

**Sebring Airport Authority
Board Meeting Agenda
April 20, 2023**

1:30 p.m.

**Hendricks Field
Sebring Airside Center**

1. OPENING ITEMS

- a) Call to Order
- b) Pledge of Allegiance and Invocation
- c) Roll Call
- d) Announcements

Upcoming Meetings & Events

<u>Date</u>	<u>Time</u>	<u>Meeting/Event</u>	<u>Location</u>
5/18/2023	1:30pm	SAA/CRA Board Meeting	Hendricks Field Center

2. CONSENT AGENDA

- a) Approve February and March 2023 Minutes and Invoices

3. MISCELLANEOUS

Annual Financial Audit – Julie Fowler

4. ACTION ITEMS

- a) Taxiway A4 Realignment - E.O. Koch Contract - Change Order #1
- b) DT Foods Lease
- c) Sebring Raceway Garages, LLC – Contract/Restrictions
- d) Bella Villa 31 Contract – Cleaning Services
- e) Resolution 23-04 Approving Budget Amendment S23-02
- f) Interlocal Agreement – Highlands County – Webster Turn Reconstruction
- g) Track Apple – Genesis Products, Inc – Funder American Document

CONTINGENT ACTION ITEMS

5. EXECUTIVE DIRECTORS' REPORT

- a) FBO Report – Jason Ali
- b) John Story – NASCAR - Economic Study

6. BOARD OF DIRECTORS' BUSINESS

Election of Officer – Secretary
Nominations – Mark Andrew and Terrill Morris

7. CONCERNS OF THE PUBLIC

8. EMERGENCY BUSINESS

9. ADJOURNMENT

If a person decides to appeal any decision made by the Board at any meeting or hearing, he will need a verbatim record of the proceedings. The record must include the testimony and evidence upon which the appeal is to be based. Sebring Airport Authority also gives notice that the Chairman is authorized to cancel or postpone any scheduled meeting or hearing by directing the Executive Director to so inform all Board members and any other interested parties and the press. Sebring Airport Authority does not discriminate upon the basis of any individual's disability status. This non-discriminatory policy involves every aspect of the Board's functions, including one's access to, participation in, employment of, or treatment in its programs or activities. Anyone requiring reasonable accommodations as provided for in the Americans with Disabilities Act should contact Beverly K. Glarner, Sebring Airport Authority at 863-314-1301.

Note: Additional staff items may be interested if they come in after the agenda deadline.

**SEBRING AIRPORT AUTHORITY
BOARD MEETING
February 16, 2023**

The Sebring Airport Authority Board of Directors held a scheduled Board Meeting on February 16, 2023, at 1:30 p.m. in person and by telephone-technology conference call. A quorum was met with the following in attendance:

Carl Cool	-	Chairman
Mark Andrews	-	Vice Chairman
Stanley Wells	-	Asst. Secretary
Craig Johnson	-	Board Member
Pete McDevitt	-	Board Member
Terrill Morris	-	Board Member
Brent Ferns	-	Board Member

Also

Mike Willingham	-	Executive Director
Beverly Glarner	-	Executive Assistant
Colleen Plonsky	-	Director of Finance
Bob Swaine	-	Swaine and Harris
Craig Sucich	-	Avcon
Joann Gaskins	-	Career Source Heartland
Tim Roland	-	SpringLake HOA Board Member
Kevin McCauley	-	Atkins
Mark Gose	-	General Public
John Haviland	-	General Public

1. OPENING ITEMS

- A. Meeting was called to order at 1:30 p.m.
- B. The Invocation and Pledge were led by Bob Swaine
- C. **Roll Call**
Pete McDevitt, Carl Cool, Terrill Morris, Craig Johnson, Mark Andrews, Brent Ferns and Stanley Wells were present for the meeting.
- D. **Announcements**

2. MISCELLANEOUS

Mark Gose and John Haviland gave the board an update on the purchase of Airport property on Haywood Taylor.

3. CONSENT AGENDA

Approve the Consent Agenda:

There was a motion by Pete McDevitt to approve the Consent Agenda with a second by Craig Johnson. The motion was passed with aye votes by Cool, Wells, Johnson, Andrews, Ferns, McDevitt and Morris.

4. ACTION ITEMS

A. Haywood Taylor Rehabilitation – Final Change Order

This item was presented by Kevin McCauley. There was a motion by Pete McDevitt to approve the item with a second by Mark Andrews. The motion was passed with aye votes by Cool, Wells, McDevitt, Johnson, Andrews, Ferns and Morris.

B. Funder America - Lease Assignment and Related Documents

This item was presented by Bob Swaine. There was a motion by Pete McDevitt to approve the item with a second by Stanley Wells. The motion was passed with aye votes by Cool, Wells, McDevitt, Johnson, Andrews, Ferns and Morris.

5. DIRECTOR REPORT

Executive Director Mike Willingham gave his report and Jason Ali updated the Board on Range activities. Pete McDevitt briefed the Board about Congressman Franklins visit to the Airport.

6. DIRECTOR'S BUSINESS

7. CONCERNS OF THE PUBLIC

8. ADJOURNMENT

Chairman adjourned meeting at 2:10pm.



Mike Willingham, Executive Director

4.20.23

Approved by Board

**SEBRING AIRPORT AUTHORITY
SPECIAL BOARD MEETING
March 9, 2023**

The Sebring Airport Authority Board of Directors held a scheduled Board Meeting on March 9, 2023, at 1:30 p.m. in person and by telephone-technology conference call. A quorum was met with the following in attendance:

Carl Cool	-	Chairman
Mark Andrews	-	Vice Chairman
Craig Johnson	-	Board Member
Pete McDevitt	-	Board Member
Terrill Morris	-	Board Member
Brent Ferns	-	Board Member

Also

Mike Willingham	-	Executive Director
Colleen Plonsky	-	Director of Finance
Bob Swaine	-	Swaine and Harris
Jeff King	-	Highland County EDC
Chris Campbell	-	HCBOCC
Chris Westerbeek	-	Genesis (via TEAMS)

1. OPENING ITEMS

- A. Meeting was called to order at 1:30 p.m.
- B. The Invocation and Pledge were led by Terrill Morris.
- C. **Roll Call**
Pete McDevitt, Carl Cool, Terrill Morris, Craig Johnson, Mark Andrews, and Brent Ferns and were present for the meeting. Stanley Wells was absent
- D. **Announcements**

2. MISCELLANEOUS

3. ACTION ITEMS

A. Funder America, Inc. – Leasehold Mortgage, Security Agreement and Financing Statement

This item was presented by Bob Swaine. There was a motion by Craig Johnson to approve the item with a second by Pete McDevitt. The motion was passed with aye votes by Cool, McDevitt, Johnson, Andrews, Ferns and Morris.

5. DIRECTOR'S BUSINESS

Chairman announced that there Boards regularly schedule meeting for Thursday, March 16, 2023 is cancelled.

6. CONCERNS OF THE PUBLIC

7. ADJOURNMENT

Chairman adjourned meeting at 1:44pm.


Mike Willingham, Executive Director

4.20.23
Approved by Board

Invoices Paid in February 2023 Presented in March 2023 Board Meeting

DATE	SAA/FBO - PAID INVOICES	AMOUNT	DESCRIPTION
02/07/23	A1 Extreme Cleaning	\$1,300.00	SAA/FBO: February 2023 Cleaning in Terminal Building
02/07/23	Advanced Roofing, Inc.	\$3,500.00	SAA: Terminal Bldg. Inspection, Repairs, & Maintenance Performed Per Contract
02/07/23	Beverly Glarner	\$281.98	SAA: Jan & Feb 2023 Internet Service; Executive Assistant Home Office - Reimbursement
02/07/23	Cobb Site Development, Inc.	\$345,427.46	SAA: Haywood Taylor Resurfacing Phase II - PAYAPP#6
02/07/23	Copy Life	\$167.07	SAA/FBO: February 2023 Copies
02/07/23	Crosson & Payne Tree Service	\$1,800.00	SAA: Top & Shape 5 Magnolia Trees. Pollard 18 Crape Myrtles
02/07/23	Gulf Coast Supply & Manufacturing	\$518.70	SAA: Sheet Metal for T- Hangars
02/07/23	Paul Valladares dba Paul's Landscapes	\$270.00	SAA: February 2023 Plant Services
02/07/23	Ports Publishing	\$350.00	SAA: AD published in 2023 Fort Lauderdale Airport & Freight Guide
02/07/23	Rapid Systems	\$638.95	SAA/FBO: February 2023 Monthly Internet Service
02/07/23	The News Sun	\$525.00	SAA: AD in Lake Placid Chamber Guide 2023
02/14/23	Aroma Coffee	\$526.00	SAA/FBO: Coffee Station Supplies Replenished
02/14/23	Cintas	\$209.20	SAA/FBO: Weekly Svcs; Mats, Air Freshener, and Uniforms for FBO
02/14/23	Cintas	\$109.00	SAA/FBO: Monthly Agreement for AED System
02/14/23	Embarq Florida, Inc	\$69.70	SAA/FBO: February 2023 Phone Service
02/14/23	Florida Department of Revenue	\$232.51	SAA: SUTA (State Unemployment Tax) PE 12.31.22
02/14/23	Long's Air Conditioning, Inc.	\$488.00	SAA: Service on Terminal AC Units; Replaced Condenser Fan Blade
02/14/23	Long's Air Conditioning, Inc.	\$588.00	SAA: Service Call Runway Café - Replaced Pulley's in Air Handler
02/14/23	Reliance Aviation Miami LLC	\$1,800.00	SAA/FBO: February 2023 Jet-A Fuel Truck Lease
02/14/23	Risk Management Associates Inc	\$59,989.75	SAA: Preferred Governmental Insurance Trust - Business Auto, General Liability, Crime, Inland Marine, Commercial Property - Policy #PK FL1 0284850 22-19 / 10.01.22-10.01.23 (Installment #3)
02/14/23	TechHouse:Intergrated	\$4,278.50	SAA: Annual Subscriptions Microsoft 365 Business Premium
02/21/23	Bio - Tech Consulting, Inc.	\$3,315.00	SAA: Bi - Monthly Waterway Weed Control
02/21/23	Cintas	\$473.36	SAA/FBO: Bi-weekly Svcs; Mats, Air Fresheners, Soap/GermX, and Uniforms
02/21/23	CrawfordTech Government Solutions	\$345.60	SAA/CRA: Document Remediation for Nov 2022 & Jan 2023 Board Packets / Resolution Budget Amendments
02/21/23	Department of Management Services	\$306.57	SAA/FBO: January 2023 Audio, Long Distance, & Local Phone Service
02/21/23	Federal Express Corporation	\$34.08	SAA: Express Shipping
02/21/23	Petty Cash Reimbursement	\$321.40	SAA: Petty Cash Reimbursement 02.17.23
02/21/23	TechHouse:Intergrated	\$682.50	SAA: General IT Support; Accounting Computer Tower Having Issues; Archive Email & Removal of Licenses old Employees
02/24/23	Big Messages, LLC.	\$164.39	SAA/FBO: After Hours Telephone Answering Service
02/28/23	Air & Electrical Services, Inc.	\$5,490.94	SAA/FBO: Service Call; Tower AC Not Working; Install (20) Isolating Solid State Relays on all (4) Output Boards in Fuel Farm Control Cabinet; 2 Additional Relays Provided as Spares; Install New Exhaust Fan Motor, Including Wiring & Testing in Bldg. 104 C-3
02/28/23	Bugs Bee-Ware	\$920.00	SAA: Bi-Monthly Lawn Care 2.9.23
02/28/23	Cintas	\$698.54	SAA/FBO: Weekly Svcs; Mats, Air Freshener, and Uniforms for FBO
02/28/23	Jack's Lawn care	\$425.00	SAA: Replace Flowers in Front of Terminal Building
02/28/23	Longs Air Conditioning	\$285.00	SAA: Monthly Service on AC Units; Cleaned Coils & Changed Filters
02/28/23	Ports Publishing	\$350.00	SAA: Advertising & FT2 2023 American Ports Resource Guide
02/28/23	TechHouse:Intergrated	\$297.50	SAA: General IT Support; Archive Lauren's Email & Remove Lauren's Licenses; Public Records Request

TOTAL PAID INVOICES: \$437,179.70

February 2023 P-Cards

Purchase Date	Vendor Name	Amount	GL: Description
2/2/2023	THE HOME DEPOT #6340	\$24.67	SAA: Materials to Repair Cafe Tile
2/4/2023	CIRCLE K 07515	\$23.18	FBO: Fuel for Courtesy Ford Explorer
2/4/2023	CIRCLE K 07515	\$44.51	FBO: Fuel for Courtesy Chevy Tahoe
2/6/2023	ALAN JAY CHEVY BUICK GMC	\$99.41	SAA: Service for 2018 Tahoe
2/6/2023	DISH NETWORK-ONE TIME	\$132.50	FBO: Monthly Satellite Service for Pilot's Lounge - Feb 2023
2/6/2023	WCI SEBRING HAULING	\$747.93	SAA/FBO: Monthly Waste Collection - Feb 2023
2/7/2023	CIRCLE K 07515	\$76.01	FBO: Fuel for Courtesy Chevy Tahoe
2/7/2023	CIRCLE K 07515	\$89.00	SAA: Fuel for Maintenance Truck
2/7/2023	IN EBRIDGE, INC	\$175.00	SAA: Monthly Fee for Record Retention
2/7/2023	TRIANGLE HARDWARE	\$30.57	FBO: Ground Clamps for FBO Various Fuel Equipment Usages
2/7/2023	VERIZONWRLSS RTCCR VB	\$1,556.73	SAA/FBO: Monthly Mobile Service January 2023
2/8/2023	APEX OFFICE PRODUCTS INC	\$112.95	SAA: Garbage Bags for Cleaning Company (8 gal and 13 gal bags)
2/8/2023	COWPOKESS WATERING HOLE	\$60.69	SAA: Executive Director and Advanced Drainage System Lunch RE: Expansion
2/8/2023	RUNWAY CAFE	\$218.45	SAA: Lunch for MWillingham and Prospect - Commercial Tenant
2/9/2023	ADOBE ACROPRO SUBS	\$152.91	SAA: All Staff Monthly Subscriptions
2/9/2023	AMZN Mktp US 2R9J67CZ3	\$25.98	FBO: 2 Packs Sticky Notes
2/9/2023	THE HOME DEPOT #6340	\$99.88	SAA: Fertilizer for Terminal Building
2/9/2023	WWW.NATA.AERO	\$66.00	FBO: NATA Certified QC Inspector Workshop Training
2/11/2023	TST Country Club of Sebr	\$33.80	SAA: Executive Director Lunch with Prospect Client
2/14/2023	APEX OFFICE PRODUCTS INC	\$154.08	SAA: Ink Cartridges for B. Glarner Printer
2/14/2023	TRTAX&ACTGPROFESSIONAL	\$294.00	SAA: Monthly Subscription Fixed Asset Software
2/15/2023	AMAZON.COM HE42T5PX1 AMZN	\$109.40	SAA: Orange Safety Flags
2/15/2023	CIRCLE K 07515	\$0.43	SAA: Fuel for Maintenance Truck
2/15/2023	CIRCLE K 07515	\$85.00	SAA: Fuel for Maintenance Truck
2/17/2023	AMZN MKTP US HE7SA5SB1 AM	\$303.23	SAA: Various Supplies Purchased for SAA and Board Room
2/17/2023	APEX OFFICE PRODUCTS INC	\$126.53	FBO: Creamers for Coffee Station Replenishment
2/20/2023	AMZN Mktp US HP4589FT2	\$13.39	FBO: New Calculator for FBO Front Desk
2/21/2023	CIRCLE K 07515	\$50.50	FBO: Fuel for Courtesy Chevy Tahoe
2/21/2023	MARATHON PETRO242701	\$65.87	FBO: Fuel for Courtesy Chevy Tahoe
2/21/2023	NAPA AUTO PARTS SEBRING	\$15.98	SAA: Radiator Caps for 275KW Generator
2/21/2023	WING AERO PRODUCTS	\$229.11	FBO: Products for Resale to FBO Customers
2/21/2023	WM SUPERCENTER #666	\$25.70	FBO/SAA: Pitcher for SAA and Dispenser for FBO
2/22/2023	CIRCLE K 07515	\$84.00	SAA: Fuel for Maintenance Truck
2/22/2023	IN KANTOLA TRAINING SOLU	\$599.00	SAA: Employee Harassment Online Training
2/22/2023	LOOPNET INC	\$128.50	SAA: Online SAA Realty Listing Company
2/22/2023	WWW.NATA.AERO	\$990.00	FBO: NATA Safety 1st Training Center Subscription for FBO
2/23/2023	JACKS WRECKER SERVICE	\$1,665.00	FBO: Transport of Jet-A Truck from Aba-Con(vendor) to APBR
2/26/2023	CIRCLE K 07515	\$26.18	FBO: Fuel for Courtesy Ford Explorer
2/26/2023	CIRCLE K 07515	\$37.94	FBO: Fuel for Courtesy Chevy Tahoe
2/26/2023	CIRCLE K 07515	\$62.26	FBO: Fuel for Courtesy Chevy Tahoe

February 2023 P-Cards

Purchase Date	Vendor Name	Amount	GL: Description
2/28/2023	PUBLIX #1547	\$17.50	FBO: Cake for Farewell for Employee
3/2/2023	CIRCLE K 07515	\$79.00	SAA: Fuel for Maintenance Truck

Total Due: \$8,932.77

Invoices Paid in March 2023 Presented in April 2023 Board Meeting

DATE	SAA/FBO - PAID INVOICES	AMOUNT	DESCRIPTION
03/07/23	A1 Extreme Cleaning	\$1,300.00	SAA/FBO: March 2023 Cleaning in Terminal Building
03/07/23	Air & Electrical Services, Inc.	\$29,568.42	SAA: Bldg. 103; HVAC System Replacement
03/07/23	Air Boss	\$12,220.00	SAA: 2023 Air Traffic Controllers for Twelve Hours of Sebring Race - Balance Due
03/07/23	Aroma	\$675.68	SAA/FBO: Coffee Station & Cleaning Supplies Replenishment
03/07/23	Cintas	\$137.36	SAA/FBO: Bi-weekly Svcs; Mats, Air Fresheners, Soap/GermX, and Uniforms
03/07/23	Cintas	\$109.00	SAA/FBO: Monthly Agreement for AED System
03/07/23	Cobb Site Development, Inc.	\$64,708.26	SAA: Haywood Taylor Resurfacing Phase II - PAYAPP#7
03/07/23	Copy Life	\$192.05	SAA/FBO: March 2023 Copies
03/07/23	Leaf Capital Funding, LLC	\$295.21	SAA/FBO: Lease of Copy Machines
03/07/23	Leedy Electric West	\$2,051.72	SAA: Major Preventative Maintenance on 250kW Generac Generator & 25kW Tradewinds Generator
03/07/23	Michael Byrd dba America Elite	\$455.00	SAA: Stripped & Waxed Wood Floors at Runway Cafe
03/07/23	Paul Valladares dba Paul's Landscapes	\$270.00	SAA: March 2023 Plant Services
03/07/23	TechHouse: Intergrated	\$6,405.92	SAA: Purchase of New Desktops & Laptop; Recurring Monthly Fee For Software; General IT Support; Outlook Issues
03/09/23	Dustin Dennis dba DDMax	\$525.00	SAA: Detailing of Airport Vehicles
03/14/23	Big Messages, LLC.	\$164.39	SAA/FBO: After Hours Telephone Answering Service
03/14/23	C & C Plumbing, Inc.	\$181.30	SAA: Service Call; Replace Water Line on Aeromed Ice Maker
03/14/23	Cintas	\$209.20	SAA/FBO: Weekly Svcs; Mats & Air Fresheners, and Uniforms
03/14/23	Delaney Fence Company, Inc.	\$13,915.00	SAA: Hurricane IAN Repairs (working with FEMA for possible reimbursement) - Fence Repairs to Fuel Farm, Gate 7, Gate 5, Includes Material & Labor
03/14/23	Federal Express Corporation	\$29.48	SAA: Express Shipping
03/14/23	Reed Appraisal Company	\$4,730.00	SAA: Professional Service for Market Rent Estimate w/New Cost Information, US98 & Haywood Taylor Blvd, Bldgs. 916,917,918 & 919 - Restricted Appraisal Report
03/14/23	Reliance Aviation Miami, LLC.	\$1,800.00	SAA/FBO: March 2023 Fuel Truck Lease
03/14/23	TechHouse: Intergrated	\$117.50	SAA: General IT Support; Ex. Director Issues with Email / Board Room Account Disabled
03/21/23	Beverly Glarner	\$279.99	SAA: March 2023 Internet Service; Executive Assistant Home Office - Reimbursement ;
03/21/23	Bugs Bee-Ware Ext., Inc.	\$815.00	SAA: Quarterly Exterminating Svc 3.20.23; Plant and Shrub Care
03/21/23	Cintas	\$468.55	SAA/FBO: Bi-weekly Svcs; Mats, Air Fresheners, Soap/GermX, and Uniforms
03/21/23	CliftonLarsonAllen	\$21,367.18	SAA: Progress Billing for 2021-2022 SAA/CRA Audit
03/21/23	Coastal MRO	\$50.50	FBO: Pre-employment Screening - S. Preston
03/21/23	Department of Management Services	\$306.57	SAA/FBO: February 2023 Audio, Long Distance, & Local Service
03/21/23	Diana Ries Designs, Inc.	\$934.00	SAA/CRA: February 2023 Website Updates
03/21/23	Risk Management Associates, Inc.	\$905.00	SAA: Preferred Governmental Insurance Trust - Business Auto (Add New Vehicle - 2023 Ford Explorer #2) - Policy #PK FL1 0284850 22-19 / 10.01.22-10.01.23

Invoices Paid in March 2023 Presented in April 2023 Board Meeting

DATE	SAA/FBO - PAID INVOICES	AMOUNT	DESCRIPTION
03/21/23	Techhouse: Intergrated	\$32.50	SAA: General IT Support; Attachment Sending as Link to Cloud File; Remote in, Walked Through Process, and Resend
03/21/23	The News Sun	\$62.00	SAA: Advertisement for Special Board Meeting on 03.09.23
03/28/23	A1 Extreme Cleaning	\$616.00	SAA/FBO: Race Week Cleaning in Terminal Building
03/28/23	Avcon, Inc.	\$1,760.00	SAA: February 2023 Professional Services
03/28/23	C & C Plumbing, Inc.	\$227.50	SAA: Service Call; Repair Automatic Sink in ADA Stall in Mens Bathroom in Terminal Building
03/28/23	Cintas	\$877.03	SAA/FBO: Bi-weekly Svcs; Mats, Air Fresheners, Soap/GermX, and Uniforms; Weekly Svcs; Mats & Air Fresheners, and Uniforms
03/28/23	CivilSurv Design Group, Inc.	\$3,143.48	SAA: Professional Svcs for Webster Turn Drive Resurfacing
03/28/23	CliftonLarsonAllen	\$120.75	CRA: Final Billing for 2021-2022 Audit
03/28/23	Delaney Fence Company, Inc.	\$185.00	SAA: Extra Wheels for Gates
03/28/23	Frank Russell Loveland	\$805.05	SAA: Shuttle Driver for 12 Hours of Sebring
03/28/23	Gary Garrett	\$510.00	SAA: Shuttle Driver for 12 Hours of Sebring
03/28/23	Griffin's Carpet Mart	\$1,378.00	SAA: Install Drywall Under Kitchen Counter, Hall Closet, and Office Closet (AeroMed Apartment)
03/28/23	International Fire Protection, Inc.	\$4,872.00	SAA: Provided & Installed Control Valve Signs on Backflow Assembly, Cleaned 1) Loaded Sprinkler in Kitchen Above Grill, Cleaned 1) Loaded Sprinkler in Mens Restroom by Restaurant, Replaced 7) White 1/2 Corroded Sprinklers on Back Patio, Provided 1) Spare Sprinkler for Box (TYCO QR GB-LO SSP 4251 155 Degree) Sent 4) QR Sprinklers to UL for Testing
03/28/23	Jack's Lawn Service	\$8,325.00	SAA: March 2023 Lawn & Landscape Care
03/28/23	Leaf Capital Funding, LLC	\$811.13	SAA/FBO: Lease of Copy Machines & 2022 Property Taxes
03/28/23	Long's Air Conditioning, Inc.	\$1,288.00	SAA: Replace Pulleys on Both A/C Units (1&2) in Terminal Bldg.
03/28/23	Pitney Bowes Global Financial	\$192.75	SAA: Quarterly Lease of Postage Machine
03/28/23	Shutts & Bowen, LLP	\$1,300.00	SAA: February 2023 Legal Service; Haywood Taylor
03/28/23	TechHouse: Intergrated	\$1,424.81	SAA/FBO: General IT Issue; ShoreTel Software, Setup New Desktops for Staff, Setup New Laptop for Accounting, SharePoint Access, Authenticator Setup
03/28/23	The News Sun	\$1,095.50	SAA:Newspaper ADS - Notice of Request for Proposal #23-01, #23-02, #23-03, and #23-04

TOTAL PAID INVOICES: \$165,219.78

March 2023 P-Cards

Purchase Date	Vendor Name	Amount	Description
3/3/2023	WM SUPERCENTER #666	\$53.60	FBO: Water Purchased for Employees and Courtesy Cooler
3/3/2023	NAPA AUTO PARTS SEBRING	\$315.58	SAA: Golf Cart Battery and Hangar Door Jump Battery
3/6/2023	IN ICL CALIBRATION LABOR	\$728.93	FBO: Two Jet-A Hydrometers Recertified to Comply with DLA Military Contract
3/6/2023	WCI SEBRING HAULING	\$747.93	SAA/FBO: Monthly Waste Collection - March 2023
3/6/2023	BATTERIES+BULBS #0058	\$61.21	SAA: Gate Controller Batteries
3/7/2023	CIRCLE K 07515	\$59.47	FBO: Fuel Purchased for 2014 Tahoe
3/7/2023	APEX OFFICE PRODUCTS INC	\$143.33	SAA: Office Supplies; Copy Paper, Pens, Envelope Moistener
3/7/2023	IN EBRIDGE, INC	\$175.00	SAA: Monthly Fee for Record Retention
3/8/2023	CIRCLE K 00035	\$17.18	FBO: Fuel Purchased for Red 6 Seater Golf Cart #4
3/8/2023	WM SUPERCENTER #666	\$64.32	FBO: Water Purchased for Employees and Courtesy Cooler
3/8/2023	CIRCLE K 07515	\$75.00	SAA: Fuel for Maintenance Truck
3/9/2023	ADOBE ACROPRO SUBS	\$152.91	SAA: Staff Monthly Subscriptions
3/10/2023	AIRBNB HMK52CY9F5	\$200.99	SAA: Air BNB for Control Tower Crew for extra day stay
3/12/2023	TRTAX&ACTGPROFESSIONAL	\$294.00	SAA: Monthly Subscriptions Fixed Asset Software
3/13/2023	DISH NETWORK-ONE TIME	\$132.50	FBO: Monthly Satellite Service for Pilot's Lounge - Mar 2023
3/13/2023	TEXTBILLING.NET	\$7.80	SAA: Mass Text Per Mike Req All Clear At Airport
3/13/2023	TEXTBILLING.NET	\$7.80	SAA: Mass Text Per Mike Req Regarding Situation At Airport
3/13/2023	W & W LMB LAKE PLACID	\$8.76	SAA: Hardware for Gate 17
3/14/2023	ARTISTIC TOWING AND REPAI	\$1,300.00	FBO: Jet-A Truck 5000-1 Transport from APBR to KSEF
3/14/2023	CIRCLE K 07515	\$32.60	SAA: Fuel for Golf Carts
3/14/2023	CIRCLE K 07515	\$62.00	SAA: Fuel for Maintenance Truck
3/14/2023	VERIZONWRLSS RTCCR VB	\$446.67	SAA/FBO: Monthly Mobile Service Feb 2023
3/14/2023	VERIZONWRLSS RTCCR VB	\$1,110.06	SAA/FBO: Monthly Mobile Service Feb 2023
3/15/2023	PUBLIX #1517	\$55.63	FBO: Various Office/Lunch Supplies For FBO
3/16/2023	ZACKS PIZZ ZACKS PIZZ	\$105.40	SAA: Lunch for Employees for Race Week
3/17/2023	EZCATERSUBWAY	\$128.02	SAA/FBO: Lunch for Employees During Race Week
3/17/2023	CIRCLE K 07515	\$65.00	SAA: Fuel for Maintenance Truck
3/18/2023	CIRCLE K 07515	\$122.00	FBO: Fuel for Old and New Courtesy Chevy Tahoe's
3/19/2023	CIRCLE K 07515	\$60.00	FBO: Fuel for Old Courtesy Ford Explorer
3/19/2023	RUNWAY CAFE	\$119.66	FBO: Meals Purchased for FBO Staff during the 12 Hours of Sebring Race
		\$636.00	SAA: Hotel Room For Taxiway 4A Reconstruction - RPR (Resident Project Representative)
3/20/2023	RESIDENCE INN SEBRING		
3/21/2023	AMZN Mktp US H77OQ2GR0	\$299.94	FBO: Three Sceptre 24" Computer Monitors for FBO Computers
3/22/2023	ALLEN ENTERPRISES INC	\$1,212.33	SAA: Airfield Lighting
3/22/2023	LOOPNET INC	\$128.50	SAA: Online SAA Realty Listing Company

March 2023 P-Cards

Purchase Date	Vendor Name	Amount	Description
3/22/2023	AMZN Mktp US HC80U3KH2	\$50.94	SAA: VGA to USB Port Adapters for New Desktops
3/23/2023	WAWA 5370	\$36.00	FBO: Fuel for New Courtesy Chevy Tahoe
3/23/2023	WAWA 5370	\$58.30	FBO: Fuel for Old Courtesy Chevy Tahoe
3/23/2023	APEX OFFICE PRODUCTS INC	\$100.42	FBO/SAA: Creamer For FBO / Trash Bags For SAA Cleaners
3/24/2023	CIRCLE K 07515	\$87.00	SAA: Fuel for Maintenance Truck
3/25/2023	NORTHERN TOOL-EQUIP FL	\$519.98	FBO: Repair to Diesel Pump at KSEF Fuel Farm, New Pump & Meter Purchased
3/26/2023	AMZN Mktp US H73RH17C1	\$15.50	FBO: Disputing Charge
3/26/2023	OFFICE DEPOT #2362	\$128.56	SAA: VGA to USB Adapter for Monitors
3/27/2023	RESIDENCE INN SEBRING	\$636.00	SAA: Hotel Room For Taxiway Renovation Per Req of Bev
3/28/2023	CIRCLE K 07515	\$44.50	FBO: Fuel Purchased for 2014 Tahoe
3/28/2023	SUNPASS ACC120015426	\$5.70	SAA: Pay Tolls
3/28/2023	S FLA WATER MANAGEMENT	\$100.00	SAA: Pay Permit Fee for SFWMD
3/29/2023	CIRCLE K 07515	\$73.00	SAA: Fuel for Maintenance Truck
3/29/2023	CFX VES WEBSITE	\$7.40	SAA: Pay Tolls
3/30/2023	AMAZON.COM HY3E55NP2 AMZN	\$159.99	SAA: Trash Can For FBO Coffee Station Per Bev Req
3/31/2023	AMZN Mktp US HY20L2HX1	\$9.45	FBO: Pens For Line Men
3/31/2023	NIC - FDLE CCHINET	\$25.00	FBO: Background Check on Prospective New Employee
3/31/2023	FRAMES & IMAGES	\$20.00	SAA: Name Plate for Board Room Chris Campbell
3/31/2023	AMZN Mktp US HY5WP70U2	\$91.40	SAA: Cups For Board Room Per Req of Bev

Total Due: \$11,299.26

Accounts Payable Aged Invoice Report
Open Invoices - Aged by Invoice Date - As of 4/12/2023
Sebring Airport Authority (SAA)

Vendor Name / Invoice Number	Invoice Date	Due Date	Invoice Balance	Current	30 Days	60 Days	90 Days	120 Days	
A&ESERV Air & Electrical Services, Inc									
1592-539089	3/27/2023	4/26/2023	984.52	984.52	0.00	0.00	0.00	0.00	SAA: Repairs to Runway Lights
Vendor A&ESERV Totals			984.52	984.52	0.00	0.00	0.00	0.00	
AARONS Aaron's Carts Plus Inc.									
6619	3/27/2023	4/26/2023	295.28	295.28	0.00	0.00	0.00	0.00	FBO: Repairs to Golf Cart #3 (New Tires)
6639	4/4/2023	5/4/2023	161.90	161.90	0.00	0.00	0.00	0.00	FBO: Repairs to Golf Cart #4 (Accelerator Cable)
Vendor AARONS Totals:			457.18	457.18	0.00	0.00	0.00	0.00	
ALLIED Universal Protection Service, LLC									
14121584	3/31/2023	4/30/2023	13,245.90	13,245.90	0.00	0.00	0.00	0.00	SAA: March 2023 Security Service
14121585	3/31/2023	4/30/2023	2,537.15	2,537.15	0.00	0.00	0.00	0.00	SAA: March 2023 Security Service 24 hour Service during Race Week
Vendor ALLIED Totals:			15,783.05	15,783.05	0.00	0.00	0.00	0.00	
AROMA Aroma Coffee									
011303228	4/1/2023	5/1/2023	1,134.61	1,134.61	0.00	0.00	0.00	0.00	SAA/FBO: Coffee Station Supplies Replenished
Vendor AROMA Totals:			1,134.61	1,134.61	0.00	0.00	0.00	0.00	
ATKINS Atkins North America, Inc.									
1991963 BR	3/31/2023	4/30/2023	5,125.00	5,125.00	0.00	0.00	0.00	0.00	SAA: March 2023 Building 22 Re - Roof
1991963 HT	3/31/2023	4/30/2023	330.00	330.00	0.00	0.00	0.00	0.00	SAA: March 2023 Inter Local Agreement - Haywood Taylor
1991963 OC	3/31/2023	4/30/2023	22,147.28	22,147.28	0.00	0.00	0.00	0.00	SAA: March 2023 General On-Call Services
Vendor ATKINS Totals:			27,602.28	27,602.28	0.00	0.00	0.00	0.00	
AVCON Avcon, Inc.									
124466	3/31/2023	4/30/2023	4,540.00	4,540.00	0.00	0.00	0.00	0.00	SAA: March 2023 General On-Call Services
Vendor AVCON Totals:			4,540.00	4,540.00	0.00	0.00	0.00	0.00	
BECKER Becker & Poliakoff, P.A.									
5064541	3/31/2023	4/30/2023	44.60	44.60	0.00	0.00	0.00	0.00	SAA: Construction Claims with Frasier Contracting, LLC.
5064549	3/31/2023	4/30/2023	8.00	8.00	0.00	0.00	0.00	0.00	SAA: General Construction Issues
Vendor BECKER Totals:			52.60	52.60	0.00	0.00	0.00	0.00	
BIOTECH Bio-Tech Consulting Inc.									
172565	4/6/2023	5/6/2023	3,477.50	3,477.50	0.00	0.00	0.00	0.00	SAA: Bi - Monthly Waterway Weed Control
Vendor BIOTECH Totals:			3,477.50	3,477.50	0.00	0.00	0.00	0.00	
CINTAS Cintas									

