

**DATE:** August 12, 2016  
**TO:** SAA Board of Directors  
**FROM:** Tim Rogers and Shelli Swanson  
**SUBJECT:** **August 17, 2016 Regular Board Meeting**

Enclosed are items for your review prior to Wednesday's meeting. Please note that the meeting will be held in the **second floor conference room, Hangar 600, 2720 Arnold Ct.** A map showing the location of Hangar 600 is enclosed in your board meeting packet.

The meeting's agenda includes action items associated with certain Salina Regional Airport capital improvements that were discussed at the board's July 20 meeting. The board will also consider options for the certifying the SAA's 2016 mill levy.

Agenda Item #2 is a procedural item needed to formally designate director Maes as "acting chair" due to the fact that Chairman Vancil will not be able to attend the meeting. As "acting chair" director Maes will be able to execute the proposed FAA Grant Offer and Agreement.

Please note the following agenda comments.

#### **50 Years Ago – August, 1966**

On August 23, the Airport Authority board of directors approved a lease with Hertz Drive-It-Yourself Co. for counter space in the Airport Terminal Building. Hertz is one of the Airport Authority's longest tenured and valued tenant. To this day Hertz offers rental car services to area residents, business and arriving airline passengers.

#### **Agenda Item #6 – Review of Airport Activity and Financial Reports for the Month Ending July 31, 2016** (Rogers and Swanson)

##### **Airport Activity – Air Traffic** (Rogers)

The July 2016 air traffic count decreased 27% to 5,877 operations as compared to the July 2015 total of 8,089. For the year-to-date a total of 48,271 operations have been recorded which is 12% less than the July 2015 YTD total of 54,857. The start of Taxiway Alpha and Echo construction will put a damper on total operations for 2016 due to runway closures needed to safely complete work on Alpha and Echo.

##### **Airport Activity – Fuel Flowage** (Rogers)

July 2016 fuel flowage (208,846 gallons) decreased by 12% as compared to the July 2015 total of 237,783 gallons. For the year-to-date fuel flowage (937,866 gallons) is down 27% as compared to the July 2015 YTD total of 1,280,475 gallons. Late July and early August fuel flowage has been good due to the number of aircraft needed to deploy the 1<sup>st</sup> ID Combat Aviation Brigade from Ft. Riley.

##### **Airport Activity – Passenger Counts** (Rogers)

Great Lakes completed the first full month of nonstop Denver flights with 393 enplaned passengers. I expect the

airline's August total to exceed 425 enplaned passengers. You will notice that we will also report the total of arriving passengers for each month. The total of departing and arriving passengers is a key factor in determining USDOT EAS Program eligibility. In order to maintain EAS Program eligibility for Salina, Great Lakes will need to average 850 total passengers (enplaned & deplaned) for a 12 month period of time.

Great Lakes has hired a consultant that will finalize a marketing program for SLN to DEN flights. The program will detail targeted groups for DEN flights, identify the best media to use to inform targeted groups and draft a media buy calendar. The DEN and Great Lakes funded marketing program will focus on the use of radio, TV and social media over two years. Local marketing efforts (City, County, Airport Authority & Chamber) will focus on print media, billboards, special events sponsorships and website development.

#### **Financial Reports – Comments and Notes** (Swanson)

Total operating income continues to stay ahead of budget by 3% and at the end of July is tracking \$40,193 more than the same period in 2015. Fuel flowage fees gained some ground in July exceeding the monthly budget target and bringing the YTD goal closer than we have been all year.

Total administrative expenses ended up \$10,160 under budget and maintenance expenses arrived at \$31,247 under projections at the end of July. Total operating expenses at the end of July are tracking under budget 4% and 2% or \$23,572 less than 2015 YTD. Positive net income before depreciation through July arrived at \$79,477.

During July 2016, the following distributions were made from the 2015-A General Obligation Bond Fund.

