STATE GRANT AGREEMENT

PROJECT NO. 3-31-0109-025/026/027/028-2026

This is an Agreement by and between the Nebraska Department of Transportation, Division of Aeronautics, hereinafter referred to as the "Department" and the Airport Authority of Blair, Nebraska, hereinafter referred to as the "Sponsor."

RECITALS

The Sponsor has the title to or control of the Blair Executive Airport and wants to develop or improve it. The Department agrees to help the Sponsor with the following development:

Extend Runway 13 & County Road Relocation

A summary of eligible project costs is attached to this Agreement for reference as “Exhibit A”.

AGREEMENT

In consideration of these facts and the mutual covenants contained herein, the Department and Sponsor agree as follows:

This Agreement is a Federal Match State Grant of a federally funded project.

The Sponsor agrees that all developments listed above will be completed and will comply with the approved airport layout plan and the approved construction plans and specifications, as applicable. No development item shall be omitted or added without specific approval from the Department. If the work is contracted by the Sponsor, bids shall be taken as required by law and submitted to the Department for review prior to contract award.

The Department agrees to reimburse the Sponsor for **two percent (2%) of the actual federally eligible costs incurred** to complete this development under FAA grant 3-31-0109-025/026/027/028-2026; up to **a maximum of $172,570.00** in State funds. “Eligible Costs” are defined by the FAA in the grant identified above.

In the reimbursement to the Sponsor for work performed and material furnished, the Department agrees to honor approved progress estimates processed during the construction. Upon presentation of the final billings and estimates for the work completed by the Sponsor to the satisfaction of the Department, the Department agrees to reimburse the Sponsor in an amount based upon the actual incurred eligible costs of the improvements set forth in the above noted scope of development, the

attached Exhibit A, the approved plans, and any approved change orders. The total reimbursement shall not exceed the amount(s) set forth above.

CONDITIONS

The terms and conditions of this Agreement shall remain in effect for 20 years from the date of execution by the Sponsor. If the development is land or easement acquisition, then the terms and conditions shall remain in effect for as long as the Sponsor owns this land or easement. The Sponsor will not sell, lease, encumber or otherwise dispose of airport real property, acquired with grant money from the Department, without the Department's approval.

1. The Sponsor will comply with the Department's State Aid Program and all applicable laws and regulations. The current version, dated May 16, 2025, is attached hereto as "Exhibit B" and incorporated herein by reference as of the execution of this State Grant Agreement.

2. The Sponsor will complete the project without undue delay. The project shall be subject to the Department's inspection.

3. The Sponsor will operate and maintain the airport as a public use facility in a safe and serviceable condition and will not permit any activity thereon that would interfere with its use for aeronautical purposes. The Sponsor is not required to operate the airport during temporary periods when snow, flood or other climatic conditions interfere. The Sponsor will comply with the minimum standards of maintenance and operation set by the Department and the Federal Aviation Administration.

4. The Sponsor will make this airport available as a public use airport on fair and reasonable terms and without unjust discrimination, to all types, kinds, and classes of aeronautical uses. In its operation of the airport, the Sponsor or any person or organization occupying space or facilities thereon will not discriminate against any person or class of persons because of race, color, religion, national origin, sex, handicap, or age and will not discriminate against any employee or applicant for employment based on race, color, religion, sex, age, or otherwise qualified handicapped status.

5. The Sponsor will insert and enforce provisions in any contract or other arrangement that grants a right or privilege to any person, firm or corporation to engage in any activity for furnishing services to the public at the airport. These provisions require the contractor to:

    a. Furnish said service on a fair, equal, and not unjustly discriminatory basis to all users thereof, and,

    b. Charge fair, reasonable, and not unjustly discriminatory prices for each unit or service. However, it is allowable for the contractor to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

6. The Sponsor will not grant or permit any person, firm or corporation an exclusive right to:

   a. Use the airport to provide aeronautical services to the public; nor

   b. Conduct any aeronautical activities, including but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, or any other aeronautical activity.