Accounts Payable Aged Invoice Report
Open Invoices - Aged by Invoice Date - As of 4/12/2023
Sebring Airport Authority (SAA)

Vendor Name / Invoice Number	Invoice Date	Due Date	Invoice Balance	Current	30 Days	60 Days	90 Days	120 Days	
4150868818	3/29/2023	4/28/2023	134.05	134.05	0.00	0.00	0.00	0.00	SAA/FBO: Weekly Svc; Mats, Aircare, & Uniforms
4151591609	4/1/2023	5/1/2023	478.95	478.95	0.00	0.00	0.00	0.00	SAA/FBO: Bi-Weekly Svc; Mats, Air Fresheners, Soap/Germx, & Uniform
Vendor CINTAS Totals:			<u>613.00</u>	<u>613.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
CINTAS1 Cintas									
9218193941	4/1/2023	5/1/2023	109.00	109.00	0.00	0.00	0.00	0.00	SAA/FBO: Monthly Agreement for AED System
Vendor CINTAS1 Totals:			<u>109.00</u>	<u>109.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
CIVILSU CivilSurv Design Group, Inc.									
442-001001-17	3/31/2023	4/30/2023	8,581.13	8,581.13	0.00	0.00	0.00	0.00	SAA: Professional Services for Webster Turn Drive Resurfacing
Vendor CIVILSU Totals:			<u>8,581.13</u>	<u>8,581.13</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
D&NCAB D & N Cabinetry, Inc.									
FINAL	1/31/2023	3/31/2023	3,917.78	0.00	0.00	3,917.78	0.00	0.00	SAA: Aeromed Unit Kitchen Final Payment
Vendor D&NCAB Totals:			<u>3,917.78</u>	<u>0.00</u>	<u>0.00</u>	<u>3,917.78</u>	<u>0.00</u>	<u>0.00</u>	
DIANARI Diana Ries Designs, Inc.									
14223	3/31/2023	4/30/2023	726.25	726.25	0.00	0.00	0.00	0.00	SAA/CRA: March 2023 Website Updates
Vendor DIANARI Totals:			<u>726.25</u>	<u>726.25</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
JACKS Jack's Lawn Service									
2246 APRIL 2023	4/1/2023	4/30/2023	8,325.00	8,325.00	0.00	0.00	0.00	0.00	SAA: April 2023 Lawn & Landscape Care
Vendor JACKS Totals:			<u>8,325.00</u>	<u>8,325.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
RELIANC Reliance Aviation Miami LLC									
23-021868	4/1/2023	5/1/2023	1,800.00	1,800.00	0.00	0.00	0.00	0.00	SAA/FBO: April 2023 Fuel Truck Lease
Vendor RELIANC Totals:			<u>1,800.00</u>	<u>1,800.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
SAGE100 Sage Software Inc.									
A-S00061561-2023	4/1/2023	5/21/2023	3,942.00	3,942.00	0.00	0.00	0.00	0.00	SAA: Sage100 Cloud Renewal/Annual Software
Vendor SAGE100 Totals:			<u>3,942.00</u>	<u>3,942.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	

Accounts Payable Aged Invoice Report
Open Invoices - Aged by Invoice Date - As of 4/12/2023
Sebring Airport Authority (SAA)

Vendor Name / Invoice Number	Invoice Date	Due Date	Invoice Balance	Current	30 Days	60 Days	90 Days	120 Days	
SHUTTS Shutts & Bowen, LLP									
1752312	3/31/2023	4/30/2023	1,561.00	1,561.00	0.00	0.00	0.00	0.00	SAA: March 2023 Legal SVC; Star Farms - Grant Reimbursed
1752326	3/31/2023	4/30/2023	950.00	950.00	0.00	0.00	0.00	0.00	SAA: March 2023 Legal SVC; Haywood Taylor Reconstruction
Vendor SHUTTS Totals:			<u>2,511.00</u>	<u>2,511.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
SWAINE Swaine, Harris & Wohl, P.A.									
9569	3/31/2023	4/30/2023	5,498.75	5,498.75	0.00	0.00	0.00	0.00	SAA: March 2023 General On-Call Service
Vendor SWAINE Totals:			<u>5,498.75</u>	<u>5,498.75</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
VIRTOW Virtower LLC									
1882	4/1/2023	5/1/2023	6,000.00	6,000.00	0.00	0.00	0.00	0.00	SAA/FBO: VirTower Airport Operations Tracking Software - 1 Year
Vendor VIRTOW Totals:			<u>6,000.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Report Totals:			<u><u>96,055.65</u></u>	<u><u>92,137.87</u></u>	<u><u>0.00</u></u>	<u><u>3,917.78</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	

Accounts Payable Aged Invoice Report
Open Invoices - Aged by Invoice Date - As of 4/12/2023
Sebring Airport Authority (FBO)

Vendor Name / Invoice Number	Invoice Date	Due Date	Invoice Balance	Current	30 Days	60 Days	90 Days	120 Days	
ASCENT Ascent Aviation Group									
915880	2/28/2023	4/15/2023	27,656.46	0.00	27,656.46	0.00	0.00	0.00	FBO: Jet - A Fuel at APBR
922291	3/26/2023	4/15/2023	36,354.61	36,354.61	0.00	0.00	0.00	0.00	FBO: 100 LL AvGas at KSEF
923079	3/30/2023	4/19/2023	25,465.99	25,465.99	0.00	0.00	0.00	0.00	FBO: Jet - A Fuel at KSEF
M286989	3/29/2023	4/18/2023	60.90	60.90	0.00	0.00	0.00	0.00	FBO: WingPoints Issued Through 03.29.23
M287979	4/1/2023	4/25/2023	95.26	95.26	0.00	0.00	0.00	0.00	FBO: WingPoints Issued Through 04.05.23
S039161	4/1/2023	4/21/2023	297.50	297.50	0.00	0.00	0.00	0.00	FBO: TFBO Web Software - 5 Users
Vendor ASCENT Totals:			<u>89,930.72</u>	<u>62,274.26</u>	<u>27,656.46</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
CINTAS Cintas Corporation No. 2 dba									
5152202416	4/1/2023	5/1/2023	312.92	312.92	0.00	0.00	0.00	0.00	FBO: First Aid Cabinet Supply Replenished
5152384841	4/1/2023	5/1/2023	76.43	76.43	0.00	0.00	0.00	0.00	FBO: First Aid and Gloves for FBO Employees
Vendor CINTAS Totals:			<u>389.35</u>	<u>389.35</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Report			<u><u>90,320.07</u></u>	<u><u>62,663.61</u></u>	<u><u>27,656.46</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	

**SEBRING AIRPORT AUTHORITY
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**SEBRING AIRPORT AUTHORITY
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2022**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	11
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	12
STATEMENT OF CASH FLOWS	13
NOTES TO FINANCIAL STATEMENTS	15
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM PENSION PLAN	46
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN	47
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PLAN	48
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PLAN	49
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS	50
SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – CRA FUND	53
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	54
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	55
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	56

**SEBRING AIRPORT AUTHORITY
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL	58
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROJECTS	61
MANAGEMENT LETTER	63
INDEPENDENT ACCOUNTANTS' REPORT	66



INDEPENDENT AUDITORS' REPORT

Board of Directors
Sebring Airport Authority
Sebring, Florida

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Sebring Airport Authority (the Authority), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective October 1, 2021, the Authority adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and a corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, information on other postemployment benefits, and information on defined benefit pensions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of revenues, expenses, and changes in net position – CRA fund and the schedule of expenditures of state financial assistance, as required by Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of revenues, expenses, and changes in net position – CRA fund and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
March 21, 2023

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

As management of the Sebring Airport Authority (the Authority), we offer the readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Financial Highlights

- The assets plus deferred outflows of resources of the Authority exceeded its liabilities plus deferred inflows of resources as of September 30, 2022 by \$43,945,701 (net position).
- The Authority's total assets net of depreciation as of September 30, 2022 were \$53,885,394.
- The Authority's total operating revenue was \$6,139,138 primarily consisting of industrial rentals of \$2,210,519 and Fixed Base Operations sales in the amount of \$2,820,320.
- The Authority's total operating expenses came to \$5,535,995. General operating expense (including insurance, supplies, utilities, repairs and maintenance, taxes) came to \$3,279,638. Other primary expenses consisted of \$1,297,887 in personnel costs, \$329,532 in contractual services, \$628,938 in professional services, and \$2,557,599 in depreciation. The net operating loss was \$1,954,456.
- Total nonoperating revenue, (expenses), and capital grants were \$2,324,813 resulting in an increase in net position of \$370,357.

Overview of Financial Statements

The financial statements included in the annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statement of Net Position — reports the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at the end of the fiscal year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- Statement of Revenue, Expenses, and Changes in Net Position — reports the results of activity over the course of the fiscal year. It details the costs associated with operating the Authority and how those costs were funded. It also provides an explanation of the change in net position from the previous fiscal year-end to the current fiscal year-end.
- Statement of Cash Flows — reports the Authority's cash flows in and out from operating activities, noncapital financing activities, capital and related financing activities, and investing activities. It details the sources of the Authority's cash, what it was used for, and the change in cash over the course of the fiscal year.
- The basic financial statements also include notes that provide required disclosures and other information necessary to gather the full meaning of the material presented in the statements.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Overview of Financial Statements (Continued)

The analysis of net position, revenue, and expenses are detailed and provide a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned regardless of when cash is received or paid.

Our analysis presents the Authority's net position, which can be thought of as the difference between what the Authority owns (assets) and what the Authority owes (liabilities). The net position analysis will allow the reader to measure the health or financial position of the Authority.

Over time, significant changes in the Authority's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority, the reader must also consider other nonfinancial factors such as fluctuations in the local economy, fluctuations in fuel prices, and the physical condition of the Authority's capital assets.

At September 30, 2022, total assets were \$53,885,394. Total current assets were \$5,191,997. Total noncurrent assets were \$48,693,397.

In addition, total liabilities at September 30, 2022 were \$5,366,738. Total current liabilities were \$935,092 and liabilities payable from restricted assets (tenant deposits) and total long-term (noncurrent) liabilities were \$4,431,646.

Net Position

The difference between an organization's assets and deferred outflows of resources and its liabilities and deferred inflows of resources equals its net position. The Authority's net position is classified as follows:

Net investment in capital assets — Capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets.

Restricted — Net position that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Unrestricted — Net position that is not invested in capital assets or subject to restrictions.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Condensed Financial Information

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position:

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets - Unrestricted	\$ 4,753,211	\$ 4,122,960
Current Assets - Restricted	438,786	417,470
Net Capital Assets	44,642,889	44,777,711
Other Noncurrent Assets	4,050,508	-
Total Assets	<u>53,885,394</u>	<u>49,318,141</u>
DEFERRED OUTFLOWS OF RESOURCES	481,203	299,530
LIABILITIES		
Current Liabilities	935,092	1,438,857
Noncurrent Liabilities	4,431,646	4,071,781
Total Liabilities	<u>5,366,738</u>	<u>5,510,638</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,054,158</u>	<u>531,689</u>
NET POSITION		
Net Investment in Capital Assets	41,296,202	40,627,662
Restricted	1,583,743	2,050,716
Unrestricted	1,065,756	896,966
Total Net Position	<u>\$ 43,945,701</u>	<u>\$ 43,575,344</u>

Current assets increased \$651,567 from the prior fiscal year due to increases in lease receivables from the implementation of GASB 87, *Leases*. Noncurrent assets increased \$4,050,508 due to implementation of GASB 87. Of the total increase in current assets, restricted cash increased \$21,316 due to the increase in customer deposits.

Current liabilities decreased \$503,765 from the prior year primarily due to a decrease in payables related to projects in process at year end.

At September 30, 2022, the Authority had \$3,226,796 in long-term debt related to capital assets. That debt finances the purchases of equipment as well as construction and improvement projects. The Authority also records \$1,070,939 in net pension liability related to the Authority's participation in the Florida Retirement System.

There was an increase in net position of \$370,357 mainly due to capital grants after a net operating loss of \$1,954,456. Nonoperating revenue includes capital grants and contributions of \$1,876,142. The net operating loss was largely due to depreciation expense of \$2,557,599.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Condensed Financial Information (Continued)

Revenues, Expenses, and Changes in Net Position

	<u>2022</u>	<u>2021</u>
OPERATING REVENUE		
Industrial and Test Track Rental Revenue	\$ 2,579,278	\$ 2,703,758
Fixed Based Operations	2,820,320	1,699,407
Other Revenue	739,540	707,453
Total Operating Revenue	<u>6,139,138</u>	<u>5,110,618</u>
OPERATING EXPENSES		
Personnel Services	1,297,887	921,389
Contractual Services	329,532	359,489
Professional Services	628,938	422,735
General Operating Expenses	3,279,638	2,055,324
Depreciation Expense	2,557,599	2,421,197
Total Operating Expenses	<u>8,093,594</u>	<u>6,180,134</u>
NET OPERATING LOSS	(1,954,456)	(1,069,516)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue (Expense), Net	334,041	(181,232)
Capital Grants and Contributions	1,876,142	2,507,124
Other Nonoperating Revenue	114,630	26,258
Total Nonoperating Revenues (Expenses)	<u>2,324,813</u>	<u>2,352,150</u>
CHANGE IN NET POSITION	370,357	1,282,634
Net Position - Beginning of Year	<u>43,575,344</u>	<u>42,292,710</u>
NET POSITION - END OF YEAR	<u>\$ 43,945,701</u>	<u>\$ 43,575,344</u>

Overall operating revenue increased by \$1,028,520. Industrial and test track rental revenue decreased \$124,480 for the current year. Revenue from fixed based operations increased \$1,120,913 for the current year due to increased activity at the airport for military and general aviation activity.

Operating expenses before depreciation increased by \$1,913,460. The increase was due largely to increases in the cost of fuel related to increased fuel sales noted above.

In fiscal year 2022, total operating revenue was \$6,139,138, while total operating expenses, including depreciation, was \$8,093,594. This resulted in a \$1,954,456 operating loss. Net nonoperating revenues, including capital grants, were \$2,324,813 resulting in a positive change in net position of \$370,357.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Capital Assets

The Authority's investment in capital assets as of September 30, 2022 amounted to \$44,642,889 (net of accumulated depreciation) compared to \$44,777,711 for the prior year. This investment in capital assets includes land, buildings, infrastructure, vehicles, machinery and equipment, furniture and fixtures, and construction in progress. Major capital asset events during the fiscal year include the following:

- Railroad Rehab
- Building 22 roof replacement

Capital Assets (Net of Depreciation):

	2022	2021
Total Capital Assets Not Being Depreciated	\$ 3,557,304	\$ 5,288,168
Total Capital Assets Being Depreciated and Amortized	77,886,421	73,745,052
Accumulated Depreciation and Amortization	(36,800,836)	(34,255,509)
Total Capital Assets, Net	\$ 44,642,889	\$ 44,777,711

Additions information on the Authority's capital assets can be found in Note 3 to the financial statements.

Long-Term Debt

At September 30, 2022, the Authority had total debt outstanding of \$3,226,796 compared to \$3,441,060 in the prior year. The decrease in total outstanding debt is attributable to payments on existing debt.

Long-Term Debt:

	2022	2021
Notes Payable - Direct Borrowing and Leases	\$ 3,226,796	\$ 3,441,060

Please refer to Notes 8 and 9 of the financial statements for a complete presentation of all long-term debt and line of credit liabilities. The above table does not present information for compensated absences, net pension liability, or other post-employment benefit liabilities.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Economic Factors and Next Year's Budgets and Rates

The Sebring Airport Authority 2023 Annual Budget was approved by Resolution 22-08 on September 22, 2022. The Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA) is reported as a blended component unit of Sebring Airport Authority. Its Annual Budget was approved by Resolution 22-02 on September 22, 2022. The detailed budgets are available for review upon request.

Final inspection of the Rail Spur Reconstruction Project occurred February 3, 2022. This completes over two miles of full depth rail replacement, with a project cost nearly \$8,000,000. Repackaging of plans and specifications for procurement of Apron Reconstruction Phase II is complete. We should hear on FDOT/FAA funding soon. These projects are much needed in terms of infrastructure renewal and remaining competitive in our efforts to attract business and industry. Other projects that are in the pipeline are as follows:

- Haywood Taylor repaving and drainage work is substantially complete. Project completion will be in the next 30 days. This is a CRA funded project.
- Webster Turn full depth reconstruction is in final design and permitting. We hope to have the project advertised in fiscal year 2023. Project has been delayed as an Interlocal Agreement with the County is necessary as the County is the recipient of FDOT funding. Project cost will be approximately \$1,250,000 and funded by CRA, FDOT, Highlands County.
- Taxiway Alpha 4 Realignment Construction Notice to Proceed as been issued. Project costs are estimated at \$2,198,300 and will be funded by FAA and FDOT.
- Building 22 roof replacement and resilience enhancements are almost complete. Building has been brought up to Florida's high velocity wind code. This is a SAA and CRA funded project.
- Master drainage infrastructure is WWII vintage. In concert with Highlands County, we have applied and received an Economic Development Administration (EDA) grant of approximately \$2,300,000. We are now working on plans and specifications. We hope to have this project advertised within the next 120 days. This will require a 20% grant match if not waved by EDA.
- We continue to work with our tenant partners on their projects. They are briefly outlined as follows:
 - ADS has completed the project mentioned in the last update. We are now working on a lease of approximately 10 acres for a finished goods storage yard.
 - DUC Propellers is planning a new facility on Airport to manufacture helicopter rotor blades and propellers for vertical takeoff and landing aircraft.
 - Sebring International Raceway: For the past five, perhaps seven years, IMSA and the world sports car governing authorities have worked to build a common car with comparable rules so that cars that compete for overall victories in the Mobil 1 Twelve Hours of Sebring and the Rolex 24 at Daytona also can compete for the overall victory at the 24 Hours of Le Mans.

**SEBRING AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Economic Factors and Next Year's Budgets and Rates Continued

Those years of cooperation have brought us to 2023 where Cadillac and Porsche will compete at sports car racing's highest levels both in Europe and the U.S. in what IMSA calls GTP and the World Endurance Championship calls Hypercar. Acura and BMW also are introducing GTP cars. Ferrari, Peugeot, Toyota and at least two privateers will compete against Cadillac and Porsche at Sebring. To see all these new cars in one place, there is only one place in the world all will be on track in 2023: Sebring in March for the WEC 1000 Miles of Sebring and the IMSA Mobil 1 Twelve Hours of Sebring.

Significant economic factors affecting the Authority are as follows:

1. As in the past, we continue to feel bullish toward military fuel sales. We are moving forward planning upgrades and additional fuel storage capacity to take advantage of wider use of Bombing Range by branches of military. Our 5,000-gallon refueler has been completely refurbished and is dedicated to the Range.
2. SAA staff is working to bring all our leases up to current market as they come due.

As noted previously, air mobility is progressing along both manned and unmanned directions. By 2035 there will be twice as many vertical take-off and landing vehicles (VTOL) that will be electric powered as there are legacy aircraft. These vehicles will operate out of vertiports and will not necessarily need airports. The Authority is deeply involved in this evolving aviation sector in terms of economic development.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed as follows:

Colleen Plonsky
Director of Finance
Sebring Airport Authority
128 Authority Lane
Sebring, FL 33870

**SEBRING AIRPORT AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

ASSETS

Current Assets:

Cash and Cash Equivalents - Unrestricted	\$ 3,458,391
Cash and Cash Equivalents - Restricted	438,786
Accounts Receivable - Trade	96,704
Grants Receivable	25,103
Leases Receivable	1,057,438
Prepaid Items	580
Inventory	114,995
Total Current Assets	<u>5,191,997</u>

Noncurrent Assets:

Leases Receivable	4,050,508
Capital Assets Not Being Depreciated	3,557,304
Capital Assets - Net of Depreciation and Amortization	41,085,585
Total Noncurrent Assets	<u>48,693,397</u>

 Total Assets 53,885,394

DEFERRED OUTFLOWS OF RESOURCES

Pension Related Items 481,203

LIABILITIES

Current Liabilities:

Accounts Payable	362,667
Accrued Expenses	100,902
Notes and Loans Payable - Current	435,640
Unearned Revenue	35,883
Total Current Liabilities	<u>935,092</u>

Noncurrent Liabilities:

Notes and Loans Payable - Noncurrent	2,791,156
Compensated Absences	107,643
Net Pension Liability	1,070,939
Total OPEB Liability	47,683
Rent Deposits	414,225
Total Noncurrent Liabilities	<u>4,431,646</u>

 Total Liabilities 5,366,738

DEFERRED INFLOWS OF RESOURCES

Lease Related Items	5,000,660
Pension Related Items	53,498
Total Deferred Inflows of Resources	<u>5,054,158</u>

NET POSITION

Net Investment in Capital Assets	41,296,202
Restricted for Community Redevelopment	1,583,743
Unrestricted	1,065,756
Total Net Position	<u>\$ 43,945,701</u>

See accompanying Notes to Financial Statements.

SEBRING AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2022

OPERATING REVENUE	
Industrial Rentals	\$ 2,210,519
Test Track Rentals	368,759
Fixed Base Operations	2,820,320
Fire Protection Fees	103,209
CRA Incremental Tax Revenue	390,155
Miscellaneous Revenue	246,176
Total Operating Revenue	<u>6,139,138</u>
OPERATING EXPENSES	
Personal Services	1,297,887
Contractual Services	329,532
Professional Services	628,938
General Operating	3,279,638
Total Operating Expenses	<u>5,535,995</u>
OPERATING INCOME BEFORE DEPRECIATION	603,143
Depreciation	<u>(2,557,599)</u>
NET OPERATING LOSS	(1,954,456)
NONOPERATING REVENUE (EXPENSE)	
Interest Income	502,868
Operating Grants	89,415
Interest Expense	(168,827)
Miscellaneous Revenue	26,257
Loss on Sale of Capital Assets	(1,042)
Total Nonoperating Revenue	<u>448,671</u>
LOSS BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	(1,505,785)
Capital Grants and Contributions	<u>1,876,142</u>
CHANGE IN NET POSITION	370,357
Net Position - Beginning of Year	<u>43,575,344</u>
NET POSITION - END OF YEAR	<u><u>\$ 43,945,701</u></u>

See accompanying Notes to Financial Statements.

**SEBRING AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 4,111,748
CRA Incremental Tax Receipts	390,155
Other Receipts	246,176
Payments to Suppliers	(5,005,309)
Payments to Employees	(1,173,289)
Net Cash Used by Operating Activities	<u>(1,430,519)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Operating Grants	89,415
Miscellaneous	26,257
Net Cash Provided by Noncapital Financing Activities	<u>115,672</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and Construction of Capital Assets	(2,234,121)
Proceeds from Sale of Capital Assets	850
Proceeds from Borrowings	620,744
Principal Payments on Borrowings	(807,238)
Principal Payments on Leases	(27,770)
Interest Payments on Borrowings	(168,349)
Receipts from Leasing Activities	1,083,052
Capital Grants Received	2,308,969
Net Cash Provided by Capital and Related Financing Activities	<u>776,137</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	<u>502,868</u>
-------------------	----------------

NET DECREASE IN CASH AND CASH EQUIVALENTS

(35,842)

Cash and Cash Equivalents - Beginning of Year

3,933,019

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 3,897,177

**SEBRING AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

**RECONCILIATION OF NET OPERATING LOSS TO CASH
USED BY OPERATING ACTIVITIES**

Net Operating Loss	\$ (1,954,456)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation	2,557,599
(Increase) Decrease in Assets and Deferred Outflows of Resources:	
Accounts Receivable - Trade	(13,761)
Inventory	(49,037)
Deferred Outflows Related to Pensions	(181,673)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:	
Accounts Payable	(716,841)
Accrued Expenses	9,980
Compensated Absences	20,279
Rent Deposits	(3,245)
Unearned Revenue	86
Net Pension Liability	726,199
Deferred Inflows Related to Leases	(1,374,139)
Deferred Inflows Related to Pensions	(478,191)
Total OPEB Liability	<u>26,681</u>
 Net Cash Used by Operating Activities	 <u><u>\$ (1,430,519)</u></u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS TO
STATEMENT OF NET POSITION**

Unrestricted Cash and Cash Equivalents	\$ 3,458,391
Restricted Cash and Cash Equivalents	<u>438,786</u>
 Total Cash and Cash Equivalents	 <u><u>\$ 3,897,177</u></u>

**SUPPLEMENTAL DISCLOSURE OF
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital Related Accounts Payable	\$ <u>145,952</u>
Loss on Disposal of Capital Assets	<u><u>\$ (1,892)</u></u>

See accompanying Notes to Financial Statements.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Sebring Airport Authority (Authority) was created by the legislature of the state of Florida by Chapter 67-2070 (1967), for the purpose of planning, developing, and maintaining a comprehensive airport and industrial complex, and constitutes a public instrumentality. The Authority is governed by a board of seven members, and its operations consist of leasing industrial properties and airport operations.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units and present only the financial position of Sebring Airport Authority, a dependent special district of the City of Sebring, Florida (City), and not of the City as a whole. The Authority has been classified as a dependent special district of the City of Sebring, Florida, as determined by the Florida Department of Community Affairs effective October 1, 1990, for annual financial reporting purposes of Section 218.32, Florida Statutes.

As defined by accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as all component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either a) the ability to impose the will of the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority Board and (1) there is a financial benefit or burden relationship between the primary government and the component unit, or (2) management of the primary government has operational responsibility for the component unit. A blended component unit provides services entirely, or almost entirely, to the primary government. The component units' funds are blended into those of the primary government by appropriate activity type to compose the primary government presentation.

The Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA), established by County ordinance on December 17, 1996 is a legally separate entity, however, since the Authority's Board of Directors also serves as the CRA's Board, there is a financial benefit relationship and operational responsibility, and the CRA provides services entirely to the Authority, it is reported as a blended component unit.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The U.S. Sport Aviation Institute, Inc. (Institute), established by the Sebring Airport Authority on June 20, 2016, is a legally separate entity; however, since the Authority's Board of Directors also serves as the Institutes' Board, there is a financial benefit relationship and operational responsibility, and the Institute provides services entirely to the Authority, it is reported as a blended component unit.

Fund Accounting and Measurement Focus

The Authority operates as a single enterprise fund under the fund accounting framework of governmental accounting. Within this framework, an enterprise fund accounts for operations in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means all assets and liabilities (whether current or noncurrent) associated with its activity are included on its statement of net position. Reported fund equity (total net position) is segregated into unrestricted, restricted, and net investment in capital assets components. The statement of revenues, expenses, and changes in net position presents increases and decreases in net position.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The Authority, an enterprise fund, is maintained on an accrual basis with revenues being recognized when earned and expenses recognized when incurred. Operating revenues are those revenues that are generated from the primary operations of the Authority. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the Authority. All other expenses are reported as nonoperating expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Restricted Assets

Certain assets are classified as restricted assets in the accompanying statement of net position when constraints are placed on their use by external parties or by law. Assets classified as restricted include cash and cash equivalents that represent customer deposits. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Management considers all receivables collectible as of September 30, 2022.

Prepaid Items

Prepaid insurance and similar items are recorded using the consumption method of accounting. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

Inventory

Inventory consists mainly of aviation fuel and is valued at the lower of cost or market determined on a first-in-first-out basis.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has deferred outflows for expected versus actual experience, changes in assumptions, projected versus actual earnings, changes in the proportion and differences between the Authority's contributions and proportionate share of contributions, and the Authority's contributions subsequent to the measurement date, relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. Those amounts will be recognized as increases in pension expense in future years.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has multiple items that qualify for reporting in this category, including leases and differences between expected and actual experience, changes in assumptions, projected versus actual earnings, and changes in proportion and differences between the Authority's contributions and proportionate share of contributions, relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. Those amounts will be recognized as reductions in pension expense in future years.

Capital Assets

Capital assets are defined by the Authority as having a minimum established cost of \$1,000 and an estimated useful life in excess of one year. Property and equipment purchased or acquired is carried at historical cost. Donated or contributed assets are recorded at estimated acquisition value. Additions, improvements, and capital outlays that significantly extend the useful life of an asset, and public domain (infrastructure) fixed assets consisting of roads and curbs, runways and wastewater systems are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 Years
Infrastructure	25 to 40 Years
Improvements	15 to 30 Years
Vehicles	5 to 15 Years
Equipment	3 to 10 Years

Grants

Grants which finance current operations and capital expenditures are recorded as nonoperating revenue and capital contributions, respectively, when earned.

Unearned Revenue

Unearned revenue has been recorded for rent received from tenants in advance.

Compensated Absences

On the employee's anniversary date, a maximum of 45 Paid-Time-Off (PTO) days may be carried over to the following 12 months; PTO days in excess of 45 days will be paid to the employee. Upon retirement or resignation with two weeks' notice, employees will receive payment for unused PTO. The amount of earned but unused PTO days estimated to be payable is accrued as a liability at year-end.

Other Postemployment Benefits (OPEB)

In the statement of net position, liabilities are recognized for the Authority's total OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the Authority's health plan. OPEB expense is recognized immediately for changes in the OPEB liability resulting from current year service cost, interest on the total OPEB liability, and changes of benefit terms or actuarial assumptions.

Pensions

In the statement of net position, liabilities are recognized for the Authority's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRS) and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lessee Arrangements

The Authority determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the Authority's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Authority's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the Authority will exercise that option.

The Authority has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

Significant lease terms are disclosed in Note 8.

The Authority accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the Authority treats the components as a single lease unit.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lessor Arrangements

The Authority determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the Authority's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Authority has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Entity has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Entity accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the Entity treats the components as a single lease unit.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Entity adopted the requirements of the guidance effective October 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

NOTE 2 DEPOSITS AND INVESTMENTS

Cash and cash equivalents consist of unrestricted and restricted funds. Restricted funds represent: (1) funds received at the end of the year to cover payables related to various grant projects; and (2) lease deposits. Cash and cash equivalents as of September 30, 2022 was as follows:

Unrestricted Cash	\$ 3,458,391
Restricted Cash: Lease Deposits	438,786
Total Cash and Cash Equivalents	<u>\$ 3,897,177</u>

Classified as:

Petty Cash and Demand Deposits	\$ 3,867,427
Local Government Surplus Trust Funds	29,750
Total	<u>\$ 3,897,177</u>

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. Bank balances of the Authority's deposits at September 30, 2022 were \$4,190,452. The Authority's monies must be deposited in banks designated as qualified public depositories by the chief financial officer, Florida Department of Financial Services. Therefore, the Authority's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. The law requires the chief financial officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Authority has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the chief financial officer, to a bank, savings association or trust company provided a power of attorney is delivered to the chief financial officer. On a monthly basis, the chief financial officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

The Authority invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Throughout the year and as of September 30, 2022, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month London Interbank Offered Rate (LIBOR) rates. These investments represented 34.7% of Florida PRIME's portfolio at September 30, 2022.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2022 was 21 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2022 was 72 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2022, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2022, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 is summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land, Buildings, and Infrastructure	\$ 980,024	\$ -	\$ -	\$ 980,024
Construction in Progress	4,308,144	2,293,779	(4,024,643)	2,577,280
Total Capital Assets Not Being Depreciated	5,288,168	2,293,779	(4,024,643)	3,557,304
Capital Assets Being Depreciated and Amortized:				
Buildings and Infrastructure	69,978,565	3,999,532	(4,453)	73,973,644
Vehicles and Tractors	509,786	9,003	(6,500)	512,289
Machinery and Equipment	1,006,560	78,275	(3,211)	1,081,624
Office Furniture, Fixtures, and Equipment	343,262	14,893	-	358,155
Race Track Improvements	1,906,879	-	-	1,906,879
Right-to-Use Leased Equipment	-	53,830	-	53,830
Total Capital Assets Being Depreciated and Amortized	73,745,052	4,155,533	(14,164)	77,886,421
Less: Accumulated Depreciation and Amortization	(34,255,509)	(2,557,599)	12,272	(36,800,836)
Total Capital Assets Being Depreciated and Amortized, Net	39,489,543	1,597,934	(1,892)	41,085,585
Total Capital Assets, Net	<u>\$ 44,777,711</u>	<u>\$ 3,891,713</u>	<u>\$ (4,026,535)</u>	<u>\$ 44,642,889</u>

The Authority has the following commitments for design, construction, or other services as of September 30, 2022:

Project	Authorization	Commitment	Expended
Haywood Taylor Blvd. Resurfacing	\$ 1,850,024	\$ 1,581,742	\$ 268,282

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 LEASES RECEIVABLES

The Authority, acting as lessor, leases industrial buildings and land under long-term, noncancelable lease agreements. The leases expire at various dates through 2057 and provide for renewal options ranging from one years to twenty years. During the year ended September 30, 2022, the Entity recognized \$1,347,882 and \$498,449 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,150,828	\$ 394,522	\$ 1,545,350
2024	505,670	335,031	840,701
2025	465,141	299,692	764,833
2026	465,141	260,933	726,074
2027	453,908	217,185	671,093
2028 - 2032	1,011,766	690,636	1,702,402
2033 - 2037	441,040	354,023	795,063
2038 - 2042	203,789	185,377	389,166
2043 - 2047	72,447	98,365	170,812
2048 - 2052	50,016	56,237	106,253
2053 - 2057	23,370	5,213	28,583
Total Minimum Lease Payments	<u>\$ 4,843,116</u>	<u>\$ 2,897,214</u>	<u>\$ 7,740,330</u>

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Authority is obligated to make available to qualified retired employees the option to maintain coverage with the group health, life, and dental insurance plans. The Sebring Airport Authority Plan (the Plan) is a single-employer defined benefit OPEB plan. The Plan is currently being funded on a pay as you go basis. No trust fund has been established for the Plan, and there are no assets accumulated in trust for payment of benefits. The Plan does not issue a publicly available report.