<b>Salina Airport Authority</b> <b>Account QuickReport</b> <b>As of July 31, 2016</b>								
◊ Type ◊	Date	◊ Num ◊	Name	◊ Memo ◊	Split	◊ Amount ◊	◊ Balance ◊	
Cash in Bank - Bond Funds							80,496.71	
UMB Series 2015-A Proj Fund							80,496.71	
Bill Pmt -Check	07/13/2016	1037	Sam's Club		Accounts payable	-904.00	79,592.71	
Bill Pmt -Check	07/26/2016	1038	Keith Consolidated Industries, Inc.		Accounts payable	-13,050.00	66,542.71	
Check	07/31/2016			Service Charge	Other administrative expense	-42.00	66,500.71	
Deposit	07/31/2016			Interest	Interest income	3.39	66,504.10	
Total UMB Series 2015-A Proj Fund							-13,992.61	66,504.10
Total Cash in Bank - Bond Funds							-13,992.61	66,504.10
TOTAL							-13,992.61	66,504.10

#### **Financial Reports – July 2016 Significant Expenditures/Payables Report Enclosed** (Swanson)

#### **Financial Reports – Accounts Receivable Past Due 31 days or more as of August 12, 2016** (Swanson)

<u>Account</u>	<u>Amount</u>	<u>Days</u>	<u>Comments</u>
Alltel Newco No. 4	\$200	>90	Mowing charge
Terry Belcher	\$107.00	31-60	Hangar rental
Charter Matrix	\$1,950	31-<90	Bldg. rental and fin. Charges
Kenny's Body Shop	\$272	31-60	Storage Igloo rental
KSARNG	\$7,834	>90	Ramp repair

#### **Agenda Item #7 – Review and Discussion of SAA 2016 Mill Levy Options** (Rogers and Swanson)

Enclosed are three mill levy options for the board's review and discussion. In line with the board's discussion at the July 20 board meeting, the board may decide to prefund the SAA's G.O. bond debt service fund in order to stabilize future mill levy amounts. The three options are as follows:

- Option #1 – Set the 2016 mill levy at 4.396 mills which matched the SAA’s current, 2015, mill levy. Option #1 generates \$78,500 in funds that can be applied to future debt service payments and mill levy calculations.
- Option #2 – Lower the SAA’s 2016 mill levy to 4.212 mills and only collect the funds necessary for 2017 G.O. bond payments. Option #2 does not enable the SAA to stabilize future mill levy requirements.
- Option #3 – This option shows the impact of a mill levy increase to 4.4 mills and how the additional funds can be applied to future G.O. bond payments.

Each option is accompanied by mill levy projections through 2024. If needed, Shelli will be able to model (real time) any combination of mill levy amounts and G.O. bond payments during the meeting.

**Agenda Item #8 – Consideration of the bids received for General Obligation Bond Temporary Notes** (Rogers & Swanson)

On Friday, August 12 bids for the issuance of \$657,000 in general obligation bond temporary notes were received. The bid tab is enclosed for your review prior to the meeting. The low bidder was First Bank of Kansas with an interest rate of 0.90%.

Recommendation – Acceptance of the First Bank of Kansas bid for purchasing \$657,000 in SAA G.O. Bond Temporary Notes at a federally tax-exempt, non-bank qualified interest rate of 0.90%.

**Agenda Item #9 – Consideration a FAA Grant Offer and Agreement for AIP Project No. 36 – Taxiway Echo Rehabilitation & Taxiway Alpha Holding Location Changes** (Rogers, & Swanson)

Enclosed is a copy of the proposed FAA Grant Offer and Agreement for your review. The \$2,298,925 grant will fund 90% of the cost to modify markings and signage on Taxiway Alpha and rehabilitate Taxiway Echo. The Airport Authority’s matching funds will amount to \$255,536 for a total project cost of \$2,554,461. Project costs include administrative expense, engineering fees and construction.

Recommendation – Accept the proposed grant agreement for FAA Project AIP-36 and authorize the acting chairman and board officers to execute the grant agreement.

**Agenda Item #10 – Consideration of a Supplement Agreement with Jviation, Inc for FAA Project No. 36 Engineering Services** (Rogers & Swanson)

Enclosed is a copy of an agreement with Jviation for FAA Project No. 36 engineering services. As required by the FAA, Jviation will provide administrative services, construction observation, testing services, field engineering, surveying and project close out services. The total coast of the agreement is \$217,184. FAA 90% funding is \$195,465. The SAA’s local share is \$21,719. The agreement has been reviewed and approved by the FAA.

Recommendation – Approval of the proposed supplemental agreement with Jviation, Inc. for FAA Project AIP-36 engineering services.

**Agenda Item #11– Consideration of a Contract with APAC – Kansas, Inc for FAA Project AIP -36 Construction Services** (Rogers and Swanson)

Enclosed is a copy of the proposed contract with APAC-Kansas for construction of Taxiway Alpha and Echo improvements. The construction work will be completed according to plans and specifications prepared by Jviation, Inc, and approved by the FAA.