   However, the Sponsor may grant or exercise an exclusive right for furnishing non-aviation products and supplies or any non-aeronautical service.

7. The Sponsor will submit all leases, permits, and agreements for the airport to the Department upon request. The Department may withhold 20% of payments due to the Sponsor until all leases, permits and agreements are acceptable to the Department.

8. The Sponsor will provide a drug-free workplace at the site of work specified in this agreement.

9. The Sponsor will take appropriate action to ensure that the airspace required for airport operations is adequately cleared and protected. The Sponsor agrees, to the best of its ability, to prevent construction, erection, alteration, or growth of any object within or outside the boundaries of the airport which would create a hazard to aircraft operating at or near the airport or otherwise limit the usefulness of the airport. Appropriate actions may include removing, lowering, relocating, marking, lighting or otherwise mitigating existing airport hazards and preventing the establishment or creation of future airport hazards. The Sponsor will, to the best of its ability, arrange for height restriction zoning of the area around the airport as allowed under Nebraska Statutes.

10. The Sponsor will keep a current airport layout plan that has the approval of the Department or the Federal Aviation Administration. The Sponsor will ensure that future development of the airport conforms to this plan.

11. The Sponsor will not enter into any transaction that would operate to deprive it, or any legal successor, of the rights and powers necessary to comply with any or all the covenants made herein.

12. During the term of these covenants, the Sponsor will maintain a current system of airport accounts and records, using a system of its own choice sufficient to provide annual statements of income and expense. It will furnish the Department with such annual or special airport financial and operational reports as may be reasonably requested.

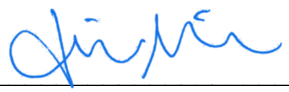
13. If this airport ceases be a public-use airport before the expiration of 20 years from the date of execution of this Agreement, or if any other covenants of this agreement are substantially violated without the Department's approval, the Sponsor will reimburse the Department as follows:

For any monies granted under this Agreement, the amount due the Department shall be according to the operation of the following formula:

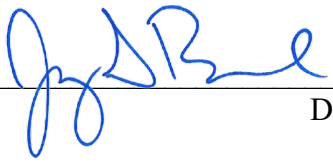
$$\frac{\text{Months remaining}}{\text{240 Months}} \quad \text{X} \quad \text{Amount of Dept.'s money granted.}$$

IN WITNESS WHEREOF, the Department and Sponsor have authorized these presents to be executed by their proper officials, as of the dates shown below.

Executed by the Nebraska Department of Transportation, Division of Aeronautics this 25th day of September 2026.



Witness



Director

Executed by the Blair Airport Authority this _____ day of _____, 2026.

_____
Secretary

_____
Chairman

EXHIBIT A

Blair Executive Airport (BTA)
Blair, Nebraska
Project No. 3-31-0109-025/026/027/028
Extend Runway 13/31 & Co Rd Relocation

COST SUMMARY:	Estimated (April 2026)
Construction (Paulsen)	
Schedule 1	$1,201,227.30
Schedule 2	$4,612,157.70
Schedule 3	$235,604.00
Schedule 4	$531,301.00
Schedule 5 (Ineligible)	$367,210.00
Utility Agreements	$676,829.45
Subtotal	$7,624,329.45
Consultant (Olsson)	
Design	$461,700.00
Geotech - Design	$18,655.00
AGIS Survey	$111,100.00
Bidding	$26,700.00
Construction	$1,016,300.00
Closeout	$145,600.00
Subtotal	$1,780,055.00
Miscellaneous	
Owner Purchase (Beacon/Wind Cone)	$21,645.57
IFE (Airport IFE)	$5,450.00
Flight Check	$25,849.50
Subtotal	$52,945.07
Admin/Audit/Pub/Etc.	
Audit	$10,000.00
Administrative	$9,182.21
Legal/Publication	$400.00
Subtotal	$19,582.21
TOTALS	$9,476,911.73
Federal Eligible	$9,109,701.73
Federal Ineligible	$367.210.00

SUMMARY OF FUNDS:	(April 2026)
Local	$649,945.73
State	$172,750.00
Federal (IIJA 025 & 026)	$886,216.00
Federal (AIP 027)	$2,768,000.00
Federal (CDS 028)	$5,000,000.00
Total	$9,476,911.73

NEBRASKA

Good Life. Great Journey.