Benefits Provided

The Plan provides lifetime healthcare insurance for eligible employees and their spouses through the Authority's group insurance plan which covers both active and retired members. Benefit provisions are established and may be amended by the Authority's Board of Directors. The Plan provides for the retirees to contribute 100% of the cost of health insurance premiums for retirees and their spouses.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Employees Covered by Benefit Terms

At September 30, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	2
Active Plan Members	14
Total	<u>16</u>

Total OPEB Liability

The Authority's Total OPEB liability was measured as of September 30, 2022 and was determined by an actuarial valuation as of September 30, 2022. The following table shows the Authority's total OPEB liability for the year ended September 30, 2022.

	Total OPEB Liability
Balances - October 1, 2021	\$ 21,002
Changes for the Year:	
Service Cost	5,947
Interest	655
Changes in Assumptions	(3,580)
Differences Between Expected and Actual Experience	23,659
Net Changes	26,681
Balances - September 30, 2022	<u>\$ 47,683</u>

Discount Rate Sensitivity

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	3.77 %	4.77 %	5.77 %
Total OPEB Liability	\$ 49,552	\$ 47,683	\$ 45,948

Healthcare Trend Rate Sensitivity

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	6.50 %	7.50 %	8.50 %
Total OPEB Liability	\$ 45,503	\$ 47,683	\$ 50,160

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the Authority recognized OPEB expense of \$26,681. At September 30, 2022, the Authority reported no deferred outflows of resources and no deferred inflows of resources related to OPEB.

Actuarial Assumptions

The total OPEB liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary Increases	3.25%, Average, Including Inflation
Healthcare Cost Trend Rates	7.5% for 2022, Decreasing to an Ultimate Rate of 4.50% for 2029 and Later Years

The actuarial cost method used was the Entry Age Normal Level Percent of Salary method.

Mortality rates were based on the SOA Pub-2010 General Headcount Weighted Mortality Table, fully generational, using Scale MP-2021 for general employees and retirees.

The discount rate used to measure the total OPEB liability was 4.77%, based on yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Since the most recent valuation, the following change was made:

- The discount rate was updated to 4.77% as of September 30, 2022. An increase from 2.43% as of September 30, 2021.
- Mortality rates were updated from using improvement Scale MP-2020 to Scale MP-2021.
- Health care trend rates were updated to an initial rate of 7.5%, decreasing by .5% annually to an ultimate rate of 4.5%
- Salary increase scales were updated to match the FRS actuarial valuation as of July 1, 2021.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DEFINED BENEFIT PENSION PLANS

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Authority are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiemployer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The Authority's pension expense totaled \$177,013 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2022.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System (FRS) Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class — Members of the FRS who do not qualify for membership in the other classes.
- Elected Officers Class — Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) — Members in senior management level positions.
- Special Risk Class — Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
Regular Class Members Initially Enrolled before July 1, 2011	
Retirement Up to Age 62 or Up to 30 Years of Service	1.60
Retirement Up to Age 63 or Up to 31 Years of Service	1.63
Retirement Up to Age 64 or Up to 32 Years of Service	1.65
Retirement Up to Age 65 or Up to 33 Years of Service	1.68
Regular Class Members Initially Enrolled on or After July 1, 2011	
Retirement Up to Age 65 or Up to 33 Years of Service	1.60
Retirement Up to Age 66 or Up to 34 Years of Service	1.63
Retirement Up to Age 67 or Up to 35 Years of Service	1.65
Retirement Up to Age 68 or Up to 36 Years of Service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970, Through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the Authority, effective July 1, 2021, were applied to employee salaries as follows: regular employees 10.19%, senior management 29.85%, and DROP participants 16.88%. The Authority's contributions to the FRS Plan were \$97,504 for the year ended September 30, 2022.

Pension Costs

At September 30, 2022, the Authority reported a liability of \$847,980 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority's proportion of the net pension liability was based on the Authority's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2022, the Authority's proportion was 0.002279024%, which was an increase of 0.000406817% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Authority recognized pension expense of \$149,141 for its proportionate share of FRS's pension expense. In addition, the Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 40,274	\$ -
Changes of Actuarial Assumptions	104,432	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	55,992	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	144,884	(7,492)
Authority Contributions Subsequent to the Measurement Date	27,515	-
Total	<u>\$ 373,097</u>	<u>\$ (7,492)</u>

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

\$27,515 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ 82,868
2024	52,573
2025	14,409
2026	170,463
2027	17,777
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.70%

Mortality rates were based on the PUB-2010 base table, varies by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) a long-term average annual inflation assumption of 2.40% as most recently adopted in October 2022 by the FRS Actuarial Assumption Conference; 2) an inferred real (in excess of inflation) return of 4.2%, which is consistent with the 4.38% real return from the capital market outlook developed by Aon for 2022. Geometrically combining those building blocks using the formula $(1 + .024) \times (1 + .0420) - 1$ generates an expected nominal return of 6.7%. In the opinion of the FRS consulting actuary both components and the overall 6.70% return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70% reported investment return assumption is the same as the investment return assumption chosen by the 2021 FRS Actuarial Assumption Conference for funding policy purposes.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

For reference, the table below contains a summary of Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	2.6 %	2.6 %	1.1 %
Fixed Income	19.8	4.4	4.4	3.2
Global Equity	54.0	8.8	7.3	17.8
Real Estate	10.3	7.4	6.3	15.7
Private Equity	11.1	12.0	8.9	26.3
Strategic Investments	3.8	6.2	5.9	7.8
Totals	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4 %	1.3 %

Discount Rate

The discount rate used to measure the total pension liability was 6.7% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the Authority’s proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.70 %	6.70 %	7.70 %
Authority's Proportionate Share of the FRS Plan Net Pension Liability	\$ 1,466,524	\$ 847,980	\$ 330,804

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The Authority's contributions to the HIS Plan were \$13,176 for the year ended September 30, 2022.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs

At September 30, 2022, the Authority reported a liability of \$222,959 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority's proportion of the net pension liability was based on the Authority's contributions received during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all participating employers. At June 30, 2022, the Authority's proportion was 0.002105054%, which was an increase of 0.000447565% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Authority recognized pension expense of \$27,872 for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 6,767	\$ (981)
Changes in Actuarial Assumptions	12,780	(34,492)
Net Difference Between Projected and Actual Earnings on HIS Program Investments	323	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	84,545	(10,533)
Authority Contributions Subsequent to the Measurement Date	3,691	-
Total	<u>\$ 108,106</u>	<u>\$ (46,006)</u>

\$3,691 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30.</u>	<u>Amount</u>
2023	\$ 12,920
2024	15,092
2025	13,109
2026	10,698
2027	5,562
Thereafter	1,028

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.54%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 3.54% in the current year and 2.16% in the prior year for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the Authority's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.54 %	3.54 %	4.54 %
Authority's Proportionate Share of the HIS Plan Net Pension Liability	\$ 255,083	\$ 222,959	\$ 196,377

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the Authority's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated.

Description	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 847,980	\$ 222,959	\$ 1,070,939
Deferred Outflows of Resources Related to Pensions	373,097	108,106	481,203
Deferred Inflows of Resources Related to Pensions	7,492	46,006	53,498
Pension Expense	149,141	27,872	177,013

NOTE 7 DEFINED CONTRIBUTION PENSION PLAN

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Sebring Airport Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Sebring Airport Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Authority's Investment Plan pension expense totaled \$72,138 for the year ended September 30, 2022. Employee contributions to the Investment Plan totaled \$7,256 for the year ended September 30, 2022.

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 LONG-TERM DEBT

The summary of changes in long-term debt for the fiscal year ended September 30, 2022 is as follows:

	Balance October 1, 2021 (1)	Additions	Reductions	Balance September 30, 2022	Due Within One Year
Direct Borrowing -					
Notes Payable	\$ 3,387,229	\$ -	\$ (186,494)	\$ 3,200,735	\$ 424,469
Leases Payable	53,831	-	(27,770)	26,061	11,171
Total	<u>\$ 3,441,060</u>	<u>\$ -</u>	<u>\$ (214,264)</u>	<u>\$ 3,226,796</u>	<u>\$ 435,640</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No. 87.

Notes payable at September 30, 2022 consisted of the following:

<u>Description</u>	<u>Amount</u>
Direct borrowing from a financial institution for improvements to an industrial building, collateralized by assignment of rent revenues, due July 2028. Monthly payments of \$4,575 through July 2018, including interest at 6%. Outstanding balance at July 21, 2018 paid in monthly payments of \$4,625, including interest at 5.5%. Outstanding balance as of July 21, 2023 paid in monthly payments of principal and interest, calculated on a 5-year amortization, with interest based on the monthly average of the 5-year United States Treasury Bill index for June 2023 plus 4.5%. It is the Authority's intent to pay off the certificate by July 2023. If any event of default shall occur, all indebtedness will become immediately due and payable to the lender.	\$ 272,075
Direct borrowing from a financial institution for improvements to an industrial building, collateralized by assignment of rent revenues, with 12 months of interest only payments, followed by monthly payments of \$11,780 including interest at 4%, final payment due April 2035. If any event of default shall occur, all indebtedness will become immediately due and payable to the lender.	1,391,190

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 LONG-TERM DEBT (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>Direct borrowing from a financial institution for improvements to industrial buildings with a maximum draw down of \$3,000,000 available, collateralized by assignment of rent revenues, with 12 months of interest only payments at 5.5% interest, followed by 48 monthly payments of principal and interest, beginning August 18, 2020 calculated on a 20-year amortization of the outstanding principal balance as of July 18, 2020 with an interest rate of 5.5% per annum. Beginning August 18, 2024, 60 monthly payments of principal and interest calculated on a 15-year amortization of the outstanding principal balance as of July 18, 2024 with interest based on the monthly average of the 5-year United States Treasury Bill index for July 18, 2024 plus 3.5%. Beginning August 18, 2029, 60 monthly payments of principal and interest calculated on a 10 year amortization of the outstanding principal balance as of July 18, 2029 with interest based on the monthly average of the 5-year United States Treasury Bill index for July 18, 2029 plus 3.5%. Beginning August 18, 2034, 60 monthly payments of principal and interest calculated on a five-year amortization of the outstanding principal balance as of July 18, 2034 with interest based on the 5-year United States Treasury Bill index for July 18, 2034 plus 3.5%. Upon default, the interest rate on this direct borrowing shall be increased to 18% per annum, and the entire unpaid balance and all accrued interest will be declared due to the lender.</p>	\$ 1,518,502
<p>Direct borrowing from a financial institution for purchase of a vehicle, with monthly payments of \$605, including interest at 5.59%, with a final payment due in August 2024.</p>	17,792
<p>Direct borrowing from a financial institution for purchase of a vehicle, with monthly payments of \$822, including interest at 5.92%, with a final payment due in November 2022.</p>	<u>1,176</u>
Total	3,200,735
Less: Current Portion	<u>(424,469)</u>
Long-Term Portion	<u><u>\$ 2,776,266</u></u>

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Annual debt service requirements as of September 30, 2022 for notes payable are as follows:

<u>Year Ending September 30.</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 424,469	\$ 151,188
2024	1,565,915	118,957
2025	93,839	47,526
2026	97,717	43,648
2027	101,754	39,611
2028 - 2032	575,255	131,572
2033 - 2037	341,786	50,537
Total	<u>\$ 3,200,735</u>	<u>\$ 583,039</u>

Lessee Arrangement

The Entity leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 11,171	\$ 1,009	\$ 12,180
2024	5,267	689	5,956
2025	5,575	382	5,957
2026	3,838	83	3,921
2027	210	2	212
Total Minimum Lease Payments	<u>\$ 26,061</u>	<u>\$ 2,165</u>	<u>\$ 28,226</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	<u>Business-Type Activities</u>
Equipment	\$ 53,830
Less: Accumulated Amortization	(28,375)
Total	<u>\$ 25,455</u>

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 LINES OF CREDIT

The Authority has a \$500,000 line of credit for operating capital needs with a commercial bank at Prime as published by the Wall Street Journal, with a minimum rate of 5%, secured by lease income and other building income of buildings 108 and 104. The Authority also has a \$2,000,000 line of credit to finance grant expenditures with a commercial bank at Prime, as published by the Wall Street Journal, with a minimum rate of 4.5%, secured by grant revenues.

Changes in the lines of credit for the fiscal year ended September 30, 2022 were as follows:

	Balance October 1, 2021	Additions	Reductions	Balance September 30, 2022
Line of Credit - Secured	\$ -	\$ 620,744	\$ (620,744)	\$ -

NOTE 10 MAJOR CUSTOMERS

A material part of the Authority's rent revenue is dependent upon three major customers and approximates total rents as follows:

	Percentage of Total Rent Revenue
Sebring International Raceway, Inc.	12.6 %
Gulf Coast Supply & Manufacturing	12.6
Total	25.2 %

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11 CONDENSED COMBINING FINANCIAL INFORMATION

The following condensed financial information is presented to provide additional information on the Sebring Regional Airport and Industrial Park Community Redevelopment Agency (CRA), and the U.S. Sport Aviation Institute, Inc. (Institute), blended component units of the Authority.

Condensed Combining Statement of Net Position

	Sebring Airport Authority	CRA	U.S. Sport Aviation Institute	Total
ASSETS				
Current Assets	\$ 3,634,339	\$ 1,537,203	\$ 20,455	\$ 5,191,997
Net Capital Assets	44,642,889	-	-	44,642,889
Other Noncurrent Assets	4,050,508	-	-	4,050,508
Internal Activity	(26,085)	26,085	-	-
Total Assets	<u>52,301,651</u>	<u>1,563,288</u>	<u>20,455</u>	<u>53,885,394</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	481,203	-	-	481,203
LIABILITIES				
Current Liabilities	935,092	-	-	935,092
Noncurrent Liabilities	4,431,646	-	-	4,431,646
Total Liabilities	<u>5,366,738</u>	<u>-</u>	<u>-</u>	<u>5,366,738</u>
DEFERRED INFLOWS OF RESOURCES				
Lease Related Items	5,000,660	-	-	5,000,660
Pension Related Items	53,498	-	-	53,498
Total Deferred Inflows of Resources	<u>5,054,158</u>	<u>-</u>	<u>-</u>	<u>5,054,158</u>
NET POSITION				
Net Investment in Capital Assets	41,296,202	-	-	41,296,202
Restricted	-	1,563,288	20,455	1,583,743
Unrestricted	1,065,756	-	-	1,065,756
Total Net Position	<u>\$ 42,361,958</u>	<u>\$ 1,563,288</u>	<u>\$ 20,455</u>	<u>\$ 43,945,701</u>

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11 CONDENSED COMBINING FINANCIAL INFORMATION (CONTINUED)

Condensed Combining Statement of Revenues, Expense, and Changes in Net Position

	Sebring Airport Authority	CRA	U.S. Sport Aviation Institute	Total
OPERATING REVENUE				
Industrial Rentals	\$ 2,210,519	\$ -	\$ -	\$ 2,210,519
Test Track Rentals	368,759	-	-	368,759
Fixed Base Operations	2,820,320	-	-	2,820,320
Fire Protection Fees	103,209	-	-	103,209
CRA Incremental Tax Revenue	-	390,155	-	390,155
Miscellaneous Revenue	238,676	-	7,500	246,176
Total Operating Revenue	<u>5,741,483</u>	<u>390,155</u>	<u>7,500</u>	<u>6,139,138</u>
OPERATING EXPENSES				
Personal Services	1,297,887	-	-	1,297,887
Contractual Services	329,532	-	-	329,532
Professional Services	610,388	18,550	-	628,938
General Operating	3,277,820	1,818	-	3,279,638
Total Operating Expenses	<u>5,515,627</u>	<u>20,368</u>	<u>-</u>	<u>5,535,995</u>
OPERATING INCOME BEFORE DEPRECIATION	225,856	369,787	7,500	603,143
Depreciation	<u>(2,557,599)</u>	<u>-</u>	<u>-</u>	<u>(2,557,599)</u>
NET OPERATING INCOME (LOSS)	(2,331,743)	369,787	7,500	(1,954,456)
NONOPERATING REVENUE (EXPENSE)				
Interest Income	498,713	4,155	-	502,868
Operating Grants	89,415	-	-	89,415
Interest Expense	(168,827)	-	-	(168,827)
Miscellaneous Revenue	26,257	-	-	26,257
Loss on Sale of Capital Assets	(1,042)	-	-	(1,042)
Total Nonoperating Revenue (Expense)	<u>444,516</u>	<u>4,155</u>	<u>-</u>	<u>448,671</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,887,227)	373,942	7,500	(1,505,785)
Transfers In	848,415	-	-	848,415
Transfers Out	-	(848,415)	-	(848,415)
Capital Grants and Contributions	<u>1,876,142</u>	<u>-</u>	<u>-</u>	<u>1,876,142</u>
CHANGE IN NET POSITION	837,330	(474,473)	7,500	370,357
Net Position - Beginning of Year	<u>41,524,628</u>	<u>2,037,761</u>	<u>12,955</u>	<u>43,575,344</u>
NET POSITION - END OF YEAR	<u>\$ 42,361,958</u>	<u>\$ 1,563,288</u>	<u>\$ 20,455</u>	<u>\$ 43,945,701</u>

**SEBRING AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11 CONDENSED COMBINING FINANCIAL INFORMATION (CONTINUED)

Condensed Combining Statement of Cash Flows

	Sebring Airport Authority	CRA	U.S. Sport Aviation Institute	Total
Net Cash Provided (Used) by Operating Activities	\$ (1,780,816)	\$ 342,797	\$ 7,500	\$ (1,430,519)
Net Cash Provided by Noncapital Financing Activities	115,672	-	-	115,672
Net Cash Provided (Used) by Capital and Related Financing Activities	1,624,552	(848,415)	-	776,137
Net Cash Provided by Investing Activities	498,713	4,155	-	502,868
Net Increase (Decrease) in Cash and Cash Equivalents	458,121	(501,463)	7,500	(35,842)
Cash and Cash Equivalents - Beginning of Year	1,881,398	2,038,666	12,955	3,933,019
Cash and Cash Equivalents - End of Year	<u>\$ 2,339,519</u>	<u>\$ 1,537,203</u>	<u>\$ 20,455</u>	<u>\$ 3,897,177</u>

NOTE 12 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against this risk the Authority has engaged Public Risk Insurance Agency, a governmental insurance carrier, as its agent. This agency administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile crime, and worker compensation. The Authority is liable for deductibles on certain coverage. Insurance settlements have not exceeded insurance coverage in any of the three prior fiscal years.

NOTE 13 RELATED PARTY TRANSACTIONS

A member of the Authority's Board of Directors is also a member of Heartland National Bank's Board of Directors. The Authority has debt held by Heartland National Bank in the amount of \$1,790,577 as of September 30, 2022.

NOTE 14 COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

The Authority is party in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of legal counsel for the Authority, the resolution of these matters will not have a materially adverse effect on the financial condition of the Authority.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
YEAR ENDED SEPTEMBER 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.002279024%	0.001872208%	0.001675476%	0.001714629%	0.001616574%	0.001457265%	0.001724597%	0.001768396%
Authority's Proportionate Share of the Net Pension Liability	\$ 847,980	\$ 141,424	\$ 726,176	\$ 590,494	\$ 486,920	\$ 431,049	\$ 435,462	\$ 228,412
Authority's Covered Payroll	\$ 767,053	\$ 591,616	\$ 429,551	\$ 472,524	\$ 419,435	\$ 367,444	\$ 346,048	\$ 350,588
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	110.55 %	23.90 %	169.05 %	124.97 %	116.09 %	117.31 %	125.84 %	65.15 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.89 %	94.40 %	78.85 %	82.61 %	84.26 %	83.89 %	84.88 %	92.00 %

*The amounts presented for each fiscal year were determined as of June 30.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
YEAR ENDED SEPTEMBER 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 97,504	\$ 76,590	\$ 61,399	\$ 53,479	\$ 73,499	\$ 13,838	\$ 44,618	\$ 39,240
Contributions in Relation to the Contractually Required Contribution	(97,504)	(76,590)	(61,399)	(53,479)	(73,499)	(13,838)	(44,618)	(39,240)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 793,459	\$ 624,058	\$ 477,962	\$ 458,655	\$ 445,306	\$ 392,244	\$ 344,392	\$ 330,241
Contributions as a Percentage of Covered Payroll	12.29 %	12.27 %	12.85 %	11.66 %	16.51 %	3.53 %	12.96 %	11.88 %

*The amounts presented for each fiscal year were determined as of September 30.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PLAN ¹
YEAR ENDED SEPTEMBER 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.002105054%	0.001657490%	0.001253851%	0.001412823%	0.001369415%	0.001088064%	0.001120965%	0.001155592%
Authority's Proportionate Share of the Net Pension Liability	\$ 222,959	\$ 203,316	\$ 153,093	\$ 158,082	\$ 144,941	\$ 116,341	\$ 130,643	\$ 117,852
Authority's Covered Payroll	\$ 767,053	\$ 591,616	\$ 429,551	\$ 472,524	\$ 419,435	\$ 367,444	\$ 346,048	\$ 350,588
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	29.07 %	34.37 %	35.64 %	33.45 %	34.56 %	31.66 %	37.75 %	33.62 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.81 %	3.56 %	3.00 %	2.63 %	2.15 %	1.64 %	0.97 %	0.50 %

*The amounts presented for each fiscal year were determined as of June 30.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PLAN ¹
YEAR ENDED SEPTEMBER 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 13,175	\$ 10,282	\$ 7,931	\$ 7,596	\$ 7,393	\$ 6,632	\$ 5,719	\$ 4,508
Contributions in Relation to the Contractually Required Contribution	(13,175)	(10,282)	(7,931)	(7,596)	(7,393)	(6,632)	(5,719)	(4,508)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 793,459	\$ 624,058	\$ 477,962	\$ 458,655	\$ 445,306	\$ 392,244	\$ 344,392	\$ 330,241
Contributions as a Percentage of Covered Payroll	1.66 %	1.65 %	1.66 %	1.66 %	1.66 %	1.69 %	1.66 %	1.37 %

*The amounts presented for each fiscal year were determined as of September 30.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE AUTHORITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS ¹
YEAR ENDED SEPTEMBER 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 5,947	\$ 5,900	\$ 3,641	\$ 2,778	\$ 3,814
Interest	655	568	685	504	1,288
Changes of Benefit Terms	-	-	-	-	-
Difference Between Expected and Actual Experience	23,659	(3,104)	(2,739)	2,429	(25,286)
Changes of Assumptions	(3,580)	(18)	570	416	190
Benefit Payments	-	-	-	-	(4,548)
Net Change in Total OPEB Liability	<u>26,681</u>	<u>3,346</u>	<u>2,157</u>	<u>6,127</u>	<u>(24,542)</u>
Total OPEB Liability - Beginning	<u>21,002</u>	<u>17,656</u>	<u>15,499</u>	<u>9,372</u>	<u>33,914</u>
Total OPEB Liability - Ending	<u>\$ 47,683</u>	<u>\$ 21,002</u>	<u>\$ 17,656</u>	<u>\$ 15,499</u>	<u>\$ 9,372</u>
Covered Employee Payroll	\$ 740,242	\$ 562,365	\$ 512,432	\$ 410,334	\$ 397,418
Total OPEB Liability as a Percentage of the Covered Employee Payroll	6.44 %	3.73 %	3.45 %	3.78 %	2.36 %

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**SEBRING AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE AUTHORITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS ¹
YEAR ENDED SEPTEMBER 30, 2022**

Notes to Schedule

Benefit changes:

There have been no substantive plan provision changes since the last full valuation.

Changes of assumptions:

For the measurement date September 30, 2022, the following were updated:

- Discount rate as of the measurement date was updated to 4.77%.
- Mortality table was updated from using improvement Scale MP-2020 to Scale MP-2021.
- Health care trend rates have been reset to an initial rate of 7.5%, decreasing by 0.5% annually to an ultimate trend of 4.5%.
- Salary increase scales have been updated to match the FRS actuarial valuation as of July 1, 2021.

For the measurement date September 30, 2021, the following were updated:

- Discount rate as of the measurement date was updated to 2.43%.

For the measurement date September 30, 2020, the following were updated:

- Discount rate as of the measurement date was updated to 2.41%.
- Mortality table was updated from SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 to SOA PUB -201 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- Turnover assumptions were updated to match the FRS actuarial valuation as of July 1, 2019.
- Health care trend rates have been reset to an initial rate of 8.0%, decreasing by 0.5% annually to an ultimate trend of 4.5%.
- Salary increase scales have been updated to match the FRS actuarial valuation as of July 1, 2019.

For the measurement date September 30, 2019, the following were updated:

- Discount rate as of the measurement date was updated to 3.58%.
- Actuarial cost method was updated from Projected Unit Credit with linear proration to decrement to Entry Age Normal Level Percentage of Salary.
- The salary assumption was updated from 3.0% per year to match that of the FRS actuarial valuation as of July 1, 2017.

Community Redevelopment Agency

Following is a schedule of deposits and withdrawals as required by Section 163.387(8), Florida Statutes. This schedule provides a source for all deposits and a purpose for all withdrawals for the fiscal year ended September 30, 2022.

**SEBRING AIRPORT AUTHORITY
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION – CRA FUND
YEAR ENDED SEPTEMBER 30, 2022**

	CRA
REVENUES	
CRA Incremental Tax Revenue	\$ 390,155
Interest Income	4,155
Total Revenues	394,310
EXPENSES	
Professional Services	18,550
General Operating and Project Assistance	850,233
Total Expenses	868,783
NET CHANGE IN NET POSITION	(474,473)
Net Position - Beginning of Year	2,037,761
NET POSITION - END OF YEAR	\$ 1,563,288

**SEBRING AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2022**

Grantor / Program Title	CSFA Number	Grant Identification Number	Passed Through to Subrecipients	Grant Expenditures
STATE FINANCIAL ASSISTANCE				
Florida Department of Transportation				
Aviation Grant Programs	55.004	G1J92	\$ -	\$ 34,615
Total Aviation Grant Programs			-	34,615
Intermodal Access Development Program	55.014	G1227	-	1,706,660
Total Intermodal Access Development Program			-	1,706,660
Total Florida Department of Transportation			-	1,741,275
Total Expenditures of State Financial Assistance			\$ -	\$ 1,741,275

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

**SEBRING AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2022**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance presents the activity of all state financial assistance programs of Sebring Airport Authority (Authority). The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of State Financial Assistance is presented using the accrual basis of accounting which is described in Note 1 to the Authority's financial statements for the year ended September 30, 2022. The Authority has not elected to use the 10% de minimis indirect cost rate.

NOTE 3 CONTINGENCIES

Grant monies received and disbursed by the Authority are for specific purposes and are subject to review by the grantor agencies. Such audits may result in request for reimbursement due to disallowed expenditures. Based upon prior experience, the Authority does not believe that such disallowances, if any, would have a material effect on the financial position of the Authority. As of March 21, 2023, there were no material questioned or disallowed costs as a result of grant audits in process or completed.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Sebring Airport Authority
Sebring, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Sebring Airport Authority (Authority), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
March 21, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Board of Directors
Sebring Airport Authority
Sebring, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Sebring Airport Authority's (Authority) compliance with the types of compliance requirements identified as subject to audit in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Authority's major state projects for the year ended September 30, 2022. The Authority's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits. Our responsibilities under those standards and Chapter 10.550, Rules of the Auditor General, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
March 21, 2023

**SEBRING AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE PROJECTS
YEAR ENDED SEPTEMBER 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

State Financial Assistance

1. Internal control over state projects:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for state projects: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General? _____ yes x no

Identification of Major State Projects

CSFA Number(s)

55.014

Name of State Project

Intermodal Access Development Program

Dollar threshold used to distinguish between Type A and Type B state projects:

\$ 174,127

**SEBRING AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Chapter 10.557, Rules of the Auditor General.



MANAGEMENT LETTER

Board of Directors
Sebring Airport Authority
Sebring, Florida

Report on the Financial Statements

We have audited the financial statements of the Sebring Airport Authority (Authority), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 21, 2023.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 21, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Information regarding the specific legal authority for the entity and each component unit is contained in Note 1 to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)(2), Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Special District Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported:

- a. The total number of district employees compensated in the last pay period of the Authority's fiscal year as: 14.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$813,826.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$710.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - Building 22 Reroof - \$591,035
 - Haywood Taylor Blvd Resurfacing - \$268,282

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as: \$1,877,078
- Beginning Budgeted Expenses - \$7,139,996 Final Budget Expenses \$9,017,074

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Authority’s Board of Directors and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Sebring, Florida
March 21, 2023



INDEPENDENT ACCOUNTANTS' REPORT

Sebring Airport Authority and the Florida Auditor General
Sebring, Florida

We have examined the Sebring Airport Authority's (Authority) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; during the year ended September 30, 2022.

This report is intended solely for the information and use of the Authority and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
March 21, 2023

Sebring Airport Authority Agenda Item Summary

Meeting Date: April 20, 2023

Presenter: Mike Willingham

Agenda Item: Taxiway 4A – E.O. Koch – Change Order #1

Background: The purpose of the change is to add a dedicated haul route approximately 1,300' long x 12' wide. The haul route would be comprised of 6" aggregate material, placed and compacted. The addition of the haul route will eliminate truck traffic on the newly paved Haywood Taylor Blvd. In addition, the location of the haul route will provide a more direct access to the project area, while minimizing operational impacts to the FBO.

The change order also include a material change from limerock base course (P-211) to recycled crushed concrete base course (P-219), and the use of P=219 in lieu of subgrade stabilization. SAA has allowed the contractor to use an on-site stockpile of material that meets the P-219 specification, and eliminates the need to purchase and deliver limerock material to the site.

The result is a deductive change order.

Requested Motion: Move to approve and authorize the Executive Director to execute the same.

Board Action:

Approved	<u> X </u>
Denied	<u> </u>
Tabled	<u> </u>



REQUEST FOR CHANGE ORDER

Owner Sebring Airport Authority
Project Taxiway A4 Realignment
Project Address 128 Authority Lane, Sebring, FL 33870
Date March 20, 2023
Engineer Avcon Inc., 5555 E Michigan Street, Suite 200, Orlando, FL 32822
Contractor E. O. Koch Construction Co., 1417 Swank Avenue, Sebring FL 33870 - Project 773
Reference Crushed Concrete Stockpile
Change Order No. 01

Description of Change:

The purpose of the change is to add a dedicated haul route approximately 1,300' long x 12' wide. The haul route would be comprised of 6" shell rock/aggregate material, placed and compacted. The addition of the haul route will eliminate truck traffic on the newly paved Haywood Taylor Blvd. In addition, the location of the haul route will provide a more direct access to the project area, while minimizing operational impacts to the FBO.

The change order also includes the change from limerock base and subbase course (P-211) to recycled crushed concrete base and subbase course (P-219). SAA has allowed the contractor to use an on-site stockpile of material that meets the P-219 specification.

ADJUSTED CALENDAR DAYS CONTRACT TIME

Original: 230 Calendar Days
Previous Change Orders: 0 Calendar Days
This C.O.: 0 Calendar Days
Total: 230 Calendar Days
Original Date/Completion: August 7, 2023
Revised Date/Completion: August 7, 2023

Itemized Breakdown

Item No.	Item Description	Unit	Original Quantity	Quantity Change	Unit Price	Change Order Cost
C-105-3	Construction of Haul Route	LS	0	1	\$18,610.00	\$18,610.00
P-211-1	Limerock Base Course	SY	5000	(5000)	\$13.80	(\$69,000.00)
P-219-1	Recycled Crushed Concrete	SY	0	13000	\$8.64	\$112,320.00
P-154-1	Subbase Course	SY	5000	(5000)	10.04	(\$50,200.00)
P-154-2	Stablized Shoulders	SY	3000	(3000)	12.50	(\$37,500.00)

Item No.	Item Description	Unit	Original Quantity	Quantity Change	Unit Price	Change Order Cost
----------	------------------	------	-------------------	-----------------	------------	-------------------

Total Change: **(\$25,770.00)**

Original Total Contract Price:	\$ 1,895,277.00
Approved Additions or Deletions to Contract to Date:	\$ -
Approved Revised Contract Amount to Date:	\$ 1,895,277.00
Amount of this Change Order:	(\$ 25,770.00)
Revised Total Contract Price:	\$ 1,869,507.00
Percentage this Change of Original Contract Price:	-1.36%

Sincerely,



Aaron Nadaskay



Sebring Airport Authority
 Sebring Regional Airport
 128 Authority Lane
 Sebring, FL 33870

CHANGE ORDER NO. 01

Owner: Sebring Airport Authority
Owner's Authorized Agent: AVCON, INC.
Owner's Agent's Address: 5555 E. Michigan Street, Suite 200, Orlando, FL 32822
Change Order No.: 01
Project No.: FAA AIP No. 3-12-0072-029-2021
Contractor: E.O. Koch Construction Co.
Address of Contractor: P.O. Box 1965, Sebring, FL 33871-1965
Contract Description: Taxiway A4 Realignment
Contract Date: 8/16/22; NTP: 3/20/23

NO WORK COVERED BY THIS CHANGE ORDER MAY PROCEED UNTIL CONTRACTOR IS IN RECEIPT OF A COPY EXECUTED BY THE OWNER, ENGINEER, FDOT AND THE CONTRACTOR. IF CONTRACTOR IS IN AGREEMENT WITH THIS CHANGE, CONTRACTOR SHOULD EXECUTE AND RETURN ALL COPIES TO THE OWNER WITHIN SEVEN (7) CALENDAR DAYS. THIS CHANGE WILL INCREASE OR DECREASE THE CONTRACT AMOUNT AND TIME TO COMPLETE THE PROJECT BY THE AMOUNT(S) SHOWN BELOW. THE GENERAL, SUPPLEMENTARY AND OTHER CONDITIONS OF THE CONTRACT SHALL APPLY TO THIS CHANGE ORDER UNLESS EXPRESSLY MODIFIED BY THIS CHANGE ORDER.

DESCRIPTION OF CHANGE

The purpose of the change is to add a dedicated haul route approximately 1,300' long x 12' wide. The haul route would be comprised of 6" shell rock/aggregate material, placed and compacted. The addition of the haul route will eliminate truck traffic on the newly paved Haywood Taylor Blvd. In addition, the location of the haul route will provide a more direct access to the project area, while minimizing operational impacts to the FBO.

The change order also include the change from limerock base course (P-211) to recycled crushed concrete base course (P-219) and the use of P=219 in lieu of subgrade stabilization. SAA has allowed the contractor to use an on-site stockpile of material that meets the P-219 specification.

