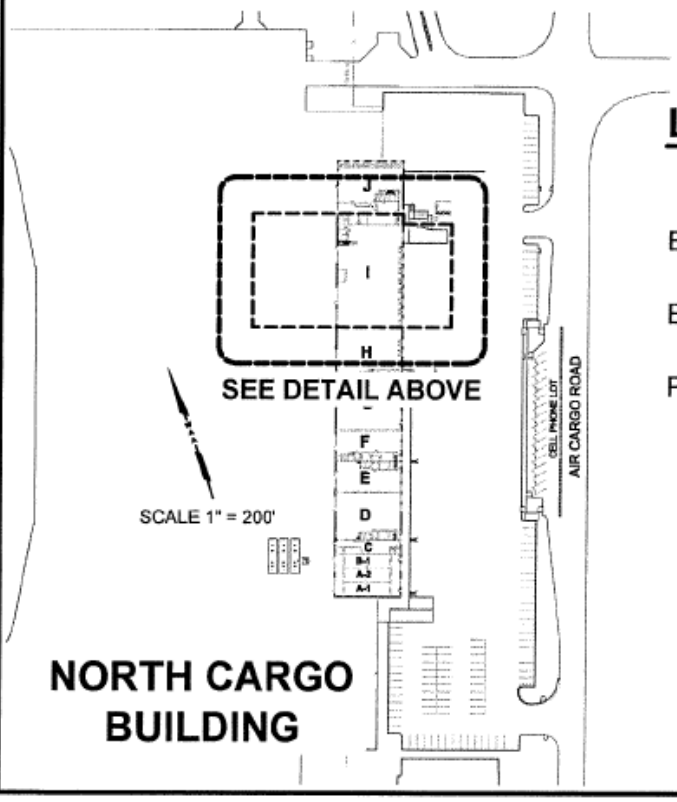
Title _____ Title _____

"LESSEE"

APPROVED AS TO FORM: _____Date: _____

Director of Law





LEGEND

BUILDING		11,412 sq.ft. Floor 422 sq.ft. Mezzanine 11,834 sq.ft. Total
EXCLUSIVE		7,530 sq.ft.
PREFERENTIAL		14,525 sq.ft.

EXHIBIT A

UNIT I NORTH CARGO

WICHITA MID-CONTINENT AIRPORT

THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS

DATE	DR. BY	SCALE	SHEET
2/23/09	H.G.O.	n/a	1 of 1

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City of Wichita
City Council Meeting
April 14, 2009

TO: Wichita Airport Authority

SUBJECT: Rockwell Collins – Supplement No. 6 - Lease Agreement Extension

INITIATED BY: Department of Airports

AGENDA: Wichita Airport Authority (Consent)

Recommendation: Approve the Supplement.

Background: In 1978, Collins Avionics (now Rockwell Collins) and the Wichita Airport Authority entered into an agreement for the construction of a 10,000 sq. ft. facility located at 2051 Airport Road on Wichita Mid-Continent Airport. The term of the agreement was August 7, 1978 through December 31, 2008. During that period, the agreement was amended five times to accommodate changes in the facility and adjust rentals, and included expansions of 9,440 sq. ft. in 1985, 7,470 sq. ft. in 1993 and 10,000 sq. ft. in 1997. Additional land was leased for expansion, and the total land area encompasses 180,384 sq. ft.

In consideration of the building expansions, Supplement No. 4 extended the term of the agreement through October 31, 2013, and Supplement No. 5 further extended the agreement to March 31, 2022. In keeping with the WAA policy for tenant-financed construction, only land rent was paid through December 31, 2008. However, effective January 1, 2009, the agreement allows facility rent for the early construction of the 19,440 sq. ft. to be assessed.

Analysis: In order to arrive at a rental rate, the facility was appraised by the Martens Companies. The rate provided was based upon comparable facilities. Per WAA policy, the rental rate is then split between facility and land rent. This supplement sets out the rates for both facility and land rent throughout the term, and allows for cancellation by the Lessee at five-year intervals.

Financial Considerations: Facility rent increases 3% each five years, and land rent increases 5% each year. Total rent during the first year of the extension is $155,742. If occupancy is maintained through 2022, revenue to the WAA will be $2,483,923 over that term. Maintenance of the facility is the tenant's expense.

Goal Impact: The Airport's contribution to the economic vitality of Wichita is promoted through facilitating leases which contribute to both the aviation community and the local economy, and allow the airport to continue its operation on a self-sustaining basis.

Legal Considerations: The supplement has been approved as to form by the Law Department.

Recommendations/Actions: It is recommended that the Wichita Airport Authority approve Supplement No 6 and authorize necessary signatures.

Attachments: Supplement No. 6.

SUPPLEMENT NO. 6

By and Between

THE WICHITA AIRPORT AUTHORITY

And

ROCKWELL COLLINS, INC.

For

Use of Ground
Wichita Mid-Continent Airport

THIS SUPPLEMENT NO. 6, made and entered into this April 14, 2009, by and between THE WICHITA AIRPORT AUTHORITY, Wichita, Kansas, hereinafter referred to as the "LESSOR"; and ROCKWELL COLLINS, INC., hereinafter referred to as the "LESSEE."

WITNESSETH:

WHEREAS, the parties hereto have heretofore entered into a lease Agreement dated August 7, 1978 for the purpose of constructing and operating administrative and general offices in connection with the Lessee's business of the marketing and servicing of avionics equipment; and;

WHEREAS, the parties to said Agreement have caused said Agreement to be modified by Supplement No. 1 dated November 20, 1978, Supplement No. 2 dated June 16, 1980, Supplement No. 3 dated August 6, 1984, Supplement No. 4 dated October 3, 1994; and Supplement No. 5 dated February 18, 1997; and

WHEREAS, it is in the best interest of the respective parties to re-state the terms included in Supplements No. 1 through 5 to establish uniform termination dates and rental rates; and

WHEREAS, the Lessor and Lessee are now desirous of entering into this Supplement No. 6 for the purpose of extending the Agreement and adjusting the rental amounts with respect to facility and land.

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, the parties hereto agree as follows:

1. **Supplements No. 1 through 5.** Supplements No. 1 through 5 are hereby superseded in entirety as of December 31, 2008.

2. **Term.** Section 4 of the Agreement, "Term," shall be revised to read as follows:
   The term of the Agreement shall be extended from December 31, 2008 to March 31, 2022, unless earlier terminated, as provided in Paragraph 3, as follows:

3. **Option to Cancel.** In addition to the cancellation provisions included in Paragraph 19 of the Agreement, "Cancellation by Lessee," Lessee may terminate this Agreement by giving Lessor a 180-day notice prior to the following dates: December 31, 2013, December 31, 2018, and March 31, 2022. If notice is not provided, the Agreement will automatically be extended until the next period; however, no extensions will go beyond March 31, 2022.

4. **Surrender of Possession.** In addition to the provisions included in Paragraph 20 of the Agreement, "Restoration," if Lessee exercises the option to cancel the Agreement during any of the option periods prior to March 31, 2022, Lessee agrees that the premises shall be surrendered to Lessor without any cost or expense to Lessor and shall be free and clear of any and all liens and encumbrances of whatsoever nature, except that Lessee shall have the right to contest such a lien and the requirement to remove a lien shall be stayed as long as Lessee is prosecuting in good faith the defense of such lien, including appeals.

5. **Rental.** Section 5 of the Agreement, "Rental," shall be superseded by the following language:

   Facility rental for that portion of the building encompassing 19,440 sq.ft. (10,000 sq.ft. constructed in 1978 and 9,440 sq.ft. constructed in 1985) is based upon a fair market rental

value of $5.16, effective January 1, 2009, is adjusted by projected CPI increases every five years, and is distributed between facility and land rent over the term of the Agreement.

Period	Rate/Sq.Ft.	Annual	Monthly
01/01/09 – 12/31/13	$5.16	$100,310.40	$8,359.20
01/01/14 – 12/31/18	$5.80	$112,752.00	$9,396.00
01/01/19 – 03/31/22	$6.50	$126,360.00*	$10,530.00

*Cumulative rent for 01/01/22 – 03/31/22 shall be $31,590.

No facility rent shall be due for the 1993 building expansion encompassing 7,470 sq.ft. or the 1996 building expansion of 10,440 sq.ft., as they exist at the commencement of this Supplement No. 6, through March 31, 2022.

Land rental for 180,384 sq. ft. shall be according to the following land rent schedule:

Period	Rate/Sq.Ft.	Annual	Monthly
01/01/09 – 12/31/09	$.3073	$55,432.00	$4,619.33
01/01/10 – 12/31/10	$.3227	$58,209.92	$4,850.83
01/01/11 – 12/31/11	$.3388	$61,114.10	$5,092.84
01/01/12 – 12/31/12	$.3557	$64,162.59	$5,346.88
01/01/13 – 12/31/13	$.3735	$67,373.42	$5,614.45
01/01/14 – 12/31/14	$.3922	$70,746.60	$5,895.55
01/01/15 – 12/31/15	$.4118	$74,282.13	$6,190.18
01/01/16 – 12/31/16	$.4324	$77,998.04	$6,499.84
01/01/17 – 12/31/17	$.4540	$81,894.34	$6,824.53
01/01/18 – 12/31/18	$.4767	$85,989.05	$7,165.75
01/01/19 – 12/31/19	$.5005	$90,282.19	$7,523.52
01/01/20 – 12/31/20	$.5255	$94,791.79	$7,899.32
01/01/21 – 12/31/21	$.5518	$99,535.89	$8,294.66
01/01/22 – 03/31/22	$.5794	$26,128.62*	$8,709.54

*Partial Year

All rental payments shall be made to The Wichita Airport Authority, 2173 Air Cargo Road, P. O. Box 9130, Wichita, Kansas 67277-0130, or such other address as designated in writing from time to time.

6. **LESSOR'S RIGHTS & PRIVILEGES.** Lessor expressly reserves from the premises:
   (a) Mineral Rights. All gas, oil and mineral rights in and under the soil;
   (b) Air Space. A public right of flight through the air space thereabove;

(c) Navigational Aids. The right to install maintain and modify and/or permit others to install, maintain and modify on the premises navigational aids; and

(d) Utility Right-of-Way. The right to install, maintain and modify utilities and to grant utility rights of way to others over, under, through, across or on the premises located within 25 feet of the outside boundary lines; and

(e) Radio/Wireless Communication Systems. The right to approve or withhold approval of any use of fixed RF Systems for the transmission of radio frequency signals in/on the premises. Revenue-producing communication systems or systems not directly applicable to Lessee's operations on the premises are prohibited except upon the specific approval of the Lessor.

Provided that exercise by Lessor of any such reserved rights (a) through (d) will be without expense to the Lessee and will not unreasonably or materially interfere with Lessee's use of the premises and will not delay Lessee in the exercise of its rights or the performance of its duties hereunder or increase the costs of such performance. Lessor shall give Lessee notice in writing of the exercise of its rights under (c) and (d).

7. **LESSEE'S RIGHTS & PRIVILEGES.** Lessee shall have the following rights and privileges on the Airport:

(a) The right to install, operate, maintain, repair and store upon the premises all equipment necessary for the conduct of Lessee's business; and

(b) The right of ingress and egress to and from the premises, which rights shall extend to Lessee's employees, invitees and guests, subject, however, to all reasonable security regulations.

8. **ALTERATIONS, IMPROVEMENTS & CONSTRUCTION COSTS.** Article 6, "Construction," of the Agreement shall be superseded by the following language:

Lessee shall have the right during the term hereof, at Lessee's expense, at any time and from time to time, to construct upon the premises such additional facilities and other fixed improvements as it may deem necessary or desirable in connection with its operation under this Agreement; provided, however, that Lessee shall first submit plans and specifications for such facilities to the Lessor for approval, which approval shall not be unreasonably withheld

or unduly delayed. The term "fixed improvements," whenever used in this Agreement, shall be construed to include all structures erected upon the premises; all fencing, grading and surfacing with stone and/or hardtop; all wires, cables, pipes, conduits, tanks and drains; and all other property of every kind and nature which is permanently affixed to the premises, except Lessee's trade fixtures.

Lessee agrees to pay for all costs incurred in connection with the construction of said improvements, by making direct payment for all such costs as they are incurred. It shall be the responsibility of Lessee to file all necessary alteration and construction forms with the Director of Airports for submission to the Federal Aviation Administration for approval, as may be required.

All such alterations, additions, or improvements shall be performed in a workmanlike manner and shall not weaken or impair the structural strength, or lessen the value of the building and the premises, or change the purposes for which the building or any part thereof, may be used. Any such alterations, additions, or improvements shall be erected at the sole cost and expense of Lessee, and Lessee shall have no right, authority, or power to bind Lessor or any interest of Lessor in the leased premises, for the payment of any claim for labor or material or for any charge or expense incurred in the erection, construction, operation, or maintenance of said improvements and premises. All alterations, additions, and improvements, except "trade fixtures," put in at the expense of Lessee, shall remain upon and be surrendered with the premises as a part thereof, at any termination of this Agreement, for any cause, and shall become the property of the Lessor. Upon completion of additional fixed improvements, Lessee agrees to furnish Lessor with a verified statement of the total cost of the additional improvements.

The approvals of this Paragraph shall be deemed approval by the Lessor in its capacity as a property owner and landlord but shall not be deemed the approval as required for the Zoning Code, Building Code, or any other approval required by the City of Wichita in a regulatory or governmental capacity. Notwithstanding any other indemnity provision, Lessee shall indemnify and hold the Lessor harmless for any liability for regulatory or governmental

approvals. Lessee shall be responsible for obtaining all permits and approvals required for the construction, maintenance, and operations of the facilities.

The parties recognize and agree that at all times pertinent hereto, both during construction and after completion of any facilities, the title thereto shall be vested in Lessor.

9. **DESIGN & CONSTRUCTION.** In the event Lessee constructs additional improvements on the leased premises during the term of any extensions, Lessee agrees to and shall construct the improvements on the premises subject to the terms and conditions herein set forth. Lessee shall cause the construction of the improvements to be coordinated with time schedules established by the Lessor should other construction be occurring at the Airport, which may be impacted by this project. Once the permits are obtained and the Director of Airports has approved the project, the Lessee has the right to enter the leased premises and begin construction.

   Lessee agrees to cause facilities for Lessee's use to be constructed on the premises in accordance with plans and specifications to be prepared by Lessee and approved by Lessor. Plans and specification review submittals shall follow accepted practice for such deliverables; and the Lessor shall provide comments, as applicable, on each submittal. Lessor retains the right to ask for special submittals, as needed, to fully understand the proposed improvements. Facility floors and slabs shall follow nationally-recognized standards for design and construction such as the American Concrete Institute (ACI) 360R-92 and 302.1R-04, respectively. No above-ground wires shall be installed.

   Lessee shall make displays and presentations as needed to boards, design councils, and other applicable bodies to explain the project and respond accordingly.

   Lessee agrees (1) construction shall be administered, documented and observed on-site by professional architects or engineers to ensure compliance with the approved plans and specifications; (2) proposed construction changes to the approved plans and specifications shall be submitted to Lessor; (3) quality control testing shall be by an independent testing laboratory certified to provide services; (4) to provide Lessor, within 60 days following occupancy of the facilities, a complete reproducible set of record drawings and an electronic

file in a format usable by Lessor. Upon completion of the facility, Lessee shall furnish a Certificate of Completion to Lessor which states that (1) the improvements have been completed in accordance with the plans and specifications; (2) the improvements have been completed in a good and skilled manner; (3) no liens have been filed, nor is there any basis for the filing of such liens, with respect to the improvements; and (4) all improvements constituting a part of the project are located or installed upon the premises.

In the event of construction of such improvements, Lessee agrees to provide performance and labor and material payment bonds and statutory bonds with respect to the project contracts and in the full amount of the project contracts, made by the contractors thereunder as the principals and a surety company or companies qualified to do business in Kansas as surety. Such performance and labor and material payment bonds shall name the Lessee, Lessor, and the City of Wichita as insureds, as their respective interests may appear.

10. **LANDSCAPING.** Lessee shall provide and install appropriate landside landscaping and screening, including lawn, shrubbery, trees, bushes, vines and other plantings and screening on the premises as a part of the construction of the improvements. All proposed landscaping plans and screening designs shall be submitted to the Director of Airports for review and approval. Lessee further agrees to provide any further landscaping that may be required, during the term hereof, by the Director of Airports for the purpose of screening from view any area of the premises. Such landscaping shall be in accordance with the Lessor's design guidelines in effect at that time, and shall not be installed and maintained in such a manner so as to create a wildlife hazard to aircraft operations.

11. **INSPECTIONS.** Lessor shall have the right at any reasonable time prior to the completion of the improvements or any additions to the improvements, to enter upon the premises for the purpose of inspecting the construction thereof, to determine whether or not the improvements are being constructed substantially in accordance with the plans and specifications. If at any time during the progress of such construction, it is determined that the improvements are not being constructed substantially in accordance with the plans and specifications, upon receipt of written notice from the Lessor, the Lessee shall make or cause to be made such reasonable

alterations as may be required to cause the improvements to substantially conform to the plans and specifications.