DEPARTMENT OF TRANSPORTATION

STATE AID GRANT PROGRAM
Commission Approved May 16, 2025

Nebraska Department of Transportation
(NDOT) Division of Aeronautics

STATE AID GRANT PROGRAM

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STATE AID GRANT PROGRAM

I. PROGRAM OVERVIEW AND INTENT

The intent of the State Aid Grant Program is to assist in the development of public-use aviation facilities in Nebraska. This program includes state aid provided as part of a federally funded project.

The Nebraska Aeronautics Commission has two types of funds to allocate state grants: the Project Grant Fund, funded through the aviation fuels tax, and the Aeronautics Capital Improvement Fund, funded through a tax on the sales and use of aircraft.

Primary airports with scheduled, non-subsidized, commercial service are eligible to receive up to $250,000 allocation in state aid per year in recognition of the substantial economic impact these facilities have in generating the funds used to provide state grants. Note: This allocation will be evaluated based on available funds for a given year.

Project approval and funding limits are determined by the Nebraska Aeronautics Commission. The Commission has the right to fund projects outside the scope of this program at their discretion.

II. WHO IS ELIGIBLE?

A. ANY MUNICIPALITY operating a public-use airport. A municipality can be an airport authority, city, county, or village.

B. Airports must have a current state license and have no licensing violations unless the request being made is to correct licensing violations.

III. WHAT IS ELIGIBLE?

To be eligible for the state aid program, the following requirements should be met:

- The project is reasonably consistent with the Nebraska System Plan for the development of the area in which the airport is located.
- The project can be completed without undue delay on the sponsor's part.
- The sponsor has sufficient funds to cover their share of the project.

The following are examples of eligible and ineligible projects. This is only a partial listing of projects. For questions on whether a project would be eligible for funding under this program, contact NDOT, Division of Aeronautics at 402-471-2371 or NDOT.AeroEngineering@nebraska.gov

STATE AID GRANT PROGRAM

A. ELIGIBLE UNDER THIS PROGRAM

1. All federal grants (AIP, BIL, etc.) are eligible for state grant matching funds, apart from hangars, fuel storage, access roads and parking lots.

2. Grading, paving, and pavement rehabilitation, including seal coating and crack sealing of runways, taxiways, and aprons.

3. Lighting of eligible paved or graded items, including a vault, electrical equipment, beacon, standby generator, reflective markers, airport lighting, etc.

4. Visual Navigational Aids (Navaids) - PAPI, REIL, ALS, etc. and AWOS. Emphasis will be placed on navaids for instrument runways and on those needed for obstacle clearance.

5. Airport layout plans (ALP), Environment Assessment Reports (EA), and other planning studies.

6. Obstruction mitigation or removal of objects in the runway protection zones and objects violating state licensing or Part 77 obstruction standards.* Includes the relocation of roads to allow necessary airport development.

7. Land and easement acquisition for all airport developments, including fencing and relocation.

8. Administration and terminal buildings - public-use areas only. Areas rented or reserved for private use are not eligible. Airport offices such as the manager's office or the authority's meeting room are eligible. The eligible amount will be determined by prorating the actual square feet of each area.

9. Related Items (listed below) are eligible at the same rate of participation as the item to which they are related.

    a) Consulting and other fees, such as engineering, testing, advertising, administrative and legal fees. These fees are only eligible when the project they are related to is completed within a reasonable time. Typically, the fees are not reimbursed until after the construction/acquisition contracts are executed.

    b) Related construction items like pavement repairs, utility relocation, incidental fencing, marking, seeding, drainage structures, ducts, etc.