ADJUSTED CALENDAR DAYS CONTRACT TIME

Original: 230 Calendar Days
Previous Change Orders: 0 Calendar Days
This C.O.: 0 Calendar Days
Total: 230 Calendar Days
Original Date/Completion: August 7, 2023
Revised Date/Completion: August 7, 2023



Itemized Breakdown

Item No.	Item Description	Unit	Original Quantity	Quantity Change	Unit Price	Change Order Cost
C-105-3	Construction of Haul Route	LS	0	1	\$18,610.00	\$18,610.00
P-211-1	Limerock Base Course	SY	5000	(5000)	\$13.80	(\$69,000.00)
P-219-1	Recycled Crushed Concrete	SY	0	13000	\$8.64	\$112,3020.00
P-154-1	Subbase Course	SY	5000	(5000)	\$10.04	(\$50,200.00)
P-154-2	Stabilized Shoulders	SY	5000	(5000)	\$12.50	(\$37,500.00)

Total Change: **(\$25,770.00)**

Original Total Contract Price:	\$ 1,895,277.00
Approved Additions or Deletions to Contract to Date:	\$ -
Approved Revised Contract Amount to Date:	\$ 1,895,277.00
Amount of this Change Order:	(\$ 25,770.00)
Revised Total Contract Price:	\$ 1,869,507.00
Percentage this Change of Original Contract Price:	-1.36%



CONTRACTOR ACKNOWLEDGES, BY ITS EXECUTION AND ACCEPTANCE OF THIS CHANGE ORDER, THAT THE ADJUSTMENTS IN CONTRACT PRICE AND TIME SHOWN HEREON CONSTITUTE FULL AND COMPLETE COMPENSATION AND SATISFACTION FOR ALL COSTS AND MODIFICATIONS OF PERFORMANCE TIME INCURRED BY THE CONTRACTOR AS A RESULT OF THIS CHANGE ORDER. NO OTHER CLAIM FOR INCREASED COST OF PERFORMANCE OR MODIFICATIONS OF TIME WILL BE GRANTED BY THE OWNER FOR THE WORK COVERED BY THIS CHANGE ORDER. THE CONTRACTOR HEREBY WAIVES AND RELEASES ANY FURTHER CLAIMS FOR COST OR TIME AGAINST THE OWNER ARISING FROM OR RELATING TO THE MATTERS OR WORK SET FORTH OR CONTEMPLATED BY THIS CHANGE ORDER.

CONTRACTOR'S
ACCEPTANCE:

Edward O. Key

ATTEST:

U. Cross-Smith

DATE: 4-17-23

TITLE: PRESIDENT

RECOMMENDED FOR APPROVAL:

FOR AVCON, INC.:

Craig Smith

DATE: 4/14/23

TITLE: Project Manager

APPROVED: Sebring Airport Authority

BY:

[Signature]

DATE: 4/20/23

TITLE: Executive Director

FEDERAL AVIATION ADMINISTRATION – ORLANDO AIRPORTS DISTRICT OFFICE

BY: _____

DATE: _____

FLORIDA DEPARTMENT OF TRANSPORTATION – DISTRICT 1

BY: _____

DATE: _____

Attachments:

Sebring Airport Authority Agenda Item Summary

Meeting Date: April 20, 2023

Presenter: Mike Willingham

Agenda Item: DT Foods, Inc. – Lease Agreement

Background: DT Foods, Inc.'s current lease has expired and Staff now brings a new lease with the following terms:

Year 1: \$2000 per month

Year 2: CPI or 3% whichever is greater

Year 3: CPI or 5% whichever is greater

Options: two (2) additional one (1) year term. Each year will have mutually agreed lease amount.

Tenant To Pay:

Common Area Fee: \$250

Ad Valorem tax monthly

Requested Motion: Move to approve and authorize the Chairman or Vice Chairman and Secretary or Assistant Secretary to execute the same.

Board Action:

Approved _____

Denied _____

Tabled _____

**SEBRING AIRPORT AUTHORITY
RUNWAY CAFÉ COMMERCIAL LEASE**

THIS LEASE AGREEMENT is made and entered into this 20th day of April, 2023, by and between the **SEBRING AIRPORT AUTHORITY**, a body politic and corporate of the State of Florida (herein called "LANDLORD") and **DT FOODS, INC.**, a Florida corporation (herein called "TENANT").

WITNESSETH:

WHEREAS, LANDLORD is the owner of certain real property located at Sebring Regional Airport and Industrial Park in the County of Highlands, State of Florida; and, **WHEREAS**, LANDLORD has agreed to lease an area in the Sebring Airside Center known as the Runway Café restaurant to TENANT, subject to certain terms and conditions; and,

WHEREAS, TENANT wishes to lease said property from LANDLORD, **NOW THEREFORE**, in consideration of the premises, the covenants, terms and conditions to be performed as set forth hereinafter, the parties agree as follows:

1. **TERM**. The term of this Lease Agreement shall be for three (3) years commencing on March 1, 2023 and ending on February 28, 2026, unless extended or sooner terminated as herein provided.
2. **PROPERTY**. The property subject to this Agreement is the Runway Café restaurant premises in the Sebring Regional Airside Center at Sebring Regional Airport and Industrial Park as shown on Exhibit "A" attached hereto and the furniture, fixtures and equipment described on Exhibit "B" attached hereto (all herein called the "Premises"). The Lease includes the right of TENANT's patrons and employees to utilize the parking and restroom facilities in common with Airport personnel and the general public. LANDLORD reserves the right to designate where TENANT's employees shall park. TENANT shall be allowed to utilize the Service Corridor depicted as 307 on Exhibit "A", so long as TENANT's use does not restrict ingress or egress or emergency access to the Service Corridor.
3. **USE**. The Premises are to be used by TENANT for the sole purpose of a restaurant. TENANT will sell only high-quality food and will not sell any pre-packaged food for onsite or offsite consumption. TENANT will accept major credit cards, including Visa and Mastercard. TENANT will make no unlawful, improper, or offensive use of the Premises. TENANT acknowledges that All Airport Property is a NON-SMOKING area including outdoor patio.
4. **NO KEY HOLDING OR OTHER BAILMENT** TENANT recognizes that LANDLORD is not able to hold a key or other valuables for TENANT's guests or invitees. TENANT agrees not to leave or attempt to leave a key or other valuables with Airport Authority staff, the Fixed Base Operations staff members or security personnel.
5. **RUNWAY CAFÉ NAME**. The name "Runway Café" is the property of LANDLORD. TENANT shall utilize the Premises to operate the restaurant under a name which includes the term "Runway Café" or another name approved in advance by LANDLORD.

6. **ALCOHOLIC BEVERAGES.** TENANT may obtain an alcoholic beverage license for the Premises and thereafter shall comply with all requirements of the Division of Beverage and provide LANDLORD with proof of current Department of Business and Professional Regulation license. In that event, TENANT shall obtain liquor license insurance acceptable to LANDLORD, with LANDLORD named as an additional insured, and will provide LANDLORD with a certificate of insurance before any sales commence. Even if TENANT obtains a permit that would allow greater sales volume, TENANT agrees that alcohol sales will not exceed 49% of the gross sales of the restaurant and the alcohol sales will be incidental to food sales. The Premises will at all times be considered a restaurant and not a bar.

7. **RENT.** TENANT hereby agrees to pay rent to LANDLORD of \$2000.00 per month, together with a 5% fire/security charge, ad valorem tax, intangible tax and any sales or use taxes thereon, in advance, on or before the first day of each month during the term of this lease. Beginning May 1, 2024, the rent shall be adjusted upward in accordance with the following provision. LANDLORD shall compute the percentage of increase, if any, of the cost of living (based on the Consumer Price Index, "All Items", for all urban consumers published by the Bureau of Labor Statistics of the United States Department of Labor) during the preceding twelve (12) month period and the rent shall then be increased by that percentage or 3%, whichever is greater, to establish the rent for the succeeding twelve (12) months. Beginning May 1, 2025, the rent will be negotiated between TENANT and LANDLORD. the rent shall be adjusted upward in accordance with the following provision. LANDLORD shall compute the percentage of increase, if any, of the cost of living (based on the Consumer Price Index, "All Items", for all urban consumers published by the Bureau of Labor Statistics of the United States Department of Labor) during the preceding twelve (12) month period and the rent shall then be increased by that percentage or 5%, whichever is greater, to establish the rent for the succeeding twelve (12) months. At no time will the rent decrease.

8. **SHARING OF COSTS.** TENANT shall pay LANDLORD \$250.00 per month, in advance, as TENANT's prorata share of the upkeep and supplies for the common restrooms. These costs shall constitute additional rent hereunder.

9. **OPTION TO RENEW.** LANDLORD hereby grants to TENANT an option to renew this Lease for two additional one (1) year term, upon a mutually agreed rent negotiated between the TENANT and LANDLORD. Said option shall be exercised by TENANT's delivery of notice thereof to LANDLORD, in writing, not less than sixty (60) days prior to the end of the preceding term, if at all, and shall be effective only if TENANT is not in default under this Lease.

10. **LATE PAYMENTS.** Any payments remaining due and unpaid for a period of ten (10) days after the date due shall accrue a service charge equal to 1.5% of the amount of the delinquent payment, or \$100.00, whichever is greater, per month, from the date due until paid. The service charge shall constitute additional rent hereunder.

11. **RETURNED CHECKS.** Any check received by LANDLORD from TENANT that is returned as insufficient funds or worthless check shall incur a fee equal to 5% of the face value or \$35.00, whichever is greater. These fees shall constitute additional rent hereunder.

12. **EMERGENCY CONTACT.** TENANT shall provide LANDLORD with the name and telephone number of a contact person who shall be on call at all times to respond in case of any emergency.

13. RELOCATION AND EARLY TERMINATION. LANDLORD shall have the right to relocate TENANT, at LANDLORD's expense, to a mutually agreeable location within Sebring Regional Airport and Industrial Park if the Premises are needed by LANDLORD. LANDLORD shall give TENANT at least three (3) months notice of a proposed relocation, unless the parties agree in writing to a shorter term. Said relocation shall be evidenced by a written addendum to this Lease Agreement, executed by the parties. Should the parties not be able to agree on a new location, LANDLORD may terminate this lease thereafter upon three (3) months notice.

14. INSURANCE AND INDEMNITY. TENANT, at each authorized location, will at its own expense and at all times during the term of this Agreement, provide and maintain in effect those insurance policies and minimum limits of coverage as designed below, with companies licensed to do business in the state or country in which the Agreement is to be performed. Insurance will be written with carrier/carriers with a minimum rating of "A-, X" by A.M. Best Rating agency or equivalent agency. These minimum insurance requirements shall not be interpreted to in any way limit TENANT's defense and indemnity obligations:

A. Specifically recognize and insure the contractual liability assumed by TENANT under this Agreement;

B. Provide that TENANT's insurance shall be primary to and non-contributory with any and all insurance maintained by or afforded to LANDLORD and its affiliated and subsidiary companies, and their respective officers, directors, shareholders, employees and agents;

C. Provide that no cancellation or non-renewal will become effective except upon thirty (30) days prior written notice to LANDLORD except for non-payment of premium;

D. Specifically waive insurers' rights of subrogation against LANDLORD; and

E. Should TENANT's policies provide a limit of liability in excess of such Amounts, LANDLORD shall have the right of the benefit to the full extent of the coverage available.

LIABILITY INSURANCE. TENANT shall, at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the operations conducted on the leased Premises with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by LANDLORD, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. LANDLORD shall be listed as an additional insured on TENANT's policy or policies of commercial general liability insurance and TENANT shall provide LANDLORD with current Certificates of Insurance evidencing TENANT's compliance with this paragraph.

CERTIFICATE OF INSURANCE. Upon execution of this Agreement, TENANT must furnish a Certificate of Insurance to LANDLORD evidencing the insurance required herein, written or translated in English. From thereon, TENANT will furnish a valid Certificate of Insurance to LANDLORD annually at the address in the "Notices" clause of this Agreement.

TENANT'S LIABILITY NOT LIMITED. NOTWITHSTANDING THE PROVISIONS HEREIN, FOR PURPOSES OF THIS LEASE, TENANT ACKNOWLEDGES THAT ITS POTENTIAL LIABILITY IS NOT LIMITED TO THE AMOUNT OF LIABILITY INSURANCE COVERAGE IT MAINTAINS NOR TO THE

LIMITS REQUIRED HEREIN.

INVALIDATION OR CONFLICT WITH EXISTING INSURANCE POLICIES:

TENANT shall not do, permit or suffer to be done any act, matter, thing or failure to act in respect to the Premises that will a) invalidate or conflict with any insurance policies covering the Premises or any part thereof; or b) increase the rate of insurance on the Premises or any property located therein. If by reason of the failure of TENANT to comply with the provisions of this Lease, the insurance rate shall at any time be higher than it otherwise would be, then TENANT shall reimburse LANDLORD and any other tenants, on demand, for that part of all premiums for any insurance coverage that shall have been charged because of such actions by TENANT.

TENANT'S NEGLIGENCE. If the leased Premises or any other part of the building is damaged by fire or other casualty resulting from any act or negligence of TENANT or any of TENANT's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and TENANT shall be responsible for the costs of repair not covered by insurance.

INDEMNIFICATION. TENANT shall indemnify LANDLORD and hold LANDLORD harmless for any and all liability, claims, damages, expenses (including attorney's fees and costs for trial or appeal), proceedings and causes of action of every kind and nature arising out of or connected with the use, maintenance, operation or control of the Premises, including the parking lots, sidewalks and common areas shared by LANDLORD and TENANT, by TENANT, except as may arise out of conditions occurring or present prior to the commencement of this lease or caused by the misconduct or gross negligence of LANDLORD.

CONTENTS COVERAGE. TENANT is responsible for obtaining insurance coverage on the contents of the Premises at the level TENANT deems appropriate, if any at all. LANDLORD shall not be obligated to procure any insurance coverage for TENANT's furniture, equipment and fixtures.

ADDITIONAL INSURANCE. If checked below, LANDLORD requires the following additional types of insurance.

- Aircraft Liability Coverage.** Aircraft liability coverage, including Bodily Injury and Property Damage with liability limits of \$1,000,000 per occurrence and a \$100,000 per passenger sublimit.
- Pollution/Environmental Impairment Liability Coverage.** Pollution/environmental impairment liability insurance is to be purchased to cover pollution and/or environmental impairment which may arise from this agreement or contract.
- Business Auto Liability Coverage.** Business Auto Liability coverage is to include bodily injury and property damage arising out of ownership, maintenance or use of any auto, including owned, non-owned and hired automobiles. Limit: \$1,000,000 combined single limit for Bodily Injury and Property Damage.

15. RIGHT TO INSPECT. LANDLORD reserves the right of access to inspect the Premises and to take inventory of equipment, furniture and fixtures during normal business hours.

16. INVENTORY. TENANT shall provide an inventory of all equipment located on the Premises to LANDLORD by January 31 of each year.

17. ASSIGNMENT. TENANT shall not assign this lease or sublet the Premises, directly or indirectly, without the written consent of LANDLORD.

18. REMOVAL OF TENANT'S PERSONAL PROPERTY UPON TERMINATION.

The parties recognize that most of the furniture, fixtures and equipment located on the Premises is owned by LANDLORD. Upon termination of this Agreement, provided all monies due LANDLORD have been paid, TENANT shall have the right and responsibility to remove only its own personal property, which removal shall be accomplished no later than the termination date. Any replacement personal property for personal property of LANDLORD shall remain despite TENANT having paid for the same. TENANT agrees to repair any damage occasioned by reason of such removal or damage caused by TENANT's occupancy. In the event TENANT fails to remove its personal property or to repair any damage done to the Premises by the termination date, LANDLORD reserves the right to remove and store all such personal property left, at the risk and expense of TENANT, and to make repairs necessary to restore the Premises, with the cost of such repairs to be paid by TENANT.

19. ABANDONMENT OF PREMISES BY TENANT. In case TENANT shall abandon said Premises, or any part thereof, during the term of this Agreement, LANDLORD may, at its option, without notice, relet said Premises, or any part thereof, on such terms and for such rent as it may deem expedient or proper. Such reletting shall not operate as a waiver of any right whatsoever which LANDLORD would otherwise have to hold TENANT responsible for the rent. In case said Premises, or any part thereof, shall be relet, LANDLORD shall collect that rent and, after paying the expense of such reletting and collections, apply the remainder toward the rent due or to become due from TENANT.

20. FOOD SERVICES. As part of the consideration for LANDLORD entering into this lease, TENANT hereby agrees to keep the restaurant open at a minimum from 8:00 A.M. to 2:30 P.M. Monday through Friday, and 7:00 A.M. to 2:30 P.M. Saturday and Sunday. Upon thirty (30) days prior written notice to LANDLORD, TENANT may close the restaurant for a maximum of two weeks for vacation or renovations each year without violating this covenant. Failure to maintain this minimum requirement of scheduled service, without the written consent of LANDLORD, shall constitute an abandonment under paragraph 18 above.

21. ALTERATIONS. TENANT shall maintain the décor and make no additions or alterations in or to the Premises without the written consent of LANDLORD. TENANT shall reimburse LANDLORD for all costs of reviewing any proposals, including the fees of LANDLORD's engineers, if necessary. TENANT shall be responsible for the cost of any additions or alterations made by TENANT and shall protect and reimburse LANDLORD against possible mechanics', laborers' and materialmen's liens upon the Premises.

22. NO LIENS CREATED. TENANT has no power to incur any indebtedness giving a right to a lien of any kind or character upon the Premises. No third person shall be entitled to any lien against the Premises or any structure thereon, derived through or under TENANT. All persons contracting with TENANT, or furnishing materials or labor to TENANT, shall be bound by this provision. Should any such lien be filed, TENANT shall have the same discharged within sixty (60) days thereafter by paying the same or by filing a bond, or otherwise as permitted by law. TENANT is not the agent of LANDLORD so as to confer upon a laborer bestowing labor upon the leased property, or upon a materialman who furnishes material incorporated in the construction of improvements upon the leased property, a construction lien upon LANDLORD'S estate

under the provision of Chapter 713, Florida Statutes, or any subsequent revisions of that law.

23. SUBORDINATION. This Lease Agreement shall be subordinate to the provisions of any existing or future agreement between LANDLORD and the United States of America relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for development of Sebring Regional Airport. This lease and all provisions hereof are also subject and subordinate to the terms and conditions of the instruments and documents under which LANDLORD acquired the subject property from the City of Sebring and shall be given only such effect as will not conflict or be inconsistent with the term and conditions contained in the lease of said lands from LANDLORD, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by LANDLORD pertaining to the Sebring Regional Airport. Except to the extent required for the performance of the obligations of TENANT in this Lease Agreement, nothing contained in this Lease Agreement shall grant TENANT any rights whatsoever in the airspace above the Premises, other than those rights which are subject to Federal Aviation Administration orders, regulations or advisory circulars currently or subsequently effective.

24. NON-DISCRIMINATION. TENANT for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that:

- A. 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;
- B. 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 be otherwise subjected to discrimination;
- C. That Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968, and as said Regulations may be amended.

That in the event of a breach of any of the above nondiscrimination covenants, LANDLORD shall have the right to terminate the lease and to re-enter the Premises as if said lease had never been made or issued. This provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

25. MAINTENANCE AND REPAIRS. LANDLORD will be responsible for the maintenance of the walk-in cooler, structural elements and roof of the building on the Premises. TENANT will be responsible for the maintenance, repair, and upkeep of the balance of the Premises, including all equipment, and fixtures and pest and rodent control. Repairs or replacement, if deemed necessary by LANDLORD and TENANT, shall be made by TENANT in a timely manner. Should the TENANT elect to replace any existing kitchen equipment with their own kitchen equipment, TENANT shall not be

responsible for repair of replaced equipment. LANDLORD shall remove equipment being replaced in a timely manner. Should LANDLORD institute common area maintenance for the Sebring Regional Airport and Industrial Park, TENANT will pay TENANT's prorata share of the cost, based on TENANT's leased area.

26. EXCLUSIVE USE. This Agreement shall in no way convey the exclusive use of any part of the Airport, except the Premises, and shall not be construed as providing any special privilege for any public portion of the Airport, including the parking lots, sidewalks and common areas of the Terminal Building. LANDLORD reserves the right to lease to other parties any other portion of the Airport property for any purpose deemed suitable for the Airport by LANDLORD. LANDLORD agrees that it will not grant a future party an exclusive right to provide the services described in this Lease Agreement.

27. FUTURE AGREEMENTS OF THE AIRPORT. The terms and conditions hereof shall not be construed to prevent LANDLORD from making commitments to the Federal Government or to the State of Florida to qualify for the expenditure of State or Federal funds upon the Airport.

28. NOTICES. Whenever any notice is required or permitted by this Agreement to be given, such notice shall be by certified mail, overnight delivery or facsimile addressed to:

Don Aubrey, President
DT Foods, Inc.
2705 Queenswood Avenue
Sebring, FL 33870

Don.aubrey@kegel.net
863-581-0079

Terry Little terrylittle9394@icloud.com
863-381-8768

Executive Director
Sebring Airport Authority
128 Authority Lane
Sebring, FL 33870

Notice shall be considered given when deposited with the U.S. Postal Service or commercial carrier, postage prepaid, or when received by the other party if by facsimile. Each party will be responsible for notifying the other of any change in their address.

29. WAIVER OF BREACH. The waiver by LANDLORD or TENANT of any breach of the terms, covenants, or conditions herein contained shall not be deemed a waiver of any subsequent breach.

30. SEVERABILITY. It is the intention of both parties hereto that the provisions of this Lease Agreement shall be severable in respect to a declaration of invalidity of any provisions hereof.

31. ASSIGNS AND SUCCESSORS. Except as otherwise provided, the covenants and conditions herein shall be binding upon and inure to the benefit of the assigns and successors of the parties hereto.

32. LEASE RESTRICTIONS. TENANT hereby agrees to abide by all elements of the Sebring Airport Authority Code of Regulations, the Revised Code for Industrial Wastes and the Minimum Standards for Fixed-Base Operators as the same may be reasonably amended from time to time. Copies of these documents are posted on LANDLORD's website and the full text of each document shall be considered as a part of this lease as if fully stated herein and/or attached hereto.

33. CLEANLINESS AND SAFETY. TENANT agrees to keep the Premises in a clean,

safe and sanitary condition, and to abide by all reasonable safety and fire regulations prescribed by LANDLORD, which are communicated to TENANT in writing. TENANT shall provide LANDLORD with copies of all health, safety and equipment inspections performed during the term of this lease. Any repeat violation of any health or safety rule, law or regulation will constitute a default hereunder. TENANT shall at all times keep and maintain an adequate number of operating charged fire extinguishers in or on the Premises. TENANT will contract with a franchised solid waste hauler to dispose of solid waste, if notified to do so by LANDLORD.

34. DANGEROUS ACTIVITIES PROHIBITED. TENANT agrees not to do or allow anything to be done on the Premises which may injure or endanger persons on or about or adjacent to the Premises. TENANT hereby indemnifies and holds LANDLORD harmless from any claims because of injury to life, person or property by reason or anything done or permitted by TENANT, its agents, employees, guests, or invitees on or about or adjacent to the Premises.

35. AIRPORT FACILITIES. The parties understand and agree that LANDLORD shall continue to maintain, develop, improve, and control all the areas and facilities of the Airport and Industrial Park as may be from time to time determined by LANDLORD in its sole discretion. TENANT agrees not to use the Premises in any manner which may interfere with, or become a hazard to aircraft operations. TENANT agrees not to use and to prohibit its employees, guests and invitees from using the Airport aprons, ramps, taxiways, runways or related structures for any non-aviation purpose, including pedestrian and vehicular traffic, without LANDLORD'S written instructions.

36. AIRPORT PRIORITY. This lease is subject and subordinate to the present and future restrictions and regulations imposed by any governmental body or agency applicable to the Sebring Regional Airport, and further subordinate to existing or future agreements between LANDLORD and any branch or agency of the Government of the United States of America, or the State of Florida relative to development, operation, and maintenance of the Sebring Regional Airport or Industrial Park, (including Federal Aviation grant requirements).

37. RACES AND EVENTS. Airplane and motor vehicle competitions and events, and the training, practice and preparation therefor, and the testing of trucks, automobiles and all related items comprise a significant and growing industry at the Sebring International Raceway located at the Sebring Regional Airport and Commerce Park. This industry has in the past and will in the future result in occasional denial to the TENANT and others of unrestricted access to certain portions of the Sebring Regional Airport and Commerce Park, and may therefore inconvenience TENANT. LANDLORD will render its best efforts to limit adverse impacts on the TENANT from these activities. Such inconveniences shall not be a default under this Lease. TENANT also acknowledges that the tests, races, events, preparation, clean-up and other track use will produce significant noise which will not be a default under this Lease. LANDLORD reserves the right to designate the access road or roads to be used by TENANT during these events.

38. CONSTRUCTION ACTIVITY. TENANT understands that construction activity will take place around the Premises from time to time, which may adversely affect TENANT's business. Such disruption shall not be a default under this lease.

39. AIRPORT PROTECTION. The following shall be conditions of this lease:

A. LANDLORD reserves unto itself, its successors and assigns, for the use

and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, 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 said airspace, and for use of said airspace for landing or taking off from or operating on the airport.

- B. TENANT expressly agrees for itself, its successors and assigns, to restrict the height of objects or natural growth and other obstructions on the Premises to such a height so as to comply with Federal Aviation Regulations, Part 77.
- C. TENANT expressly agrees for itself, its successor and assigns, to prevent any use of the Premises which would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

40. STATE AND FEDERAL GOVERNMENT. The parties specifically understand and agree that some of the improvements within the Sebring Regional Airport are funded in whole or in part by grants from the USDA Rural Development and other agencies of the State and Federal Government. TENANT agrees to comply with all state and federal laws and rules upon which the grants are conditioned, particularly those pertaining to employment.

41. ENVIRONMENTAL MATTERS. TENANT covenants and agrees to discharge only domestic waste into LANDLORD's sewer system. TENANT will not allow any hazardous substances including without limitation, any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances and all other materials defined by or regulated under any Environmental Law, including those defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9604 (14), pollutants or contaminants as defined in CERCLA, 42 U.S.C. § 9604 (A) (2), or hazardous waste as defined in the Resources Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6903 (5), or other similar applicable Federal or State Laws or regulations, to be generated, released, stored, or deposited over, beneath, or on the Premises or on any structures located on the Premises from any source whatsoever. TENANT further covenants to hold LANDLORD harmless from all claims, demands, damages, fines, costs, cleanup, attorney's fees, and court costs arising from TENANT'S discharge (either intentional or accidental) of such matters to the soil, air, water, or waste water treatment facility. LANDLORD hereby agrees to hold TENANT harmless from all claims, demands, damages, fines, costs, cleanup, attorney's fees, and court costs arising from any discharge of such matters occurring prior to the term of this Lease.

42. RADON GAS. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit. Pursuant to §404.056(8), Florida Statutes.

43. STORM WATER POLLUTION PREVENTION PLAN. TENANT hereby agrees to abide by all rules and regulations established by LANDLORD or any state, county, or

federal agency in regard to storm water pollution prevention. The stormwater pollution prevention plan is a major mechanism to comply with the National Pollution Discharge Elimination System (NPDES) Multi-Sector Generic Permit (MSGP) for stormwater discharge associated with industrial activities. The NPDES MSGP is administered by Florida Department of Environmental Protection (FDEP) and is defined in Rule 62-621.100 *et seq.*, F.A.C.

- 44. DEFAULT.** The occurrence of one or more of the following shall be an event of default by TENANT:
- A.** Failure of TENANT to make any payment required by this Lease when due, and the failure continues for three (3) days after written Notice of Default from LANDLORD to TENANT;
 - B.** An initial failure of TENANT to comply with any obligation imposed upon TENANT by this Lease, other than the obligation to pay money, within thirty (30) days after written Notice of Default from LANDLORD to TENANT. Should the obligation be such that it cannot reasonably be corrected within thirty (30) days, TENANT shall not be in default so long as TENANT is diligently proceeding to comply and the noncompliance does not continue for over ninety (90) days after Notice of Default. A subsequent failure of TENANT to comply with the same obligation shall be a default without any grace period;
 - C.** Proceedings under the Bankruptcy Act for bankruptcy filed by or against TENANT or any guarantor of TENANT's performance hereunder and not dismissed within thirty (30) days after the filing;
 - D.** An assignment of TENANT's property for the benefit of creditors;
 - E.** A receiver, conservator, or similar officer is appointed by a court of competent jurisdiction to take charge of all or a substantial part of TENANT's or any guarantor's property, and the officer is not discharged and possession of the property is not restored within thirty (30) days;
 - F.** TENANT's interest in the Premises or under this Lease is the subject of a taking or levy under execution, attachment, or other process of law and the action is not canceled or discharged within thirty (30) days after its occurrence;
 - G.** TENANT defaults under any other lease or agreement with LANDLORD.
- 45. LANDLORD'S REMEDIES.** If any event of default occurs and has not been cured within the time period provided in this Lease, LANDLORD may immediately or at any time thereafter do one or more of the following:
- A.** Remove any of TENANT's personal property from the Premises and store the same elsewhere at TENANT's expense without relieving TENANT from any liability or obligation;
 - B.** Make the Premises available to another party without liability to TENANT and without relieving TENANT from any liability or obligation to LANDLORD;
 - C.** Bring an action then or thereafter against TENANT to recover the amount of any payment owing by TENANT to LANDLORD as the same is due,

becomes due, or accumulates;

- D. Accelerate the rental to be paid over the entire term of this Lease and bring then or thereafter an action for said rental and all other amounts due and owing by TENANT to LANDLORD;
- E. Terminate this Lease by giving TENANT written notice thereof, without relieving TENANT from any obligation or liability for payments theretofore or thereafter becoming due or any other present or prospective damages or sums due or provided by law or this Lease and resulting from TENANT's default;
- F. Terminate this Lease, relieving TENANT of any liability or obligation for any payments then or thereafter becoming due;
- G. Exercise any combination of the above or any other remedy provided by law.

46. ATTORNEYS' FEES AND COSTS. In any action brought by either party for the interpretation or enforcement of the obligations of the other party including LANDLORD's right to indemnification, the prevailing party shall be entitled to recover from the losing party all reasonable attorney's fees, paralegal fees, court and other costs, whether incurred before or during litigation, on appeal, in bankruptcy or in post judgment collections.

47. AMENDMENT. No amendment, modification, or alteration of the terms hereof shall be binding unless the same is in writing, dated subsequent to the date hereof, and duly executed by each party.

48. UTILITIES AND SERVICES. LANDLORD will not be obligated to pay any charges for any telephone service, gas, electricity, water or other utility service or commodity procured or consumed by TENANT. TENANT shall be solely responsible for such charges and, if LANDLORD shall pay those on behalf of TENANT, the amount of such charges shall be considered additional rent hereunder.

49. SUITABILITY OF PREMISES. TENANT acknowledges having examined the Premises thoroughly before entering into this Lease and acknowledges the suitability of the Premises for TENANT's proposed use. TENANT does not rely upon any representations by LANDLORD as to the Premises' suitability for TENANT's purposes.

50. SIGNAGE. All interior and exterior signage on the Premises must be approved by LANDLORD as to style, location, content and construction before installation, which approval may be withheld for any reason or no reason at all. In the event that LANDLORD installs a master sign showing the location of LANDLORD's tenants, TENANT will pay TENANT's prorata share of the cost of maintenance of that sign, based on TENANT's leased area at the Sebring Regional Airport and Industrial Park.

51. PROVISIONS OF LAW DEEMED INSERTED. Each and every provision of law and clause required by law to be inserted in this agreement shall be deemed to be inserted herein and the lease shall be read and enforced as though it were included, and if, through mistake or otherwise, any such provision is not inserted, or is not correctly inserted, then upon application of either party, the lease shall forthwith be physically amended to make such insertion or correction.


52. GOVERNING LAW. This agreement will be governed by and construed in accordance with the laws of the State of Florida and the parties agree to submit to the jurisdiction of the Tenth Judicial Circuit, in and for Highlands County, Florida.


53. TIME. Time is of the essence of this agreement.

54. **MULTIPLE ORIGINALS.** This agreement is executed in multiple copies, each copy of which shall be deemed an original. Recording is strictly prohibited and shall be an event of default.

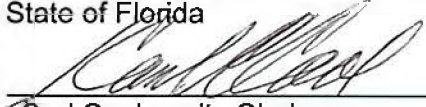
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals.


WITNESSES:


Printed Name: Beverly K. Glarner


Printed Name: Jason M. Ali

LANDLORD: SEBRING AIRPORT AUTHORITY, a body politic and corporate of the State of Florida

By: 
 Carl Cool, as its Chair or
 Mark Andrews, as its Vice Chair

Attest: 
 Brent Fern, as its Secretary
 Stanley H. Wells, as its Asst. Secretary

(seal)

WITNESSES:

Printed Name: _____

Printed Name: _____

DT FOODS, INC., a Florida corporation

By: _____
Don Aubrey, as its President

(Corporate Seal)

Exhibits Attached:

- A. Map/Real Property Description
- B. Personal Property

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals.