12. **GRANTING OF EASEMENTS.** Lessee shall not (i) grant easements, licenses and other rights or privileges in the nature of easements with respect to the land, or (ii) release existing easements, licenses, rights-of-way and other rights or privileges, and Lessee agrees, to the extent that it may legally do so, that it will execute and deliver any instrument necessary or appropriate to release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by Lessee of (a) a copy of the instrument of release of the agreement or other arrangement, and (b) a written application signed by the Lessor requesting execution and delivery of such instrument, provided that, such release is not detrimental to the proper conduct of the business of Lessee, and such release will not impair the effective use or interfere with the efficient and economical operation of the facilities.

13. **UTILITIES.** Article 12 of the Agreement, "Utilities," is hereby superseded and replaced with the following language:

All utilities and utility services used by Lessee, in, on or about the premises shall be contracted for by Lessee, in Lessee's own name and Lessee shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith. Lessee agrees to pay, as and when due and payable, all bills for utility services. Lessor shall not be liable to Lessee for damages arising out of any cessation or interruption of gas, water, electricity, telephone, or other utility service during the lease term or any extension thereon, unless said damages were caused by Lessor and/or its employees, agents or contractor's negligence, acts of commission, or acts of omission.

Lessee agrees to pay for all utilities furnished through facilities owned by Lessor at the published rate established by Lessor and charged to other Lessees.

If during the term of the Agreement utility relocations are required as a result of a project initiated by the Lessee, Lessee shall be responsible for paying for all costs associated with the relocation.

14. **MAINTENANCE & REPAIR.** Article 10 of the Agreement, "Maintenance and Repair," is hereby superseded and replaced with the following language:

Lessee, at Lessee's sole cost and expense, shall take good care of and maintain, repair and replace the premises and keep the premises and all parts thereof in good order, condition and repair, including, without limitation, (i) all alterations, the roof, foundation, footings and all structural and non-structural components thereof) and all other improvements located in, on or about the premises, (ii) all heating, plumbing, electrical, air-conditioning, mechanical and other systems, fixtures and equipment with respect to the premises and all other improvements located in, on or about the premises, (iii) utilities, and (iv) all common areas including, without limitation, lawns and planted areas, roadways, walks, parking lots, and loading areas.

Lessee, at its sole expense, shall at all times keep and maintain said premises and the fixtures and appurtenances thereto in a clean and sightly condition, free of trash, debris and obstructions; remove all snow and ice from the premises pavements and parking areas, and mow and trim all natural growth when necessary.

Lessor, its agents or employees, shall have the right to enter upon said premises at any and all reasonable times to inspect the condition of the same. Lessor shall give reasonable advance oral notice prior to entry except for emergencies. Should Lessee, refuse or neglect to maintain its leased premises as herein provided, Lessor shall have the right to perform such maintenance on behalf of and for the Lessee after thirty days written notice to Lessee. Any costs for such maintenance shall be paid for by Lessee, not later than thirty (30) days following demand by Lessor for such payment at Lessor's costs, plus twelve percent (12%).

15. **INDEMNITY.** Article 9 of the Agreement, "Indemnity and Insurance," is hereby superseded and replaced with the following language in this Article and Articles 16 and 17:

Lessee shall protect and hold Lessor and the City of Wichita and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including

but not limited to reasonable attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this agreement and/or the use or occupancy of the leased premises or the acts or omissions of Lessee's officers, agents, employees, contractors, subcontractors, licensees or invitees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the acts, omissions or negligence of Lessor, Lessor's officers, agents, employees, contractors, subcontractors, licensees or invitees. The Lessor shall give to Lessee reasonable notice of any such claims or actions. The provisions of this section shall survive the expiration or early termination of this Agreement.

Lessor shall protect and hold Lessee and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to reasonable attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this agreement and/or the Lessor's operation of the Airport or the acts or omissions of Lessor's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the acts, omissions or negligence of Lessee, Lessee's officers, agents, employees, contractors, subcontractors, licensees or invitees. The Lessee shall give to Lessor reasonable notice of any such claims or actions. The provisions of this section shall survive the expiration or early termination of this Agreement.

16. **INSURANCE.** Lessee agrees to maintain Commercial General Liability insurance during the term hereof which protects the Lessor and City of Wichita, their officers, agents and employees, as additional insureds, with a company reasonably acceptable to Lessor, in an aggregate amount of not less than $1,000,000 per occurrence. In addition, Lessee shall maintain a Worker's Compensation and Employer's liability policy with limits of not less than the statutory requirement for Worker's Compensation in the state where the work is performed, and $500,000 Employer's Liability. Lessee agrees that in the event of future changes in the law and upon written notice by the Lessor, the minimum levels of insurance

required by this paragraph may be increased within the bounds of commercial reasonableness to the amount that may be required by law.

Lessee shall provide Lessor a certificate of insurance evidencing all of the above insurance within twenty (20) days of signing this Supplement, and at each policy anniversary thereafter for the duration of this Agreement. Such policy or certificate shall contain a clause providing thirty days' prior notice to the Lessor before any material change or cancellation is effective.

17. **FIRE AND EXTENDED COVERAGE INSURANCE.** Lessee, at its expense, throughout the term of this Agreement shall cause the improvements on the leased premises to be insured against loss or damage by fire and extended coverage at least equal to the full insurable value thereof and, if requested, shall furnish Lessor a certificate evidencing such insurance. The proceeds of any payments made under such insurance policy or policies shall be used to repair the damage to the improvements.

    In lieu of the insuring of the premises by the Lessee against the loss or damage by fire and extended coverage, Lessee shall have the option to request that this facility be insured under the Lessor's blanket policy, and the Lessee agrees to pay the premiums for the cost of insurance on this facility, plus its prorata share of any deductible required to be paid by Lessor under its blanket policy which is attributable to the leased premises.

18. **SUBROGATION OF INSURANCE.** Lessor hereby waives any and all rights of recovery against Lessee for or arising out of damage or destruction of the building, or the demised premises, or any other property of Lessor, from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of such policies, whether or not such damage or destruction shall have been caused by the negligence of Lessee, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

    Lessee hereby waives any and all rights of recovery against Lessor for or arising out of damage to or destruction of any property of Lessee from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of said policies, whether or not such damage or destruction shall have been caused

by the negligence of Lessor, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

19. <u>DAMAGE OR DESTRUCTION.</u>

Article 26 of the Agreement, "Damage and Destruction," is hereby superseded and replaced with the following language:

(a) In the event that the improvements are damaged to the extent of 25% or less of the total square footage of the improvements and the improvements are able to be restored within 180 days, or the improvements are destroyed in whole or in part by fire, lightning or any other peril of other casualty during the term of this Agreement, Lessee shall have the option of proceeding with due diligence to repair, restore, rebuild or replace said damaged or destroyed improvements or parts thereof to as good condition as the same were in immediately prior to such damage or destruction, subject to such alterations as Lessee may elect to make as permitted in Paragraphs 8 and 9. In such case this Agreement shall remain in full force and effect, except that the facility rent shall be reduced proportionate to the percentage of the improvements which are, in Tenant's reasonable discretion determined by Tenant to be untenantable until said repairs are completed. All proceeds from the insurance policies related to such damage or destruction shall be applied to cover the cost of such repairs or restoration. Any proceeds not required for such costs shall be distributed to the parties in pro-rata distributions as their interests may appear based upon the fair market value of each party's interest at the time the proceeds are received. If Lessee and Lessor mutually agree, Lessee may use the insurance proceeds to construct other facilities equal to those facilities not restored.

(b) In the event that the improvements are damaged to the extent of more than 25% of the total square footage of the improvements or destroyed in whole or in part by fire, lightning or any other peril or other casualty during the term of this Agreement, or the improvements are damaged or destroyed and such damage, destruction or loss is not capable of being repaired within 180 days, Lessee shall have the right to elect, by written notice given to Lessor within 180 days after the occurrence of such event, not to repair, restore, rebuild or replace the improvements, such election to be effective as of the date of such damage,

destruction or loss. All of the insurance proceeds shall be paid to Lessee and Lessor in pro-rata distributions as their interests may appear based upon the fair market value of each party's interest at the time the proceeds are received. Where allowed by the insurance policy, insurance proceeds shall first be applied to the removal of damaged improvements from the premises before such distribution.

20. **CONDEMNATION.**

(a) If, during the term, title to, or the temporary use of, all or a portion of the premises sufficient to render the premises untenantable in Tenant's reasonable discretion, is condemned by any authority exercising the power of eminent domain, Lessee shall, within ninety (90) days after the date of entry of a final order in any eminent domain proceedings granting condemnation, notify Lessor in writing as to the nature and extent of such condemnation and whether it is practicable for Lessee to acquire or construct substitute improvements.

(b) If Lessee shall determine that such substitution is practicable and desirable and Lessor shall agree thereto, Lessee shall forthwith proceed with and complete with reasonable dispatch the acquisition or construction of such substitute improvements. In such case, any net proceeds received from any award or awards with respect to the premises or any part thereof made in such condemnation or eminent domain proceeds shall be used and applied for the purpose of paying the cost of such substitution. Any proceeds not required for such costs shall be distributed to the parties in pro-rata distributions as their interests may appear based upon the fair market value of each party's interest at the time the proceeds are received.

(c) If Lessee shall determine that it is not practicable and desirable to acquire or construct substitute improvements, any net proceeds not required for such costs shall be distributed to the parties in pro-rata distributions as their interests may appear based upon the fair market value of each party's interest at the time the proceeds are received. Lessee agrees that it shall be reasonable in exercising its judgment pursuant to this subsection.

(d) Lessor shall cooperate fully with Lessee in the handling and conduct of any prospective or pending condemnation proceedings with respect to the premises or any part thereof. In no event will Lessee voluntarily settle or consent to the settlement of any

prospective or pending condemnation proceedings with respect to the premises without the written consent of Lessor.

21. **NON-WAIVER.** The waiver by Lessor of any breach by the Lessee of any term, covenant, provision, or condition hereof shall not operate as a waiver of any subsequent breach of the same or a waiver of any breach of any other covenant, term, provision, or condition hereof, nor shall any forbearance by Lessor to seek a remedy for any breach by Lessee be a waiver by Lessor of its rights and remedies with respect to such or any subsequent breach of the same or with respect to any other breach.

22. **FIRE AND POLICE PROTECTION.** Article 16 of the Agreement, "Fire and Police Protection," shall be modified to include the following language:

The City of Wichita currently charges Lessor a fee for provision of police and fire protection of the Airport. It is understood and agreed that Lessor may impose a fair and equitable charge to recover Lessee's proportionate share of Lessor's costs of these services. If, during the term of this Agreement, Lessor chooses to provide police and fire services directly, the recovery will be adjusted based upon Lessor's established rate. Lessor agrees to substantiate to the best of its ability the methodology used to allocate charges to Lessee.

23. **ENVIRONMENTAL.**

(a) The Lessee hereby covenants that it will not cause or permit any Hazardous Substances to be placed, held, located or disposed of, on, under or at the premises, other than in the ordinary course of business and in compliance with all applicable laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided to the Lessor hereunder, the Lessee hereby agrees to indemnify and hold harmless the Lessor and the City of Wichita from and against any and all losses, liabilities, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessor or the City of Wichita by any person or entity for or arising out of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during any term of this lease of any Hazardous Substance

(including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability, concerning, any Hazardous Substance) if such presence, escape, seepage, leakage, spillage, discharge, emission was caused by the Lessee, persons within the control of the Lessee, Lessee's officers, employees, agents, or licensees, or if such Hazardous Substance was owned by, or located on the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release except to the extent such was caused by the Lessor).

(c) If, during the term of this Agreement, the Lessee receives any notice of (i) the happening of any event involving the use (other than in the ordinary course of business and in compliance with all applicable laws), spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance on the premises or in connection with the Lessee's operations thereon or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental, health, or safety matter affecting the Lessee (an "Environmental Complaint") from any persons or entity (including, without limitation), the United States Environmental Protection Agency (the "EPA") or the Kansas Department of Health and Environment ("KDHE"), the Lessee shall immediately notify the Lessor in writing of said notice.

(d) The Lessor shall have the right, but not the obligation, and without limitation of the Lessor's other rights under this Agreement, to enter the premises or to take such other actions as it deems necessary or advisable in its reasonable discretion, to inspect, clean up, remove, resolve remediate or minimize the impact of, or to otherwise deal with, any hazardous substance that it becomes aware of through formal written notice or otherwise and that pertains to the premises, or any part thereof, including, without limitation, notices from the EPA or KDHE. If such conditions are caused by circumstances within the control of the Lessee or if such circumstances result from a Hazardous Substance owned by, or located on the premises by the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release except to the extent such was caused by the

Lessor) all reasonable costs and expenses incurred by the Lessor in the exercise of any such rights shall be payable by the Lessee, within thirty (30) days of written demand by Landlord.

(e) If Lessor exercises its rights under Subsection 20(d) above, and the circumstances which led to Lessor's having exercised its rights constitute an event of default under this Agreement, then for so long as the default continues, and upon the recommendation of an environmental consultant licensed by the State of Kansas with no fewer than 10 years experience in the state of Kansas (hereinafter referred to as "Lessor's Consultant"), Lessor shall have the right to require the Lessee to hire at Lessee's expense, an environmental consultant licensed in the state of Kansas who has no fewer than 10 years experience in the state of Kansas (hereinafter referred to as "Lessee's Consultant") to conduct an environmental audit and, to the extent recommended by Lessor's Consultant, an environmental risk assessment. Lessee's Consultant and Lessor's Consultant may, but are not required to be one and the same. If the circumstances leading to the exercise by Lessor of its rights under this Subsection 20(e) constitute an event of default under this Agreement, then said default shall not be deemed to have been cured until the results of the environmental audit and risk assessment, if applicable, are reasonably satisfactory to the Lessor. In addition, if Lessor has occasion to exercise its rights under this Subsection 20(e) or Subsection 20(d) above, Lessor shall also have the right at Lessee's expense, to periodically (but no more than once in every calendar year), inspect and review the hazardous waste management practices and/or hazardous waste disposal sites used by the Lessee with respect to the premises. Should the Lessee fail to perform any such environmental audit or risk assessment within 90 days of the written request of the Lessor, the Lessor shall have the right, but not the obligation, to retain an environmental consultant to perform any such environmental audit or risk assessment. All costs and expenses incurred by the Lessor in the exercise of this right shall be payable by the Lessee on demand.

(f) Neither Lessee nor Lessor shall install or permit to be installed in the premises asbestos, electrical equipment containing polychlorinated biphenyls (PCBs), or any substance containing asbestos and deemed hazardous by federal or state regulations applicable to the premises and respecting such material. The Lessee shall indemnify, and save the Lessor and the City of Wichita harmless from all costs and expenses asserted or proven against the Lessee by any person, as a result of the presence of any such substances, including any costs

and expenses incurred in connection with the removal or compliance by Lessee with such regulations, if said substance is installed by the Lessee, or persons within its control. Notwithstanding anything contained herein to the contrary, any asbestos, electrical equipment containing polychlorinated biphenyls (PCBs), or substance containing asbestos and deemed hazardous by federal or state regulations applicable to the premises and respecting such material shall be exempt from the requirements of this Subsection 20(e) to the extent that it was introduced to the premises prior to the date of the Agreement dated August 7, 1978.

(g) Subject to any limitations or restrictions imposed by the Kansas Budget Law or Cash Basis Law, the Lessor hereby agrees to indemnify and hold harmless the Lessee from and against any and all losses, liabilities, including damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Lessee by any person or entity for, arising out of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the premises during the term of this Agreement and the period prior to the term of this Agreement of any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order of decree regulating, relating to or imposing liability, concerning any Hazardous Substance) unless such presence, escape, seepage, leakage, spillage, discharge, emission or release was caused by the Lessee, or persons within the control of the Lessee, its officers, employees, agents, business invitees and/or licensees, or if such hazardous substance was owned by, or placed upon the premises by, the Lessee (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release except to the extent such was caused by the Lessor).

(h) Lessor shall grant to Lessee and its agents or contractors such access to the leased premises as is reasonably necessary to accomplish such removal and prepare such environmental audit.

(i) The provisions of this article shall survive the termination of this Agreement.

24. **SECURITY REGULATIONS.** Lessee shall comply with all applicable regulations relating to Airport security. Lessor shall be held harmless for any and all breaches of the Federal Aviation Administration or the Transportation Security Administration's policies and regulations and Lessor's security rules or regulations caused by the Lessee, its agents or employees, or that occur on the Lessee's premises except to the extent caused by Lessor. In the event the Federal Aviation Administration or the Transportation Security Administration imposes a fine or penalty for any such security violation, whether such fine or penalty is assessed to the Lessor or the Lessee or their agents or employees, the penalty shall be paid by the Lessee, provided, however, that nothing herein shall prevent Lessee from contesting the legality, validity or application of such fine or penalty to the full extent Lessee may be lawfully entitled so to do.