10. Preliminary engineering for large projects (greater than $1,000,000) to include 30%design, scope, pavement section and cost estimate. There are no guarantees of future funding to complete the project.

B. NOT ELIGIBLE UNDER THIS PROGRAM

Not eligible under state-aid only grant program:

a. Security (TSA Part 1542) and guidance signs (FAR Part 139).
b. Vehicles (SRE and ARFF) and associated buildings.
c. Passenger lifts for commuter aircraft.
d. Emergency Repairs. Note: Missing the standard deadline does not constitute an emergency.
e. Other regular maintenance items to include tree trimming and removal on airport property.
f. Paving access roads and parking lots and other landside needs.
g. Runway development not shown on an approved ALP.
h. Previously funded obstruction mitigation or removal. *
i. Previously completed projects.
j. Hangars. **
k. Fuel storage. **

* The Aeronautics Commission will fund obstruction removal only once per area. For example, if a tree is removed as an obstruction but later regrows, removal will not be funded a second time.

** Hangars and Fuel storage are eligible under the state loan programs.

IV. FUNDING LIMITS.

State grants typically reimburse eligible project expenses at the following percentages:

- State Projects: up to 90% state funds
- State Projects acquiring land, terminal buildings or preliminary engineering: up to 50% state funds.
- Federal Projects: up to 2% state matching funds

State aid-only grants, funds are limited to $250,000 per airport per fiscal year, except that runway rehabilitation/re-construction for state-aid only projects are limited to $1,000,000. State matching funds requests allocated for a federal project are limited to a total of $100,000. A federal project includes the entire scope of the federal grant. Multiple federal grants which are used to finance the same scope of work are considered one project.

A federally funded project with the same scope of work can receive funding for different phases (e.g., engineering and construction), but the total funding is capped at $100,000. Multiple grant

applications are allowed, but the total awarded cannot exceed this cap. Funding for one phase does not guarantee funding for future phases.

These provisions do not affect the primary airport allocations outlined in Section I.

V. GENERAL REQUIREMENTS AND CONDITIONS.

A. The existing airport and the proposed project must meet the Aeronautics licensing standards. The airport must have an approved airport layout plan (ALP), and the proposed project must follow the ALP. If not, 25% of state funds will be withheld from the sponsor until this is corrected.

B. Any work completed prior to Commission approval must be essential to the development of the requested project and comply with the specifications in Section VII to be eligible for state aid-only grants.

C. The sponsor must comply with all program requirements and state grant agreement assurances and conditions.

VI. APPLICATION.

A. APPLICATION. The airport sponsor must apply for funding on a form provided by Aeronautics. A grant application form entitled “Request for a State Aid Project Application Form” is available from the Aeronautics website or by mail upon request to Aeronautics.

A completed application consists of the form, sketches, photos, supporting information, and letters of support.

The Aeronautics Engineering Division will respond with recommendations and requirements. Additional information may be requested from the sponsor.

B. DEADLINES AND ALLOCATION DATES

1. Applications for state aid are **due September 1**. Submission can be electronic or by mail.

2. Project hearings will be held at the Aeronautics Commission meeting in October. For State Aid only, you should plan on attending the October meeting in-person or on-line to present the project.

3. Exceptions. None.

4. Availability of State Funds. State funds will be available upon Commission approval as soon as the airport sponsor has completed steps A through I listed in Section VII.

5. **One-year deadline for projects to be underway.** State funds will be automatically

withdrawn, without prejudice, if a state project does not have an executed construction contract one year after the allocation of state funds. For land acquisition projects, legal notice to landowners must be sent within one year. Airport sponsors can request Commission approval for an extension to the one-year deadline if circumstances warrant it.