WITNESSES:

Printed Name: _____

Printed Name: _____

**LANDLORD: SEBRING AIRPORT
AUTHORITY**, a body politic and corporate of
the State of Florida

By: _____

- Carl Cool, as its Chair or
- Mark Andrews, as its Vice Chair

Attest: _____

- Brent Fern, as its Secretary
- Stanley H. Wells, as its Asst. Secretary

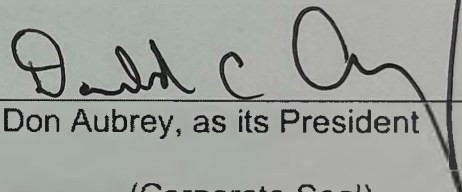
(seal)

WITNESSES:

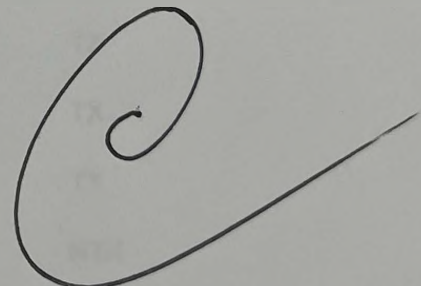
Printed Name: _____

Printed Name: _____

DT FOODS, INC., a Florida corporation

By:  _____
Don Aubrey, as its President

(Corporate Seal)



Exhibits Attached:

- A. Map/Real Property Description
- B. Personal Property

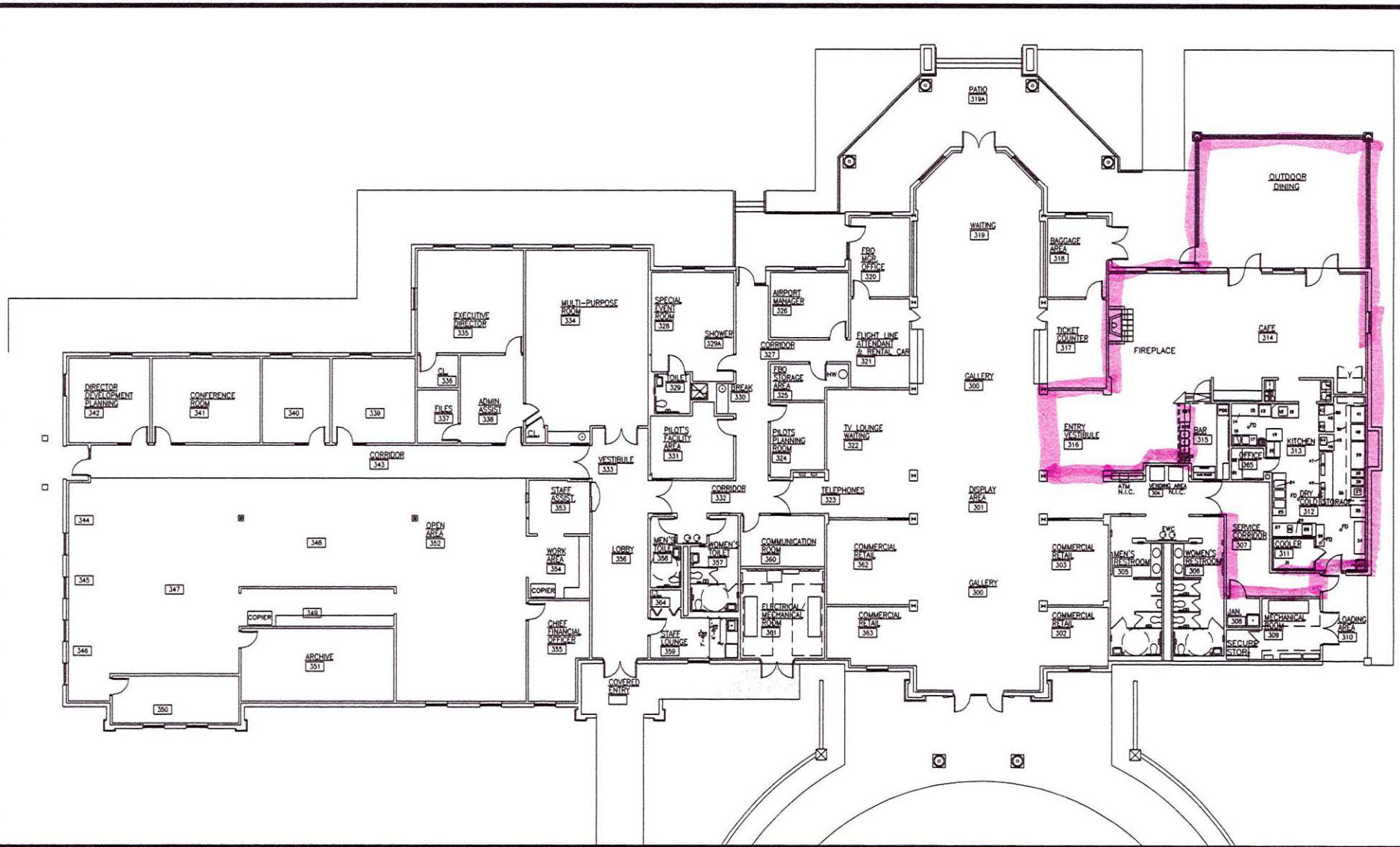


Exhibit A



ATKINS
482 South Keller Road | Tel. (407) 847-7275
Orlando, FL 32810 | Fax (407) 806-4500
www.atkinsglobal.com/northamerica

SEBRING REGIONAL AIRPORT
Sebring, Florida

TERMINAL BUILDING FLOOR PLAN

July 2013

RUNWAY CAFÉ INVENTORY

EXHIBIT "B"

ITEM/DESCRIPTION	LOCATION	10/9/2014
23" TV WITH WALL MOUNT	DINING ROOM/BAR	2
BASKETS - APPERTIZER (BROWN)	KITCHEN	65
BASKETS - HAMBURGER PLASTIC - OVAL	KITCHEN	48
BASKETS - HAMBURGER PLASTIC - SQUARE	KITCHEN	48
BASKETS - LARGE HANGURGER PLASTIC - OVAL	BACK STORAGE	45
BASTER	KITCHEN	1
BEER MUGS	BAR	36
BOWL - MONKEY BOWLS	KITCHEN	34
BOWL - SALAD BOWLS - LARGE (PLATE LIKE)	KITCHEN	42
BOWLS - ICE CREAM BOWLS W/FEET	BACK STORAGE	5
BOWLS - SALAD BOWLS - SMALL	KITCHEN	21
BUS TUBS	KITCHEN	4
CART - INDUSTRIAL FLAT BED	BACK STORAGE	1
CART - RUBBERMAID BUS CART	KITCHEN	1
CHILD CHAIR	DINING ROOM/BAR	2
CLEAR PITCHERS	KITCHEN	8
COFFEE - BROWN CARAFE	KITCHEN	1
COFFEE - WHITE CARAFE	KITCHEN	2
COFFEE CREAMERS	KITCHEN	1
COFFEE CUP SAUCERS	KITCHEN	137
COFFEE CUPS	KITCHEN	42
CUTTING BOARDS - WHITE	KITCHEN	5
EQUIP - COMMERICAL TOASTER	KITCHEN	1
EQUIP - DEEP FRYERS - 40 PD.	KITCHEN	3
EQUIP - DOUBLE HOT PLATE	KITCHEN	1
EQUIP - FOOD WARMERS	KITCHEN	3
EQUIP - GRIDDLE 60" OVEN RANGE IMPERIAL WITH 4 BURNER STOV	KITCHEN	1
EQUIP - HEAT LAMP - STAND ALONE	KITCHEN	1
EQUIP - MEAT SLICER	KITCHEN	1
EQUIP - MEAT TENDERIZER	KITCHEN	1
EQUIP - MICROWAVE	KITCHEN	1
EQUIP - SCOTMAN ICE MACHINE	KITCHEN	1
EQUIP - SHARPENER	KITCHEN	1
EQUIP - SMALL BAR REFRIGERATOR	DINING ROOM/BAR	1
EQUIP - SOUP WARMING STATION (2 POT)	KITCHEN	1
EQUIP - TRUE FOOD 2 DOOR REACH IN REFRIGERTOR	KITCHEN	1
EQUIP - TRUE FOOD 3 DOOR REACH IN FREEZER	KITCHEN	1
EQUIP - WHITE FULL SIZE	BAR	1
EQUIP - WHITE FULL SIZE UPRIGHT FREEZER WHITE	BACK STORAGE	1
FUNNELS	KITCHEN	2
GLASSES - CLEAR GLASSES	DINING ROOM/BAR	96
GLASSES - CLEAR PLASTIC GLASSES - SMALL	KITCHEN	24
GLASSES - DESSERT SHOT GLASSES	KITCHEN	8

RUNWAY CAFÉ INVENTORY

ITEM/DESCRIPTION	LOCATION	10/9/2014
GLASSES - RED PLASTIC DRINKING	BAR	82
GLASSES - WINE GLASSES - SHORT STEM	BAR	24
ICE CREAM CUPS	KITCHEN	13
IGLOO COOLERS	KITCHEN	5
JELLY HOLDERS	KITCHEN	6
KETCUP BOTTLES - RED PLASTIC	DINING ROOM	26
MEAT WEIGHER	KITCHEN	1
MUSTARD BOTTLES - YELLOW PLASTIC	DINING ROOM	11
OIL AND VINGAR SETS	KITCHEN	6
Oval Platters	KITCHEN	48
PAN - 1 WHOLE PAN - CLEAR	KITCHEN	3
PAN - 1/2 PAN - BLACK	KITCHEN	3
PAN - 1/2 PAN - BLACK DEEP	KITCHEN	4
PAN - 1/2 PAN - CLEAR	KITCHEN	15
PAN - 1/4 PAN - BLACK	KITCHEN	10
PAN - 1/4 PAN - CLEAR	KITCHEN	35
PAN - 4" 1/4 PANS	KITCHEN	3
PAN - DEEP 8" 1/4 PANS	KITCHEN	11
PAN - SAUCE PANS	KITCHEN	4
PAN - SHEET PAN - FULL PLASTIC	KITCHEN	1
PANS - FULL SHEET PANS	KITCHEN	8
PANS - STAINLESS STEEL FULL SIZE 2"	KITCHEN	5
PANS - STAINLESS STEEL FULL SIZE 4"	KITCHEN	3
PANS - STAINLESS STEEL 1/2 SIZE 2"	KITCHEN	10
PANS - STAINLESS STEEL 1/2 SIZE 4"	KITCHEN	4
PANS - STAINLESS STEEL FULL SIZE STRAINER	KITCHEN	1
PLASTIC BRUSH	KITCHEN	0
PLATES - BREAD/BUTTER PLATES	KITCHEN	51
PLATES - LARGE DINNER	KITCHEN	85
PLATES - OBLONG	KITCHEN	29
POT - SILVER 16" -4 COMPARTMENT PASTA POT	KITCHEN	1
POTS - METAL LIDS	KITCHEN	3
POTS - SOUP SILVER	KITCHEN	4
POTS - STOCK	KITCHEN	5
RACK - 4 SHELVE WIRE SHELVING	BACK STORAGE	4
RACK - BREAD	BACK STORAGE	1
RACK - CAN	BACK STORAGE	1
RACK - WALK IN COOLER SHELVING	KITCHEN	12
SALT AND PEPPER SHAKERS	KITCHEN	98
SERVER TRAY FOLDING HOLDERS	BACK STORAGE	3
SERVING TRAYS	DINING ROOM/BAR	5
SILVERWARE - FORKS	DINING ROOM/BAR	381
SILVERWARE - ICE SCOOP	DINING ROOM/BAR	1

RUNWAY CAFÉ INVENTORY

ITEM/DESCRIPTION	LOCATION	10/9/2014
SILVERWARE - ICED TEA SPOONS	DINING ROOM/BAR	115
SILVERWARE - KNIVES - ASSORTED	KITCHEN	13
SILVERWARE - KNIVES (SILVERWARE)	KITCHEN	347
SILVERWARE - SCOOPS	KITCHEN	9
SILVERWARE - SILVERWARE SORTERS	KITCHEN	3
SILVERWARE - SPOONS	DINING ROOM/BAR	188
SINK - 3 BIN SINK	KITCHEN	1
SINK - 3 COMPARTMENT BAR	BAR	1
SINK - HAND WASH SINK	KITCHEN	1
SKILLET - BLACK NON STICK - 8"	KITCHEN	2
SKILLET - SILVER - 12"	KITCHEN	1
SKILLET - SILVER - 14"	KITCHEN	2
SKILLET - SILVER - 8"	KITCHEN	3
SMALL STRAINER	KITCHEN	1
SOUP CUPS	KITCHEN	25
SPOON - SLOTTED	KITCHEN	1
SPOONS	KITCHEN	15
STEAK KNIVES	KITCHEN	100
SUGAR HOLDERS	KITCHEN	29
SYRUP HOLDERS	BACK STORAGE	4
TABLE - 5 FT. PREP TABLE AND PLATE STORAGE	KITCHEN	missing
TABLE - PREP TABLE W/PLATE WARMERS(2) WITH SINK	KITCHEN	1
TABLE - STAINLESS STEEL WORK TABLES	KITCHEN	2
TABLE - STEAM TABLE WITH UPPER SHELF	KITCHEN	1
TABLE - UNIVERSAL DIRTY DISH TABLE	KITCHEN	1
TABLE - UNIVERSAL STAINLESS CLEAN DISH TABLE	KITCHEN	1
TELEPHONE	DINING ROOM/BAR	1
TRAY JACKS	KITCHEN	2
WAITRESS SERVING TRAYS (MULTI SIZES)	KITCHEN	7
WINE CARAFE	BAR	5
ADDITIONAL ITEMS TO INVENTORY		

Sebring Airport Authority Agenda Item Summary

Meeting Date: April 20, 2023

Presenter: Bob Swaine

Agenda Item: Sebring Raceway Garages, LLC – Contract/Restrictions

Background: Sebring Raceway Garages, LLC has delivered a proposed contract for it to purchase the Airport's real property located at 7330 and 7340 Haywood Taylor Blvd. The contract has multiple contingencies, including a financing contingency for the buyer, a contingency for the City to approve the sale, and a contingency for the buyer and the Airport to agree on a set of restrictions on the future use of the real property. With regard to the restrictions, one open item for discussion is whether the Airport will have the right after the sale to enforce the agreed restrictions on future owners of the property. If the Airport does not have the right to enforce the restrictions, future owners could agree to change the restrictions or to not enforce them.

Requested Motion: Move to approve and authorize the Chairman or Vice Chairman and Secretary or Assistant Secretary to execute the same.

Board Action:

Approved	<u> X </u>
Denied	<u> </u>
Tabled	<u> </u>

Vacant Land Contract

1* **1. Sale and Purchase ("Contract"):** SEBRING AIRPORT AUTHORITY ("Seller")
 2* and Sebring Raceway Garages LLC ("Buyer")
 3 (the "parties") agree to sell and buy on the terms and conditions specified below the property ("Property")
 4 described as:
 5* Address: 7330 AND 7340 HAYWOOD TAYLOR BLVD SEBRING FL 33876
 6* Legal Description: SPRING LAKE VILLAGE IV PB 9 PG 75 PARCEL C LESS COMMERCIAL PORTION 4 16.52
 7 ACRES; A TRACT OF LAND BEING 100 FT X 275 FT IN PARCEL C KNOWN AS COMMERCIAL PORTION 4
 8 LESS RD R/W
 9 C-15-35-30-040-P0C0-C000; C-15-35-30-040-P0C0-C040

10
 11* SEC /TWP / /RNG of HIGHLANDS County, Florida. Real Property ID No.: C-15-35-30-040-P0C0-C00
 12* including all improvements existing on the Property and the following additional property: C-15-35-30-040-P0C0-
 13 C040

14* **2. Purchase Price:** (U.S. currency) \$ 325,000.00
 15 All deposits will be made payable to "Escrow Agent" named below and held in escrow by:
 16* Escrow Agent's Name: _____
 17* Escrow Agent's Contact Person: _____
 18* Escrow Agent's Address: _____
 19* Escrow Agent's Phone: _____
 20* Escrow Agent's Email: _____

- 21 (a) Initial deposit (\$0 if left blank) (Check if applicable)
 22* accompanies offer
 23* will be delivered to Escrow Agent within 3 days (3 days if left blank)
 24* after Effective Date \$ 5,000.00
 25 (b) Additional deposit will be delivered to Escrow Agent (Check if applicable)
 26* within _____ days (10 days if left blank) after Effective Date
 27* within _____ days (3 days if left blank) after expiration of Due Diligence Period \$ _____
 28* (c) Total Financing (see Paragraph 6) (express as a dollar amount or percentage) 80%
 29* (d) Other: _____ \$ _____
 30 (e) Balance to close (not including Buyer's closing costs, prepaid items, and prorations)
 31* to be paid at closing by wire transfer or other Collected funds \$ 60,000.00
 32* (f) (Complete only if purchase price will be determined based on a per unit cost instead of a fixed price.) The
 33* unit used to determine the purchase price is lot acre square foot other (specify): _____
 34* prorating areas of less than a full unit. The purchase price will be \$ _____ per unit based on a
 35 calculation of total area of the Property as certified to Seller and Buyer by a Florida licensed surveyor in
 36 accordance with Paragraph 8(c). The following rights of way and other areas will be excluded from the
 37* calculation: _____

38 **3. Time for Acceptance; Effective Date:** Unless this offer is signed by Seller and Buyer and an executed copy
 39* delivered to all parties on or before April 25, 2023, this offer will be withdrawn and Buyer's deposit, if
 40 any, will be returned. The time for acceptance of any counter-offer will be 3 days after the date the counter-offer is
 41 delivered. **The "Effective Date" of this Contract is the date on which the last one of the Seller and Buyer**
 42 **has signed or initialed and delivered this offer or the final counter-offer.**

43* **4. Closing Date:** This transaction will close on August, 25 2023 ("Closing Date"), unless specifically
 44 extended by other provisions of this Contract. The Closing Date will prevail over all other time periods including,
 45 but not limited to, Financing and Due Diligence periods. However, if the Closing Date occurs on a Saturday,
 46 Sunday, or national legal holiday, it will extend to 5:00 p.m. (where the Property is located) of the next business
 47 day. In the event insurance underwriting is suspended on Closing Date and Buyer is unable to obtain property
 48 insurance, Buyer may postpone closing for up to 5 days after the insurance underwriting suspension is lifted. If
 49 this transaction does not close for any reason, Buyer will immediately return all Seller provided documents and
 50 other items.

51 **5. Extension of Closing Date:** If Paragraph 6(b) is checked and Closing Funds from Buyer's lender(s) are not
 52 available on Closing Date due to Consumer Financial Protection Bureau Closing Disclosure delivery requirements

Buyer (____) (____) and Seller (____) (____) acknowledge receipt of a copy of this page, which is 1 of 8 pages.

53 ("CFPB Requirements"), if applicable, then Closing Date shall be extended for such period necessary to satisfy
54 CFPB Requirements, provided such period shall not exceed 10 days.

55 **6. Financing: (Check as applicable)**

56* (a) Buyer will pay cash for the Property with no financing contingency.
57* (b) This Contract is contingent on Buyer qualifying for and obtaining the commitment(s) or approval(s)
58* specified below ("Financing") within _____ days after Effective Date (Closing Date or 30 days after Effective
59* Date, whichever occurs first, if left blank) ("Financing Period"). Buyer will apply for Financing within _____
60 days after Effective Date (5 days if left blank) and will timely provide any and all credit, employment, financial,
61 and other information required by the lender. If Buyer, after using diligence and good faith, cannot obtain the
62 Financing within the Financing Period, either party may terminate this Contract and Buyer's deposit(s) will be
63 returned.

64* (1) **New Financing:** Buyer will secure a commitment for new third party financing for \$ _____
65* or _____% of the purchase price at (Check one) a fixed rate not exceeding _____% an
66* adjustable interest rate not exceeding _____% at origination (a fixed rate at the prevailing interest rate
67 based on Buyer's creditworthiness if neither choice is selected). Buyer will keep Seller and Broker fully
68 informed of the loan application status and progress and authorizes the lender or mortgage broker to
69 disclose all such information to Seller and Broker.

70* (2) **Seller Financing:** Buyer will execute a first second purchase money note and mortgage to
71* Seller in the amount of \$ _____, bearing annual interest at _____% and payable as follows:

72* _____
73 The mortgage, note, and any security agreement will be in a form acceptable to Seller and will follow
74 forms generally accepted in the county where the Property is located; will provide for a late payment fee
75 and acceleration at the mortgagee's option if Buyer defaults; will give Buyer the right to prepay without
76 penalty all or part of the principal at any time(s) with interest only to date of payment; will be due on
77 conveyance or sale; will provide for release of contiguous parcels, if applicable; and will require Buyer to
78 keep liability insurance on the Property, with Seller as additional named insured. Buyer authorizes Seller
79 to obtain credit, employment, and other necessary information to determine creditworthiness for the
80 financing. Seller will, within 10 days after Effective Date, give Buyer written notice of whether or not Seller
81 will make the loan.

82* (3) **Mortgage Assumption:** Buyer will take title subject to and assume and pay existing first mortgage to

83* _____
84* LN# _____ in the approximate amount of \$ _____ currently payable at
85* \$ _____ per month, including principal, interest, taxes and insurance, and having a
86* fixed other (describe) _____
87* interest rate of _____% which will will not escalate upon assumption. Any variance in the mortgage
88 will be adjusted in the balance due at closing with no adjustment to purchase price. Buyer will purchase
89* Seller's escrow account dollar for dollar. If the interest rate upon transfer exceeds _____% or the
90* assumption/transfer fee exceeds \$ _____, either party may elect to pay the excess, failing
91 which this Contract will terminate; and Buyer's deposit(s) will be returned. If the lender disapproves
92 Buyer, this Contract will terminate; and Buyer's deposit(s) will be returned.

93* **7. Assignability: (Check one) Buyer** may assign and thereby be released from any further liability under this
94* Contract, may assign but not be released from liability under this Contract, or may not assign this Contract.

95* **8. Title: Seller** has the legal capacity to and will convey marketable title to the Property by statutory warranty
96* deed special warranty deed other (specify) _____, free of liens, easements,
97 and encumbrances of record or known to Seller, but subject to property taxes for the year of closing; covenants,
98 restrictions, and public utility easements of record; existing zoning and governmental regulations; and (list any
99* other matters to which title will be subject) _____,
100 provided there exists at closing no violation of the foregoing.

101 (a) **Title Evidence:** The party who pays for the owner's title insurance policy will select the closing agent and pay
102 for the title search, including tax and lien search (including municipal lien search) if performed, and all other
103 fees charged by closing agent. Seller will deliver to Buyer, at

104* (Check one) Seller's Buyer's expense and
105* (Check one) within _____ days after Effective Date at least _____ days before Closing Date,
106* (Check one)

107* (1) a title insurance commitment by a Florida licensed title insurer setting forth those matters to be
108 discharged by Seller at or before closing and, upon Buyer recording the deed, an owner's policy in the

Buyer (____) (____) and Seller (____) (____) acknowledge receipt of a copy of this page, which is 2 of 8 pages.

amount of the purchase price for fee simple title subject only to the exceptions stated above. If **Buyer** is paying for the owner's title insurance policy and **Seller** has an owner's policy, **Seller** will deliver a copy to **Buyer** within 15 days after Effective Date.

(2) an abstract of title, prepared or brought current by an existing abstract firm or certified as correct by an existing firm. However, if such an abstract is not available to **Seller**, then a prior owner's title policy acceptable to the proposed insurer as a base for reissuance of coverage may be used. The prior policy will include copies of all policy exceptions and an update in a format acceptable to **Buyer** from the policy effective date and certified to **Buyer** or **Buyer's** closing agent together with copies of all documents recited in the prior policy and in the update. If such an abstract or prior policy is not available to **Seller**, then (1) above will be the title evidence.

(b) **Title Examination:** After receipt of the title evidence, **Buyer** will, within _____ days (10 days if left blank) but no later than Closing Date, deliver written notice to **Seller** of title defects. Title will be deemed acceptable to **Buyer** if (i) **Buyer** fails to deliver proper notice of defects or (ii) **Buyer** delivers proper written notice and **Seller** cures the defects within _____ days (30 days if left blank) ("Cure Period") after receipt of the notice. If the defects are cured within the Cure Period, closing will occur within 10 days after receipt by **Buyer** of notice of such cure. **Seller** may elect not to cure defects if **Seller** reasonably believes any defect cannot be cured within the Cure Period. If the defects are not cured within the Cure Period, **Buyer** will have 10 days after receipt of notice of **Seller's** inability to cure the defects to elect whether to terminate this Contract or accept title subject to existing defects and close the transaction without reduction in purchase price.

(c) **Survey:** **Buyer** may, at **Buyer's** expense, have the Property surveyed and must deliver written notice to **Seller**, within 5 days after receiving survey but not later than 5 days before Closing Date, of any encroachments on the Property, encroachments by the Property's improvements on other lands, or deed restriction or zoning violations. Any such encroachment or violation will be treated in the same manner as a title defect and **Seller's** and **Buyer's** obligations will be determined in accordance with Paragraph 8(b).

(d) **Ingress and Egress:** **Seller** warrants that the Property presently has ingress and egress.

9. **Property Condition:** **Seller** will deliver the Property to **Buyer** at closing in its present "as is" condition, with conditions resulting from **Buyer's** Inspections and casualty damage, if any, excepted. **Seller** will not engage in or permit any activity that would materially alter the Property's condition without the **Buyer's** prior written consent.

(a) **Inspections: (Check (1) or (2))**

(1) **Due Diligence Period:** **Buyer** will, at **Buyer's** expense and within 90 days (30 days if left blank) ("Due Diligence Period") after Effective Date and in **Buyer's** sole and absolute discretion, determine whether the Property is suitable for **Buyer's** intended use. During the Due Diligence Period, **Buyer** may conduct a Phase 1 environmental assessment and any other tests, analyses, surveys, and investigations ("Inspections") that **Buyer** deems necessary to determine to **Buyer's** satisfaction the Property's engineering, architectural, and environmental properties; zoning and zoning restrictions; subdivision statutes; soil and grade; availability of access to public roads, water, and other utilities; consistency with local, state, and regional growth management plans; availability of permits, government approvals, and licenses; and other inspections that **Buyer** deems appropriate. If the Property must be rezoned, **Buyer** will obtain the rezoning from the appropriate government agencies. **Seller** will sign all documents **Buyer** is required to file in connection with development or rezoning approvals. **Seller** gives **Buyer**, its agents, contractors, and assigns, the right to enter the Property at any time during the Due Diligence Period for the purpose of conducting Inspections, provided, however, that **Buyer**, its agents, contractors, and assigns enter the Property and conduct Inspections at their own risk. **Buyer** will indemnify and hold **Seller** harmless from losses, damages, costs, claims, and expenses of any nature, including attorneys' fees, expenses, and liability incurred in application for rezoning or related proceedings, and from liability to any person, arising from the conduct of any and all Inspections or any work authorized by **Buyer**. **Buyer** will not engage in any activity that could result in a construction lien being filed against the Property without **Seller's** prior written consent. If this transaction does not close, **Buyer** will, at **Buyer's** expense, (i) repair all damages to the Property resulting from the Inspections and return the Property to the condition it was in before conducting the Inspections and (ii) release to **Seller** all reports and other work generated as a result of the Inspections.

Before expiration of the Due Diligence Period, **Buyer** must deliver written notice to **Seller** of **Buyer's** determination of whether or not the Property is acceptable. **Buyer's** failure to comply with this notice requirement will constitute acceptance of the Property as suitable for **Buyer's** intended use in its "as is" condition. If the Property is unacceptable to **Buyer** and written notice of this fact is timely delivered to **Seller**, this Contract will be deemed terminated, and **Buyer's** deposit(s) will be returned.

Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is 3 of 8 pages.

VAC-14x Rev 9/22

Serial# 072596-900166-5411152

©2022 Florida Realtors®

Form
Simplicity

- 165* (2) **No Due Diligence Period:** Buyer is satisfied that the Property is suitable for Buyer's purposes,
166 including being satisfied that either public sewerage and water are available to the Property or the
167 Property will be approved for the installation of a well and/or private sewerage disposal system and that
168 existing zoning and other pertinent regulations and restrictions, such as subdivision or deed restrictions,
169 concurrency, growth management, and environmental conditions, are acceptable to Buyer. This
170 Contract is not contingent on Buyer conducting any further investigations.
- 171 (b) **Government Regulations:** Changes in government regulations and levels of service which affect Buyer's
172 intended use of the Property will not be grounds for terminating this Contract if the Due Diligence Period has
173 expired or if Paragraph 9(a)(2) is selected.
- 174 (c) **Flood Zone:** Buyer is advised to verify by survey, with the lender, and with appropriate government agencies
175 which flood zone the Property is in, whether flood insurance is required, and what restrictions apply to
176 improving the Property and rebuilding in the event of casualty.
- 177 (d) **Coastal Construction Control Line ("CCCL"):** If any part of the Property lies seaward of the CCCL as
178 defined in Section 161.053, Florida Statutes, Seller will provide Buyer with an affidavit or survey as required
179 by law delineating the line's location on the Property, unless Buyer waives this requirement in writing. The
180 Property being purchased may be subject to coastal erosion and to federal, state, or local regulations that
181 govern coastal property, including delineation of the CCCL, rigid coastal protection structures, beach
182 nourishment, and the protection of marine turtles. Additional information can be obtained from the Florida
183 Department of Environmental Protection, including whether there are significant erosion conditions associated
184 with the shore line of the Property being purchased.
185* Buyer waives the right to receive a CCCL affidavit or survey.
- 186 **10. Closing Procedure; Costs:** Closing will take place in the county where the Property is located and may be
187 conducted by mail or electronic means. If title insurance insures Buyer for title defects arising between the title
188 binder effective date and recording of Buyer's deed, closing agent will disburse at closing the net sale proceeds to
189 Seller (in local cashier's check if Seller requests in writing at least 5 days before closing) and brokerage fees to
190 Broker as per Paragraph 21. In addition to other expenses provided in this Contract, Seller and Buyer will pay the
191 costs indicated below.
- 192 (a) **Seller Costs:**
193 Taxes on deed
194 Recording fees for documents needed to cure title
195 Title evidence (if applicable under Paragraph 8)
196 Estoppel Fee(s)
197* Other: _____
- 198 (b) **Buyer Costs:**
199 Taxes and recording fees on notes and mortgages
200 Recording fees on the deed and financing statements
201 Loan expenses
202 Title evidence (if applicable under Paragraph 8)
203 Lender's title policy at the simultaneous issue rate
204 Inspections
205 Survey
206 Insurance
207* Other: _____
- 208 (c) **Prorations:** The following items will be made current and prorated as of the day before Closing Date: real
209 estate taxes (including special benefit tax liens imposed by a CDD), interest, bonds, assessments, leases, and
210 other Property expenses and revenues. If taxes and assessments for the current year cannot be determined,
211 the previous year's rates will be used with adjustment for any exemptions.
- 212 (d) **Special Assessment by Public Body:** Regarding special assessments imposed by a public body, Seller will
213 pay (i) the full amount of liens that are certified, confirmed, and ratified before closing and (ii) the amount of the
214 last estimate of the assessment if an improvement is substantially completed as of Effective Date but has not
215 resulted in a lien before closing; and Buyer will pay all other amounts. If special assessments may be paid in
216* installments, Seller Buyer (Buyer if left blank) will pay installments due after closing. If Seller is
217 checked, Seller will pay the assessment in full before or at the time of closing. Public body does not include a
218 Homeowners' or Condominium Association.
- 219 (e) **PROPERTY TAX DISCLOSURE SUMMARY: BUYER SHOULD NOT RELY ON THE SELLER'S CURRENT**
220 **PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT BUYER MAY BE OBLIGATED TO**
221 **PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY**

Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is 4 of 8 pages.

222 IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER
223 PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE
224 COUNTY PROPERTY APPRAISER'S OFFICE FOR FURTHER INFORMATION.

225 (f) **Foreign Investment in Real Property Tax Act ("FIRPTA"):** If **Seller** is a "foreign person" as defined by
226 FIRPTA, **Seller** and **Buyer** will comply with FIRPTA, which may require **Seller** to provide additional cash at
227 closing.

228 (g) **1031 Exchange:** If either **Seller** or **Buyer** wish to enter into a like-kind exchange (either simultaneously with
229 closing or after) under Section 1031 of the Internal Revenue Code ("Exchange"), the other party will cooperate
230 in all reasonable respects to effectuate the Exchange including executing documents, provided, however, that
231 the cooperating party will incur no liability or cost related to the Exchange and that the closing will not be
232 contingent upon, extended, or delayed by the Exchange.

233 **11. Computation of Time:** Calendar days will be used when computing time periods, except time periods of 5 days
234 or less. Time periods of 5 days or less will be computed without including Saturday, Sunday, or national legal
235 holidays specified in 5 U.S.C. 6103(a). Other than time for acceptance and Effective Date as set forth in Paragraph
236 3, any time periods provided for or dates specified in this Contract, whether preprinted, handwritten, typewritten or
237 inserted herein, which shall end or occur on a Saturday, Sunday, or national legal holiday (see 5 U.S.C. 6103)
238 shall extend until 5:00 p.m. (where the Property is located) of the next business day. **Time is of the essence in**
239 **this Contract.**

240 **12. Risk of Loss; Eminent Domain:** If any portion of the Property is materially damaged by casualty before closing
241 or **Seller** negotiates with a governmental authority to transfer all or part of the Property in lieu of eminent domain
242 proceedings or an eminent domain proceeding is initiated, **Seller** will promptly inform **Buyer**. Either party may
243 terminate this Contract by written notice to the other within 10 days after **Buyer's** receipt of **Seller's** notification,
244 and **Buyer's** deposit(s) will be returned, failing which **Buyer** will close in accordance with this Contract and
245 receive all payments made by the governmental authority or insurance company, if any.

246 **13. Force Majeure:** **Seller** or **Buyer** will not be required to perform any obligation under this Contract or be liable to
247 each other for damages so long as the performance or non-performance of the obligation is delayed, caused, or
248 prevented by an act of God or force majeure. An "act of God or force majeure" is defined as hurricanes,
249 earthquakes, floods, fire, unusual transportation delays, wars, insurrections, and any other cause not reasonably
250 within the control of **Seller** or **Buyer** and which by the exercise of due diligence the non-performing party is unable
251 in whole or in part to prevent or overcome. All time periods, including Closing Date, will be extended for the period
252 that the act of God or force majeure is in place. However, in the event that such act of God or force majeure event
253 continues beyond 30 days, either party may terminate this Contract by delivering written notice to the other; and
254 **Buyer's** deposit(s) will be returned.

255 **14. Notices:** All notices will be in writing and delivered to the parties and Broker by mail, personal delivery, or
256 electronic means. **Buyer's failure to timely deliver written notice to Seller, when such notice is required by**
257 **this Contract, regarding any contingency will render that contingency null and void, and this Contract will**
258 **be construed as if the contingency did not exist. Any notice, document, or item delivered to or received by**
259 **an attorney or licensee (including a transactions broker) representing a party will be as effective as if**
260 **delivered to or received by that party.**

261 **15. Complete Agreement; Persons Bound:** This Contract is the entire agreement between **Seller** and **Buyer**.
262 **Except for brokerage agreements, no prior or present agreements will bind Seller, Buyer, or Broker unless**
263 **incorporated into this Contract.** Modifications of this Contract will not be binding unless in writing, signed or
264 initialed, and delivered by the party to be bound. Electronic signatures will be acceptable and binding. This
265 Contract, signatures, initials, documents referenced in this Contract, counterparts, and written modifications
266 communicated electronically or on paper will be acceptable for all purposes, including delivery, and will be binding.
267 Handwritten or typewritten terms inserted in or attached to this Contract prevail over preprinted terms. If any
268 provision of this Contract is or becomes invalid or unenforceable, all remaining provisions will continue to be fully
269 effective. **Seller** and **Buyer** will use diligence and good faith in performing all obligations under this Contract. This
270 Contract will not be recorded in any public record. The terms "**Seller**," "**Buyer**," and "**Broker**" may be singular or
271 plural. This Contract is binding on the heirs, administrators, executors, personal representatives, and assigns, if
272 permitted, of **Seller**, **Buyer**, and Broker.