25. **NON-DISCRIMINATION EEO/AAP.** Article 21, "Discrimination," of the Agreement is hereby superseded and replaced with the following language:

    The Lessee agrees that it will not discriminate or permit discrimination against any person on the basis of race, color, sex, religion, disability, age, national origin or ancestry, or marital status in its operations or services, and its use or occupancy of property under this agreement. The Lessee agrees to comply with all applicable provisions of the Civil Rights Act of 1964, as amended; the Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375 and 11141; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Kansas Act Against Discrimination, K.S.A. 44-1000, et seq.; the Code of the City of Wichita Section 2.12.950; and any laws, regulations or amendments as may be promulgated thereunder, including any Ordinance of the City of Wichita, Kansas, presently existing or hereafter enacted, which pertains to civil rights and equal employment opportunity.

26. **FAA REQUIREMENTS.** Article 22, "FAA Requirements," of the Agreement is hereby superseded and replaced with the following language:

Lessor and Lessee further agree that the requirements of the Federal Aviation Administration set out below are approved by both parties, and if applicable, Lessee agrees to comply with all FAA requirements with respect to its operations, use of the Airport and this lease.

(a) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained or otherwise operated on said property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(b) The Lessee, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(c) The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake

affirmative action programs, and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.\

(d) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

(e) Lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(f) Lessor reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard.

(g) Lessor reserves the right further to develop or improve the landing area and all publicly-owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.

(h) Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the airport which, in the opinion of Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft.

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

(j) It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

(k) There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the air space above the surface of the premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on or about the airport.

(l) This lease shall become subordinate to provisions of any existing or future agreement between the Lessor and the United States of America or any agency thereof relative to the operation, development or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport.

27. **MODIFICATIONS FOR GRANTING FAA FUNDS.** In the event that the Federal Aviation Administration requires modifications or changes to this Agreement as a condition precedent to granting of funds for the improvement of the Airport, Lessee agrees to consent to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required to enable the Lessor to obtain said Federal Aviation Administration funds, provided that in no event shall such changes materially impair the rights of Lessee hereunder or materially increase its obligations.

28. **THIRD PARTY RIGHTS.** It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Agreement to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

29. **NOTICES.** Article 13, “Notices,” of the Agreement is hereby superseded and replaced with the following language:

Notices to Lessor provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

The Wichita Airport Authority
Wichita Mid-Continent Airport
2173 Air Cargo Road
P. O. Box 9130
Wichita, KS 67277-0130

Notices to Lessee provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

Rockwell Collins, Inc.
400 Collins Road NE MS 127-150
Cedar Rapids, IA 52498-0001
ATTN: Real Estate Department

or to such other respective addresses as the parties may designate in writing from time to time.

30. **OTHER TERMS.** It is understood and agreed that except as modified herein all other terms and conditions of the original Agreement, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

ATTEST:

THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS

By _____
Karen Sublett, City Clerk

By _____
Carl Brewer, President
"LESSOR"

By _____
Victor D. White, Director of Airports

ATTEST: ROCKWELL COLLINS, INC.

By _____ By _____

Title _____ Title _____

"LESSEE"

APPROVED AS TO FORM: _____ Date: _____

Director of Law

Agenda Item No. IX-3.

CITY OF WICHITA
City Council Meeting
April 14, 2009

TO: Wichita Airport Authority

SUBJECT: Wichita Mid-Continent Airport
Acquisition of Vacant Lot on West Montezuma

INITIATED BY: Property Management

AGENDA: Wichita Airport Authority (Consent)

Recommendation: Approve the acquisition.

Background: The Wichita Airport Authority Capital Improvement Program (CIP) includes the purchase of land for aviation related development. The CIP is designed to implement the appropriate parts of the FAA approved Airport Master Plan while addressing the financial capabilities of the Wichita Airport Authority. Land located within the boundaries of Harry Street, Pueblo Street, Ridge Road and Airport Road have been identified as parcels appropriate to acquire to accommodate the long range need for airport property not requiring airfield access. Within the past three years, five parcels in this area were acquired under a willing buyer/seller arrangement.

Analysis: The subject property is listed on the county rolls as Lot 9 in the 6900 Block of West Montezuma, more specifically, 6920 West Montezuma. The site consists of 20,037 square feet, currently vacant and is zoned Limited Commercial. The owner has agreed to convey the land for $45,000, or $2.25 per square foot. The site will be maintained as open space until the time for aviation development.

Financial Considerations: A budget of $58,000 is requested. This amount includes the purchase price, other costs required for title, closing, property taxes and upcoming road improvement special assessment. The cost of this acquisition will be funded with General Obligation Bonds paid for with airport revenue.

Goal Impact: The Airport's contribution to the economic vitality of Wichita is promoted through maintaining sufficient developable land to accommodate the long-range demand.

Legal Considerations: The Law Department approved the agreement as to form.

Recommendation/Action: It is recommended that the Wichita Airport Authority approve the purchase agreement and authorize the necessary signatures.

Attachments: Real estate purchase agreement and aerial map.

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT, Made and entered into this 3rd day of March, 2009 by and between T & B Properties, LLC, hereinafter referred to as "Seller," whether one or more, and the Wichita Airport Authority, hereinafter referred to as "Buyer," whether one or more.

WITNESSETH: That for and in consideration of the mutual promises, covenants and payments hereinafter set out, the parties hereto do hereby contract to and with each other, as follows:

1. The Seller does hereby agree to sell and convey to the Buyer by a warranty deed for the following described tract, to wit:

Lot 9 except south 5 feet dedicated for street, Block B, Rolling Hills Mesa Addition to Wichita, Sedgwick County, KS

2. The Buyer hereby agrees to purchase and pay to the Seller as consideration for the conveyance to Buyer, the above described tract the sum of Forty-Five Thousand Dollars and no/100 ($45,000) in the manner following, to-wit: cash at closing.

3. A complete abstract of title certified to date, or a title insurance company's commitment to insure, to the above described real property, showing a merchantable title vested in the seller, subject to easements and restrictions of record is required. The Title Evidence shall be sent to Property Management Division- for examination by the Buyer as promptly and expeditiously as possible, and it is understood and agreed that the Seller shall have a reasonable time after said Title Evidence has been examined in which to correct any defects in title.

4. A duly executed copy of this Purchase Agreement shall be delivered to the parties hereto.

5. It is understood and agreed between the parties hereto that time is of the essence of this contract, and that this transaction shall be consummated on or before April 17, 2009.

6. Seller further agrees to convey the above described easement with all the improvements located thereon and deliver possession of the same in the same condition as they now are, reasonable wear and tear excepted.

7. Possession to be given to Buyer at closing.

8. In the event an Owners title insurance policy is furnished, the total cost of the commitment to insure and the title insurance policy will be paid 0% by Seller and 100% by Buyer. Buyer and Seller will share closing costs 50/50.

9. Site Assessment

A. At any time prior to the closing of this agreement, the buyer shall have the right to conduct or cause to be conducted an environmental site assessment and/or testing on the Property. If an environmental audit or test reveals the presence of a hazardous substance or waste, as defined by federal or state law, or that there has been a spill or discharge of a hazardous substance or waste on the Property, the buyer shall have the right to void this agreement upon notice to the seller, in which event neither party shall be under any further obligation to the other, with the exception that seller shall return to buyer any deposit made hereunder. The buyer or its agents shall have the right, without the obligation, to enter upon the Property prior to closing to undertake an environmental site assessment or testing of the Property, at the buyer's sole expense.

B. Provided, however, buyer shall in no event be obligated to close before the completion of a site assessment made pursuant to Paragraph A above. The buyer shall, if buyer determines a site assessment is necessary, exercise good faith in commencing and diligently completing such site assessment after this agreement is executed by all parties.

WITNESS OUR HANDS AND SEALS the day and year first above written.

SELLER:
T & B PROPERTIES, LLC:

Bryan Littell, Managing Member

Terry Gutschenritter, Managing Member

BUYER:
By Direction of the City Council

ATTEST:

Carl Brewer, Mayor

Karen Sublett, City Clerk

Approved as to Form:

Gary E. Rebenstorf, Director of Law

6920 W Montezuma

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Every reasonable effort has been made to assure the accuracy of the maps and associated data provided herein. This information is provided with the understanding that the data are susceptible to a degree of error, and conclusions drawn from such information are the responsibility of the reader. The City of Wichita makes no warranty, representation or guaranty as to the content, accuracy, timeliness or completeness of any of the data provided herein. Some data provided here and used for the preparation of these maps has been obtained from public records not created or maintained by the City of Wichita. The City of Wichita shall assume no liability for any decisions made or actions taken or not taken by the reader in reliance upon any information or data furnished hereunder. The user should consult with the appropriate departmental staff member, e.g. Planning, Parks & Recreation, etc. to confirm the accuracy of information appearing in the visual presentations accessible through these web pages.

Agenda Item No. IX-4.

CITY OF WICHITA
City Council Meeting
April 14, 2009

TO: Wichita Airport Authority

SUBJECT: Wichita Mid-Continent Airport
Acquisition of Vacant Lot at 7004 West Montezuma

INITIATED BY: Property Management

AGENDA: Wichita Airport Authority (Consent)

Recommendation: Approve the acquisition.

Background: The Wichita Airport Authority Capital Improvement Program (CIP) includes the purchase of land for aviation related development. The CIP is designed to implement the appropriate parts of the FAA approved Airport Master Plan while addressing the financial capabilities of the Wichita Airport Authority. Land located within the boundaries of Harry Street, Pueblo Street, Ridge Road and Airport Road have been identified as parcels appropriate to acquire to accommodate the long range need for airport property not requiring airfield access. Within the past three years, five parcels in this area were acquired under a willing buyer/seller arrangement.

Analysis: The subject property is located at 7004 West Montezuma. The site consists of 19,166 square feet, currently vacant and is zoned Limited Commercial. The owner has agreed to convey the land for $43,000, or $2.24 per square foot. The site will be maintained as open space until the time for aviation development.

Financial Considerations: A budget of $53,000 is requested. This amount includes the purchase price, other costs required for title, closing, and upcoming road improvement special assessment. The cost of this acquisition will be funded with General Obligation Bonds paid for with airport revenue.

Goal Impact: The Airport's contribution to the economic vitality of Wichita is promoted through maintaining sufficient developable land to accommodate the long-range demand.

Legal Considerations: The Law Department approved the agreement as to form.

Recommendation/Action: It is recommended that the Wichita Airport Authority approve the purchase agreement and authorize the necessary signatures.

Attachments: Real estate purchase agreement and aerial map.

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT, Made and entered into this ___ day of _____, 2009 by and between Charles E. Shepler and Gloria L. Shepler, husband and wife, hereinafter referred to as "Seller," whether one or more, and the Wichita Airport Authority, hereinafter referred to as "Buyer," whether one or more.

WITNESSETH: That for and in consideration of the mutual promises, covenants and payments hereinafter set out, the parties hereto do hereby contract to and with each other, as follows:

1. The Seller does hereby agree to sell and convey to the Buyer by a warranty deed for the following described tract, to wit:

   Lot 10 except south 5 feet dedicated for street, Block B, Rolling Hills Mesa Addition to Wichita, Sedgwick County, KS

2. The Buyer hereby agrees to purchase and pay to the Seller as consideration for the conveyance to Buyer, the above described tract the sum of Forty-Three Thousand Dollars and no/100 ($43,000) in the manner following, to-wit: cash at closing.

3. A complete abstract of title certified to date, or a title insurance company's commitment to insure, to the above described real property, showing a merchantable title vested in the seller, subject to easements and restrictions of record is required. The Title Evidence shall be sent to Property Management Division- for examination by the Buyer as promptly and expeditiously as possible, and it is understood and agreed that the Seller shall have a reasonable time after said Title Evidence has been examined in which to correct any defects in title.

4. A duly executed copy of this Purchase Agreement shall be delivered to the parties hereto.

5. It is understood and agreed between the parties hereto that time is of the essence of this contract, and that this transaction shall be consummated on or before April 17, 2009.

6. Seller further agrees to convey the above described easement with all the improvements located thereon and deliver possession of the same in the same condition as they now are, reasonable wear and tear excepted.

7. Possession to be given to Buyer at closing.

8. In the event an Owners title insurance policy is furnished, the total cost of the commitment to insure and the title insurance policy will be paid 0% by Seller and 100% by Buyer. Buyer and Seller will share closing costs 50/50.

9. Site Assessment

   A. At any time prior to the closing of this agreement, the buyer shall have the right to conduct or cause to be conducted an environmental site assessment and/or testing on the Property. If an environmental audit or test reveals the presence of a hazardous substance or

waste, as defined by federal or state law, or that there has been a spill or discharge of a hazardous substance or waste on the Property, the buyer shall have the right to void this agreement upon notice to the seller, in which event neither party shall be under any further obligation to the other, with the exception that seller shall return to buyer any deposit made hereunder. The buyer or its agents shall have the right, without the obligation, to enter upon the Property prior to closing to undertake an environmental site assessment or testing of the Property, at the buyer's sole expense.

B. Provided, however, buyer shall in no event be obligated to close before the completion of a site assessment made pursuant to Paragraph A above. The buyer shall, if buyer determines a site assessment is necessary, exercise good faith in commencing and diligently completing such site assessment after this agreement is executed by all parties.

WITNESS OUR HANDS AND SEALS the day and year first above written.

SELLER:

Charles E. Shepler

Charles E. Shepler

Gloria L. Shepler

Gloria L. Shepler

BUYER:
By Direction of the City Council

ATTEST:

Carl Brewer, Mayor

Karen Sublett, City Clerk

Approved as to Form:

Sterling M. Price
3-06-09

Gary E. Rebenstorf, Director of Law

Sterling M Price
Notary Public, State of Texas
My Commission Expires:
October 12, 2012

7004 W Montezuma

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Every reasonable effort has been made to assure the accuracy of the maps and associated data provided herein. This information is provided with the understanding that the data are susceptible to a degree of error, and conclusions drawn from such information are the responsibility of the reader. The City of Wichita makes no warranty, representation or guaranty as to the content, accuracy, timeliness or completeness of any of the data provided herein. Some data provided here and used for the preparation of these maps has been obtained from public records not created or maintained by the City of Wichita. The City of Wichita shall assume no liability for any decisions made or actions taken or not taken by the reader in reliance upon any information or data furnished hereunder. The user should consult with the appropriate departmental staff member, e.g. Planning, Parks & Recreation, etc. to confirm the accuracy of information appearing in the visual presentations accessible through these web pages.

Bids were opened April 10, 2009, pursuant to advertisements published on:

PUBLIC WORKS DEPARTMENT/ENGINEERING DIVISION: Sewers, Paving and Water Mains as per specifications (Exhibit Attached).

Main 11 Northwest Interceptor Sewer to serve via Christi West Campus Addition (east of 151st Street West, north of 21st Street North)(468-84543/744294/480983) Traffic to be maintained using flagpersons and barricades. (District V)

Nowak Construction	-	$328,573.08 Base Bid
	-	$653,493.40 Add Alt 1
	-	$982,066.49 Total Aggregate Bid*

*Redirect Award

Old Town Improvements, Phase 2: Masonry Sculpture Bases (Mosley, Douglas to 2nd Street) (472-84806/794066/437010) Does not affect existing traffic. (District I)

Industrial Metal Fabrication	-	$ 22,567.65

2009 Sanitary Sewer Rehabilitation, Phase A (north of Central, west of Hillside) (468-84569/620538/669656) Traffic to be maintained using flagpersons & barricades. (District I)

Utility Maintenance Contractors	-	$ 35,337.20

On motion the Board recommended that the contracts be awarded as outlined above, subject to check, same being the lowest and best bids within the Engineer's construction estimate.

On motion the Board of Bids adjourned.

THE CITY OF WICHITA Wichita, Kansas
Department of Public Works

PRELIMINARY ESTIMATES
FOR CITY COUNCIL APRIL 14, 2009

a. Emporia, Waterman to William/William, Emporia to Commerce/St. Francis, William to Douglas; SS Modifications in St. Francis and the alley between Topeka & Emporia, north of William; Waterline Modifications in St. Francis (east of Broadway, north of Kellogg) (472-84744/448-90425/468-84582/468-84581/707001/636208/620526/620527/209466/ 778598/668645/668646) See Plans. (District I) - $2,247,196.00

b. Main 11 Northwest Interceptor Sewer to serve Via Christi West Campus Addition (east of 151st Street West, north of 21st Street North) (468-84543/744294/480983) Traffic to be maintained using flagpersons and barricades. (District V) - $2,467,591.00

c. Water Distribution System to serve Broad Street Addition and Unplatted Tracts (south of MacArthur, west of West Street) (448-89718/735436/470109) Does not affect existing traffic. (District IV) - $93,000.00

d. Remove and replace existing street light poles and fixtures to provide improved lighting in Old Town (Phase 1) (Douglas to 3rd, Mead to Washington) (472-84793/764066/437010) See special provisions. (District I) - $710,500.00

City of Wichita
City Council Meeting
April 14, 2009

TO: Mayor and City Council

SUBJECT: Sewage Treatment - Nutrient Feasibility Agreement

INITIATED BY: Water Utilities

AGENDA: Consent

Recommendation: Approve the Agreement with Camp Dresser & McKee, Inc. and approve the expenditure to complete the nutrient feasibility study for Sewage Treatment Plant No. 2.