State funds allocated to a federal project can be carried into the next fiscal year if the project has been delayed due to unforeseen federal funding delays that are no fault of the sponsor. For these projects, the funds will expire two years from the allocation date. As stated for state projects, the sponsor can request an extension past the two-year deadline.

VII. HOW THE PROGRAM WORKS.

A. APPLICATION is made to Aeronautics on the form referenced in Section VI.

B. COMMISSION APPROVAL. The Nebraska Aeronautics Commission must approve all projects. Sponsors must generally present their request for aid to the Aeronautics Commission. If a Sponsor is unable to attend, either in-person or virtually, Aeronautics staff, or the Sponsor's consultant may present a project on behalf of a sponsor.

C. STATE PRIORITIZATION METHODOLOGY MATRIX. Aeronautics runs every proposed eligible (IAW Section III A of this Program) project through the currently approved state prioritization methodology matrix. The resulting ranking of projects is used by the Nebraska Aeronautics Commission to assist in allocating state grant funds.

D. If a proposed project DOES NOT MEET CRITERIA, it will be documented as such, excluded from the State approved prioritization methodology matrix and marked as INELIGIBLE in the materials presented to the Aeronautics Commission. The Aeronautics Commission will determine whether to address ineligible projects.

E. LAND ACQUISITION. The sponsor must follow FAA guidelines if the airport is eligible for future federal funds. Aeronautics has a handout available on these guidelines. If the airport is not eligible for federal funds, the land must be appraised, and the appraisal must be acceptable to Aeronautics.

Once the land has been purchased, the sponsor must provide a copy of the recorded deed and either proof of title insurance or a title opinion showing the city or county as owner. Aeronautics can reimburse for the land costs only after approving these documents. No construction can begin on the new property until Aeronautics approves the title insurance document of the title opinion.

F. ENGINEER, ARCHITECT or CONSULTANT

1. Selection. Aeronautics has no formal selection requirements. Aeronautics suggests that the sponsor contact two or more consultants before hiring a qualified consultant.

2. Contract. A written contract is required, and sample contracts are available. Aeronautics must approve the contract if the costs are to be eligible.

3. Eligible Costs. Only the consulting work related to eligible construction items, or the approved scope of work is eligible for reimbursement. If ineligible construction items are built, a prorated share of the engineering costs also will be ineligible. If a construction item is designed but not built, the engineering design costs for that item are ineligible.

G. PLANS, SPECIFICATIONS AND MAINTENANCE PLAN. Aeronautics requires plans and specifications for all construction contracts exceeding $49,999 per the Nebraska State Procurement Act (Nebraska Rev. Stat. § 73-802 through 73-819). A maintenance plan for the item being built is required for all paving projects.

1. Standard Specifications. For state-aid only projects, Aeronautics recommends using the NDOT Standard Specifications for Highway Construction and the Aeronautics general provisions.

2. Preparation. The sponsor must hire a registered engineer or architect with the appropriate qualifications to prepare these. The plans and specifications must be approved by Aeronautics before advertisement.

3. Maintenance Plan. Aeronautics will prepare a maintenance plan for the new pavement, to include the anticipated maintenance items, estimated costs and the years in which the maintenance should occur. The sponsor can use this plan or submit their own plan, which must be approved by the Aeronautics Engineering Division. A condition in the state grant agreement requires the sponsor to follow the plan.

   Note: Eligible maintenance includes actions that slow the deterioration of airport infrastructure by identifying and addressing specific deficiencies. Throughout the infrastructure's useful life, the sponsor is responsible for budgeting and performing regular maintenance to maximize longevity and prevent major failures.

H. BIDDING. For construction contracts estimated to exceed $49,999 ($50,000 or greater), the airport sponsor must advertise for bids in the local paper. Aeronautics generally recommends that the project is advertised three times. For construction contracts that are $49,999 or less, the sponsor may solicit informal bids. The sponsor opens the bids and then sends Aeronautics a bid tabulation with their intent to award the contract subject to Aeronautics concurrence.