273 **16. Default and Dispute Resolution:** This Contract will be construed under Florida law. This Paragraph will survive
274 closing or termination of this Contract.

275 (a) **Seller Default:** If **Seller** fails, neglects, or refuses to perform **Seller's** obligations under this Contract, **Buyer**
276 may elect to receive a return of **Buyer's** deposit(s) without thereby waiving any action for damages resulting

Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is 5 of 8 pages.

277 from Seller's breach and may seek to recover such damages or seek specific performance. Seller will also be
278 liable for the full amount of the brokerage fee.

279 (b) **Buyer Default:** If Buyer fails, neglects, or refuses to perform Buyer's obligations under this Contract,
280 including payment of deposit(s), within the time(s) specified, Seller may elect to recover and retain the
281 deposit(s), paid and agreed to be paid, for the account of Seller as agreed upon liquidated damages,
282 consideration for execution of this Contract, and in full settlement of any claims, whereupon Seller and Buyer
283 will be relieved from all further obligations under this Contract; or Seller, at Seller's option, may proceed in
284 equity to enforce Seller's rights under this Contract.

285 **17. Attorney's Fees; Costs:** In any litigation permitted by this Contract, the prevailing party shall be entitled to
286 recover from the non-prevailing party costs and fees, including reasonable attorney's fees, incurred in conducting
287 the litigation. This Paragraph 17 shall survive Closing or termination of this Contract.

288 **18. Escrow Agent; Closing Agent:** Seller and Buyer authorize Escrow Agent and closing agent (collectively
289 "Agent") to receive, deposit, and hold funds and other items in escrow and, subject to Collection, disburse them
290 upon proper authorization and in accordance with Florida law and the terms of this Contract, including disbursing
291 brokerage fees. "Collection" or "Collected" means any checks tendered or received have become actually and
292 finally collected and deposited in the account of Agent. The parties agree that Agent will not be liable to any person
293 for misdelivery of escrowed items to Seller or Buyer, unless the misdelivery is due to Agent's willful breach of this
294 Contract or gross negligence. If Agent interpleads the subject matter of the escrow, Agent will pay the filing fees
295 and costs from the deposit and will recover reasonable attorneys' fees and costs to be paid from the escrowed
296 funds or equivalent and charged and awarded as court costs in favor of the prevailing party.

297 **19. Professional Advice; Broker Liability:** Broker advises Seller and Buyer to verify all facts and representations
298 that are important to them and to consult an appropriate professional for legal advice (for example, interpreting this
299 Contract, determining the effect of laws on the Property and this transaction, status of title, foreign investor
300 reporting requirements, the effect of property lying partially or totally seaward of the CCCL, etc.) and for tax,
301 property condition, environmental, and other specialized advice. Buyer acknowledges that all representations
302 (oral, written, or otherwise) by Broker are based on Seller representations or public records. Buyer agrees to
303 rely solely on Seller, professional inspectors, and government agencies for verification of the Property
304 condition and facts that materially affect Property value. Seller and Buyer respectively will pay all costs and
305 expenses, including reasonable attorneys' fees at all levels, incurred by Broker and Broker's officers, directors,
306 agents, and employees in connection with or arising from Seller's or Buyer's misstatement or failure to perform
307 contractual obligations. Seller and Buyer hold harmless and release Broker and Broker's officers, directors,
308 agents, and employees from all liability for loss or damage based on (i) Seller's or Buyer's misstatement or
309 failure to perform contractual obligations; (ii) the use or display of listing data by third parties, including, but not
310 limited to, photographs, images, graphics, video recordings, virtual tours, drawings, written descriptions, and
311 remarks related to the Property; (iii) Broker's performance, at Seller's or Buyer's request, of any task beyond the
312 scope of services regulated by Chapter 475, Florida Statutes, as amended, including Broker's referral,
313 recommendation, or retention of any vendor; (iv) products or services provided by any vendor; and (v) expenses
314 incurred by any vendor. Seller and Buyer each assume full responsibility for selecting and compensating their
315 respective vendors. This Paragraph will not relieve Broker of statutory obligations. For purposes of this
316 Paragraph, Broker will be treated as a party to this Contract. This Paragraph will survive closing.

317 **20. Commercial Real Estate Sales Commission Lien Act:** If the Property is commercial real estate as defined by
318 Section 475.701, Florida Statutes, the following disclosure will apply: The Florida Commercial Real Estate Sales
319 Commission Lien Act provides that when a broker has earned a commission by performing licensed services
320 under a brokerage agreement with you, the broker may claim a lien against your net sales proceeds for the
321 broker's commission. The broker's lien rights under the act cannot be waived before the commission is earned.

322 **21. Brokers:** The licensee(s) and brokerage(s) named below are collectively referred to as "Broker." **Instruction to**
323 **closing agent:** Seller and Buyer direct Closing Agent to disburse at Closing the full amount of the brokerage
324 fees as specified in separate brokerage agreements with the parties and cooperative agreements between the
325 Brokers, except to the extent Broker has retained such fees from the escrowed funds. This Paragraph will not be
326 used to modify any MLS or other offer of compensation made by Seller or listing broker to cooperating brokers.

327* _____
328 Seller's Sales Associate/License No.

Mark Gose 574967

Buyer's Sales Associate/License No.

Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is 6 of 8 pages.

VAC-14x Rev 9/22

Serial#: 072596-900166-5411152

©2022 Florida Realtors®

Form
Simplicity

329* _____ markgose@megoseinc.com
 330 **Seller's Sales Associate Email Address** **Buyer's Sales Associate Email Address**
 331 _____
 332* _____ 8633811053
 333 **Seller's Sales Associate Phone Number** **Buyer's Sales Associate Phone Number**
 334 _____
 335* _____ Bayless Realty, Inc.
 336 **Listing Brokerage** **Buyer's Brokerage**
 337 _____
 338* _____ 1167 US 27 South Sebring FL 33870
 339 **Listing Brokerage Address** **Buyer's Brokerage Address**

340 **22. Addenda:** The following additional terms are included in the attached addenda and incorporated into this Contract
 341 (Check if applicable)
 342* A. Back-up Contract
 343* B. Kick Out Clause
 344* C. Other _____

345* **23. Additional Terms:** 90 days due diligence, close 15 days after due diligence
 346 ~~This contract is contingent upon approval by the City of Sebring to the transfer of the subject real property."~~
 347 _____
 348 _____
 349 _____

351 **"This contract is contingent upon the parties agreeing to restrictions on the subject real property"**
 352 _____
 353 _____
 354 _____
 355 _____
 356 _____
 357 _____
 358 _____
 359 _____
 360 _____

COUNTER-OFFER/REJECTION

362* Seller counters Buyer's offer (to accept the counter-offer, Buyer must sign or initial the counter-offered terms and
 363 deliver a copy of the acceptance to Seller).
 364* Seller rejects Buyer's offer

365 **This is intended to be a legally binding Contract. If not fully understood, seek the advice of an attorney before**
 366 **signing.**

367* **Buyer:** _____ Date: _____
 368* Print name: _____
 369* **Buyer:** _____ Date: _____
 370* Print name: _____

371 **Buyer's address for purpose of notice:**
 372* Address: _____
 373* Phone: _____ Fax: _____ Email: _____

374* **Seller:** Stanley Walls Date: 4-20-23
 375* Print name: Stanley Walls, Asst Sec.
 376* **Seller:** Carl Cool Date: 4-20-23
 377* Print name: Carl Cool, Chairman

Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is 7 of 8 pages.

378 **Seller's** address for purpose of notice:

379* Address: _____

380* Phone: _____ Fax: _____ Email: _____

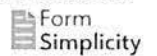
Florida REALTORS[®] makes no representation as to the legal validity or adequacy of any provision of this form in any specific transaction. This standardized form should not be used in complex transactions or with extensive riders or additions. This form is available for use by the entire real estate industry and is not intended to identify the user as REALTOR[®]. REALTOR[®] is a registered collective membership mark which may be used only by real estate licensees who are members of the NATIONAL ASSOCIATION OF REALTORS[®] and who subscribe to its Code of Ethics. The copyright laws of United States (17 U.S. Code) forbid the unauthorized reproduction of this form by any means including facsimile or computerized forms.

Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is 8 of 8 pages.

VAC-14x Rev 9/22

Serial#: 072596-900166-5411152

©2022 Florida Realtors[®]



Sebring Airport Authority Agenda Item Summary

Meeting Date: April 20, 2023

Presenter: Mike Willingham

Agenda Item: Bella Villa 31– Cleaning Services Contract
(Terminal & T-Hangar Bathrooms)

Background: Staff brings contract with Bella Villa 31 for cleaning services. Bella Villa 31 is a locally owned company and has other contracts on the Airport. They come highly recommended.

Requested Motion: Move to approve and authorize the Executive Director to execute the same.

Board Action:

Approved	<input checked="" type="checkbox"/>
Denied	<input type="checkbox"/>
Tabled	<input type="checkbox"/>

JANITORIAL SERVICES CONTRACT

THIS AGREEMENT is made and entered into this 20th day of April 2023, by and between the **SEBRING AIRPORT AUTHORITY**, a body politic and corporate of the State of Florida, (herein called the "Authority") and **BELLA VILLA 31, LLC**, a Florida limited liability company (herein called "Service Provider").

1. **PREMISE.** Authority owns, operates and manages the Sebring Regional Airport and Industrial Park (herein called the "Airport").
2. **AGREEMENT.** In consideration of the mutual covenants contained herein, and other good and valuable considerations, Service Provider hereby agrees to provide janitorial services to Authority in accordance with the conditions and prices stated in this contract and Contract Janitorial Task Schedule with Floor Plan, and Legal Provisions, which are made a part hereof and collectively constitute this contract.
3. **TERM.** The term of this contract shall be for one year beginning on May 1, 2023 and ending on April 30, 2024. The contract may be extended at Authority's discretion for two additional one year terms.
4. **SERVICES.** Service Provider shall provide specific janitorial services for certain areas of the Airport and the Contract Janitorial Task Schedule on days and at times approved by the Authority. The initial list of those services are described in Exhibit A but remain subject to revision at the Authority's discretion.
5. **CONTRACT PRICE.** The contract price for the janitorial services described in paragraph 4 shall be \$30,992.00 per year, subject to increase or decrease as provided herein. Service Provider shall submit monthly invoices by the fifth day of the month, which shall be due and payable within thirty (30) days.
6. **UNIFORMS.** Service Provider shall provide its employees with uniforms and all necessary equipment and supplies entirely at Service Provider's expense.
7. **HOLD HARMLESS.** Service Provider hereby agrees to indemnify and hold Authority harmless against all claims for bodily injury, sickness, disease, death or personal injury or damage to property or loss of use resulting therefrom, arising out of this contract unless such claims are a result of the Authority's sole negligence. Service Provider agrees to pay on behalf of Authority, and to pay the cost of Authority's legal defense, as may be selected by Authority, for all claims described in this paragraph. Such payment on behalf of Authority shall be in addition to any and all other legal remedies available to Authority and shall not be considered to be Authority's exclusive remedy.
8. **INSURANCE.** Service Provider shall obtain and maintain, at Service Provider's expense, the following insurance and shall not commence work hereunder until such insurance is obtained and approved by Authority:
 - A. **Worker's Compensation** – Coverage to apply for all employees for Statutory Limits in compliance with the applicable State and Federal laws.

- B. Comprehensive General Liability – Coverage shall include:**
- a. Minimum limits of \$1,000,000 per occurrence, \$2,000,000 aggregate combined single limit for Bodily Injury Liability and Property Damage Liability;
 - b. Premises and/or Operations;
 - c. Independent Contractors;
 - d. Products and/or Completed Operations; and
 - e. No exclusion for Underground, Explosion or Collapse hazards.

- C. Business Auto Policy – Coverage shall include:**
- a. Minimum limits of \$1,000,000. per occurrence combined single limit for Bodily Injury Liability and Property Damage Liability;
 - b. Owned vehicles;
 - c. Hired and non-owned vehicles; and
 - d. Employer non-ownership.

D. Certificate of Insurance – Certificates of all insurance evidencing the insurance coverage specified in the previous paragraphs shall be filed with the Authority prior to commencement of work. Service Provider will include the Sebring Airport Authority as additional insured. If the initial insurance expires prior to completion of the work, renewal certificates shall be furnished thirty (30) days prior to the date of expiration.

9. INDEMNIFICATION AND HOLD HARMLESS. Service Provider hereby acknowledges and confirms that the contract price includes the consideration for this indemnification and hold harmless. Service Provider shall, in addition to any other obligation to indemnify Authority and to the fullest extent permitted by law, protect, defend, indemnify and hold harmless the Authority, its elected officials, employees, agents and volunteers from and against all claims, actions, liabilities, losses (including economic losses), costs, including attorney fees and all costs of litigation, and judgments of every name and description arising out of or incidental to the performance of this contract, unless caused by the sole negligence of the Authority its elected officials, employees, agents or volunteers. Any cost or expenses, including attorney fees (including appellate, bankruptcy or patent council fees), incurred by the Authority to enforce this agreement shall be borne by the Service Provider. This indemnification shall also cover all claims brought against the Authority, its elected officials, employees, agents or volunteers by any employee of Service Provider, subcontractor, or anyone directly or indirectly employed by any of them. The Service Provider's obligation under this paragraph shall not be limited in any way to the agreed upon contract price as shown in this contract or the Service Provider's limit of all services, obligations, and duties provided for in this contract, or in the event of termination of this contract for any reason, the terms and conditions of this paragraph shall survive indefinitely.

10. NOTICES. Whenever any notice is required or permitted by this contract to be given, such notice shall be by certified mail or overnight delivery addressed to:

Service Provider:
Dawn Drennan, Manger
BELLA VILLA 31, LLC
1570 Lakeview Drive
Suite #6
Sebring, FL 33870

Authority:
Executive Director
Sebring Airport Authority
168 Authority Lane
Sebring, FL 33870

Notice shall be considered given when deposited with the U.S. Postal Service or commercial carrier, postage prepaid. Each party will be responsible for notifying the other of any change in their address.

11. **STATUS OF SERVICE PROVIDER'S EMPLOYEES.** The parties to this contract recognize that Service Provider is contracting to provide independent contractor services to Authority and neither Service Provider nor any employee of Service Provider shall be deemed an employee or agent of Authority.

12. **COMPLIANCE WITH APPLICABLE LAWS.** Service Provider shall comply with all applicable laws, regulations, rules and ordinances of local, state and federal authorities having jurisdiction, including, but not limited to: all provisions of the Federal Government Equal Employment Opportunity clauses issued by the Secretary of Labor on May 21, 1968 and published in the Federal Register (41 CFR Part 60-1, 33 F.2 7804); all provisions of the Public Entity Crimes (*Fla. Stat.* §287.133, *et seq.*, as amended) and the provisions in *Fla. Stat.* §287.134, *et seq.*, as amended, regarding discrimination.

13. **ASSIGNMENT.** Service Provider shall not assign this contract, in whole or in part, or any monies due or to become due hereunder, without the written consent of Authority.

14. **EARLY TERMINATION.** Authority may immediately terminate Service Provider for cause if Service Provider fails to carry out any obligation under this contract. In the event of early termination, compensation provided herein shall be paid only through the effective date of termination.

15. **DRUG-FREE WORKPLACE.** Service Provider acknowledges that Authority is a drug-free work place. Service Provider covenants that all employees of Service Provider working upon Authority property shall be subject to implementation of all possible provisions to maintain a drug-free environment and that Service Provider will adhere to the provisions of Florida Statute 287.087.

16. **DAMAGE TO PROPERTY.** Service Provider agrees that all Authority or third party owned property that is damaged by Service Provider's personnel or equipment shall be promptly repaired or replaced, at Service Provider's expense.

17. **ATTORNEYS' FEES AND COSTS.** Subject to the limitations of Sec. 768.28, Fla. Stat., in any action brought by either party for the interpretation or enforcement of the obligations of the other party regarding this contract, including Authority's right to indemnification, the prevailing party shall be entitled to recover from the losing party all reasonable attorney's fees, paralegal fees, court and other costs, whether incurred before or during litigation, on appeal, in bankruptcy or in post judgment collections.

18. **PROVISIONS REQUIRED BY LAW DEEMED INSERTED.** Each and every provision of law and clause required by law to be inserted in this document shall be deemed to be inserted herein and the contract shall be read and enforced as though it were included, and if, through mistake or otherwise, any such provision is not inserted, or is not correctly inserted, then upon application of either party, the contract shall forthwith be physically amended to make such insertion or correction.

19. **GOVERNING LAW.** This contract will be governed by and construed in accordance with the laws of the State of Florida and the parties agree to submit to the jurisdiction of the Tenth Judicial Circuit, in and for Highlands County, Florida.

20. **PUBLIC RECORDS.** The Service Provider is required to keep and maintain public records that ordinarily and necessarily would be required by the Authority in order to perform the service sought herein. The Service Provider is required to provide the public with access to public records on the same terms and conditions that the Authority would provide the records and at a cost that does not exceed the cost provided in Ch. 119.07 *et seq.*, Fla. Stat. or as otherwise provided by law. The Service Provider must ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law and must meet all requirements for retaining public records and transfer, at no cost, to the Authority all public records in possession of the Service Provider upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Authority in a format that is compatible with the information technology systems of the public agency. **IF THE SERVICE PROVIDER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE SERVICE PROVIDER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT BEVERLY K. GLARNER, THE CUSTODIAN OF PUBLIC RECORDS at 863-314-1301, bev@sebring-airport.com or 128 AUTHORITY LANE, SEBRING, FL 33870.**

21. **MULTIPLE ORIGINALS.** This agreement is executed in multiple copies, each copy of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals.

WITNESSES:



Printed Name: Beverly K. Glarner

SEBRING AIRPORT AUTHORITY, a body
politic and corporate of the State of Florida

By: 
Mike Willingham, Executive Director



Printed Name: Jami Olive

WITNESSES:


Printed Name: Dawn Drennan

SERVICE PROVIDER: BELLA VILLA 31,
LLC, a Florida limited liability company

By: 
Dawn Drennan, Manager


Printed Name: Sandra Graham

(Corporate Seal)

Exhibit "A"

Contract Cleaning Task Schedule

Monday every week:

All bathrooms (Public and Administrative)
Doors (Main entryway/Passthrough from admin side)
Floors (Main entry/waiting areas/restroom hallway)
Drink Stations/meeting area (public and private)

Tuesday every week:

T-Hangar Bathrooms

Thursday 1st and 3rd week:

Small Galleria entry – kitchen, hallway, passthrough doors, employee restrooms/fountains, pilot private lounge, larger office with restroom, large conference room.
CSR office, hallway drink station, reception area, Lineman office adjacent to reception (FBO)
Public lounge/table/drink station, public restrooms, lounge area by reception, all floors from main entry to public lounge at rear exit.

Thursday 2nd and 4th week

Small Galleria entry – kitchen, hallway, passthrough doors, employee restrooms/fountains, pilot private lounge, larger office with restroom
Admin side Executive Offices and restroom
CSR office, hallway drink station, reception area, Lineman office adjacent to reception (FBO)
Admin side: 2 offices and mid common area & Dusting
Public lounge/table/drink station, public restrooms, lounge area by reception, all floors from main entry to public lounge at rear exit.
Admin side: floors

Empty trash cans inside and outside of building, replace liner, clean desks and horizontal surfaces, spot & traffic lane vacuum, complete wall to wall vacuum, dry mop w/dust mop all surfaces, clean glass, dust horizontal surfaces, dust Mini-Blinds and/or venetian blinds with duster, sanitize telephones.

RESOLUTION SAA 23-04

**A RESOLUTION OF THE SEBRING AIRPORT
AUTHORITY TO APPROVE AMENDMENT S23-02 TO
THE 2022-2023 BUDGET.**

WHEREAS, The Sebring Airport Authority is required to have an operating budget; and

WHEREAS, said budget is to be used as a tool to project revenues, expenses, and reserves; and

WHEREAS, said budget is to be used as a control of costs and expenditures; and

WHEREAS, said budget can be amended from time to time by action of the Sebring Airport Authority Board of Directors;

NOW, THEREFORE, BE IT RESOLVED BY A MAJORITY OF THE MEMBERS OF THE SEBRING AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. The Sebring Airport Authority hereby approves the 2022-2023 Budget Amendment S23-02 as presented.

SECTION 2. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 20th day of April 2023.



SEBRING AIRPORT AUTHORITY

By: _____

Mike Willingham, Ex. Director

SEBRING AIRPORT AUTHORITY
BUDGET AMENDMENT# S23-02
EFFECTIVE ACCOUNTING PERIOD: February 2023

4/20/2023

SUBMITTED BY: Colleen Plonsky
 SIGNED BY:

REVENUE CENTER	ACCOUNT	ACCOUNT NAME	PRIOR BUDGET AS OF 10/01/2022	INCREASE	DECREASE	REVISED BUDGET	Reason:
SAA	360-500-SAA	SERVICE FEE INCOME	\$ -	\$ 2,000.00		\$ 2,000.00	NOT BUDGETED
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
Total Revenue Increase/Decrease			\$ -	\$ 2,000.00		\$ 2,000.00	
COST CENTER (expenses)							
FBO	512-016-FBO	FBO CAFETERIA EXPENSE	\$ -	\$ 1,100.00		\$ 1,100.00	NOT BUDGETD
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
			\$ -	\$ -		\$ -	
Total Expenses Increase/Decrease			\$ -	\$ 1,100.00		\$ 1,100.00	
Capital Expenditures Adjustments							
			Prior Month Budgeted Operating Reserve	Current Month Revenue - Inc/(Dec)	Current Month Expense - Inc/(Dec)	Revised Budgeted Operating Reserve	
			\$552,138.00	\$ 2,000.00	\$ 1,100.00	\$553,038.00	

REQUEST #: S23-02

TRANSFER TYPE:
 ITEM TO ITEM
 OPERATING RESERVE
 BY RESOLUTION # SAA 23-04

BOARD APPROVAL:
 Executive Director


Sebring Airport Authority Agenda Item Summary

Meeting Date: April 20, 2023

Presenter: Mike Willingham

Agenda Item: Interlocal Agreement Highlands County – Webster Turn Construction Project

Background:

Attached is ILA between the SAA and Highlands County BOCC regarding the Airport's project to resurface Webster Turn Drive. FDOT is providing grant funds to assist with the completion of the improvements, but the State considers the County the grant recipient, so the proposed ILA provides for the County to enter into the grant agreement and for the Airport to complete the work. The ILA also references the \$186,000 that the County previously offered to contribute to the project.

Requested Motion: Move to approve and authorize the Chairman or Vice Chairman and Secretary or Assistant Secretary to execute the ILA.

Board Action:

Approved	<input checked="" type="checkbox"/>
Denied	<input type="checkbox"/>
Tabled	<input type="checkbox"/>

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT ("Agreement") is made and executed by and between Highlands County, Florida a political subdivision of the State of Florida (the "County") and the Sebring Airport Authority, a public body corporate and politic created and existing pursuant to Chapter 67-2070, Laws of Florida as amended (the "Authority")

WHEREAS, the County and the Authority wish to cooperate in the reconstruction and rehabilitation of Webster Turn Drive, a County maintained roadway located within the Sebring Regional Airport and Industrial Park (the "Project"); and

WHEREAS, the County applied to the Florida Department of Transportation ("FDOT") in an attempt to secure funding for the Project; and; and

WHEREAS, the County was awarded a grant to fund a portion of the Project and FDOT and the County will be entering into a grant agreement related to the same; and

WHEREAS, the County and the Authority will each need to contribute to the total cost of the Project in order for the Project to be fully funded; and

WHEREAS, the County and the Authority are public agencies authorized to enter into this Agreement pursuant to Chapter 163, Part I, Florida Statutes,

NOW, THEREFORE, in consideration of the mutual covenants, obligations, duties and benefits set forth herein, the parties hereto agree as follows:

1. The above recitals and true and correct and are incorporated herein by reference.
2. The purpose of this Interlocal Agreement is to enable the Authority and the County to cooperate with each other, pursuant to Section 163.01 et seq., Florida Statutes, related to funding the Project.
3. The Authority will follow all required procurement procedures including any and all such procedures mandated by FDOT by virtue of the grant funding being provided by FDOT

for the Project, will enter into all necessary contracts for the design and construction of the Project and will ensure that any and all such contractors and consultants performing work on the Project indemnify, defend and hold the County harmless to the fullest extent permitted. It is agreed that other than any oversight requirements set forth in the FDOT grant agreement, the County shall have no obligation to oversee or manage the Project or enter into any contracts for completion of the Project. The Authority shall provide the County with copies of any and all contracts related to completion of the Project upon full execution of the same.

4. The County has budgeted and hereby agrees to provide funding in the amount of \$186,000.00 (the "County Funds") toward the cost of the Project, to be used initially for the design, engineering, plan set and bidding phase of the Project (the "Planning Phase"). It is agreed that any remaining County Funds will go toward construction of the improvements to Webster Turn Drive.

5. It is anticipated that the FDOT grant funding for the Project will be in the amount of \$495,308.00; however, the parties acknowledge that it is possible that a lesser amount may be awarded (the "FDOT Funds"). The County shall take the necessary steps to accept the FDOT Grant, execute the grant agreement and otherwise comply with the terms of the grant agreement, the purpose of which shall be to partially fund the Project. In the event it is required by FDOT, the Authority will join as a party to the grant agreement.

6. The Authority agrees to provide the balance of the funds needed to complete the Project beyond the County Funds and the FDOT Funds.

7. The Authority will submit copies of all bills received for the Planning Phase and construction of the Project to the County for payment until such time as the County Funds and the FDOT Funds have been depleted. The Authority agrees to provide any additional documentation necessary for the County, in its sole discretion, to verify the completion of the work for payment

of the invoice. Upon receipt of all necessary documentation, the County will promptly pay the invoices in its normal course of paying bills.

8. To the extent not prohibited by applicable law, each party hereby releases and agrees to indemnify and hold the other party and their officers, employees and agents harmless from any and all claim for damages, costs, third party claims, judgments and expense that may arise out of or be occasioned by any negligent act or omission of that party. However, nothing contained herein shall constitute a waiver by either party of its sovereign immunity and the limitations set forth in Section 768.28, Florida Statutes.

9. All documents, papers, letters and other material made or received in conjunction with this Agreement shall be made available for public access pursuant to the provisions of Chapter 119, Florida Statutes.

10. The Authority shall document all expenditures of public money in detail sufficient for a proper pre-audit and post-audit report. The Authority shall retain all records supporting costs for three (3) years after the fiscal year in which the final payment was released by the County, or until final resolution of matters resulting from any litigation, claim or audit that started prior to the expiration of the three (3) year record retention period.

11. This Agreement shall become effective upon execution by the Authority and the County and shall remain in effect until terminated by either party at the end of any fiscal year. Written notice of termination to the other party must be given by January 1 prior to the termination.

12. This Agreement represents the entire agreement of the parties. Any alterations, variations, changes, modifications or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing and duly signed by each of the parties hereto.

13. Nothing in this Agreement shall be construed to benefit any person or entity now a party to the Agreement.

14. The Authority recognizes that employment of unauthorized aliens is a violation of Florida and Federal Law and will include the following provision in every agreement which it enters into for work on the Project:

Pursuant to Florida Statutes, Section 448.095, the CONTRACTOR shall be registered with and utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility status of all employees performing work under this Agreement as well as all newly hired employees. In addition, the CONTRACTOR shall require any and all subcontractors performing work in accordance with this Agreement to register with and utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility status of all employees performing work under this Agreement as well as all newly hired employees. Any such subcontractor shall provide an affidavit to the CONTRACTOR stating that the subcontractor does not employ, contract with or subcontract with any ineligible individuals and the CONTRACTOR must keep a copy of said affidavit for the duration of this Agreement. Violation of this section is subject to immediate termination of this Agreement by the AUTHORITY without regard to any notice otherwise required herein. In the event the AUTHORITY incurs costs as a result of the CONTRACTOR'S breach of this provision, any and all such costs shall be paid by the CONTRACTOR immediately upon receipt of notice of the same from the AUTHORITY. Information on registration for and use of the E-Verify Program may be obtained at the Department of Homeland Security website: <http://www.dhs.gov/E-Verify>.

15. This Interlocal Agreement shall become effective upon execution by the Authority and the County.

16. This Interlocal Agreement represents the entire agreement of the parties. Any alterations, variations, changes, modifications or waivers of provisions of this Interlocal Agreement shall only be valid when they have been reduced to writing duly signed by each of the parties hereto, and attached to the original of this Interlocal Agreement.

17. This Interlocal Agreement is binding upon the parties, their successors, and their assigns.

18. This Agreement is to be executed in multiple copies, each of which shall be construed as an original.

19. The Authority shall record this Agreement as required by Florida Statutes, Section 163.01, immediately following the execution by all of the parties and thereafter provide a copy evidencing recordation to the County.

IN WITNESS WHEREOF, this Interlocal Agreement is hereby effective on the date signed by the last party hereto.

**BOARD OF COUNTY
COMMISSIONERS OF HIGHLANDS
COUNTY, FLORIDA**

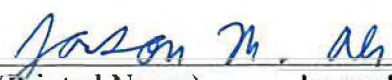
By: _____
Chris Campbell, Chair

Attest:


By: _____
Jerome Kaszubowski, Clerk of Court

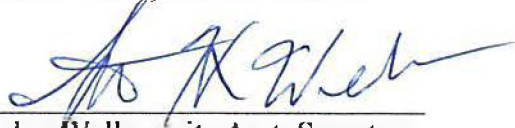
Two Witnesses as to the Authority:


(Printed Name) Beverly K. Glarner


(Printed Name) Jason M. Ali

SEBRING AIRPORT AUTHORITY

By: 
 Carl Cool, as its Chair or
 Mark Andrews, as its Vice Chair

Attest: 
 Stanley Wells, as its Asst. Secretary

Sebring Airport Authority Agenda Item Summary

Meeting Date: April 20, 2023

Presenter: Bob Swaine

Agenda Item: Track Apple, LLC and Funder America, Inc.

Background: Track Apple, LLC and Funder America, Inc. wish to utilize an updated form of the Leasehold Mortgage and Security Agreement and are asking the SAA to consent to the updated form.

Requested Motion: Move to approve and authorize the Chairman or Vice Chairman and Secretary or Assistant Secretary to execute the same.

Board Action:

Approved	<input checked="" type="checkbox"/>
Denied	<input type="checkbox"/>
Tabled	<input type="checkbox"/>

This instrument prepared by and
after recording return to:

Womble Bond Dickinson (US) LLP
271 17th Street NW, Suite 2400
Atlanta, Georgia 30363
Attn: Seth Pierce Johnson, Esq.

Title File No.: NCS-1E8JFL01-MPLS

LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (“Mortgage”), made effective as of February 28, 2023, by **TRACK APPLE, LLC**, an Indiana limited liability company (“Mortgagor”), whose address is 1853 Eisenhower Drive South, Goshen, Indiana 46526, and to and in favor of **FUNDER AMERICA, INC.**, a North Carolina corporation (“Mortgagee”), whose address is 200 Funder Drive, Mocksville, North Carolina 27028, with the consent and joinder of the Sebring Airport Authority, a body politic and corporate of the State of Florida.

WITNESSETH:

WHEREAS, Mortgagee has made or has agreed to make a loan to Genesis Products, LLC, an Indiana limited liability company (“Genesis”), in the principal sum of up to Six Million and No/100 Dollars (\$6,000,000.00) evidenced by a certain Subordinated Promissory Note effective of even date herewith, payable to Mortgagee with interest thereon (said Subordinated Promissory Note, as the same may hereafter be renewed, extended or modified, being herein called the “Note”).

WHEREAS, (i) the Note as it may be modified or extended, (ii) the payments due from Genesis to Mortgagee pursuant to the terms of the Note, (iii) the “Earn-Out Payments” pursuant to Section 2.07 of that certain Asset Purchase Agreement effective of even date herewith, by and among Genesis, Mortgagee, and Incipit AG, a Swiss company (as amended, restated, supplemented or otherwise modified from time to time), and (iv) all other obligations of Mortgagor to Mortgagee in connection with the foregoing are herein called, collectively, the “Obligation.” The term “Obligor” shall mean Genesis, Mortgagor and any other person, corporation or entity now or hereafter becoming liable to Mortgagee for all or part of the Obligation. (The Note, this Mortgage, and all other documents executed in connection therewith shall hereinafter sometimes collectively be referred to as the “Loan Documents.”)

WHEREAS, to secure the Obligation, Mortgagor has agreed to grant to Mortgagee this Mortgage in Mortgagor’s leasehold estate in the property located at 12 Crosley Dr., Sebring, FL 33870.

NOW, THEREFORE, to secure the payment and performance of all covenants and conditions in the Obligation and in this Mortgage and in any and all other instruments now or hereafter evidencing or securing the Obligation, and in order to charge the properties, interests and rights described below with such payment and performance and to secure additional advances, renewals and extensions of the Obligation and to induce Mortgagee to extend credit to Obligor and for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), Mortgagor does hereby mortgage, pledge, grant a security interest in, and assign to Mortgagee:

ALL DOCUMENTARY STAMP TAXES DUE AND PAYABLE IN CONNECTION WITH THE INDEBTEDNESS SECURED BY THIS MORTGAGE IN THE AMOUNT OF \$21,000.00 AND ALL INTANGIBLE TAXES DUE AND PAYABLE IN CONNECTION WITH THE RECORDATION OF THIS MORTGAGE IN THE AMOUNT OF \$12,000.00 SHALL BE PAID UPON THE RECORDATION OF THIS MORTGAGE IN THE PUBLIC RECORDS OF HIGHLANDS COUNTY, FLORIDA.