Background: In 2007, the City of Wichita was issued a National Pollutant Discharge Elimination System permit to continue discharging effluent into the Arkansas River. The permit contained a requirement that the City complete a study to determine the feasibility and costs associated with installing additional treatment that would allow the south plant to achieve a higher level of water quality. The improvements would involve the installation and/or modification of processes that would remove nitrogen and phosphorus from the treated water.

Analysis: The Water Utilities issued a Request for Proposals for design services to complete this study. Four companies submitted proposals and based on presentations and cost, Camp Dresser & McKee, Inc. (CDM) is recommended as the preferred firm. The proposal included costs for the feasibility evaluation and the study of the watershed. In this project, the Water Utility is recommending that only the feasibility part of the study be completed, and that the watershed study be reserved as an option to be evaluated later. The completion of the watershed study will be contingent upon the results of the feasibility work and the availability of funding sources.

Financial Considerations: The feasibility study, as required by the state of Kansas, has a proposed cost of $119,800. This money is available in the CIP budget S-560, Plant 2 Nutrient Removal. The watershed option of the project has a proposed cost of $454,071. The decision to complete the watershed work will be made at a later time and is not being considered in this recommendation. The project will be funded from Water Utilities revenues and reserves, and/or a future revenue bond issue.

Goal Impact: The nutrient feasibility study will enhance the quality of life and ensure efficient infrastructure by providing reliable, compliant discharge into the Arkansas River ensuring that wastewater meets effluent standards.

Legal Considerations: Law has reviewed the Agreement and approved it as to form.

Recommendations/Actions: It is recommended that City Council; 1) approve the Agreement; 2) approve the expenditure; and 3) authorize the necessary signatures.

Attachments: Agreement with Camp Dresser & McKee, Inc.

STANDARD FORM OF AGREEMENT
BETWEEN
OWNER AND ENGINEER

THIS IS AN AGREEMENT made as of March__, 2009 between City of Wichita, Kansas ("OWNER") and Camp Dresser & McKee, Inc. ("ENGINEER").

OWNER intends to initiate a project that consists of engineering services for the study of alternatives for upgrading the City of Wichita (CITY) Sewage Treatment Plant #2 (STP #2) to meet various levels of potential future NPDES Permit discharge limits for nutrients, specifically total nitrogen (TN) and total phosphorus (TP) and conduct a Basin Impact and Site Specific Nutrient Criteria study of the Lower Arkansas River Basin to develop a comprehensive nutrient reduction strategy and specific nutrient standards for the reach of the Arkansas in which Sewage Treatment Plant No. 2 discharges. (the "Project").

OWNER and ENGINEER in consideration of their mutual covenants herein agree in respect of the performance or furnishing of services by ENGINEER with respect to the Project and the payment for those services by OWNER as set forth below. Execution of this Agreement by ENGINEER and OWNER constitutes OWNER's written authorization to ENGINEER to proceed on the date first above written with the Services described in Article 1 below. This Agreement will become effective on the date first above written.

ARTICLE 1 – SCOPE OF SERVICES

1.1 ENGINEER agrees to perform for OWNER services as described in Exhibit A (hereinafter referred to as "Services") in accordance with the requirements outlined in this Agreement.

ARTICLE 2 – TIMES FOR RENDERING SERVICES

2.1 The specific time period for the performance of ENGINEER's Services are set forth in Exhibit A.

2.2 If the specific periods of time for rendering services or specific dates by which services are to be completed are changed through no fault of ENGINEER, the rates and amounts of compensation provided for herein shall be subject to equitable adjustment. If OWNER has requested changes in the scope, extent, or character of the Project, the time of performance and compensation for ENGINEER's services shall be adjusted equitably.

2.3 If ENGINEER's services are delayed or suspended in whole or in part by OWNER for more than three months through no fault of ENGINEER, ENGINEER shall be entitled to equitable adjustment of rates and amounts of compensation provided for elsewhere in this Agreement to reflect, among other things, reasonable costs incurred by ENGINEER in connection with such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised

ARTICLE 3 – OWNER'S RESPONSIBILITIES

OWNER shall do the following in a timely manner so as not to delay the services of ENGINEER and shall bear all costs incident thereto:

3.1 Pay the ENGINEER in accordance with the terms of this Agreement.

3.2 Designate in writing a person to act as OWNER's representative with respect to the services to be performed or furnished by ENGINEER under this Agreement. Such person will have complete authority to transmit instructions, receive information, interpret, and define OWNER's policies and decisions with

respect to ENGINEER's services for the Project.

3.3 Provide all criteria and full information as to OWNER's requirements for the Project, including, as applicable to the Services, design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and furnish copies of all design and construction standards which OWNER will require to be included in the Drawings and Specifications.

3.4 Assist ENGINEER by placing at ENGINEER's disposal all available information pertinent to the Project including previous reports and, as applicable to the Services, any other data relative to design or construction of the Project, all of which ENGINEER shall be entitled to rely upon.

3.5 Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any development that affects the scope or time of performance or furnishing of ENGINEER's Services or any defect or conformance in ENGINEER's Services or in the work of any Contractor.

3.6 Bear all costs incident to compliance with the requirements of this Article 3.

ARTICLE 4 – PAYMENTS TO ENGINEER FOR SERVICES

4.1 Methods of Payment for Services of ENGINEER.

4.1.1 OWNER shall pay ENGINEER for Services performed or furnished under this Agreement or as described in Exhibit A. The amount of any excise, VAT, or gross receipts tax that may be imposed shall be added to the compensation shown in Exhibit A.

4.1.2 Invoices for Services will be prepared in accordance with ENGINEER's standard invoicing practices and will be submitted to OWNER by ENGINEER at least monthly. Invoices are due and payable on receipt.

4.1.3 If OWNER fails to make any payment due ENGINEER for services and expenses within thirty days after receipt of ENGINEER's invoice therefor, the amounts due ENGINEER will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day; and, in addition, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement until ENGINEER has been paid in full all amounts due for services, expenses and charges. Payments will be credited first to interest and then to principal. In the event of a disputed or contested billing, only that portion so contested may be withheld from payment, and the undisputed portion will be paid.

OWNER agrees to pay ENGINEER all costs of collection including but not limited to reasonable attorneys' fees, collection fees and court costs incurred by ENGINEER to collect properly due payments.

ARTICLE 5 – GENERAL CONDITIONS

5.1 Standard of Care

The standard of care for all professional engineering and related services performed or furnished by ENGINEER under this Agreement will be the care and skill ordinarily used by members of ENGINEER's profession practicing under similar conditions at the same time and in the same locality.

5.2 Opinions of Probable Construction Cost

ENGINEER's opinions of probable Construction Cost, as applicable to the Services, provided for herein are to be made on the basis of ENGINEER's experience and qualifications and represent ENGINEER's best judgment as an experienced and qualified professional engineer generally familiar with the construction industry. However, since ENGINEER has no control over the cost of labor, materials,

equipment, or services furnished by others, or over the Contractor's methods of determining prices, or over competitive bidding or market conditions, or when the Project will be constructed ENGINEER cannot and does not guarantee that proposals, bids, or actual Construction Cost will not vary from opinions of probable Construction Cost prepared by ENGINEER. If OWNER wishes greater assurance as to probable Construction Cost, OWNER shall employ an independent cost estimator.

5.3 Termination

The obligation to provide further services under this Agreement may be terminated by either party upon thirty days' written notice in the event of substantial failure by the other party to perform in accordance with the terms thereof through no fault of the terminating party. In the event of any termination, ENGINEER will be paid for all services rendered and reimbursable expenses incurred to the date of termination and, in addition, all reimbursable expenses directly attributable to termination.

5.4 Use of Documents

5.4.1 All Documents are instruments of service in respect to this Project, and ENGINEER shall retain an ownership and property interest therein (including the copyright and the right of reuse at the discretion of the ENGINEER) whether or not the Project is completed.

5.4.2 OWNER may rely upon that data or information set forth on paper (also known as hard copies) that the OWNER receives from the ENGINEER by mail, hand delivery, or facsimile, are the items that the ENGINEER intended to send. Files in electronic media format of text, data, graphics, or other types that are furnished by the ENGINEER to the OWNER are furnished only for convenience, not reliance by the OWNER. Any conclusion or information obtained or derived from such electronic files will be at the OWNER's sole risk. In all cases, the original hard copy of the documents takes precedence over the electronic files.

5.4.3 Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the OWNER agrees that it will perform acceptance tests or procedures within 60 days, after which the OWNER shall be deemed to have accepted the data thus transferred. Any transmittal errors detected within the 60-day acceptance period will be corrected by the ENGINEER.

5.4.4 When transferring documents in electronic media format, the ENGINEER makes no representations as to long-term compatibility, usability, or readability of such documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by the ENGINEER.

5.4.5 OWNER may make and retain copies of documents for information and reference in connection with use on the Project by OWNER. ENGINEER grants OWNER a license to use the Documents on the Project, extensions of the Project, and other projects of OWNER, subject to the following limitations: (1) OWNER acknowledges that such Documents are not intended or represented to be suitable for use on the Project unless completed by ENGINEER, or for use or reuse by OWNER or others on extensions of the Project or on any other project without written verification or adaptation by ENGINEER; (2) any such use or reuse, or any modification of the Documents, without written verification, completion, or adaptation by ENGINEER, as appropriate for the specific purpose intended, will be at OWNER's sole risk and without liability or legal exposure to ENGINEER or to ENGINEER's Consultants; (3) OWNER shall indemnify and hold harmless ENGINEER and ENGINEER's Consultants from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from any use, reuse, or modification without written verification, completion, or adaptation by ENGINEER; (4) such limited license to OWNER shall not create any rights in third parties.

5.4.6 If ENGINEER at OWNER's request verifies or adapts the Documents for extensions of the Project or for any other project, then OWNER shall compensate ENGINEER at rates or in an amount to be agreed upon by OWNER and ENGINEER.

5.5 Controlling Law

This Agreement is to be governed by the law of the principal place of business of ENGINEER.

5.6 Mutual Waiver of Consequential Damages

Notwithstanding any other provision of this Agreement to the contrary, neither party including their officers, agents, servants and employees shall be liable to the other for lost profits or any special, indirect, incidental, or consequential damages in any way arising out of this Agreement however caused under a claim of any type or nature based on any theory of liability (including, but not limited to: contract, tort, or warranty) even if the possibility of such damages has been communicated.

5.7 Limitation of Liability

In no event shall ENGINEER's total liability to OWNER and/or any of the OWNER's officers, employees, agents, contractors or subcontractors for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to this agreement from cause or causes, including, but not limited to, ENGINEER's wrongful act, omission, negligence, errors, strict liability, breach of contract, breach of warranty, express or implied, exceed the total amount of fee paid to ENGINEER under this agreement or $50,000, whichever is greater.

5.8 Successors and Assigns

5.8.1. OWNER and ENGINEER each is hereby bound and the partners, successors, executors, administrators and legal representatives of OWNER and ENGINEER (and to the extent permitted by paragraph 5.8.2 the assigns of OWNER and ENGINEER) are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

5.8.2. Neither OWNER nor ENGINEER may assign, sublet or transfer any rights under or interest (including, but without limitation, moneys that may become due or moneys that are due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

5.8.3. Unless expressly provided otherwise in this Agreement:

5.8.3.1. Nothing in this Agreement shall be construed to create, impose or give rise to any duty owed by ENGINEER to any Contractor, Subcontractor, Supplier, other person or entity, or to any surety for or employee of any of them, or give any rights in or benefits under this Agreement to anyone other than OWNER and ENGINEER.

5.8.3.2. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of OWNER and ENGINEER and not for the benefit of any other party.

5.9 Notices

Any notice required under this Agreement will be in writing, addressed to the appropriate party at the address which appears on the signature page to this Agreement (as modified in writing from time to time

by such party) and given personally, by registered or certified mail, return receipt requested, by facsimile, or by a nationally recognized overnight courier service. All notices shall be effective upon the date of receipt.

5.10 Severability

Any provision or part of the Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and ENGINEER, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

5.11 Changed Conditions

If concealed or unknown conditions that affect the performance of the Services are encountered, which conditions are not ordinarily found to exist or which differ materially from those generally recognized as inherent in the Services of the character provided for under this Agreement or which could not have reasonably been anticipated, notice by the observing party shall be given promptly to the other party and, if possible, before conditions are disturbed. Upon claim by the ENGINEER, the payment and schedule shall be equitably adjusted for such concealed or unknown condition by change order or amendment to reflect additions that result from such concealed, changed, or unknown conditions.

5.12 Environmental Site Conditions

It is acknowledged by both parties that ENGINEER's scope of services does not include any services related to Constituents of Concern, as defined in Article 6. If ENGINEER or any other party encounters an undisclosed Constituent of Concern, or if investigative or remedial action, or other professional services, are necessary with respect to disclosed or undisclosed Constituents of Concern as defined in Article 6, then ENGINEER may, at its option and without liability for consequential or any other damages, suspend performance of services on the portion of the Project affected thereby until OWNER: (1) retains appropriate specialist consultant(s) or contractor(s) to identify and, as appropriate, abate, remediate, or remove the Constituents of Concern, and (2) warrants that the Site is in full compliance with applicable Laws and Regulations.

If the presence at the Site of undisclosed Constituents of Concern adversely affects the performance of ENGINEER's services under this Agreement, then the ENGINEER shall have the option of (1) accepting an equitable adjustment in its compensation or in the time of completion, or both; or (2) terminating this Agreement for cause on 30 days' notice.

OWNER acknowledges that ENGINEER is performing professional services for OWNER and that ENGINEER is not and shall not be required to become an "arranger," "operator," "generator," or "transporter" of hazardous substances, so defined in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended, which are or may be encountered at or near the Site in connection with ENGINEER's activities under this Agreement.

5.13 Insurance

ENGINEER shall procure and maintain insurance for protection from claims under workers' compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims or damages because of injury to or destruction of property.

5.14 Discovery

ENGINEER shall be entitled to compensation on a time and materials basis when responding to all requests for discovery relating to this Project and to extent that ENGINEER is not a party to the lawsuit.

5.15 Nondiscrimination and Affirmative Action

In connection with its performance under this Agreement, ENGINEER shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, age, sex, marital status, sexual orientation or affectional preference, national origin, ancestry, citizenship, physical or mental handicap or because he or she is a disabled veteran or veteran of the Vietnam era. ENGINEER shall take affirmative action to ensure that qualified applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, age, sex, marital status, sexual orientation or affectional preference, national origin, ancestry, citizenship, physical or mental handicap or because he or she is a disabled veteran or veteran of the Vietnam era. Such actions shall include recruiting and hiring, selection for training, promotion, fixing rates or other compensation, benefits, transfers and layoff or termination.

5.16 Force Majeure

Any delays in or failure of performance by ENGINEER shall not constitute a default under this Agreement if such delays or failures of performance are caused by occurrences beyond the reasonable control of ENGINEER including but not limited to: acts of God or the public enemy; expropriation or confiscation; compliance with any order of any governmental authority; changes in law; act of war, rebellion, terrorism or sabotage or damage resulting therefrom; fires, floods, explosions, accidents, riots; strikes or other concerted acts of workmen, whether direct or indirect; delays in permitting; OWNER's failure to provide data in OWNER's possession or provide necessary comments in connection with any required reports prepared by ENGINEER, or any other causes which are beyond the reasonable control of ENGINEER. ENGINEER's scheduled completion date shall be adjusted to account for any force majeure delay and ENGINEER shall be reimbursed by OWNER for all costs incurred in connection with or arising from a force majeure event, including but not limited to those costs incurred in the exercise of reasonable diligence to avoid or mitigate a force majeure event.

5.17 Waiver

Non-enforcement of any provision by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

5.18 Headings

The headings used in this Agreement are for general reference only and do not have special significance.

5.19 Subcontractors

ENGINEER may utilize such ENGINEER's Subcontractors as ENGINEER deems necessary to assist in the performance of its Services.