I. STATE GRANT AGREEMENT. Aeronautics will prepare a state grant based on known prices, after receiving the:

1. bids on a construction project; or

2. signed consultant contract on a planning project; or

3. appraisals on a land project.

J. EXECUTED CONTRACT. Aeronautics must concur in the award of contract. The signed contract must be bound with the proposal, bonds, specifications, etc. and one copy sent to Aeronautics.

K. PAYING FOR THE PROJECT. The sponsor pays all costs as the work progresses. Aeronautics reimburses the sponsor upon receipt of the following documents.

1. Engineering, Testing and Construction Charges. For state-aid only grants, these billings must be on Aeronautics' progress estimate form. A copy of the estimates, signed by the project engineer, must be sent to Aeronautics for approval. Aeronautics will check the estimates against the terms of the contract. Aeronautics recommends that the sponsor not pay these costs until Aeronautics has approved them.

   a) Engineering & Testing. Billings based on actual charges and unit costs must be supported with time sheets, car logs, receipts, etc. If the testing is billed separately, a contract with the laboratory is required.

   b) Construction. Aeronautics will check that time limitations and test results comply with the contract.

   c) Change Orders. Changes to any contract must have Aeronautics approval or the costs may not be eligible. Change orders should be approved prior to implementation of the change. Failure to do so will affect eligibility.

2. Other Charges. Generally, one copy of an itemized statement is required.

   a) Publication. Proof of publication is required.

   b) Legal. The statement must itemize the dates worked, who did the work, what was done, how many hours were worked on that date and the rate per hour. Expenses also must be itemized.

   c) Appraisal. A contract and an itemized statement are required.

3. Aeronautics Administration. Aeronautics administrative charges are actual staff time and expenses spent on each project. These charges can vary considerably depending

on the project's complexity. Aeronautics does not bill the administrative costs but subtracts them from the state grant funds. These costs are eligible for reimbursement. NO CHARGES FOR **STAFF TIME** WILL BE MADE FOR WORK DONE ON PROJECTS AFTER JULY 1, 2023.

4. Summary of Project Costs. Aeronautics will prepare a Summary of Project Costs when sufficient charges are accumulated. The Statement will list all project costs submitted to date, ineligible costs, and the state's share of these costs. Aeronautics subtracts their project specific expenses from the state's share instead of billing the sponsor separately. The sponsor must return the signed Statement before state funds can be forwarded.

   All funds are sent electronically to the Sponsor's designated bank account. The Sponsor completes a W9 ACH Enrollment Form provided by Aeronautics identifying the account. It normally takes 5 to 7 business days from receipt of the Statement of Cost until the funds are sent.

L. PROJECT CLOSE OUT.

1. Final Construction Progress Estimates must include:

   a) As-built plans (one set).

   b) Explanation of overruns and underruns.

   c) Final working/calendar day count.

   d) As-built airport layout plan, if necessary.

2. Upon receipt of these items, Aeronautics will send a Certificate of Completion and Release to the contractor for signature. The contractor also must send in a Department of Labor Form 16 showing payment of all unemployment insurance. Aeronautics will not approve the final estimate until receipt of all items.

3. Final Costs. After all final construction estimates are approved, Aeronautics will send a worksheet to the sponsor listing all grant costs. The sponsor will have 30 to 45 calendar days to submit any additional costs previously overlooked. The sponsor also must send in copies of the cancelled checks (front & back) written for the grant.

4. Project Overruns. If costs have exceeded the approved state funds, the sponsor may request from the Commission at the scheduled October meeting an increase in funding of up to fifteen percent (15%). Overruns must be carefully and thoroughly justified.

5. Final Statement of Cost. The sponsor's signature on this shows their agreement of the

settlement of all costs. Aeronautics will close the grant when the final funds are sent to the sponsor.

6. Grant Closeout. State-aid only grants are officially closed by vote of the Aeronautics Commission.