THE MORTGAGED PROPERTY

A. The leasehold interest of Mortgagor in all of the land in the County of Highlands, State of Florida, described on Exhibit A (the "Land"), including, without limitation, rights and interests of Mortgagor in and to the land pursuant to that certain Sebring Airport Authority Commercial Lease dated November 17, 2005, between Sebring Airport Authority, a body politic and corporate of the State of Florida, as landlord (in its capacity as landlord thereunder, together with any other holder of an interest in the fee simple ownership of the Land as successor and/or assign thereof, the "Landlord"), and Mortgagee, as tenant, as amended by that certain Sebring Airport Authority First Modification of Commercial Lease dated September 20, 2007, as further amended by that certain Second Amendment to Sebring Airport Authority's Lease to Funder America, Inc. dated December 11, 2007, as further amended by that certain Third Modification to Sebring Airport Authority's Lease to Funder America, Inc. dated November 17, 2022, as assigned to Mortgagor by that certain Assignment and Assumption of Lease effective of even date herewith, and as subleased to Genesis, as subtenant, by that certain Sublease Agreement effective of even date herewith, between Mortgagor and Genesis (the "Lease"), together with (i) all amendments, supplements, consolidations, extensions, renewals, replacements and other modifications of the Lease now or hereafter entered into in accordance with the provisions thereof, all other, further, additional, or greater estate, right, title, or interest of Mortgagor in, to, under, or derived from the Land or any other property described herein that might at any time be acquired by Mortgagor by the terms of the Lease by reason of the exercise of any option thereunder or otherwise, including the right of Mortgagor to possession under Section 365 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., as amended (the "Bankruptcy Code") in the event of the rejection of the Lease by the Landlord thereunder or its trustee pursuant to said section, all rights and benefits of whatsoever nature derived or to be derived by Mortgagor under the Lease, including (subject to the terms hereof) the rights to exercise options, to give consents, to modify, extend, or terminate the Lease, to surrender the Lease, to reject the Lease, or elect to treat the Lease as rejected or to remain in possession under Section 365 of the Bankruptcy Code, and all additional lands, estates and development rights hereafter acquired by Mortgagor for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental instrument or otherwise be expressly made subject to the lien and security interest of this Mortgage.

B. All buildings, structures, and improvements of every nature whatsoever now or hereafter situated on the Land described in Exhibit A, and all fixtures, machinery, equipment, furniture, furnishings, inventory and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in, on, or used or intended to be used in connection with or with the operation of said property, buildings, structures, or other improvements, including all extensions, additions, improvements, betterments, renewals and replacements to any of the foregoing.

C. All building materials, equipment, fixtures, fittings, and personal property of every kind or character now owned or hereafter acquired by Mortgagor for the purpose of being used or useful in connection with the foregoing real property or such improvements whether such materials, equipment, fixtures, fittings, and personal property are actually located on or adjacent to said property or not, and whether in storage or otherwise, wheresoever the same may be located, including, but without limitation, all lumber and lumber products, bricks, building stones, and building blocks, sand and cement, roofing material, paint, doors, windows, hardware, nails, wires and wiring, plumbing and plumbing fixtures, heating and air conditioning equipment and appliances, electrical and gas equipment and appliances, pipes and piping, ornamental and decorative fixtures, furniture, ranges, refrigerators, dishwashers, disposals, washers and dryers, and in general all building materials and equipment of every kind and character used or useful in connection with said improvements.

D. All licenses, permits, general intangibles, accounts, trade names, trademarks, contract rights and other intangible property, now owned by Mortgagor or hereafter acquired by Mortgagor, relating to the foregoing real property or the business now or hereafter conducted thereat.

E. Proceeds and products of all of the foregoing real and personal property.

F. All right, title and interest of Mortgagor in Mortgagor's books and records relating to the Land or construction of the improvements at the Land; all permits and approvals relating to construction of improvements upon the Land; and all contracts now or hereafter made by Mortgagor relating to the Land or the construction, equipping, marketing, management, sale or lease of all or any part of the Land or improvements, and all bonds and other guarantees of performance in favor of Mortgagor with respect to any such contracts (and Mortgagor agrees that upon any Event of Default under this Mortgage, Mortgagee shall have the absolute right to make such use of the property so assigned in this paragraph (F) as Mortgagee shall desire, and will not be limited to remedies available under the UCC (as hereinafter defined), but may at their option avail themselves of the rights to use such property as set forth herein in addition to or in substitution for its UCC remedies).

G. Everything referred to in paragraphs (A) through (F) above and all replacements, proceeds and products of those assets and any additional property hereafter acquired by Mortgagor and subject to the lien of this Mortgage or any part of those properties is herein referred to as the "Mortgaged Property." Notwithstanding anything contained herein to the contrary, the term "Mortgaged Property" shall not include any equipment, fixtures, fittings, personal property of any kind or character, or any other items referred to in paragraphs (A) through (F) now owned or hereafter acquired by Genesis for the purpose of being used or useful in connection with the foregoing real property as the subtenant of the Lease.

To the fullest extent permitted by applicable law, all of the foregoing shall be deemed a part of the real property and may be foreclosed upon and sold during the existence of Event of Default in accordance with the laws of Florida relating to mortgages of real estate.

It is the specific intention of the parties to this Mortgage that this Mortgage shall continue in full force and effect until satisfied by a written satisfaction executed and delivered by Mortgagee to Mortgagor. The lien of this Mortgage shall continue to secure future Obligations, including advances or other extensions of credit to Obligor or Mortgagor, notwithstanding that there may be no present outstanding balance of the Obligation or the Obligation may have been reduced to zero, whether under a revolving credit arrangement or otherwise, it being the intent of this Mortgage to secure mandatory and optional future advances and other extensions of credit. So long as no Event of Default shall exist, Mortgagor shall be entitled to collect all rents payable to Mortgagor under any lease of the Mortgaged Property.

Mortgagor covenants and agrees with Mortgagee as follows:

1. Compliance with Obligation and Mortgage; Warranty of Title. Mortgagor shall comply with all provisions of the Obligation, this Mortgage and of every other instrument evidencing or securing the Obligation whether or not the Obligation is enforceable against the Obligor, if different from Mortgagor, and will promptly pay to Mortgagee the principal with interest thereon and all other sums required to be paid by Mortgagor or Obligor, if different from Mortgagor, under the Obligation and pursuant to the provisions of this Mortgage and of every other instrument evidencing or securing the Obligation. Mortgagor hereby warrants to Mortgagee, and shall continue to warrant to Mortgagee so long as this Mortgage is in effect that (i) Landlord is lawfully seized of indefeasible estate in fee simple in the real property hereby mortgaged, (ii) Mortgagor has a leasehold estate in such real property pursuant to the Lease, (iii) Mortgagor has good and absolute title to all existing personal property hereby mortgaged and has good right, full power and lawful authority to sell, convey and mortgage the same in the manner and form

aforesaid, (iv) this Mortgage is valid and enforceable in accordance with its terms, (v) Mortgagor shall protect and defend the Mortgage liens and security interests created hereby in favor of Mortgagee against the claims of all other parties, and (vi) no part of the Mortgaged Property is homestead property of any person named as Mortgagor; that, subject only to those matters noted on Exhibit B attached hereto or as otherwise reasonably approved by Mortgagee (the "Permitted Encumbrances"), the same is free and clear of all liens, charges, and encumbrances whatsoever, including, as to the personal property and fixtures, conditional sales contracts, chattel mortgages, security agreements, financing statements, and anything of a similar nature. Subject to the Permitted Encumbrances, Mortgagor shall and will warrant and forever defend the title thereto unto Mortgagee, its successors and assigns, against the lawful claims of all persons whomsoever.

2. Taxes; Liens.

(a) Mortgagor shall pay promptly, when due, and upon request shall promptly deliver to Mortgagee receipts therefor, all taxes, assessments, rates, dues, charges, fees, impositions, obligations and encumbrances of every kind whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or the indebtedness or other sums secured hereby, or upon or against the interest of Mortgagee in the Mortgaged Property, as well as all income taxes, assessments and other governmental charges levied or imposed by any taxing authority upon or against Mortgagor, the Mortgaged Property or any part thereof and any charge which, if unpaid, would become a lien or charge upon the Mortgaged Property. Mortgagor may in good faith contest any tax, provided that Mortgagee is given notice and kept informed as to the status of the action, and upon the resolution of the action, all taxes owed are paid in full.

(b) Mortgagor shall not permit any mortgage, mechanics', laborer's, materialmen's, statutory or other lien to be created or to remain a lien upon any of the Mortgaged Property, except the Permitted Encumbrances or those liens which are transferred to bond in the manner provided by law within thirty (30) days after the date of recording.

(c) After and during the continuance of any Event of Default under any of the Loan Documents, Mortgagee may, at its option, require Mortgagor to deposit with Mortgagee on the first day of each month, in addition to making any required payments of principal and interest under the Obligation, and all other sums required to be paid by Mortgagor or Obligor, if different from Mortgagor, under the Obligation, an amount equal to one-twelfth (1/12) of the yearly taxes and assessments as estimated by Mortgagee to be sufficient to enable Mortgagee to pay at least thirty (30) days before they become due all taxes, assessments and other similar charges against the Mortgaged Property or any part thereof. Such deposits shall be held in escrow and not commingled with the general funds of Mortgagee, and no interest shall be payable in respect thereof. Upon demand by Mortgagee, Mortgagor shall deliver to Mortgagee such additional monies as are required to pay such taxes, assessments and similar charges.

3. Insurance.

(a) Mortgagor shall keep any improvements on the Mortgaged Property and all personalty which is Mortgaged Property insured under standard fire and extended coverage policies for the full replacement value of the Mortgaged Property and for such other amounts, against such other risks and upon such terms and for such periods as may be reasonably required by Mortgagee. Mortgagor shall pay promptly, when due, any premiums on such insurance. All insurance shall be carried with companies reasonably approved by Mortgagee and the policy and renewals thereof shall be held by Mortgagee and shall contain New York standard mortgagee clauses and waivers of subrogation in favor of and in form reasonably acceptable to Mortgagee. In the event of loss, Mortgagor shall give immediate notice by mail to Mortgagee and Mortgagee may make proof of loss if not made promptly by Mortgagor. Mortgagor may

not settle and compromise any claims, awards, damages, rights of action and proceeds, and any other payment or relief under any insurance policy in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) without the reasonable prior written consent of Mortgagee. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the Obligation secured hereby, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

(b) In the event of any material damage to or destruction of the Mortgaged Property, and provided no Event of Default then exists hereunder, all insurance proceeds shall be available to Mortgagor for the payment of the costs of reconstruction or restoration. If an Event of Default hereunder exists and is continuing, Mortgagee shall have the option in its sole discretion of applying or paying all or part of the insurance proceeds (i) to any indebtedness secured hereby and in such order as Mortgagee may determine, or (ii) to the restoration of the improvements, or (iii) to Mortgagor.

4. Condemnation. Mortgagee shall be entitled to all of Mortgagor's rights, if any, in all compensation awards, damages, claims, rights of action and proceeds of, or on account of any material damage or taking through condemnation. All such compensation awards, damages, claims, rights of action and proceeds, and any other payments or relief, and the right thereto, are hereby assigned by Mortgagor to Mortgagee and Mortgagee, after deducting therefrom all its expenses including reasonable attorneys' fees actually incurred, may release to Mortgagor any monies so received by it without affecting the lien of this Mortgage or may apply the same, in such manner as Mortgagee shall determine, to the reduction of the sums secured hereby. Any balance of such monies then remaining shall be paid to Mortgagor. Mortgagor agrees to execute such further assignments of any compensation, awards, damages, claims, rights of action and proceeds as Mortgagee may require.

5. Care of Mortgaged Property. Mortgagor shall not permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or any part thereof, and shall keep the same and any improvements located thereon in good condition and repair, normal wear and tear excepted. Mortgagor shall comply with all laws and regulations applicable to the Mortgaged Property, including, without limitation, all zoning, environmental, land use and toxic or hazardous waste disposal laws. Mortgagee may, at Mortgagee's expense, have the Mortgaged Property inspected at any time upon reasonable prior notice and during business hours to confirm Mortgagor's compliance with this provision.

6. Mortgagee's Right to Make Certain Payments. In the event Mortgagor fails to pay or discharge the taxes, assessments, levies, liabilities, obligations (including obligations under any leases) or encumbrances affecting the Mortgaged Property, or fails to keep the Mortgaged Property insured or to deliver the policies, premiums paid, or fails to repair the Mortgaged Property as herein agreed, or fails to make any payment required under any other mortgage or security agreement relating to the Mortgaged Property (whether or not the existence of such mortgage or security agreement is permitted by this Mortgage), or fails to take any actions reasonably necessary to preserve the value of the Mortgaged Property, or Mortgagor or Obligor otherwise defaults in any covenant herein or in any loan agreement or other document evidencing or securing the Obligation and fails to cure the same following notice from Mortgagee, Mortgagee may at its option, without waiving or curing any default by Mortgagor or Obligor, expend funds to complete such improvements, pay or discharge the taxes, assessments, levies, liabilities, and pay off or cure any default under, obligations and encumbrances or any part thereof, procure and pay for such insurance or make and pay for such repairs and take such action to preserve the value of the Mortgaged Property and otherwise perform any action required to be performed by Mortgagor or Obligor. Mortgagee shall have no obligation on its part to determine the validity or necessity of any payment thereof and any such payment shall not waive or affect any option, lien equity or right of Mortgagee under or by virtue of this Mortgage. The full amount of each and every such payment shall be immediately due and payable and shall bear interest from the date thereof until paid at the Default Rate, as defined below, and

together with such interest, shall be secured by the lien of this Mortgage. Nothing herein contained shall be construed as requiring Mortgagee to advance or expend monies for any of the purposes mentioned in this paragraph. No such payments shall be deemed to waive or cure any default hereunder.

7. Payment of Expenses. Mortgagor shall also pay the fee for the recording of this Mortgage and any documentary stamps or intangible taxes due in connection with the indebtedness secured by this Mortgage. In addition, Mortgagor shall pay all of the costs, advances, charges and expenses, including reasonable attorneys' fees actually incurred and disbursements and cost of abstracts of title incurred in connection with the Obligation (including future advances) or this Mortgage or the enforcement thereof or paid at any time by Mortgagee due to the failure on the part of Mortgagor promptly and fully to perform, comply with and abide by each and every stipulation, agreement, condition and covenant of the Obligation and this Mortgage or in the enforcement of Mortgagee's rights hereunder. Such costs, charges and expenses shall be immediately due and payable, whether or not there be notice, demand, attempt to collect or suit pending. The full amount of each and every such payment shall bear interest from the date thereof until paid at the Default Rate, as hereinafter defined. All such costs, charges and expenses so incurred or paid, together with such interest, shall be secured by the lien of this Mortgage and any other instrument securing the Obligation. No such payments shall be deemed to waive or cure any default hereunder. The provisions of this paragraph shall survive the payment of the Obligation and satisfaction of this Mortgage.

8. After Acquired Property. The lien of this Mortgage will automatically attach, without further act, to all after acquired property of Mortgagor whatever kind located in or on, or attached to, or used or intended to be used in connection with or in the operation of the Mortgaged Property, expressly excluding any property of any tenant or other third party.

9. Additional Documents. At all times that this Mortgage is in effect, upon Mortgagee's reasonable request, Mortgagor shall at Mortgagor's expense make, execute and deliver or cause to be made, executed and delivered to Mortgagee and, where appropriate, shall cause to be recorded and filed and thereafter to be rerecorded or refiled at such time and in such places as shall be deemed desirable by Mortgagee any and all such further mortgages, financing statements, instruments of further assurance, certificates and other documents as Mortgagee may consider necessary or desirable in order to effectuate, complete, perfect or to continue and preserve the obligations of Mortgagor under the Obligation and this Mortgage and all other instruments evidencing or securing the Obligation, and the lien of this Mortgage as a paramount first lien (except for the Permitted Encumbrances) upon all the Mortgaged Property. Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, file, re-record or refile any and all such mortgages, instruments, certificates and documents for and in the name of Mortgagor. Mortgagor hereby irrevocably appoints Mortgagee as agent and attorney-in-fact of Mortgagor to do all things necessary to effectuate or assure compliance with this Mortgage.

10. Event of Default. Any one of the following shall constitute an "Event of Default":

(a) Failure by Mortgagor or Obligor to pay any principal or interest due under the Obligation (subject to any applicable grace period), or any deposits for taxes and assessments or insurance premiums due hereunder, or any other sums required to be paid by Mortgagor or Obligor, if different from Mortgagor, hereunder or under any other instrument evidencing or securing the Obligation, and such failure continues for a period of ten (10) days after written notice thereof from Mortgagee.

(b) Failure by Mortgagor or Obligor, if different from Mortgagor, to duly keep, perform and observe any other covenant, condition or agreement in the Obligation, this Mortgage, or any loan agreement or other instrument now or hereafter evidencing or securing the Obligation or any other instrument collateral to the Obligation or now or hereafter executed in connection with the sums secured

hereby for a period of more than thirty (30) days after Mortgagee gives written notice to Mortgagor or Obligor, if different than Mortgagor, specifying the breach.

(c) If any Mortgagor or Obligor, if different from Mortgagor, or any guarantor or endorser of the Obligation: (i) files a voluntary petition in bankruptcy, or (ii) files any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any law relating to bankruptcy, insolvency or other relief for debtors, or (iii) seeks or consents to or acquiesces in the appointment of any trustee, receiver, master or liquidator of itself or of all or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, or (iv) any such trustee, liquidator, receiver or master is appointed, or a bankruptcy or other insolvency proceeding is brought against any such person without the prior written consent of Mortgagee, which appointment or proceeding shall remain unvacated and unstayed for an aggregate of sixty (60) days whether or not consecutive.

(d) Any breach of any warranty or material untruth of any representation of Mortgagor or Obligor, if different from Mortgagor, or any guarantor or endorser of the Obligation, contained in the Obligation, this Mortgage or any loan agreement or other instrument evidencing, securing or given in connection with the Obligation which remains uncured for a period of thirty (30) days.

(e) This Mortgage, the Obligation or any instrument evidencing, securing, endorsing or guaranteeing the Obligation shall be invalid or unenforceable in whole or material part or any guarantor, endorser or debtor under an instrument securing the Obligation shall terminate or repudiate its obligations.

11. Acceleration. If an Event of Default shall have occurred, Mortgagee may declare the outstanding principal amount of the Obligation and the interest accrued thereon, and all other sums secured hereby, to be due and payable immediately. Upon such declaration all principal and interest and all other sums secured hereby shall immediately be due and payable without demand or notice. If any part of the Obligation is payable on demand, nothing herein shall be deemed to limit the right of the holder of such Obligation to demand payment.

12. Remedies After Default. Upon an Event of Default (subject to the Subordination Agreement effective of even date herewith, entered into with respect to the Obligations, by and among Genesis, Mortgagor, Mortgagee, Wells Fargo Bank, National Association, and certain other parties thereto), Mortgagee may proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy to take any one or more of the following actions: (a) enforce payment of the Obligation or the performance of any term hereof or any other right; (b) foreclose this Mortgage and sell, as an entirety or in separate lots or parcels, the Mortgaged Property under the judgment or decree of a court or courts of competent jurisdiction; (c) collect and, at its option, apply to the Obligation, all rents, issues, profits, accounts, proceeds, revenue, income and other benefits from the Mortgaged Property; (d) appoint or obtain the appointment of a receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, issues, profits, revenue, accounts, proceeds, income and other benefits thereof and apply the same as a court may direct, and such receiver shall have all rights and powers permitted under law; and (e) pursue any other remedy available to it including, but not limited to, all remedies available under the Uniform Commercial Code as in effect from time to time in Florida ("UCC"), taking possession of the Mortgaged Property without notice to Mortgagor or hearing thereon, and disposing of personal property without foreclosure as permitted by applicable law. Mortgagee shall take action either by such proceedings or by the exercise of its power with respect to entry or taking possession, or both, as Mortgagee may determine, and Mortgagor irrevocably appoints Mortgagee as its attorney-in-fact to take any such actions and to deliver deeds, bills of sale and other instruments of conveyance relating to any Mortgaged Property as may be permitted by law. Mortgagee is hereby irrevocably appointed attorney-in-fact for Mortgagor with the power

to endorse or transfer on behalf of Mortgagor any checks or other instruments received as proceeds, profits, rents or revenues from the Mortgaged Property.

13. No Waiver. No delay or omission of Mortgagee or of any holder of the Obligation to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any event of default or to constitute acquiescence therein.

14. Non-Exclusive Remedies.

(a) No right, power or remedy conferred upon or reserved to Mortgagee by the Obligation, this Mortgage, any loan agreement, or any other instrument now or hereafter evidencing or securing the Obligation is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Obligation or any loan agreement or other instrument evidencing or securing the Obligation, now or hereafter existing at law, in equity or by statute. No action taken by Mortgagee shall be deemed an election of remedies.

(b) The recovery of any judgment by Mortgagee or the levy or any execution or any judgment upon the Mortgaged Property shall not effect in any manner, or to any extent, the lien of this Mortgage and Security Agreement upon the Mortgaged Property, or any security interest in any other collateral or any rights, remedies or powers of Mortgagee under any of the loan documents or with respect to any collateral, but such lien and such security interest and such rights, remedies and powers of Mortgagee shall continue unimpaired as before; and

(c) Mortgagor agrees that Mortgagee may release, compromise, forbear with respect to, waive, suspend or renew any of the terms of the Loan Documents (and Mortgagor hereby waives any notice of any of the foregoing), and that the Loan Documents may be amended, supplemented or modified by Mortgagee and that Mortgagee may resort to any collateral in such order and manner as it may think fit, or accept the assignment, substitution, exchange or pledge of any other collateral in place of or release for such consideration, or none, as it may require, all or any portion of any collateral, without in any way affecting the validity of its lien over or other security interest in the remainder of any such collateral (or the priority thereof or the position of any subordinate holder or any lien or other security interest with respect thereto); and any action taken by Mortgagee pursuant to any of the foregoing shall in no way be construed as a waiver or release of any right or remedy of Mortgagee, or of any event of default, or of any liability or obligation of Mortgagor under any of the Loan Documents.

15. Successors and Assigns Bound. Whenever one of the parties hereto is named or referred to herein, the heirs, successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor or Mortgagee, shall bind and inure to the benefit of their respective heirs, successors and assigns, whether or not so expressed.

16. Separate Provisions. In the event that any of the covenants, agreements, terms or provisions contained in the Obligation, this Mortgage or any other instrument securing the Obligation shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms and provisions contained herein and in the Obligation and any other instrument securing the Obligation shall be in no way affected, prejudiced or disturbed thereby.

17. Attorneys' Fees. The term "attorneys' fees" as used in this Mortgage includes any and all reasonable legal fees paid or actually incurred by Mortgagee of whatever nature and whether or not incurred at or before trial, on appeal, in bankruptcy proceedings or administrative actions.

18. Future Advances. This Mortgage is given to secure not only the existing Obligation, but also such future advances made pursuant to this Mortgage, the Obligation, any notes representing any portion of the Obligation, any loan agreement or other instrument evidencing or securing the Obligation or as requested by Mortgagor or any Obligor, whether such advances are obligatory or are to be made at the option of Mortgagee, or otherwise, as are made within twenty (20) years from the date hereof, either to Mortgagor or to any Obligor, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed Twelve Million and No/100 Dollars (\$12,000,000.00), plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the Mortgaged Property.

19. Obligation of Mortgagor. Mortgagor shall pay the cost of releasing or satisfying this Mortgage of record.

20. No Sale, Junior Lien or Other Transfer of the Mortgaged Property. It is understood and agreed by Mortgagor that as part of the inducement to Mortgagee to make the extension of credit evidenced by the Obligation, Mortgagee has considered and relied on the reliability of Mortgagor and the fact that there are no other liens on the Mortgaged Property except the Permitted Encumbrances. Mortgagor covenants and agrees not to directly or indirectly sell, convey, transfer, further encumber or otherwise dispose of any interest in or any part of the Mortgaged Property without the prior written consent of Mortgagee to be given or withheld in Mortgagee's reasonable discretion, and any such sale, conveyance, transfer or encumbrance made without Mortgagee's prior written consent shall be void. If any person should obtain an interest in all or any part of the Mortgaged Property pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by Mortgagor and an Event of Default hereunder.

21. Releases. Mortgagee may, at its sole discretion, but shall not be required to, release all or any portion of the Mortgaged Property on such terms and conditions as it reasonably deems acceptable and any person having an interest in the Mortgaged Property takes such interest subject to such discretionary releases. If and when Mortgagor has paid and performed all of the Obligations (other than any contingent liabilities for which no claim has been asserted), Mortgagee agrees to and shall satisfy and release this Mortgage of record and issue termination statements for filed financing statements, if any, to Mortgagor or, upon Mortgagor's request, assign this Mortgage to Mortgagor's permanent lender upon the refinancing of the Loan, all without cost to Mortgagee.

22. Default Rate. The Default Rate shall be the highest rate of interest after maturity contained in any note or other evidence of any portion of the Obligation, but if none is stated then it shall be the lesser of (i) the highest rate permitted by law, or (ii) ten percent (10%) per annum.

23. No Release. Mortgagor agrees that the Obligation and any other document or instrument evidencing, guaranteeing or securing the Obligation may be amended, restated, renewed, extended, increased, decreased or otherwise changed by the parties thereto without the consent of Mortgagor (if different from the Obligor) and any such changes, or the release or modification of any security for or guaranty or endorsement of the Obligation, or any forbearance, indulgence, delay or waiver in enforcing the Obligation or any instrument evidencing, securing or guaranteeing the Obligation, or any other action, delay or omission of Mortgagee or other person in connection with the Obligation, any such instruments or this Mortgage shall not in any way diminish the obligations of Mortgagor or the liens granted hereunder. Neither the bankruptcy of the Obligor or any guarantor nor any discharge of, or defense against payment of, the Obligation (except the defense of payment in full) shall affect the lien of this Mortgage or the rights of Mortgagee. Mortgagor waives presentment, protest, notice of protest and notice of dishonor and any and all other notices and requirements otherwise necessary to bind Mortgagor.

24. Usury. Notwithstanding anything contained in this instrument or in any other instrument evidencing, describing or securing the Obligation to the contrary, in no event will the interest due hereunder or under the Obligation exceed the maximum amount allowed by law from time to time while any part of the indebtedness or Obligation secured hereby is outstanding, and in the event any amount in excess of the lawful maximum is charged by Mortgagee or paid by Mortgagor or Obligor, Mortgagor or Obligor shall be entitled to an immediate refund of the amount of such excess together with interest on such excess amount from the date paid until reimbursed at the maximum lawful rate in effect at the time of the overcharge.

25. Time of Essence. Time shall be of the essence in the performance of Mortgagor's obligations hereunder.

26. Joint and Several Obligations. If more than one person is named as Mortgagor, the obligations, agreements and representations herein shall be joint and several. Any matter which is an event of default with respect to Mortgagor or Obligor shall be an event of default if it occurs with respect to any person named as Mortgagor or Obligor.

27. Other Encumbrances. If the Mortgaged Property is subject to other encumbrances, Mortgagor shall not, without the prior written consent of Mortgagee, permit such encumbrances to secure more than the amount presently so secured reduced from time to time by any presently scheduled reductions in the amount secured and will not permit the principal amount so secured from time to time to be increased through additional advances or otherwise. Mortgagor shall give immediate telephonic and written notice to Mortgagee of any breach or default under any such instruments evidencing such other encumbrances. Mortgagor shall not permit the extension, amendment or other modification of such other encumbrances without the prior written consent of Mortgagee, which shall not be unreasonably withheld or delayed. Upon the occurrence of a default under such encumbrance, Mortgagee may, but shall not be required to cure such default, satisfy such encumbrance or obtain release of all or any of the Mortgaged Property from such encumbrance and any funds spent by Mortgagee in so doing shall be considered future advances secured by this Mortgage. Any such payments shall not be deemed to cure any default hereunder.

28. Notices. Notices shall be given to the parties at the following addresses or such other addresses as designated in writing from time to time:

If to Mortgagor:	Track Apple, LLC 1853 Eisenhower Drive South Goshen, Indiana 46526 Attn: Jonathan W. Wenger
With a copy to:	Barnes & Thornburg LLP 52700 Independence Court, Suite 150 Elkhart, Indiana 46514 Attn: Timothy A. Weaver, Esq.
If to Mortgagee:	Funder America, Inc. 200 Funder Drive Mocksville, NC 27028 Attn: _____
With a copy to:	Womble Bond Dickinson (US) LLP 300 N. Greene Street, Suite 1900 Greensboro, NC 27401 Attn: Randall A. Hanson, Esq.

29. Leases and Easements. To the extent permitted by the Lease, Mortgagor shall have the right to lease (including any oil, gas or mineral deed or lease) any portion of the Mortgaged Property, and grant easements and other covenants affecting the Mortgaged Property necessary and desirable for its use of the Mortgaged Property. Unless otherwise agreed to by Mortgagee, all such leases, easements and other covenants shall expressly provide that they are made and / or granted subject to this Mortgage and the rights of Mortgagee hereunder. Mortgagee and/or any lessee of the Mortgaged Property shall enter into a commercially reasonable form of Subordination, Non-Disturbance and Attornment Agreement (or similar agreement) upon written request by either party.

30. Security Agreement and Financing Statement. This Mortgage shall be construed as a mortgage of both real and personal property and it shall also constitute and serve as a "Security Agreement" within the meaning of and shall create a security interest under the UCC. This Mortgage shall also serve as a Financing Statement. The address for Mortgagor (Debtor) and Mortgagee (Secured Party) are set forth on the first page of this Mortgage. Mortgagor agrees to and shall execute and deliver to Mortgagee, in form satisfactory to Mortgagee, such other Financing Statements and such further assurances as Mortgagee may, from time to time, consider necessary to create, perfect, and preserve Mortgagee's liens upon any and all Property. Mortgagee, at the expense of Mortgagor, may cause such statements and assurances to be recorded and re-recorded, filed and re-filed, at such times and places, as may be required or permitted by law to create, perfect and preserve such liens. Mortgagee shall have all the rights with respect to all property encumbered hereby afforded to Mortgagee under the UCC, in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage. Mortgagor shall not transfer ownership of or remove from the lands herein described any of the tangible personal property which is encumbered by this Mortgage. In the event ownership of any such tangible personal property is transferred or any of the same is removed by Mortgagor, the same shall be replaced by other property which is free and clear of any lien or encumbrance held by any other person and such replacement property shall be of equal or better value than the property so transferred or removed. Such replacement property shall be encumbered by the lien of this Mortgage, and appropriate financing statements covering same shall be executed by Mortgagor. For purposes of perfecting the security interest in personal property which is intended to become fixtures Mortgagor hereby certifies as follows:

(a) Mortgagor is a limited liability company, organized and existing under the laws of the State of Indiana, and Mortgagor covenants and agrees that its status will remain active throughout the term of this Mortgage. Mortgagor is duly authorized to transact business in the State of Florida, having obtained all necessary filings, governmental licenses and approvals for the State of Florida. Mortgagor has the full power and authority to own the Mortgaged Property and to transact the business in which it is presently engaged or presently proposes to engage. Mortgagor will notify Mortgagee prior to any change in the location of Mortgagor's state or organization or any change in Mortgagor's name. Mortgagor shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Mortgagor and Mortgagor's business activities;

(b) Mortgagor's address is as set forth on the first page of this Mortgage;

(c) There is no litigation, proceeding, claim or dispute pending or threatened against Mortgagor or Obligor, the adverse determination of which would materially affect Mortgagor's or Obligor's ability to repay the loan secured by this Mortgage or otherwise perform hereunder;

(d) This Mortgage, the Note and all other Loan Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms;

(e) To the best of the Mortgagor's knowledge, no statement of fact made by or on behalf of Mortgagor or Obligor in this Mortgage or in any of the other Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading; and

(f) Mortgagor authorizes Mortgagee to file a financing statement with the appropriate filing offices in the State in which Mortgagor is a registered organization, without Mortgagor's signature, further to perfect the security interests granted herein.

31. Principal Office. The chief executive office (or principal residence address if Mortgagor is an individual) of Mortgagor is at the address set forth in Section 28. Mortgagor agrees to give at least thirty (30) days' prior written notice to Mortgagee prior to moving its chief executive office or residence address.

32. Powers. All powers of attorney and other rights granted to Mortgagee herein are coupled with an interest and are irrevocable.

33. Consents. Unless otherwise specified, any approvals or consents of Mortgagee required herein may be given or withheld in the discretion of Mortgagee.

34. Appraisals. After an Event of Default and during its continuance, Mortgagee may require Mortgagor to obtain an appraisal or reappraisal of the Mortgaged Property by an appraiser reasonably satisfactory to Mortgagee, the cost of which appraisal shall be paid by Mortgagor.

35. No Limitation on Future Advance Rights. Mortgagor covenants and agrees with Mortgagee that:

(a) Mortgagor waives and agrees not to assert any right to limit future advances under this Mortgage, and any such attempted limitation shall be null, void and of no force and effect. Any correspondence by Mortgagor regarding the future advances must be sent to both Mortgagee at the address set forth in Section 28 and to Mortgagee's counsel, Timothy A. Weaver, Esq., Barnes & Thornburg LLP, 52700 Independence Court, Suite 1500, Elkhart, Indiana 46514.

(b) An Event of Default under the Mortgage shall automatically exist (i) if Mortgagor executes any instrument which purports to have or would have the effect of impairing the priority of or limiting any future advance which might ever be made under the Mortgage or (ii) if Mortgagor takes, suffers, or permits any action or occurrence which would adversely affect the priority of any future advance which might ever be made under the Mortgage.

36. Environmental Condition of Property; Indemnification.

(a) Mortgagor warrants and represents to Mortgagee that:

(i) During their tenancies of the Mortgaged Property, Mortgagor and Genesis shall maintain the Mortgaged Property in full compliance with all federal, state and local environmental laws and regulations (collectively, "Environmental Laws"), including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Public Law No 96-510, 94 Stat. 2767, 42 U.S.C. §§ 9601, *et seq.*, the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Public Law No. 99-499, 100 Stat. 1613, the Resource Conservation and Recovery Act of 1976, the Florida Resource Recovery and Management Act, as they have been amended to date, or any other applicable federal, state or local laws or ordinances relating to the environment;

(ii) Mortgagor has received no written notice from any governmental entity of the existence or suspected or alleged existence of any violation of any Environmental Law; and

(iii) (A) During the term of this Mortgage, Mortgagor and Genesis shall not permit any hazardous or toxic materials, substances, wastes or other environmentally regulated substances, including, without limitation, oil, petroleum or chemical liquids, solids or gaseous products or any materials containing asbestos, the presence of which is limited, regulated or prohibited by any state, federal or local governmental authority or agency having jurisdiction in the premises, or which are otherwise known to pose a hazard to health or safety (collectively, "Hazardous Materials"), to be located on the Mortgaged Property or used in connection therewith, except those Hazardous Materials, if any, which are used or stored thereon only in a safe and customary manner, in accordance with all industrial standards and all laws, regulations and requirements for storage, use, treatment and disposal promulgated by any applicable governmental agency or authority, or (B) Mortgagor has obtained and will maintain all licenses, permits and approvals with respect thereto, and is in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals.