5.20 Coordination with Other Documents

It is the intention of the parties that if the ENGINEER's Services include design then the Standard General Conditions will be used as the General Conditions for the Project and that all amendments thereof and supplements thereto will be generally consistent therewith. Except as otherwise defined herein, the terms which have an initial capital letter in this Agreement and are defined in the Standard General Conditions will be used in this Agreement as defined in the Standard General Conditions. The term *"defective"* will be used in this Agreement as defined in the Standard General Conditions.

5.21 Purchase Order

Notwithstanding anything to the contrary contained in any purchase order or in this Agreement, any purchase order issued by OWNER to ENGINEER shall be only for accounting purposes for OWNER and the pre-printed terms and conditions contained on any such purchase order are not incorporated herein, shall not apply to this Agreement, and shall be void for the purposes of the Services performed by ENGINEER under this Agreement.

5.22 Dispute Resolution

In the event of any dispute between the parties arising out of or in connection with the contract or the services or work contemplated herein; the parties agree to first make a good faith effort to resolve the dispute informally. Negotiations shall take place between the designated principals of each party. If the parties are unable to resolve the dispute through negotiation within 45 days, then either party may give written notice within 10 days thereafter that it elects to proceed with non-binding mediation pursuant to the commercial mediation rules of the American Arbitration Association. In the event that mediation is not invoked by the parties or that the mediation is unsuccessful in resolving the dispute, then either party may submit the controversy to a court of competent jurisdiction. The foregoing is a condition precedent to the filing of any action other than an action for injunctive relief or if a Statute of Limitations may expire.

Each party shall be responsible for its own costs and expenses including attorneys' fees and court costs incurred in the course of any dispute, mediation, or legal proceeding. The fees of the mediator and any filing fees shall be shared equally by the parties.

ARTICLE 6 – DEFINITIONS

6.1 Whenever used in this Agreement the following terms have the meanings indicated which are applicable to both the singular and the plural.

6.1.1 Services

The services to be performed for or furnished to OWNER by ENGINEER described in this Agreement.

6.1.2 Agreement

This Agreement between OWNER and ENGINEER for Professional Services including those exhibits listed in Article 7.

6.1.3 Constituent of Concern

Any substance, product, waste, or other material of any nature whatsoever (including, but not limited to, Asbestos, Petroleum, Radioactive Material, and PCBs) which is or becomes listed, regulated, or addressed pursuant to [a] the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq, ("CERCLA")l [b] the Hazardous Materials Transportation Act, 49 U.S.C. §§1801 et seq.; [c] the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. ("RCRA"); [d] the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; [e] the Clean Water Act, 33 U.S.C. §v1251 et seq.; [f] the Clean Air Act, 42 U.S.C. §§7401 et seq.; and [g] any other federal, state, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.

6.1.4 Construction Cost – ♦

The total cost to OWNER of those portions of the entire Project designed or specified by ENGINEER. Construction Cost does not include ENGINEER's compensation and expenses, the cost of land, rights-of-way, or compensation for or damages to properties, or OWNER's legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with the Project or the cost of other services to be provided

♦ This provision is applicable for projects where ENGINEER provides Design, Bidding and/or Construction Phase Services.

by others to OWNER pursuant to Article 3. Construction Cost is one of the items comprising Total Project Costs.

6.1.5 Documents
As applicable to the Services, the data, reports, drawings, specifications, record drawings and other deliverables, whether in printed or electronic media format, provided or furnished by ENGINEER to OWNER pursuant to the terms of this Agreement.

6.1.6 Contractor - ♦
The person or entity with whom OWNER enters into a written agreement covering construction work to be performed or furnished with respect to the Project.

6.1.7 ENGINEER's Subcontractor.
A person or entity having a contract with ENGINEER to perform or furnish Services as ENGINEER's independent professional subcontractor engaged directly on the Project.

6.1.8 Reimbursable Expenses.
The expenses incurred directly in connection with the performance or furnishing of Services for the Project for which OWNER shall pay ENGINEER as indicated in Exhibit A.

6.1.9 Resident Project Representative - ♦
The authorized representative of ENGINEER who will be assigned to assist ENGINEER at the site during the Construction Phase. The Resident Project Representative will be ENGINEER's agent or employee and under ENGINEER's supervision. As used herein, the term Resident Project Representative includes any assistants of Resident Project Representative agreed to by OWNER. The duties and responsibilities of the Resident Project Representative are set forth in Exhibit B, "Duties, Responsibilities and Limitations of Authority of Resident Project Representative" ("Exhibit B").

6.1.10 Standard General Conditions - ♦
The Standard General Conditions of the Construction Contract (No. (NA)) of the Engineers Joint Contract Documents Committee.

6.1.11 Total Project Costs - ♦
The sum of the Construction Cost, allowances for contingencies, the total costs of design professional and related services provided by ENGINEER and (on the basis of information furnished by OWNER) allowances for such other items as charges of all other professionals and consultants, for the cost of land and rights-of-way, for compensation for or damages to properties, for interest and financing charges and for other services to be provided by others to OWNER under Article 3.

ARTICLE 7 – EXHIBITS AND SPECIAL PROVISIONS

7.1 This Agreement is subject to the provisions of the following Exhibits which are attached to and made a part of the Agreement:

Exhibit A - Engineer's Services, Owner's Responsibilities, Time for Performance, Method of Payment, and Special Provisions.

♦ This provision is applicable for projects where ENGINEER provides Design, Bidding and/or Construction Phase Services.

Attachment A – Engineering Services Scope of Work

Attachment B – Hourly Billing Rates for Engineering Services

Attachment C - Summary of Project Costs

This Agreement (consisting of Pages 1 to 9 inclusive), and the Exhibits identified above constitute the entire agreement between OWNER and ENGINEER and supersede all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date first above written.

OWNER:	ENGINEER:
By:_____	By:_____
Title: Mayor	Title: CDM Associate
Date:_____	Date:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:_____
City Attorney

EXHIBIT A
TO AGREEMENT BETWEEN
OWNER AND ENGINEER
(STUDY AND REPORT)

This is an exhibit attached to and made a part of the Agreement dated March___, 2009, between the City of Wichita, Kansas (OWNER) and Camp Dresser & McKee, Inc. (ENGINEER) for professional services.

1.0 ENGINEER'S SERVICES

1.1 Study and Report Phase
Upon this Agreement becoming effective, ENGINEER shall::

1.1.1 Consult with OWNER to clarify and define OWNER's requirements for the Project and review available data.

1.1.2 Advise OWNER as to the necessity of OWNER's providing or obtaining from others data or services which are not part of ENGINEER's Services, and assist OWNER in obtaining such data and services.

1.1.3 Identify and analyze requirements of governmental authorities having jurisdiction to approve the portions of the Project specified by ENGINEER with whom consultation is to be undertaken in connection with the Project.

1.1.4 Evaluate various alternate solutions available to OWNER as described herein, and, after consultation with OWNER, recommend to OWNER those solutions which in ENGINEER's judgment best meet OWNER's requirements for the Project.

1.1.5 Prepare a report (the "Report") which will contain the statement of OWNER's requirements for the Project and, as appropriate, will contain schematic layouts, sketches and conceptual design criteria with appropriate exhibits to indicate the considerations involved and those alternate solutions available to OWNER which ENGINEER recommends. This Report will be accompanied by ENGINEER's opinion of Total Project Costs for each solution which is so recommended for the Project, including the following: opinion of probable Construction Cost, allowances for contingencies including costs of design professional and related services based on information furnished by OWNER for allowances and other items and services included within the definition of Total Project Costs.

1.1.6 Furnish the Report to and review it with OWNER.

1.1.7 Revise the Report in response to OWNER's comments, as appropriate, and furnish final copies of the Report in the number set forth herein.

1.1.8 Submit the Report within the stipulated period indicated herein.

1.1.9 ENGINEER's Services under the Study and Report Phase will be considered complete at the earlier of (1) the date when the Report has been accepted by OWNER or (2) thirty days after the date when such Report is delivered to OWNER for final acceptance, plus in each case such additional time as may be considered reasonable for obtaining approval of governmental authorities having jurisdiction to review the portions of the Project specified by ENGINEER, if such approval is to be obtained during the Study and Report Phase.

The duties and responsibilities of ENGINEER during the Study and Report Phase as set forth in this paragraph 1.1 are amended and supplemented as follows:

Attachment A – Scope of Engineering Services for - Nutrient Removal Feasibility Study for Sewage Treatment Plant #2 and Basin Impact /Site Specific Nutrient Criteria Study

2.0 OWNER'S RESPONSIBILITIES

2.1 Furnish to ENGINEER, as requested by ENGINEER for performance of Services as required by the Contract Documents, the following:

2.1.1 Data prepared by or services of others, including without limitation explorations and tests of subsurface conditions at or contiguous to the site, drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site, or hydrographic surveys;

2.1.2 The services of an independent testing laboratory to perform all inspections, tests and approvals of samples, materials and equipment;

2.1.3 Appropriate professional interpretation of all of the foregoing;

2.1.4 Environmental assessments, audits, investigations and impact statements, and other relevant environmental or cultural studies as to the Project, the site and adjacent areas;

2.1.5 Field surveys for design purposes and property, boundary, easement, right-of-way, topographic and utility surveys or data, including relevant reference points;

2.1.6 Property descriptions;

2.1.7 Zoning, deed and other land use restrictions; and

2.1.8 Other special data or consultations not covered in Article 1.0.

OWNER shall be responsible for, and ENGINEER may rely upon, the accuracy and completeness of all reports, data, and other information furnished pursuant to this paragraph. ENGINEER may use such reports, data, and information in performing or furnishing services under this Agreement.

2.2 Provide access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform services under this Agreement.

2.3 Provide labor and safety equipment to open and protect manholes and/or to operate valves and hydrants as required by the ENGINEER.

2.4 Provide, as may be required for the Project:

2.4.1 Accounting, bond and financial advisory, independent cost estimating and insurance counseling

services;

2.4.2 Such legal services as OWNER may require or ENGINEER may reasonably request with regard to legal issues pertaining to the Project, including any that may be raised by Contractor; and

2.4.3 Such auditing services as OWNER may require to ascertain how or for what purpose Contractor has used the moneys paid on account of the Contract Price.

2.5 Bear all costs incident to compliance with the requirements of the OWNER's Responsibilities.

The OWNER's responsibilities as set forth in this paragraph 2.0 are amended and supplemented as follows:

3.0 TIME PERIOD FOR PERFORMANCE

The time periods for the performance of ENGINEER's Services as set forth in Article 2 of said Agreement are as follows:

3.1 The Liquid and Solids Phase Nutrient Feasibility Study and Report will be completed 6 months after the notice-to-proceed

3.2 The Basin Impact and Site Specific Nutrient Criteria Study and report will be completed 18 months after the authorization and notice-to-proceed

4.0 METHOD OF PAYMENT

The method of payment for Services rendered by ENGINEER shall be as set forth below:

4.1 Payment for Engineering Services shall be made at the unit rates shown in Attachment B.

4.2 Upper limits for each portion of the Agreement are identified as the Totals in Attachment C

5.0 SPECIAL PROVISIONS

The following special provisions and/or other considerations or requirements are applicable to their Agreement:

ATTACHEMENT B

BETWEEN

THE CITY OF WICHITA, KANSAS

AND

CAMP DRESSER & MCKEE INC.

HOURLY BILLING RATES FOR ENGINEERING SERVICES

The Following billing rates shall apply for Engineering Services performed by the ENGINEER as part of this project. These rates will be adjusted every year in January:

Labor Category	Rate, $/HR 2009
Principal	195
Project Manager/Specialist Engineering	170
Lead Project Engineer	150
Project Engineer	125
Design Engineer	100
Engineer in Training	85
Contract Administrator	95
Administrative Assistant	65
CADD Designer	90
Senior Technician	75
Technician	60
O&M Specialist	140

ATTACHMENT C

BETWEEN
THE CITY OF WICHITA, KANSAS
AND
CAMP DRESSER & McKEE INC.

SUMMARY OF PROJECT COSTS

This attachment will summarize the various costs associated with the overall project. Major costs are provided in summary form and provided for review purposes.

PART I – Costs associated with the **BASE ENGINEERING SERVICES – LIQUID AND SOLIDS PHASE NUTRIENT FEASIBILITY STUDY** as described in detail in the **PART I OF ATTACHEMENT A.**

Task 1- Kickoff Meeting	$3,900
Task 2- Condition Assessment	$8,300
Task 3- Treatment Alternatives Development	$57,800
Task 4- Prepare Planning Level Capital Cost Estimate	$6,600
Task 5- Prepare Planning Level Operating Costs	$4,100
Task 6- Prepare Treatment Alternatives Technical Memorandum	$16,800
Task 7 - Conduct Technical Memorandum Workshop	$10,400
Task 8 - Prepare Final Report	$11,900
Total	**$119,800**

PART II – Costs associated with the **OPTIONAL ENGINEERING SERVICES – BASIN IMPACT AND SITE SPECIFIC NUTRIENT CRITERIA STUDY** as described in detail in the **PART II OF ATTACHEMENT A.**

Task 1- Review Historic Data, Studies and Models	**$40,622**
Task 2- Review Regulatory Drivers	**$18,195**
Task 3- Work Plan Development	**$61,198**
Task 4- Stakeholder Involvement	**$38,604**
Task 5- Site Specific Nutrient Criteria Study	**$125,509**
Task 6- Basin Impact Study	**$104,104**
Task 7 -Implementation	**$65,838**
Total	**$454,071**

City of Wichita
City Council Meeting
April 14, 2009

TO: Mayor and City Council

SUBJECT: Water Treatment Plant Residuals Improvements – Supplemental Agreement

INITIATED BY: Wichita Water Utilities

AGENDA: Consent

Recommendation: Approve the Supplemental Agreement No. 1 with MKEC Engineering Consultants, Inc. and approve the project expenditures.

Background: City Council approved selecting an engineering firm for design services on February 4, 2003, to design improvements for the Water Treatment Plant to further reduce the source of taste and odor complaints. The project consists of reconstruction of part of the sludge handling facility, new pumps and a new force main to transfer residual treatment plant solids from the Water Treatment Plant to existing lagoons that are located at 29th Street North and West Street.

Analysis: A Request for Proposals was issued with four firms responding. The Staff Screening and Selection Committee met on April 24, 2003, and selected MKEC based on their proposal and interview. On June 3, 2003, the first phase of the Engineering Design Services Contract with MKEC was approved, and MKEC began the design process. July 22, 2008, City Council approved the Contract for the last phase of this several-year project which included the final design, construction phase services and inspection.

The final design was completed and plans were submitted to KDOT and the Army Corps of Engineers for final approval. Following discussions with the two agencies, it was determined that the scope of one of the projects had to be changed and the plans subsequently redesigned. The changes will reduce the cost of the project, but they have added to the scope of the design engineer, as well as construction services.

Financial Consideration: The original Contract was for $483,000 with an estimated cost for the project of $5,000,000. Supplemental Agreement No. 1 consists of additional Engineering Design Services of $82,455; Construction Phase Services of $33,880; and $158,571 for Inspection Services. The total for the Supplemental Agreement is $274,906. Funding will be available in CIP W-014, Water Treatment Plant Residuals Improvements.

After the City Council has approved the Water Treatment Plant Residuals Improvement agenda item to amend the CIP to add CIP Project W-014, the project will be funded by Water Utilities revenues and reserves, and/or a future revenue bond issue.

Goal Impact: The project will help ensure efficient infrastructure by optimizing the existing facilities at the Water Treatment Plant.

Legal Considerations: The Supplemental Agreement has been reviewed and approved as to form by the Law Department.

Recommendations/Actions: It is recommended that the City Council: 1) approve the Supplemental Agreement; 2) approve the expenditures; and 3) authorize the necessary signatures.

Attachments: Supplemental Agreement for Professional Services with MKEC Engineering.

SUPPLEMENTAL AGREEMENT NO. 1

TO THE

AGREEMENT FOR PROFESSIONAL SERVICES DATED JULY 22, 2008

BETWEEN

THE CITY OF WICHITA, KANSAS

PARTY OF THE FIRST PART, HEREINAFTER CALLED THE

"CITY"

AND

MKEC ENGINEERING CONSULTANTS, INC.

PARTY OF THE SECOND PART, HEREINAFTER CALLED THE

"ENGINEER"

WITNESSETH:

WHEREAS, there now exists a Contract (dated July 22, 2008) between the two parties covering engineering services to be provided by the ENGINEER in conjunction with the project

Water Treatment Plant Residuals Disposal Improvements

WHEREAS, Paragraph I.C. of the above referenced Contract provides that additional work be performed and additional compensation be paid on the basis of a Supplemental Agreement duly entered into by the parties, and

WHEREAS, it is the desire of both parties that the ENGINEER provide additional services required for the PROJECT and receive additional compensation (as described herein).

NOW THEREFORE, the parties hereto mutually agree as follows:

A. PROJECT DESCRIPTION

The description of the improvements that the CITY intends to construct and thereafter called the "PROJECT" as stated on page 1 of the above referenced agreement is hereby amended to include the following:

1. The design of the additional items as indicated in Exhibit A for the improvements at the Water Treatment Plant residuals handling facility.
2. Design of Pipeline C (~1,750 lf) across I235 and the Wichita Floodway such that under I235 it is cased and the pipeline goes over the dikes. Design includes survey, hydraulic evaluation, grading, details, permitting with KDOT, USACE – Tulsa, and USACE- ElDorado, and bidding services.
3. Additional 68 days of engineering construction administration for the Plant project.
4. Additional 210 days of construction observation for the project.

B. PAYMENT PROVISIONS

1. The fee in Section IV. A.2. shall be amended to include the following:

Payment to the ENGINEER for the performance of the additional professional design services as outlined in this supplemental agreement shall be made on the basis of a not-to-exceed fee of:

$ 274,906.00

C. PROVISIONS OF THE ORIGINAL CONTRACT

The parties hereunto mutually agree that all provisions and requirements of the existing Contract, not specifically modified by this Supplemental Agreement, shall remain in force and effect.

IN WITNESS WHEREOF, the CITY and the ENGINEER have executed this Supplemental Agreement as of this _____ day of _____, 2009.

BY ACTION OF THE CITY COUNCIL

_____
Carl Brewer, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

APPROVED AS TO FORM:

_____
Gary Rebenstorf, Director of Law

MKEC ENGINEERING CONSULTANTS, INC.

Bryce L Winter
Bryce L. Winter, PhD, PG

ATTEST:

Bonnie D. Moss

EXHIBIT A

WWU Residuals Disposal Improvement Project
Additional Engineering Task Items
2/10/2009

Task Items
Controls
Specify low pressure switch for SFP-1
Specify ultra sonic level transmitter
Modify conduits for additional instruments
Specify instrumentation alarms for power building
Electrical
Design lower level lighting in residuals handling building
Specify and design new duplex sump pump electrical
Change all conduit to minimum size of 3/4"
Design Intrusion and temperature sensors in power building
Structural
Finite element analysis of beam B-1 in residuals building
Prepare and submit beam analysis report
Add ladders for access to each Wet Well bay
Design bridge crane system for residuals building
Design davit crane foundation for residuals building
Design rubbish collection system for Wet Well
Design platform extension for bridge crane
Mechanical
Design duplex sump package and piping to fit in existing pit
Specify davit crane for BWP/TP-1 and basket maintenance
Move FWP-1A and FWP-1B to accommodate ladder installation
Pipeline
Pipeline B: West Street Changed to Open Trench
Traffic control plan
Paving plans/cross sections
Stripe plan
Coordination with Wichita traffic control and USACE
Pipeline A: Change Route to Botanica Parking Lot
Additional Coordination with USACE and Wichita Flood Control
General
Modifications to the "Sequence of Operations"
5 Additional Project Meetings beyond scope
Letter to KDHE regarding disposal options
Preparation of 2 additional bid packages
Power Building
Pipeline

Agenda Item No. XII- 6a.

CITY OF WICHITA
City Council Meeting
April 14, 2009

TO: Mayor and City Council Members

SUBJECT: Partial Acquisition of 11323 West Kellogg for the Lateral 23, Main 13 Southwest Interceptor Sewer Project at West Kellogg and 111th. (District IV)

INITIATED BY: Office of Property Management

AGENDA: Consent

Recommendation: Approve the acquisition.

Background: On May 1, 2007, City Council approved the resolution authorizing construction of the Lateral 23, Main 13 Southwest Interceptor Sanitary Sewer. This line will provide sewer service to properties currently on private septic systems, some of which have started to fail. The project will be paid for by the benefit district. There are ten tracts with seven owners where easements are necessary.

Analysis: The property located at 11323 West Kellogg is improved with an automobile sales lot and outdoor storage. A 15-foot wide easement consisting of 6,390 square feet is required along the southern 15-feet of the subject property. Both the perimeter fencing and the outdoor storage area fencing will be impacted during construction. The offer of $11,885 (or $0.60 per square foot and $8,050 for fencing) was rejected by the owner. The owner has agreed to convey the necessary easement for $15,900, or $0.95 per square foot for the easement area, $8,050 for fencing and $1,800 for ground cover rock in the outdoor storage area.

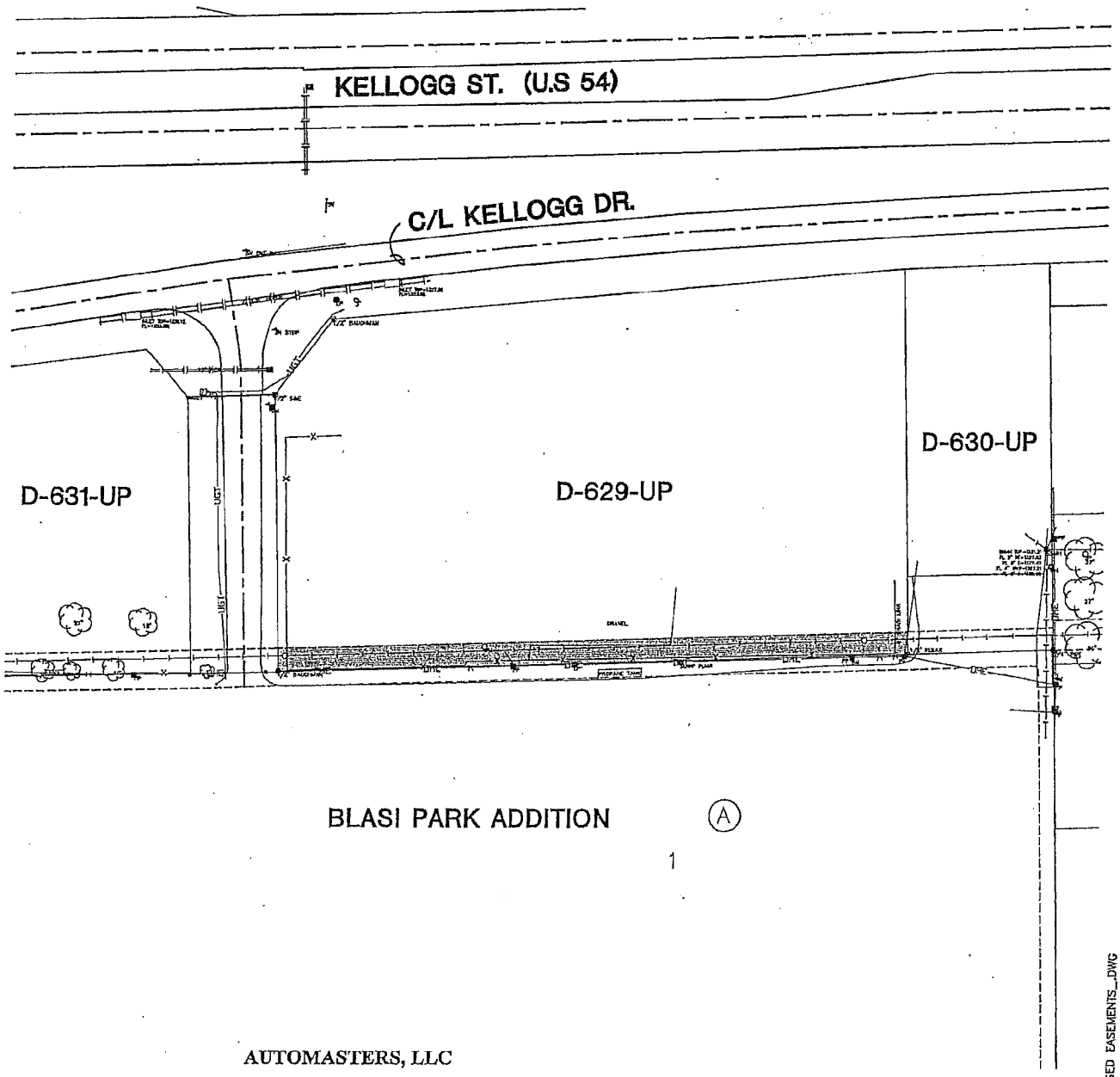
Financial Considerations: A budget of $16,900 is requested. This includes $15,900 for the easement and $1,000 for closing costs, title and other acquisition related fees. The project will be paid for through special assessments.

Goal Impact: The acquisition of this parcel is necessary to ensure efficient infrastructure as this area is rapidly growing.

Legal Considerations: The Law Department has approved the easement and restrictive covenant as to form.

Recommendation/Action: It is recommended that the City Council accept the easement and restrictive covenant and authorize the necessary payment.

Attachments: Tract map, aerial map and real estate purchase agreement.



AUTOMASTERS, LLC

Commencing at the easternmost northeast corner of Lot 1, Block A, Blasi Park, Sedgwick County, Kansas; thence S88°27'03"W, 99.72 feet along the easternmost north line of said Lot 1 to the Point of Beginning; thence S88°27'03"W, 425.93 feet along said north line; thence N01°41'03"W, 15.00 feet along the westernmost east line of said Lot 1; thence N88°27'03"E, 425.93 feet; thence S01°24'43"E, 15.00 feet to the Point of Beginning.

Said parcel of land contains 6,390 square feet, more or less.

N

SCALE: 1"=50'

0 50 100 150

J:\CIVIL\07428 LAT 23\DWG\SAN\PROPOSED EASEMENTS_.DWG

MKEC ENGINEERING CONSULTANTS, INC.
411 N. WEBB ROAD
WICHITA, KS. 67206
316-684-9600

C.O.W. LATERAL 23, MAIN 13, SWI SANITARY SEWER PROJECT
PROJECT NAME

PROPOSED EASEMENT AUTOMASTERS, LLC
SHEET TITLE

MKEC	MKEC	MKEC
DESIGN BY:	DRAWN BY:	CHECKED BY:
DECEMBER 2007	07428	7 / 11
DATE	JOB NO.	SHEET/OF

11323 West Kellogg

Every reasonable effort has been made to assure the accuracy of the maps and associated data provided herein. This information is provided with the understanding that the data are susceptible to a degree of error, and conclusions drawn from such information are the responsibility of the reader. The City of Wichita makes no warranty, representation or guaranty as to the content, accuracy, timeliness or completeness of any of the data provided herein. Some data provided here and used for the preparation of these maps has been obtained from public records not created or maintained by the City of Wichita. The City of Wichita shall assume no liability for any decisions made or actions taken or not taken by the reader in reliance upon any information or data furnished hereunder. The user should consult with the appropriate departmental staff member, e.g. Planning, Parks & Recreation, etc. to confirm the accuracy of information appearing in the visual presentations accessible through these web pages.

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT, Made and entered into this ___ day of _____, 2009 by and between Auto Masters, LLC, a Kansas corporation hereinafter referred to as "Seller," whether one or more, and City of Wichita, Kansas, a municipal corporation, hereinafter referred to as "Buyer," whether one or more.

WITNESSETH: That for and in consideration of the mutual promises, covenants and payments hereinafter set out, the parties hereto do hereby contract to and with each other, as follows:

1. The Seller does hereby agree to sell and convey to the Buyer by a permanent easement for the construction and maintenance of sanitary sewer in, upon and under the following described tract, to wit:

> Permanent Easement: Commencing at the easternmost northeast corner of Lot 1, Block A, Blasi Park, Sedgwick County, Kansas; thence S88°27'03"W, 99.72 feet along the easternmost north line of said Lot 1 to the point of beginning; thence S88°27'03"W, 425.93 feet along said north line; thence N01°41'03"W, 15.00 feet along the westernmost east line of said Lot 1; thence N88°27'03"E, 425.93 feet; thence S01°24'43"E, 15.00 feet to the point of beginning.

2. The Buyer hereby agrees to purchase, and pay to the Seller, as consideration for the conveyance to him of the above described easement and damages including but not limited to fencing and landscape rock, the sum of Fifteen Thousand Nine Hundred Dollars and No Cents ($15,900.00) in the manner following, to-wit: cash at closing.

3. A complete abstract of title certified to date, or a title insurance company's commitment to insure, to the above described real property, showing a merchantable title vested in the seller, subject to easements and restrictions of record is required. The Title Evidence shall be sent to Property Management Division- for examination by the Buyer as promptly and expeditiously as possible, and it is understood and agreed that the Seller shall have a reasonable time after said Title Evidence has been examined in which to correct any defects in title.

4. A duly executed copy of this Purchase Agreement shall be delivered to the parties hereto.

5. It is understood and agreed between the parties hereto that time is of the essence of this contract, and that this transaction shall be consummated on or before March 29, 2009.

6. The Seller further agrees to convey the above described easement with all the improvements located thereon and deliver possession of the same in the same condition as they now are, reasonable wear and tear excepted.

7. Possession to be given to Buyer on or before closing date .

8. In the event an Owners title insurance policy is furnished, the total cost of the commitment to insure and the title insurance policy will be paid 0% by seller and 100% by buyer. Buyer will pay 100% closing costs.

9. Site Assessment

A. At any time prior to the closing of this agreement, the buyer shall have the right to conduct or cause to be conducted an environmental site assessment and/or testing on the Property. If an environmental audit or test reveals the presence of a hazardous substance or waste, as defined by federal or state law, or that there has been a spill or discharge of a hazardous substance or waste on the Property, the buyer shall have the right to void this agreement upon notice to the seller, in which event neither party shall be under any further obligation to the other, with the exception that seller shall return to buyer any deposit made hereunder. The buyer or its agents shall have the right, without the obligation, to enter upon the Property prior to closing to undertake an environmental site assessment or testing of the Property, at the buyer's sole expense.

B. Provided, however, buyer shall in no event be obligated to close before the completion of a site assessment made pursuant to Paragraph A above. The buyer shall, if buyer determines a site assessment is necessary, exercise good faith in commencing and diligently completing such site assessment after this agreement is executed by all parties.

WITNESS OUR HANDS AND SEALS the day and year first above written.

SELLER:
AUTO MASTERS, LLC

LARRY GREIDER, MEMBER

BUYER:
By Direction of the City Council

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Gary E. Rebenstorf, Director of Law

Senior Management Expenses
For the Month of February 2009

Employee by Department	Purpose	Amount
17-Park		
Larry Foos, Superintendent Parks and Recreation	National Conference on Chronic Disease - Nat'l Harbor, MD	1,891.22
Marty Miller, Botanica Director	It's Alive! Petals to Primates - San Diego, CA	993.36
18-Water and Sewer		
Gerald Blain, Design Engineer	Environmental Engineering Conference - Lawrence, KS	234.27
19-Airport		
John Oswald, Engineering & Planning Manager	2009 Airport Consultants Council - Denver, CO	1,416.31
Total		**$ 4,535.16**

CONTRACTS & AGREEMENTS
BLANKET PURCHASE ORDERS RENEWAL OPTIONS
MARCH 2009

COMMODITY TITLE	EXPIRATION DATE	VENDOR NAME	DEPARTMENT	ORIGINAL CONTRACT DATES	RENEWAL OPTIONS REMAINING
Comparable Market Analysis Single Family Residential Units	3/31/2010	Coldwell Banker Stucky & Associates	Housing & Community Services	4/1/2007 - 3/31/2008	2 - 1 year options
Concessions at Park Athletic Fields	3/31/2010	Joe Stevens Vending	Parks & Recreation	4/1/2008 - 3/31/2009	1 - 1 year option
Controlled Substance & Alcohol Testing Program - Third Party Administrator	3/31/2010	Foley Services Inc.	Human Resources	4/10/2007 - 3/31/2008	2 - 1 year options
Employment,Temporary/Seasonal Employment	3/31/2010	HrMS d/b/a Syndeo Staffing	Human Resources	4/1/2008 - 3/31/2009	3 - 1 year options
Filters: Miscellaneous Air, Fuel & Oil	3/31/2010	Poorman Automotive Warehouse	Various	4/1/2008 - 3/31/2009	1 - 1 year option
Furniture, Herman Miller Office Systems	3/31/2010	John A. Marshall Co.	Finance	6/12/2003 - 6/11/2006	Annual basis
Janitorial Services - Water Distribution	3/31/2010	AAA Commercial Janitorial	Water Utilities	4/21/2008 - 3/31/2009	1 - 1 year option
Joint Pipe - Restrained & Couplings	3/31/2010	Water Products, Inc.	Water Utilities	4/1/2008 - 3/31/2009	1 - 1 year option
Magnetic Resonance Imaging (MRI) Services	3/31/2010	Advanced Medical Imaging - Heartland LLC	Finance	4/1/2008 - 3/31/2009	3 - 1 year options
Medical Bill Review Services	3/31/2010	CorVel Corporation	Finance	4/1/2008 - 3/31/2009	3 - 1 year options
Mow, Edge & Trim - Fire Training Academy	3/31/2010	Ace Landscaping and Fencing	Fire	4/1/2008 - 3/31/2009	1 - 1 year option
Mow, Edge & Trim - Scattered Sites & Residential Lots	3/31/2010	Ace Landscaping and Fencing	Housing & Community Services	4/1/2008 - 3/31/2009	1 - 1 year option
Worker's Compensation Physical and Occupational Therapy Services	3/31/2010	TheraCare, LLC	Finance	4/1/2008 - 3/31/2009	3 - 1 year options
Private Lot Mowing	3/31/2010	T&G Mowing & Excavating, Inc.	Central Inspection	4/1/2008 - 3/31/2009	1 - 1 year option
Uniforms-Fire Recruit	3/31/2010	Baysinger Police Supply, Inc.	Police	4/11/2008 - 3/31/2009	1 - 1 year option

PROFESSIONAL CONTRACTS UNDER $25,000
PURCHASE ORDERS FOR MARCH 2009

VENDOR NAME	DOCUMENT NO	DOCUMENT TITLE	AMOUNT

ANNUAL MAINTENANCE CONTRACTS OVER $25,000
DIRECT PURCHASE ORDERS FOR MARCH 2009

VENDOR NAME	DOCUMENT NO	DOCUMENT TITLE	AMOUNT
Sen Inc.	DP930523	SCAT Quarterly Maintenance	$37,836.91

City of Wichita
City Council Meeting
April 14, 2009

TO: Mayor and City Council

SUBJECT: Water Treatment Plant Residuals Improvements

INITIATED BY: Water Utilities

AGENDA: Consent

Recommendation: Modify the Capital Improvement Program for 2009 and approve the expenditure for the Water Treatment Plant Residuals Improvement.