(b) Mortgagor covenants that it will promptly notify Mortgagee of any citations, orders, notices or other material governmental or other communication received with respect to any other Hazardous Materials affecting the Mortgaged Property.

(c) Mortgagor shall indemnify and hold Mortgagee harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including reasonable attorneys', consultants' or experts' fees and expenses) of every kind and nature actually incurred by Mortgagee as a direct or indirect result of any warranty or representation made by Mortgagor in this section being false or untrue in any material respect or any requirement under any law, regulation or ordinance, local, state or federal, which requires the elimination or removal of any Hazardous Materials by Mortgagor or any transferee of Mortgagor or imposes any fines, liabilities or other penalty on any such person; *however*, Mortgagor shall not be responsible to indemnify or hold Mortgagee or anyone else harmless for the violation of any Environmental Laws occurring prior to the date of this Mortgage or for Hazardous Materials located on, under, or in the Mortgaged Property prior to the date of this Mortgage.

(d) In the event that Mortgagee has reasonable cause to believe that the Mortgaged Property is not in compliance with any applicable environmental laws or regulations due to actions arising by, through, or under Mortgagee or Genesis, Mortgagee shall have the right to require Mortgagor obtain an environmental audit or inspection as may be reasonably necessary to determine the Mortgaged Property's compliance with all applicable environmental laws or regulations and payment of the cost of any such audit or inspection shall be the responsibility of Mortgagor.

(e) Mortgagor's obligations hereunder shall not be limited to any extent by the term of the Obligation secured hereby, and, as to any act or occurrence prior to payment in full and satisfaction of said Obligation which gives rise to liability hereunder, shall continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of said Obligation and this Mortgage or foreclosure under this Mortgage, or delivery of a deed in lieu of foreclosure.

37. Relationship of Mortgagor and Mortgagee. The relationship between Mortgagor and Mortgagee shall be solely that of borrower and lender, and such relationship shall not, under any circumstances whatsoever, be construed to be a joint venture or partnership.

38. Waiver of Jury Trial. MORTGAGOR AND MORTGAGEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED UPON THIS MORTGAGE OR

ARISING OUT OF, UNDER OR IN CONNECTION WITH THE NOTE, THIS MORTGAGE AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE EXTENDING CREDIT TO MORTGAGOR

39. Lease Provisions.

(a) Mortgagor (i) shall duly and punctually pay, perform and observe all of its obligations under the Lease; (ii) shall do all things reasonably necessary or appropriate to enforce, preserve, and keep unimpaired the rights of Mortgagor and the obligations of the Landlord (or any successor thereto) under the Lease; and (iii) shall not enter into any amendment, modification, extension, renewal or other agreement or take any other action amending, modifying, extending, renewing or terminating any rights or obligations of Mortgagor under the Lease (other than any express extension or renewal rights set forth in the Lease) or subordinating any right of Mortgagor under the Lease without in each case Mortgagee's prior written consent.

(b) If Mortgagor fails or refuses to perform any obligations of Mortgagor under the Lease, and such failure continues thereafter for thirty (30) days after written notice thereof from Mortgagee or such shorter period of time as Mortgagee determines is necessary to protect Mortgagee's rights and interests in the Lease or, Mortgagee may, but shall not be required to, perform any and all such obligations, including but not limited to the payment of any and all rent or other sums due from Mortgagor thereunder. Any rent or other sums so paid by Mortgagee shall be added to and constitute a part of the Obligations pursuant to this Mortgage and shall bear interest at the Default Rate or the maximum rate permitted by law, whichever is less, shall be payable upon demand, and shall be secured by this Mortgage.

(c) So long as any portion of the Obligations shall remain unpaid, unless Mortgagee shall otherwise consent, the fee title to the Land underlying the Lease and leasehold estate created under the Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in Mortgagor, the Landlord, or in any other person by purchase, operation of law or otherwise. Mortgagee reserves the right, at any time, to release from the terms and provisions of this Mortgage and other Loan Documents portions of the premises under the Lease, including, but not limited to, the leasehold estate in that portion of the Property created by the Lease, with or without consideration, at Mortgagee's election, without waiving or affecting any of its rights hereunder, and any such release shall not affect Mortgagee's rights in connection with the portion not so released.

(d) Mortgagor hereby unconditionally assigns, transfers and sets over to Mortgagee for its benefit all of Mortgagor's claims and rights to the payment of damages arising from any rejection by the Landlord of the Lease under the Bankruptcy Code. Mortgagee shall have the right to proceed in its own name or in the name of Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of the Lease, including, without limitation, the right to file and prosecute, to the exclusion of Mortgagor, any proofs of claim, complaints, motions, applications, notice and other documents, in any case in respect of the lessor under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until all Obligations shall have been satisfied and discharged in full. Any amount received by Mortgagee as damages arising out of the rejection of the Lease as aforesaid shall be applied first to all costs and expenses of Mortgagee (including, without limitation, reasonable attorneys' fees and disbursements) incurred in connection with the exercise of any of its right or remedies under this subsection.

(e) Mortgagor shall not, without Mortgagee's prior written consent, elect to treat the Lease as terminated under Section 365(h)(1) of the Bankruptcy Code, and assigns to Mortgagee the sole and

exclusive right to make or refrain from making such election on behalf of Mortgagor. Any such election made without Mortgagee's prior written consent shall be void.

(f) If pursuant to Section 365(h)(1) of the Bankruptcy Code, Mortgagor seeks to offset against the rent reserved in the Lease the amount of any damages caused by the non-performance by the Landlord of any of the Landlord's obligations under the Lease after the rejection by the Landlord of the Lease under the Bankruptcy Code, Mortgagor shall, prior to effecting such offset, notify Mortgagee of its intention to do so, setting forth the amounts proposed to be so offset and the basis therefor. Mortgagee shall have the right, within twenty (20) days after receipt of such notice from Mortgagor, to object to all or any part of such offset, and, in the event of such objection, Mortgagor shall not effect any offset of the amounts so objected to by Mortgagee for a period of thirty (30) days after Mortgagee has delivered its objection notice to Mortgagor during which time Mortgagee shall have the right to bring its objections to the attention of any court supervising the bankruptcy of the lessor of the Lease and both Mortgagee and Mortgagor agree to abide by the decision of any such court. If (i) Mortgagee has failed to object as aforesaid within twenty (20) days after notice from Mortgagor, or (ii) the court fails to render its decision within the above-mentioned thirty day period, Mortgagor may proceed to effect such offset in the amounts set forth in Mortgagor's notice, provided neither Mortgagee's failure to object as aforesaid nor any objection or other communication between Mortgagee and Mortgagor relating to such offset shall constitute an approval of any such offset by Mortgagee.

(g) Mortgagor shall indemnify and save Mortgagee harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever (including, without limitation, reasonable attorneys' fees) arising from or relating to any offset by Mortgagor against the rent reserved in the Lease.

(h) If any action, proceeding, motion or notice shall be commenced or filed in respect of Mortgagor or the premises under the Lease in connection with any case under the Bankruptcy Code (other than a case under the Bankruptcy Code commenced with respect to Mortgagor), Mortgagee shall have the option, to the exclusion of Mortgagor, exercisable upon notice from Mortgagee to Mortgagor, to conduct and control any such litigation with counsel of Mortgagor's choice but subject to Mortgagee's reasonable approval. Mortgagee may proceed in its own name or in the name of Mortgagor in connection with any such litigation, and Mortgagor agrees to execute any and all powers, authorizations, consents and other documents required by Mortgagee in connection therewith. Mortgagor shall pay to Mortgagee all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) paid or incurred by Mortgagee in connection with the prosecution or conduct of any such proceedings within ten (10) days after notice from Mortgagee setting forth such costs and expenses in reasonable detail. Any such costs or expenses not paid by Mortgagor as aforesaid shall be secured by the lien of this Mortgage and shall be added to the Obligations. Mortgagor shall not commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Lease in any such case under the Bankruptcy Code (other than a case under the Bankruptcy Code commenced with respect to Mortgagor) without the prior written consent of Mortgagee.

(i) Mortgagor shall promptly, after obtaining knowledge thereof, notify Mortgagee of any filing by or against the Landlord of a petition under the Bankruptcy Code. Mortgagor shall thereafter forthwith give written notice of such filing to Mortgagee, setting forth any information available to Mortgagor as to the date of such filing, the court in which such petition was filed, and the relief sought therein. Mortgagor shall promptly deliver to Mortgagee following receipt any and all notices, summonses, pleadings, applications and other documents received by Mortgagor in connection with any such petition and any proceedings relating thereto.

(j) If there shall be filed by or against Mortgagor a petition under the Bankruptcy Code, and Mortgagor, as the tenant under the Lease, shall determine to reject the Lease pursuant to Section 365(a) of the Bankruptcy Code, then Mortgagor shall give Mortgagee not less than ten (10) days' prior notice of the date on which Mortgagor shall apply to the bankruptcy court for authority to reject the Lease. Mortgagee shall have the right, but not the obligation, to serve upon Mortgagor within such ten-day period a notice stating that (i) Mortgagee demands that Mortgagor assume and assign the Lease to Mortgagee pursuant to Section 365 of the Bankruptcy Code and (ii) Mortgagee covenants to cure or provide adequate assurance of future performance of Mortgagor's obligations under the Lease. If Mortgagee serves upon Mortgagor the notice described in the preceding sentence, Mortgagor shall not seek to reject the Lease and shall seek court approval to comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by Mortgagee of the covenant provided for in clause (ii) of the preceding sentence. Mortgagor hereby unconditionally assigns, transfers and sets over to Mortgagee all of Mortgagor's rights to reject the Lease in any bankruptcy proceeding instituted by or against Mortgagor under the Bankruptcy Code.

(k) Effective upon the entry of an order for relief in respect of Mortgagor under the Bankruptcy Code, Mortgagor hereby assigns and transfers to Mortgagee a non-exclusive right to apply to the bankruptcy court under Section 365(d)(4) of the Bankruptcy Code for an order extending the period during which the Lease may be rejected or assumed.

(l) All references in this Mortgage to the Bankruptcy Code or the sections thereof shall likewise apply to any similar provisions of any successor legislation.

(m) With respect to the Lease, Mortgagor hereby represents, covenants and warrants that: (i) the Lease was duly authorized, properly executed and delivered by Mortgagor, the Lease has not been modified or amended, a true and complete copy of the Lease has been provided to Mortgagee, the Lease is in full force and effect, and is valid, binding and enforceable against Mortgagor; (ii) all rents (including additional rents and other charges) reserved in the Lease and all services or other consideration to be provided or paid under the Lease have been paid or provided to the extent they were payable or required prior to the date hereof; (iii) there is no existing default under the provisions of the Lease or in the performance of any of the terms, covenants, conditions or warranties thereof on the part of Mortgagor, as lessee, to be observed and performed beyond any applicable grace or cure period, there exists no state of facts known to Mortgagor which with notice, the passage of time, or both, could ripen into a default under the Lease, and Mortgagor has not sent or received a notice of default under the Lease; (iv) Mortgagor has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Lease and no mortgages, deeds of trust or other security interests encumber Mortgagor's leasehold estate under the Lease (the "Leasehold Estate") other than this Mortgage; and (v) Mortgagor has not sublet the Leasehold Estate, except to Genesis by that certain Sublease Agreement effective of even date herewith, between Mortgagor and Genesis, and has not assigned the Lease except for prior assignments to or in favor of Mortgagee.

(n) Mortgagor will not surrender the Leasehold Estate and its interests herein described and Mortgagor will not terminate or cancel the Lease, and will not without the express written consent of Mortgagee modify, change, supplement, alter or amend the Lease either orally or in writing. As further security for the repayment of the Obligations and for the performance of the covenants herein and in the Lease contained, Mortgagor hereby assigns to Mortgagee (but without thereby imposing any liability or obligation on Mortgagee) all of its rights, privileges and prerogatives under the Lease to terminate, cancel, modify, change, supplement, alter or amend the Lease, and any such termination, cancellation, modification, change, supplement, alteration or amendment of the Lease without the prior written consent thereto by Mortgagee shall be void and of no force and effect. Notwithstanding the foregoing, so long as no Event of Default exists or a default exists under any of the terms, covenants, and conditions contained in the Lease, Mortgagee shall have no right to terminate, cancel, modify, change, supplement, alter or amend

the Lease. Mortgagee shall have the right to declare an Event of Default in the event of a default in the performance by Mortgagor under the Lease of any of the terms, covenants or conditions contained in the Lease, subject in all cases to any and all applicable grace and/or cure periods provided for in the Lease.

(o) Mortgagee's Lease. Notwithstanding the foregoing provisions of the foregoing Section regarding termination of the Lease, upon a termination or rejection of the Lease, Mortgagor acknowledges that Mortgagee may enter into (1) an instrument recognizing, confirming and giving legal effect to the continued existence of the Lease in favor of Mortgagee or its designee, or (2) a new lease in favor of Mortgagee or its designee (in either event the "Mortgagee's Lease") for the premises demised pursuant to the terms of the Lease, under the following terms and conditions:

(i) The Mortgagee's Lease shall be subject to and encumbered by this Mortgage which shall constitute the first and prior security deed and security interest upon the Mortgagee's Lease.

(ii) Mortgagee's execution of the Mortgagee's Lease shall not be deemed to be in satisfaction in whole or in part of the Obligations, and all of the other terms, covenants and conditions contained in this Security Instrument shall remain in effect.

(iii) Mortgagor hereby releases, remises, and quitclaims to Mortgagee any interest Mortgagor may have in the Mortgagee's Lease and further agrees and acknowledges that Mortgagee may assign the Mortgagee's Lease without notice, consent or joinder of Mortgagor. Mortgagor further waives any right Mortgagor may have to challenge the adequacy of any consideration received therefor, provided that in the event of an assignment of the Mortgagee's Lease, the proceeds thereof, if any, less costs and fees, including, but not limited to, customary closing costs and reasonable attorneys' fees, shall be applied to reduce the Obligations.

(iv) Mortgagee or its designee shall pay or cause to be paid to the Landlord at the time of the execution and delivery of such Mortgagee's Lease, any and all sums which are at the time of execution and delivery of the Mortgagee's Lease due under the Lease and in addition, all expenses, and other amounts required to be paid to lessor, including reasonable attorneys' fees. Such payments by Mortgagee to the Landlord shall be deemed to have been made for the protection of this Mortgage and shall constitute part of the Obligations.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the undersigned Mortgagor has executed this instrument as of the day and year first above written.

Chris Westenbeek
Witness
Print Name: Chris Westenbeek

TRACK APPLE, LLC, an Indiana limited liability company

Rick Thacker
Witness
Print Name: Rick Thacker

By: [Signature]
Name: Jonathan Wesger
Title: Manager

STATE OF Indiana
COUNTY OF Elkhart

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 23 day of February, 2023, by Jonathan Wesger as manager of Track Apple, LLC, an Indiana limited liability company, on behalf of the company. Such person: (notary must check applicable box)

- is/are personally known to me.
- produced a current _____ driver's license as identification.

{Notary Seal must be affixed}

Kay Arleen Meade
Signature of Notary
Kay Arleen Meade
Name of Notary (Typed, Printed or Stamped)
Commission Number (if not legible on seal): _____
My Commission Expires (if not legible on seal): _____

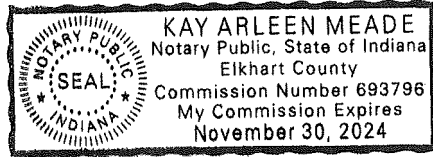


EXHIBIT A

Land Legal Description

A PARCEL OF LAND SITUATED IN THE SEBRING AIRPORT, WITHIN SECTION 5, TOWNSHIP 35 SOUTH, RANGE 30 EAST, HIGHLANDS COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE POINT OF INTERSECTION OF THE CENTERLINE OF WEBSTER TURN DRIVE AND THE CENTERLINE OF RAILROAD TRACKS (MORE PARTICULARLY THE SOUTHERLY OF THE TWO SETS OF TRACKS) ON THE SEBRING AIRPORT PROPERTY; THENCE S 45°30'04"E ALONG SAID CENTERLINE OF WEBSTER TURN DRIVE FOR 63.40 FEET; THENCE DEPARTING SAID CENTERLINE RUN N 44°56'09"E FOR 512.82 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N 44°56'09"E FOR 82.98 FEET; THENCE N 45°03'51"W FOR 20.50 FEET; THENCE N 44°56'09"E FOR 383.01 FEET; THENCE S 44°59'30"E FOR 327.04 FEET; THENCE S 45°00'30"W FOR 466.13 FEET; THENCE N 44°57'40"W FOR 70.29 FEET; THENCE S 45°02'20"W FOR 41.20 FEET; THENCE N 45°53'19"W FOR 32.56 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 90.00 FEET, THROUGH A CENTRAL ANGLE OF 18°07'20" FOR 28.47 FEET; THENCE N 45°02'20"E FOR 46.64 FEET; THENCE N 44°57'40"W FOR 175.18 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

Permitted Encumbrances

1. Laws, ordinances and governmental regulations (including but not limited to building, zoning, land use and any subdivision ordinances and regulations) affecting the Mortgaged Property;
2. Rights of Genesis Products, LLC, an Indiana limited liability company, as subtenant, to occupy the Land pursuant to that certain Sebring Airport Authority Commercial Lease dated November 17, 2005, between Sebring Airport Authority, a body politic and corporate of the State of Florida, as landlord, and Track Apple, LLC, an Indiana limited liability company, as tenant, as amended by that certain Sebring Airport Authority First Modification of Commercial Lease dated September 20, 2007, as further amended by that certain Second Amendment to Sebring Airport Authority's Lease to Funder America, Inc. dated December 11, 2007, as further amended by that certain Third Modification to Sebring Airport Authority's Lease to Funder America, Inc. dated November 17, 2022, as assigned to Track Apple, LLC by that certain Assignment and Assumption of Lease effective of even date herewith, and as subleased to Genesis Products, LLC, as subtenant, by that certain Sublease Agreement effective of even date herewith, between Track Apple, LLC and Genesis Products, LLC.
3. Real estate taxes and assessments for the year 2023 and subsequent years, which are not yet due and payable.
4. Easement for Florida Power Corporation created by Bill of Sale recorded in Book 118, Page 329 of the Official Records of Highlands County, Florida.
5. Terms and conditions contained in that Resolutions recorded in Book 118, Page 344 of the Official Records of Highlands County, Florida.
6. Terms and conditions contained in that Resolutions recorded in Book 118, Page 347 of the Official Records of Highlands County, Florida.
7. Terms and conditions of the Interlocal Agreement between State of Florida Department of Transportation and the Sebring Airport Authority recorded in Book 501, Page 378 of the Official Records of Highlands County, Florida.
8. Terms and conditions of the Taxiway Easement Agreement Exhibit 2 between Sebring Airport Authority, a body corporate and politic and public instrumentality of the State of Florida and Wesley Davis and Mae Ella Davis, husband and wife recorded in Book 984, Page 514 of the Official Records of Highlands County, Florida.
9. Terms and conditions of the New Easement Agreement Exhibit 3 between Sebring Airport Authority, a body corporate and politic and public instrumentality of the State of Florida and Wesley Davis and Mae Ella Davis, husband and wife recorded in Book 984, Page 517 of the Official Records of Highlands County, Florida.
10. Terms and conditions of the Temporary Easement Agreement between Sebring Airport Authority, a body corporate and politic and public instrumentality of the State of Florida and Wesley Davis and Mae Ella Davis, husband and wife recorded in Book 984, Page 521 of the Official Records of Highlands County, Florida.
11. Terms and conditions of the North Easement Agreement Exhibit 5 between Sebring Airport Authority, a body corporate and politic and public instrumentality of the State of Florida and Wesley Davis and

- Mae Ella Davis, husband and wife recorded in Book 984, Page 525 of the Official Records of Highlands County, Florida.
12. Terms and conditions of the South Easement Agreement Exhibit 6 between Sebring Airport Authority, a body corporate and politic and public instrumentality of the State of Florida and Wesley Davis and Mae Ella Davis, husband and wife recorded in Book 984, Page 529 of the Official Records of Highlands County, Florida.
 13. Terms and conditions contained in that Sebring Airport Authority Covenants and Restrictions Exhibit 7 recorded in Book 984, Page 533 of the Official Records of Highlands County, Florida.
 14. Terms and conditions contained in that Sebring Airport Authority Resolution Sebring Airport Authority (Excerpt from Minutes) recorded in Book 984, Page 535 of the Official Records of Highlands County, Florida.
 15. Terms and conditions contained in that recorded document The Federal Aviation Administration Department of Transportation United States of America recorded in Book 984, Page 537 of the Official Records of Highlands County, Florida.
 16. Terms and conditions of the Supplemental Southern Easement Agreement Sebring Airport Authority and Davis between Sebring Airport Authority, a body corporate and politic and public instrumentality of the State of Florida and Wesley Davis and Mae Ella Davis, husband and wife recorded in Book 984, Page 538 of the Official Records of Highlands County, Florida.
 17. Matters shown on the Plat of Easement Agreement, recorded in Plat Book 15, Page 15 of the Official Records of Highlands County, Florida.
 18. Final Judgment Validating Notes and Bonds against State of Florida, and the Taxpayers, Property Owners and Citizen of Highlands County and the City of Sebring, including nonresidents owning property or subject to taxation therein, et al., in favor of Sebring Airport Authority, a body corporate and politic and public instrumentality of the State of Florida, recorded in Book 1267, Page 586 of the Official Records of Highlands County, Florida.
 19. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority, a body politic and corporate and City of Sebring, a Florida municipal corporation recorded in Book 1633, Page 458 of the Official Records of Highlands County, Florida.
 20. Terms and conditions of the Interlocal Agreement for Disposal of Sludge between Sebring Airport Authority, a body corporate and politic and public instrumentality of the State of Florida and City of Sebring, a Florida municipal corporation recorded in Book 1633, Page 458 of the Official Records of Highlands County, Florida.
 21. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority, a body politic and corporate and Highlands County, a political subdivision of the State of Florida recorded in Book 1640, Page 975 of the Official Records of Highlands County, Florida.
 22. Terms and conditions of the Interlocal Agreement between Sebring Regional Airport and Industrial Park Community Redevelopment Agency between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 1768, Page 1255 of the Official Records of Highlands County, Florida.
 23. Terms and conditions of the Interlocal Agreement between Sebring Regional Airport and Industrial Park Community Redevelopment Agency between Sebring Airport Authority, a body politic and corporate

and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 1884, Page 382 of the Official Records of Highlands County, Florida.

24. Terms and conditions of the Interlocal Agreement between Sebring Regional Airport and Industrial Park Community Redevelopment Agency [FLGFC Loan] between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2069, Page 1504 of the Official Records of Highlands County, Florida.
25. Terms and conditions of the Interlocal Agreement between Sebring Regional Airport and Industrial Park Community Redevelopment Agency between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2069, Page 1507 of the Official Records of Highlands County, Florida.
26. Terms and conditions of the Interlocal Agreement between Sebring Regional Airport and Industrial Park Community Redevelopment Agency between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2069, Page 1509 of the Official Records of Highlands County, Florida.
27. Terms and conditions of the Interlocal Agreement between Sebring Regional Airport and Industrial Park Community Redevelopment Agency between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2070, Page 488 of the Official Records of Highlands County, Florida.
28. Terms and conditions of the Interlocal Agreement between Sebring Regional Airport and Industrial Park Community Redevelopment Agency between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2070, Page 490 of the Official Records of Highlands County, Florida.
29. Terms and conditions of the Interlocal Agreement between Sebring Regional Airport and Industrial Park Community Redevelopment Agency between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2070, Page 492 of the Official Records of Highlands County, Florida.
30. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority, a body politic and corporate and City of Sebring, a Florida municipal corporation recorded in Book 2118, Page 249 of the Official Records of Highlands County, Florida; as amended by that Amendment to Interlocal Agreement recorded in Book 2179, Page 1669.
31. Easement, granted from Sebring Airport Authority to City of Sebring, a Florida municipal corporation, recorded in Book 2147, Page 808 of the Official Records of Highlands County, Florida.
32. Terms and conditions of the Interlocal Agreement between The Sebring Regional Airport and Industrial Park Community Redevelopment Agency and Highlands County between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2162, Page 367 of the Official Records of Highlands County, Florida.
33. Terms and conditions of the Project Assistance Agreement (Airport Fuel Farm) between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2179, Book 1656 of the Official Records of Highlands County, Florida.

34. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority and Sebring Regional Airport and Industrial Park Community Redevelopment Agency for Airport Tree Removal between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2179, Page 1660 of the Official Records of Highlands County, Florida.
35. Terms and conditions of the Project Assistance Agreement (Rail Spur) between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2179, Page 1663 of the Official Records of Highlands County, Florida.
36. Terms and conditions of the Project Assistance Agreement (US Sport Aviation EXPO) between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2179, Page 1666 of the Official Records of Highlands County, Florida.
37. Terms and conditions of the Project Assistance Agreement (Raceway Safety Systems) between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2179, Page 1671 of the Official Records of Highlands County, Florida.
38. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority and Sebring Regional Airport and Industrial Park Community Redevelopment Agency [Runway 14-32 and Taxiway Alpha 4] between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2179, Page 1679 of the Official Records of Highlands County, Florida.
39. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority and Sebring Regional Airport and Industrial Park Community Redevelopment Agency [Funder America Project (Landscaping)] between Sebring Airport Authority, a body politic and corporate of the State of Florida and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2179, Page 1682 of the Official Records of Highlands County, Florida.
40. Terms and conditions of the Project Assistance Agreement (Chateau Elan Sebring) between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency and Chateau Elan Hotels & Resorts, a Georgia corporation recorded in Book 2179, Page 1684 of the Official Records of Highlands County, Florida.
41. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority and Sebring Regional Airport and Industrial Park Community Redevelopment Agency [Appraisals] between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2179, Page 1689 of the Official Records of Highlands County, Florida.
42. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority and Sebring Regional Airport and Industrial Park Community Redevelopment Agency For Project Assistance Via Airport Fuel Farm - Loan Interest Payments between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2182, Page 1044 of the Official Records of Highlands County, Florida.
43. Terms and conditions of the Project Assistance Agreement (Extension of Runway 18-36) between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial

Park Community Redevelopment Agency recorded in Book 2186, Page 1177 of the Official Records of Highlands County, Florida.

44. Terms and conditions of the Project Assistance Agreement (US Sport Aviation EXPO) between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2261, Page 997 of the Official Records of Highlands County, Florida.
45. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2893, Page 444 of the Official Records of Highlands County, Florida.
46. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2893, Page 447 of the Official Records of Highlands County, Florida.
47. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2899, Page 843 of the Official Records of Highlands County, Florida.
48. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2899, Page 849 of the Official Records of Highlands County, Florida.
49. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2970, Page 1743 of the Official Records of Highlands County, Florida.
50. Terms and conditions of the Interlocal Agreement between Sebring Airport Authority, a body politic and corporate and Sebring Regional Airport and Industrial Park Community Redevelopment Agency recorded in Book 2921, Page 594 of the Official Records of Highlands County, Florida.

CONSENT AND JOINDER

In accordance with the provisions contained within the Lease, Landlord hereby consents to Mortgagor's grant and encumbrance of a security interest in Mortgagor's leasehold estate under the Lease as of the date hereof, and further joins this Mortgage to provide notice of Landlord's consent to this Mortgage.

IN WITNESS WHEREOF, Landlord has caused this Consent and Joinder to this Mortgage to be executed and delivered as of the day and year first above written.

WITNESSES:

Signature: [Signature]
Print Name: Beverly K. Glarner

Signature: [Signature]
Print Name: Jason M. Ali

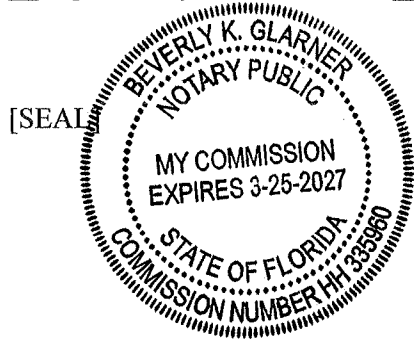
Sebring Airport Authority, a body politic and corporate of the State of Florida

By: [Signature]
 Carl Cool, as its Chair or
 Mark Andrews, as its Vice Chair

Attest: [Signature]
 Stanley Wells, as its Asst. Secretary

STATE OF Fla
COUNTY OF Highlands

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 20th day of February, 2023, by Carl Cool, the chairman of Sebring Airport Authority, a body politic and corporate of the State of Florida, on behalf of the corporation. He/She is personally known to me or has produced _____ as identification.



[Signature]
Signature of Notary Public
Beverly K. Glarner
Print Name
My Commission Expires: _____
My Commission Number is _____

Executive Director's REPORT



Sun 'n Fun was quite a spectacle this year.

Here below are some of the crowd-pleasing high points:

Blue Angels

The U.S. Navy's Blue Angels flew Friday, Saturday and Sunday at Sun 'n Fun at Lakeland Linder International Airport. The Boeing F/A-18 Super Hornets were the headliners for the 49th annual Sun 'n Fun Aerospace Expo. This year's demonstration team included Lt. Amanda Lee, the Blue Angels' first female pilot.

Lakeland was the fourth airshow of the Blue Angels' 77th performance season and only the second time they have been viewed at Sun 'n Fun.

Grumman F-14 Tomcat

"Top Gun" movie fanatics and fighter jet fans had the opportunity to get up close and personal with a Grumman F-14 Tomcat featured in the movie series, as well as take photos with a Tom Cruise impersonator during the weekend.

C-5 Super Galaxy

The largest aircraft in the U.S. Air Force, the C-5 Super Galaxy was on display at Sun 'n Fun. The C-5 Super Galaxy, a strategic transport aircraft designed to move around personnel and cargo for the Department of Defense, is the largest plane to ever land at the Lakeland airport.





Building 22 Reroofing

Roof has been completed and windows have been installed. Final testing and project completion expected by end of April.

Haywood Taylor Reconstruction

Substantial completion has been achieved. Final completion and project closeout is expected by the end of April. (Subject to details in following paragraph).

Segregation was observed in the friction course asphalt within the roundabout at the terminal. The three QA pavement cores were taken in this area per the contract documents. The density results of the three cores taken deemed the asphalt within the area in question failed. Based on discussions between Atkins and Cobb, Cobb's subcontract Blackrock Asphalt Company, LLC is refusing to re-pave the roundabout. The approximate value of the milling and resurfacing of this area is \$11,500. Cobb has offered the Owner a credit of \$6K to accept the pavement in place and closeout the project. Atkins reached out to multiple paving contractors to obtain quotes for milling and resurfacing the defective friction course. Ajax Paving Industries of Florida, LLC has provided a quote in the amount of \$42,342.00. Atkins is waiting on additional quotes from four other subcontractors currently.

Taxiway A4 Realignment

Construction activities in the field began on March 20th. Work to date has included the

construction of a haul route from Gate 1 to the Terminal Apron, installation of erosion control measures around the work site, and excavation and removal of 250LF of 54" Reinforced Concrete Pipe (original 1940s construction). With the new taxiway crossing over this major stormwater trunk line, it was determined that the old pipe should be replaced to provide better load bearing capacity and better joint seals. In addition to the removal of the old pipe, the trench has been dewatered and the subgrade is being prepared for installation of the new stormwater pipe. Installation of stormwater pipe and structures will take a few weeks, followed by grading, subgrade stabilization, and installation of crushed concrete base course. Asphalt paving and the installation of taxiway edge lighting are scheduled to be completed in June, with final completion and acceptance in July.

Hurricane Ian Multi-Building Repairs

A bid package for the repair of hurricane related damages to Buildings 60, 727, 735, 99-103, and 105-108 was advertised on 4/4/23. Repairs include roof replacement, wall panel repairs, gutter & downspout replacement, and door system repairs for the T-hangars. The bid opening is currently scheduled for May 18.

Highmast Apron Lighting

SAA has applied to the FDOT for a S.A.F.E. grant to design and construct area lighting for the Terminal Apron. The Terminal Apron has limited lighting and the area is extremely dark at night. The addition of area lighting would improve the security and safety on the apron. This project would include six (6) highmast light poles (50' tall) spaced around the Terminal Apron. Anticipated program costs are approximately \$410,000. The FDOT needs to issue these S.A.F.E. grants before the end of their fiscal year (June), so notification of award should be issued very soon.



Wayne Estes Reporting

Mobil 1 Twelve Hours of Sebring: The most financially successful event ever....

The March 2023 SuperSebring event delivered on all fronts. It was expected to be the biggest Mobil 1 Twelve Hours of Sebring in

recent history and it was the most financially successful event ever.

Attendance was up more than 14 percent over the previous year. Hospitality partners spent more than any previous year, and the hotel posted record financial numbers for the month of March. Additionally, traffic and logistics were managed exceptionally well during the entire event. Proclaimed Mr. Estes, “The race events were nothing short of spectacular,

and it didn’t rain. It was an artistic, logistic and financial success.”

Sebring International Raceway introduced Cadillac as their new automobile partner, replacing Chevrolet. A Cadillac won on Saturday night after the top three cars (two Porches and an Acura) crashed each other out with 20 minutes remaining in the race.

Track rentals continue to boost revenues for both the track and SAA.



Sebring Regional Airport
 128 Authority Lane
 Sebring, Florida 33870
www.sebring-airport.com
 863.655.6444

With strategic access to major markets by land, sea and air—Sebring Regional Airport and Commerce Park offers a wide range of business advantages and incentives to support your company’s future. In the heart of Central Florida, the 2,000-acre park is conveniently situated within a 150-mile radius of 85 percent of the state’s population. Already home to Sebring International Raceway, a premier sports car racing facility, the park is uniquely positioned to accelerate your business.

SITE MAP

- Future Development
- Catalyst Site
- Future Commerce Park
- Existing Industrial Park
- Airport
- Sebring International Raceway



ACCELERATE YOUR BUSINESS'S POTENTIAL



April 20, 2023

VIA HAND DELIVERY

Sebring Airport Authority
ATTN: Carl Cool, Chairman
128 Authority Lane
Sebring, FL 33870

NOTICE OF REQUEST TO BE HEARD PURSUANT TO F.S. 286.0114

Mr. Cool,

Please take notice the undersigned respectfully requests to be heard prior to any official board action regarding the sale or disposition of any real property for which the Board of the Sebring Airport Authority may consider at the April 2023 meeting.

Respectfully,

R.L. Singles

Robinn Lee Singles
Attorney