Background: On February 4, 2003, the City Council approved selecting an engineering firm for design services to design improvements for the water treatment plant that would further reduce the likelihood of taste and odor. The funding for the services was included in CIP W-888. A design services Contract for the first phase of the design was approved June 3, 2003, with MKEC and they submitted an 80-percent design Contract in January 2007. While the design was underway, ozone treatment at Cheney had begun and the taste and odor issues due to algae blooms at Cheney were addressed. Consequently, MKEC was told to shelve the project and CIP W-888 was closed.

Taste and odor issues related to plant maintenance (basin washing) have recently risen to the level that completion of the basin washing solids project designed by MKEC is advisable. On July 16, 2008, the City Council approved a new Contract with MKEC to complete design of the project under the original Taste and Odor CIP Project W-909. When the Contract was approved, the new estimate for the project was provided and included as part of the agenda. However, the request was not made at that time to increase funding and modify the CIP. The proposed 2009 CIP reinitiates the W-888 project as W-014 and provides additional funding for a new 16-inch sludge line and improvements at the water treatment plant sludge handling facility.

Analysis: When taste and odor problems began occurring in the early 1990s, several sources were identified. Algae blooms in Cheney Reservoir were identified as a significant source, but another major source was traced to residuals from basin washing at the Water Treatment Plant. When treatment basins are cleaned twice a year, residual solids are removed from the basins. Improvements were constructed in 1995 that significantly reduced the amount of residuals that had to be removed when the basins were cleaned, but the residuals handling facilities at the plant were not improved.

This project consists of reconstruction of part of the residuals handling facility, new pumps and a new force main that will transfer residual solids from the treatment plant to existing lagoons located at 29th Street North and West Street. MKEC provided final designs, and the projects were bid early this year with the intent of having the improvements in place in time for basin washing in the fall. Nonetheless, lengthy lead times for some of the more complex components have delayed the completion of the project to December.

Financial Considerations: When initiated in 2003, it was estimated that the project, including engineering and construction, would cost $3,500,000. The complexity of the project, as well as increases in materials costs and inspection requirements, has increased the scope and cost of the project. It is now estimated that the project will cost approximately $5,000,000.

Taste and Odor Remediation, CIP W-909, has a current available budget of $2,600,000 to complete this project. An additional $2,400,000 is required to complete the project and will be funded by the proposed CIP Project W-014, Water Treatment Plant Residuals Improvements. The costs will be funded from Water Utility revenues and reserves, and/or a future revenue bond issue.

Goal Impact: The project will help ensure efficient infrastructure by optimizing the existing facilities at the Water Treatment Plant, which is a critical component of the City's infrastructure

Legal Considerations: The Resolution has been approved as to form by the Law Department. City Council approval is required to amend the CIP.

Recommendations/Actions: It is recommended that the City Council: 1) modify the CIP; 2) approve the expenditure; 3) adopt the Resolution; and 4) authorize the necessary signatures.

Attachments: Resolution

RESOLUTION NO. 09-103

A RESOLUTION OF THE CITY OF WICHITA, KANSAS, DECLARING IT NECESSARY TO CONSTRUCT, RECONSTRUCT, ALTER, REPAIR, IMPROVE, EXTEND AND ENLARGE THE WATER AND SEWER UTILITY OWNED AND OPERATED BY THE CITY, AND TO ISSUE REVENUE BONDS IN A TOTAL PRINCIPAL AMOUNT WHICH SHALL NOT EXCEED $5,000,000 EXCLUSIVE OF THE COST OF INTEREST ON BORROWED MONEY, FOR THE PURPOSE OF PAYING CERTAIN COSTS THEREOF, AND PROVIDING FOR THE GIVING OF NOTICE OF SUCH INTENTION IN THE MANNER REQUIRED BY LAW.

WHEREAS, the Governing Body of the City of Wichita, Kansas (the "City"), has heretofore by Ordinance No. 39-888, adopted May 26, 1987 and published in the official newspaper of the City on May 29, 1987, as required by law, authorized the combining of the City-owned and operated municipal water utility and municipal sewer utility thereby creating the "City of Wichita, Kansas Water and Sewer Utility"; and

WHEREAS, the City is authorized under the Constitution and laws of the State of Kansas, including K.S.A. 10-1201 et seq., (the “Act”), to issue revenue bonds to construct, reconstruct, alter, repair, improve, extend and enlarge the Utility;

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

SECTION 1. It is hereby found and determined to be necessary and advisable to construct, reconstruct, alter, repair, improve, extend and enlarge the City of Wichita, Kansas Water and Sewer Utility, such construction, reconstruction, alterations, repairs, improvements, extensions and enlargements to include, but not be limited specifically to, Water Treatment Plant Residuals Improvements W-014) (the “Project”). The total costs of the Project are estimated to be five million dollars ($5,000,000) in 2009 exclusive of the cost of interest on borrowed money. Available and unencumbered funds of the Utility will be used to pay a portion of the costs of the Project.

SECTION 2. It is hereby found and determined that the construction of the Project will not cause duplication of any existing water or sewer utility service furnished by a private utility in the City.

SECTION 3. It is hereby found and determined to be necessary and advisable to issue revenue bonds of the City, in a total principal amount which shall not exceed five million dollars ($5,000,000) in 2009, exclusive of the cost of interest on borrowed money, under the authority of the Act, to pay certain costs of the Project, and the expenses of issuing such revenue bonds. Such revenue bonds shall not be general obligations of the City payable from taxation, but shall be payable from the revenues derived from the operations of the Utility. Costs of the Project in excess of the proceeds of such revenue bonds shall be paid from unencumbered moneys of the Utility which will be available for that purpose.

SECTION 4. It is hereby found and determined to be necessary, before such revenue bonds can be issued, to publish one time in the City's official newspaper a Notice of the Governing Body's intention to initiate and complete the Project and to issue such revenue bonds, such Notice to be in the form which is attached hereto and made a part hereof by reference as though fully set forth herein. If, within Fifteen (15) days from and after the date of the publication of the Notice, there shall be filed in the Office of the City Clerk a written protest against the Project and the issuance of the revenue bonds, which protest is signed by not less than Twenty Percent (20%) of the qualified electors of the City, then the question of the Project and the issuance of the revenue bonds shall be submitted to the electors of the City at a special election which shall be called for that purpose as provided by law. If a sufficient protest to the Project and the issuance of the revenue bonds is not filed within said Fifteen (15) day period, then the Governing Body shall have the authority to authorize and proceed with the Project and the sale and issuance of the revenue

bonds.

SECTION 5. This Resolution shall be in force and take effect from and after its adoption and approval.

ADOPTED AND APPROVED by the Governing Body of the City of Wichita, Kansas, not less than two-thirds of the members voting in favor thereof, on April 14, 2009.

(Seal)

_____
CARL BREWER, Mayor

ATTEST:

_____
KAREN SUBLETT, City Clerk

APPROVED AS TO FORM:

By_____
GARY E. REBENSTORF, Director of Law

OC*A:* _____

(Published in the Wichita Eagle, on April 17, 2009.)

NOTICE OF INTENTION TO CONSTRUCT, RECONSTRUCT, ALTER, REPAIR, IMPROVE, EXTEND AND ENLARGE THE WATER AND SEWER UTILITY OWNED AND OPERATED BY THE CITY OF WICHITA, KANSAS, AND TO ISSUE REVENUE BONDS, IN A TOTAL PRINCIPAL AMOUNT WHICH SHALL NOT EXCEED $5,000,000, EXCLUSIVE OF THE COST OF INTEREST ON BORROWED MONEY, FOR THE PURPOSE OF PAYING CERTAIN COSTS THEREOF.

TO: THE RESIDENTS OF THE CITY OF WICHITA, KANSAS

You and each of you are hereby notified that the Governing Body of the City of Wichita, Kansas, by Resolution No. 09-103, duly adopted April 14, 2009, has found and determined it to be necessary and declared its intention to construct, reconstruct, alter, repair, improve, extend and enlarge the City of Wichita, Kansas Water and Sewer Utility which is owned and operated by the City, such construction, reconstruction, alterations, repairs, improvements, extensions and enlargements to include, but not be limited specifically to, Water Treatment Plant Residuals Improvements (W-014) (called the "Project"). The total costs of the Project are estimated to be five million dollars ($5,000,000) exclusive of the cost of interest on borrowed money. The making of the Project will not cause duplication of any existing water or sewer utility service furnished by a private utility in the City.

You are hereby further notified that in order to provide financing for certain costs of the Project, the Governing Body has further found and determined it to be necessary and declared its intention to issue revenue bonds in a total principal amount which shall not exceed $5,000,000 exclusive of the cost of interest on borrowed money under the authority of K.S.A. 10-1201 et seq., as amended and supplemented. Such revenue bonds shall not be general obligation bonds of the City payable from taxation, but shall be payable only from the revenues derived from the operations of the Water and Sewer Utility. Costs of the Project in excess of the proceeds of such revenue bonds shall be paid from unencumbered moneys of the City which will be available for that purpose.

This Notice of Intent shall be published one time in the official newspaper of the City; and if, within fifteen (15) days from and after the publication date hereof, there shall be filed in the Office of the City Clerk a written protest against the Project and the issuance of the revenue bonds, which protest is signed by not less than twenty percent (20%) of the qualified electors of the City, then the question of the Project and the issuance of the revenue bonds shall be submitted to the electors of the City at a special election which shall be called for that purpose as provided by law. If no sufficient protest to the Project and the issuance of the revenue bonds is filed within said fifteen (15) day period, then the Governing Body shall have the authority to authorize and proceed with the Project and the issuance of the revenue bonds.

BY ORDER of the Governing Body of the City of Wichita, Kansas, on April 14, 2009.

/s/ CARL BREWER, Mayor

ATTEST:
/s/ Karen Sublett, City Clerk

City of Wichita
City Council Meeting
April 14, 2009

TO: Mayor and City Council

SUBJECT: 20-inch Parallel Force Main from Pump Station No. 56 at 135th Street West and 21st Street North, North to Sewage Treatment Plant No. 3 (District V)

INITIATED BY: Water Utilities

AGENDA: Consent

Recommendation: Modify the Capital Improvement Program for 2009 and approve the project expenditure for a 20-inch parallel force main.

Background: In 2002, a 14-inch force main was constructed from a pump station, located at the southeast corner of 135th Street West and 21st Street North, to the Cowskin Creek Water Quality Reclamation Facility (Sewage Treatment Plant No. 3). As part of that original design, a parallel 20-inch force main was partially installed on both ends of the project to enable future capacity requirements.

Analysis: The installation of the 20-inch parallel force main is now necessary to increase the capacity of sewer pump station No. 56. Installation will accommodate growth in the northwest area and allow for more reliability and flexibility in the operation of the pump station.

Financial Considerations: CIP S-015, 20" Parallel Force Main from PS #56 to Plant 3, is included in the proposed Capital Improvement Program for design in 2009 and construction in 2010. The budget for the project is $3,000,000. The project will be funded from Water Utilities revenues and reserves, and/or a future revenue bond issue.

Goal Impact: The project addresses ensuring efficient infrastructure by accommodating growth in the northwest area of the City, ensuring reliable sewer service to Sewer Utility customers.

Legal Considerations: The Law Department has approved the Resolution as to form.

Recommendations/Actions: It is recommended that the City Council: 1) modify the CIP; 2) approve the expenditure; 3) adopt the Resolution; and 4) authorize the necessary signatures.

Attachment: Resolution

RESOLUTION NO. 09-095

A RESOLUTION OF THE CITY OF WICHITA, KANSAS, DECLARING IT NECESSARY TO CONSTRUCT, RECONSTRUCT, ALTER, REPAIR, IMPROVE, EXTEND AND ENLARGE THE WATER AND SEWER UTILITY OWNED AND OPERATED BY THE CITY, AND TO ISSUE REVENUE BONDS IN A TOTAL PRINCIPAL AMOUNT WHICH SHALL NOT EXCEED $3,000,000 EXCLUSIVE OF THE COST OF INTEREST ON BORROWED MONEY, FOR THE PURPOSE OF PAYING CERTAIN COSTS THEREOF, AND PROVIDING FOR THE GIVING OF NOTICE OF SUCH INTENTION IN THE MANNER REQUIRED BY LAW.

WHEREAS, the Governing Body of the City of Wichita, Kansas (the "City"), has heretofore by Ordinance No. 39-888, adopted May 26, 1987 and published in the official newspaper of the City on May 29, 1987, as required by law, authorized the combining of the City-owned and operated municipal water utility and municipal sewer utility thereby creating the "City of Wichita, Kansas Water and Sewer Utility"; and

WHEREAS, the City is authorized under the Constitution and laws of the State of Kansas, including K.S.A. 10-1201 et seq., (the "Act"), to issue revenue bonds to construct, reconstruct, alter, repair, improve, extend and enlarge the Utility;

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

SECTION 1. It is hereby found and determined to be necessary and advisable to construct, reconstruct, alter, repair, improve, extend and enlarge the City of Wichita, Kansas Water and Sewer Utility, such construction, reconstruction, alterations, repairs, improvements, extensions and enlargements to include, but not be limited specifically to, 20" Parallel Force Main from PS #56 to Plant 3 (S-015) (the "Project"). The total costs of the Project are estimated to be three million dollars ($3,000,000) in 2009 exclusive of the cost of interest on borrowed money. Available and unencumbered funds of the Utility will be used to pay a portion of the costs of the Project.

SECTION 2. It is hereby found and determined that the construction of the Project will not cause duplication of any existing water or sewer utility service furnished by a private utility in the City.

SECTION 3. It is hereby found and determined to be necessary and advisable to issue revenue bonds of the City, in a total principal amount which shall not exceed three million dollars ($3,000,000) in 2009, exclusive of the cost of interest on borrowed money, under the authority of the Act, to pay certain costs of the Project, and the expenses of issuing such revenue bonds. Such revenue bonds shall not be general obligations of the City payable from taxation, but shall be payable from the revenues derived from the operations of the Utility. Costs of the Project in excess of the proceeds of such revenue bonds shall be paid from unencumbered moneys of the Utility which will be available for that purpose.

SECTION 4. It is hereby found and determined to be necessary, before such revenue bonds can be issued, to publish one time in the City's official newspaper a Notice of the Governing Body's intention to initiate and complete the Project and to issue such revenue bonds, such Notice to be in the form which is attached hereto and made a part hereof by reference as though fully set forth herein. If, within Fifteen (15) days from and after the date of the publication of the Notice, there shall be filed in the Office of the City Clerk a written protest against the Project and the issuance of the revenue bonds, which protest is signed by not less than Twenty Percent (20%) of the qualified electors of the City, then the question of the Project and the issuance of the revenue bonds shall be submitted to the electors of the City at a special election which shall be called for that purpose as provided by law. If a sufficient protest to the Project and the issuance of the revenue bonds is not filed within said Fifteen (15) day period, then the Governing Body

shall have the authority to authorize and proceed with the Project and the sale and issuance of the revenue bonds.

SECTION 5. This Resolution shall be in force and take effect from and after its adoption and approval.

ADOPTED AND APPROVED by the Governing Body of the City of Wichita, Kansas, not less than two-thirds of the members voting in favor thereof, on April 14, 2009.

(Seal)

_____
CARL BREWER, Mayor

ATTEST:

_____
KAREN SUBLETT, City Clerk

APPROVED AS TO FORM:

By_____
GARY E. REBENSTORF, Director of Law

OCA: _____

Published in the Wichita Eagle on April 17, 2009

NOTICE OF INTENTION TO CONSTRUCT, RECONSTRUCT, ALTER, REPAIR, IMPROVE, EXTEND AND ENLARGE THE WATER AND SEWER UTILITY OWNED AND OPERATED BY THE CITY OF WICHITA, KANSAS, AND TO ISSUE REVENUE BONDS, IN A TOTAL PRINCIPAL AMOUNT WHICH SHALL NOT EXCEED $3,000,000, EXCLUSIVE OF THE COST OF INTEREST ON BORROWED MONEY, FOR THE PURPOSE OF PAYING CERTAIN COSTS THEREOF.

TO: THE RESIDENTS OF THE CITY OF WICHITA, KANSAS

You and each of you are hereby notified that the Governing Body of the City of Wichita, Kansas, by Resolution No. 09-095, duly adopted April 14, 2009, has found and determined it to be necessary and declared its intention to construct, reconstruct, alter, repair, improve, extend and enlarge the City of Wichita, Kansas Water and Sewer Utility which is owned and operated by the City, such construction, reconstruction, alterations, repairs, improvements, extensions and enlargements to include, but not be limited specifically to, 20" Parallel Force Main from PS # 56 to Plant 3 (S-015) (called the "Project"). The total costs of the Project are estimated to be three million dollars ($3,000,000) exclusive of the cost of interest on borrowed money. The making of the Project will not cause duplication of any existing water or sewer utility service furnished by a private utility in the City.

You are hereby further notified that in order to provide financing for certain costs of the Project, the Governing Body has further found and determined it to be necessary and declared its intention to issue revenue bonds in a total principal amount which shall not exceed $3,000,000 exclusive of the cost of interest on borrowed money, under the authority of K.S.A. 10-1201 et seq., as amended and supplemented. Such revenue bonds shall not be general obligation bonds of the City payable from taxation, but shall be payable only from the revenues derived from the operations of the Water and Sewer Utility. Costs of the Project in excess of the proceeds of such revenue bonds shall be paid from unencumbered moneys of the City which will be available for that purpose.

This Notice of Intent shall be published one time in the official newspaper of the City; and if, within fifteen (15) days from and after the publication date hereof, there shall be filed in the Office of the City Clerk a written protest against the Project and the issuance of the revenue bonds, which protest is signed by not less than twenty percent (20%) of the qualified electors of the City, then the question of the Project and the issuance of the revenue bonds shall be submitted to the electors of the City at a special election which shall be called for that purpose as provided by law. If no sufficient protest to the Project and the issuance of the revenue bonds is filed within said fifteen (15) day period, then the Governing Body shall have the authority to authorize and proceed with the Project and the issuance of the revenue bonds.

BY ORDER of the Governing Body of the City of Wichita, Kansas, on April 14, 2009.

/s/ CARL BREWER, Mayor

ATTEST:
/s/ Karen Sublett, City Clerk

Agenda Item No. XII-11.

City of Wichita
City Council Meeting
April 14, 2009

TO: Mayor and City Council

SUBJECT: Electrical Repair Service-Selection of Vendor

INITIATED BY: Department of Finance

AGENDA: Consent

Recommendation: Approve contract.

Background: Various City departments require residential and commercial electrical repair services. To obtain the most qualified electrical repair service at a cost that would be most beneficial to the City, a Request for Proposal was sent to thirty-seven (37) vendors and seven (7) responded.

Analysis: A selection committee reviewed the proposals and interviewed three (3) vendors. Each proposal was evaluated on the basis of qualifications, experience, references, and costs. Based on this criteria, Shelley Electric Inc. was selected for the electrical repair services.

Financial Considerations: The contract will not obligate the City to any specific purchases or volume of purchases on electrical repair services; it only provides the departments the ability to obtain electrical repair services from the most qualified, cost-effective vendor.

Goal Impact: Ensure Efficient Infrastructure Goal in order to maintain and optimize public facilities and assets.

Legal Considerations: The contract is approved as to form by the Law Department. The contract will be for one year with an annual renewal option for an additional two years.

Recommendations/Actions: It is recommended that the City Council approve the selection of Shelley Electric, Inc. for the electrical repair services and authorize the necessary signatures.

Attachments:

1. Contract for Electrical Repair Services for various departments

CONTRACT
for
ELECTRICAL REPAIRS

BLANKET PURCHASE ORDER NUMBER BP930028

THIS CONTRACT entered into this 14th day of April, 2009, by and between the **CITY OF WICHITA, KANSAS**, a municipal corporation, hereinafter called "**CITY**", and **SHELLEY ELECTRIC, INC.** (Vendor Code Number 806593-001), whose principal office is at 3619 W. 29th Street South, Wichita, Kansas, 67217, Telephone Number (316) 945-8311, hereinafter called "**VENDOR**".

WITNESSETH:

WHEREAS, the **CITY** has solicited proposals for **Electrical Repairs** (Formal Proposal – FP930010) [Commodity Code Number 91082]; and

WHEREAS, VENDOR has submitted the proposal most beneficial to the **CITY** and is ready, willing, and able to provide the commodities and/or services required by the **CITY.**

NOW, THEREFORE, the parties hereto agree as follows:

1. **Scope of Services. VENDOR** shall provide to the **CITY** all those commodities and/or services specified in its response to Formal Proposal Number – FP930010 [Commodity Code Number 91082], which is incorporated herein by this reference the same as if it were fully set forth. The proposal package, including all specifications, plans and addenda, provided by the City of Wichita as part of the proposal letting process for Formal Proposal Number – FP930010, shall be considered a part of this contract and is incorporated by reference herein.

2. **Compensation. CITY** agrees to pay to **VENDOR** the following labor and parts rates for electrical repairs, the Formal Proposal – FP930010 [Commodity Code Number 91082], for Various Departments, Boards and Agencies of the City of Wichita as shown below as compensation as per the proposal, plans, specifications, addenda and **VENDOR's** proposal of February 19, 2009, and as approved by the City Council on April 14, 2009.

Item Number	Description	Standard Hourly Labor Rate Per Man Per Hour
1	Service for electrical repair for the hours from 8:00 a.m. to 5:00 p.m., Monday through Friday for Journeyman or Master Electrician.	$39.00
2	Service for electrical repair work for the hours from 8:00 a.m. to 5:00 p.m., Monday through Friday for an Apprentice (Helper).	$30.00
	Percentage markup above cost on parts - twelve percent (12%).	

Billing Terms – Net Thirty (30) Days

3. **Term.** The term of this contract shall be effective from **May 1, 2009 through April 30, 2010**, with options to renew the contract under the same terms and conditions for two (2) successive one (1) year terms by mutual agreement of the parties. This contract is subject to cancellation by the city, at its discretion at any time within the original contract term or within any successive renewal, upon thirty (30) days written notice to **VENDOR.**

4. **Indemnification and Insurance.**

a. **VENDOR** shall save and hold the **CITY** harmless against all suits, claims, damages and losses for injuries to persons or property arising from or caused by errors, omissions or negligent acts of **VENDOR**, its officers, agents, servants, or employees, occurring in the performance of its services under this Contract, or arising from any defect in the materials or workmanship of any product provided in the performance of this Contract.

b. **CONTRACTOR** will carry insurance coverage during the term of this contract and any extensions thereof in the amounts and manner provided as follows:

1. Comprehensive General Liability covering premises—operations, xcu (explosion, collapse and underground) hazards when applicable, Product/Completed operations, Broad Form Property Damage, and Contractual Liability with minimum limits as follows:

Bodily Injury Liability	$500,000 each occurrence $500,000 each aggregate
Property Damage Liability	$500,000 each occurrence $500,000 each aggregate

Or

Bodily Injury and Property Damage Liability (Combined Single Limit)	$500,000 each occurrence $500,000 each aggregate

2. Automobile Liability - Comprehensive Form including all owned, hired and non-owned vehicles with minimum limits for:

Bodily Injury Liability	$500,000 each accident
Property Damage Liability	$500,000 each accident

Or

Bodily Injury and Property Damage Liability (Combined Single Limit)	$500,000 each accident

3. Workers' Compensation/Employers Liability for minimum limits of:

Employers Liability	$100,000 each accident

5. Independent Contractor. The relationship of the **VENDOR** to the **CITY** will be that of an independent contractor. No employee or agent of the **VENDOR** shall be considered an employee of the **CITY**.

6. Compliance with Laws. VENDOR shall comply with all laws, statutes and ordinances which may pertain to the providing of services under this Contract.

7. No Assignment. The services to be provided by the **VENDOR** under this Contract are personal and cannot be assigned,delegated, sublet or transferred without the specific written consent of the **CITY**.

8. Non-Discrimination. VENDOR shall comply with all applicable requirements of the City of Wichita Revised Non-Discrimination and Equal Employment /Affirmative Action Program Requirements Statement for Contracts or Agreements attached hereto as Exhibit A.

9. Third Party Rights. It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Contract to create in the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Contract to maintain a suit for damages pursuant to the terms or provisions of this Contract.

10. No Arbitration. The Contractor and the City shall not be obligated to resolve any claim or dispute related to the Contract by arbitration. Any reference to arbitration in bid or proposal documents is deemed void.

11. Governing Law. This contract shall be interpreted according to the laws of the State of Kansas.

12. Representative's Authority to Contract. By signing this contract, the representative of the contractor or vendor represents that he or she is duly authorized by the contractor or vendor to execute this contract, and that the contractor or vendor has agreed to be bound by all its provisions.

IN WITNESS WHEREOF, the parties have set their hands the day and year first above written.

ATTEST:

Janis Edwards
Deputy City Clerk

APPROVED AS TO FORM:

Gary E. Rebenstorf
Director of Law

CITY OF WICHITA, KANSAS

Carl G. Brewer, Mayor

THE CITY OF WICHITA

Melinda A. Walker
Purchasing Manager

SHELLEY ELECTRIC, INC.

Signature

Greg Rowe
Print Signature Name

Secretary / Treasurer
Title *(President or Corporate Officer)*

EXHIBIT A

REVISED NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM REQUIREMENTS STATEMENT FOR CONTRACTS OR AGREEMENTS

During the term of this contract, the contractor or subcontractor, vendor or supplier of the City, by whatever term identified herein, shall comply with the following Non-Discrimination--Equal Employment Opportunity/Affirmative Action Program Requirements:

A. During the performance of this contract, the contractor, subcontractor, vendor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended: The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11131; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated thereunder.

B. Requirements of the State of Kansas:

1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;

2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";

3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or vendor.

C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination -- Equal Employment Opportunity/Affirmative Action Program Requirements:

1. The vendor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The vendor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;

2. The vendor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the vendor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the vendor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;

3. The vendor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination – Equal Employment Opportunity Requirements. If the vendor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City in accordance with the provisions hereof, the vendor, supplier, contractor or subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;

4. The vendor, supplier, contractor or subcontractor shall include the provisions of Subsections 1 through 3 inclusive, of this present section in every subcontract, subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subvendor or subsupplier.

5. If the contractor fails to comply with the manner in which the contractor reports to the Department of Finance as stated above, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

D. Exempted from these requirements are:

1. Those contractors, subcontractors, vendors or suppliers who have less than four (4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars ($5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.

2. Those vendors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, vendor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

City of Wichita
City Council Meeting
April 14, 2009

TO: Mayor and City Council

SUBJECT: Approval of Mortgage Release (Transtecs Corporation) (District I)

INITIATED BY: Office of Urban Development

AGENDA: Consent

Recommendation: Approve the release.

Background: On November 20, 2001, City Council approved a Business Assistance Program/BizLoan to provide low-interest loans to qualified small businesses within the Neighborhood Revitalization Strategy Areas. The City received Economic Development Initiative funds and HUD Section 108 funds totaling $3 million to support the loan program. Three loans were made under the program. Transtecs Corporation received a loan of $206,000 in 2004 and paid the loan in full in November of 2008; Transtecs provides technical and logistics support to industry and government agencies including the armed services and a number of defense contractors and aircraft manufacturers.

Analysis: Transtecs has requested a release of the mortgage. A HUD requirement of the loan agreements required the City to take the mortgage on the loan as security. When the loans were paid off, HUD and the City would release the mortgage. The $3 million federal funding was to be repaid over time as the loans were paid. In 2005, Council approved prepayment of the funding, thereby releasing the City from further HUD requirements. HUD is no longer required to sign off on the mortgage release; however, the City still holds the mortgage.

Financial Considerations: The City will be responsible for the $9 mortgage release recording fee due to the Register of Deeds. This will be paid from the Economic Development budget funds.

Goal Impact: Economic Vitality and Affordable Living. Cooperating with businesses that have obligations with the City is vital to preserving City business assistance programs.

Legal Considerations: The City Attorney's Office has prepared and approved the mortgage release document as to form.

Recommendations/Actions: It is recommended that the City Council release the mortgage for Transtecs Corporation and authorize the necessary signatures.

Attachments: Mortgage Release

The space above is reserved for REGISTER OF DEEDS

RELEASE OF MORTGAGE - (CORPORATE)

In consideration of the payment of the debt secured by the Mortgage, Assignment of Leases, Security Agreement, Fixture Filing and Financing Statement (the "Mortgage") dated May 11, 2004, executed by Transtecs Corporation, a Florida corporation, as Mortgagor, and recorded on May 26, 2004, at DOC.#/FLM-PG: 28573584, in the records of office of the Register of Deeds of Sedgwick County, Kansas, the undersigned hereby releases said Mortgage which formerly encumbered the described real property:

Lots 21-22 & N. 40 Feet of Lot 23, Block 6, Wilber's Addition to Wichita, Sedgwick County, Kansas.

STREET ADDRESS: 2102 E. 21st Street N., Wichita, Kansas

Dated _____, 2009

THE CITY OF WICHITA, KANSAS,
a Kansas municipal corporation

By _____
Carl Brewer, Mayor

ATTEST:

_____
Karen Sublett, City Clerk

STATE OF KANSAS

COUNTY OF SEDGWICK

On this _____ day of _____, 2009, before me the undersigned, a Notary Public in and for the County and State aforesaid, came Carl Brewer, Mayor of the City of Wichita, Kansas, and Karen Sublett, City Clerk of the City of Wichita, Kansas, a Kansas municipal corporation, to me personally known to be the same who executed the within instrument for and on behalf of, and as the act and deed of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official seal the day and year written above.

SEAL

_____

Notary Public
My appointment expires:

The space below is reserved for REGISTER OF DEEDs

Second Reading Ordinances for April 14, 2009 (first read on April 7, 2009)

37th Street North Improvement, Maize to Tyler. (District V)

ORDINANCE NO. 48-310

An ordinance amending Ordinance No. 47-890 of the City of Wichita, Kansas declaring 37th St. North between Tyler Road and Maize Road (472-84693) to be a main trafficway within the city of Wichita Kansas; declaring the necessity of and authorizing certain improvements to said main trafficway; and setting forth the nature of said improvements, the estimated costs thereof, and the manner of payment of the same.

DR2008-06: South Central Neighborhood Land Use Plan. (Districts I and III)

ORDINANCE NO.48-311

An ordinance adopting the south central neighborhood land use plan, February 2009, as an amendment to the South Central Neighborhood plan, May 2006, an element of the Wichita-Sedgwick County Comprehensive Plan.

ZON2008-00068 and CUP2008-00046 zone change from to LC Limited Commercial ("LC") and create Commercial Community Unit Plan CUP DP-318. Generally located on the north side of Kellogg Street and east of Maize Road. (District V)

ORDINANCE NO. 48-312

An ordinance changing the zoning classifications or districts of certain lands located in the City of Wichita, Kansas, under the authority granted by the Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by Section 28.04.010, as amended.

ZON2009-00005 and CON2009-00004 – City zone change request from SF-5 Single-family Residential to TF-3 Two-family Residential with a Conditional Use (CON2009-04) for multiple two-family residences on one lot, generally located north of W. Central Avenue and east of North Mount Carmel Avenue, 2929 West Elm. (District VI)

ORDINANCE NO. 48-313

An ordinance changing the zoning classifications or districts of certain lands located in the City of Wichita, Kansas, under the authority granted by the Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by Section 28.04.010, as amended.

SUB 2009-03 - Plat of North Greenwich Addition located north of 29th Street north and on the east side of Greenwich Road. (District II)

ORDINANCE NO. 48-314

An ordinance changing the zoning classifications or districts of certain lands located in the City of Wichita, Kansas, under the authority granted by the Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by section 28.04.010, as amended.

47th Street South Improvement, between, Broadway and Lulu. (District III and IV)

ORDINANCE NO. 48-315

An ordinance declaring 47th St. South, between the I-135 Freeway and Broadway (472-84795) to be a main trafficway within the City of Wichita, Kansas; declaring the necessity of and authorizing certain improvements to said main trafficway; and setting forth the nature of said improvements, the estimated costs thereof, and the manner of payment of same.