APAC was the sole bidder for the project at \$2,334,672. The engineer’s estimate was \$2,408,946. The FAA has reviewed and approved the single bid submitted by APAC. FAA 90% funding is \$2,101,115. The SAA’s local share is \$233,557.

Recommendation – Approval of the proposed agreement with APAC-Kansas for FAA Project AIP-36 construction services.

## **Staff Reports**

- **Kenny Bieker**

AIP Project No. 36 – Taxiway Echo and Alpha Construction

A pre-construction meeting was held on August 9, 2016. The project is scheduled to begin approximately September 1<sup>st</sup>, 2016. As a reminder this involves some pavement removal and pavement remodel on taxiway E, west of runway 17-35. The area of Taxiway E that intersect with runway 12-30 and 17-35 will require runway closures for each of those runways at times but never both at the same time. Runway 18-36 will be closed the full duration of this project. The project is scheduled for 90 calendar days.

TSA

The Transportation Security Administration (TSA) is still working on their office lease agreement. The lease proposal is nearly ready for submittal to the TSA.

17-35 Slurry Seal

I've sent out plans and specs to obtain bids on slurry sealing runway 17-35 (south 7500' x 50' wide). Bids should be in by August 16<sup>th</sup>.

- **Kasey Windhorst**

SAA Staff

We are pleased to announce that Justin Modrow has accepted the full-time Aircraft Rescue and Firefighting (ARFF) and Operations Specialist position with the Salina Airport Authority. Previously, Justin worked for the City of Salina in the water distribution department. His first day at the SAA was Wednesday, August 10, 2016. Justin's previous experience will make him a great addition to the SAA team.

Please contact me if you have any questions or comments.



DIRECTIONS TO HANGAR 600 2720 ARNOLD COURT

EXIT OFF I-135 AT MAGNOLIA ROAD  
WEST ON MAGNOLIA  
LEFT ON CENTENNIAL  
RIGHT ON SCANLAN  
CONTINUE ON GENERAL JIM  
RIGHT ON ARNOLD COURT  
TO HANGAR 600

HANGAR  
600

ARNOLD COURT  
ARNOLD AVENUE

GENERAL JIM ROAD

SUTHERLAND ROAD

SUMMERS ROAD

SCHILLING ROAD

SCANLAN AVENUE

CENTENNIAL ROAD

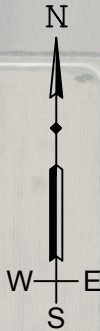
CENTENNIAL ROAD

0.0 Miles

1.2 Miles

EXIT OFF I-135 AT SCHILLING ROAD  
WEST ON SCHILLING  
RIGHT ON ARNOLD AVENUE  
LEFT ON ARNOLD COURT  
TO HANGAR 600

0.77 Miles



EXIT 0

EXIT 0

INTERSTATE I-135

# **SALINA AIRPORT AUTHORITY REGULAR BOARD MEETING**

**Wednesday, August 17, 2016**

**Hangar H600, 2720 Arnold Court  
Second Floor Conference Room – 8:00 AM**

## **AGENDA**

### **Action Items**

1. Call to order and determine a quorum is present. (Maes)
2. Consideration of a motion to designate director Maes as “acting chair” for the August 17, 2016 SAA regular board meeting. (Rogers)
3. Recognition of guests. (Maes)
4. Additions to the agenda. (Maes)
5. Approval of the minutes of the July 20, 2016 regular board meeting. (Maes)
6. Review of airport activity and financial reports for the month ending July 31, 2016. (Rogers & Swanson)
7. Consideration of SAA Resolution No. 16-05 setting the Airport Authority’s 2016 mill levy for the purpose of paying general obligation bond debt principal and interest in 2017. (Rogers & Swanson)
8. Review and consideration of bids received for the issuance of G.O. bond temporary notes. (Rogers & Swanson)
9. Consideration of a Federal Aviation Administration Grant Offer and Agreement. (Rogers & Swanson)
10. Consideration of a supplement agreement with Jviation for airport construction observation and administration services. (Rogers & Swanson)
11. Consideration of an airfield construction contract with APAC Kansas Shears Division. (Rogers & Swanson)

### **Directors’ Forum** (Maes)

### **Visitor’s Questions and Comments** (Maes)



### **Staff Reports** (Rogers)

- An update on discussions with United Suppliers regarding lease obligations.
- Prospect activity for hangars H509, H600 and H606
- Prospect activity for hangar H713

### **Announcements** (Rogers)

- A SAA board of directors 2017 Operating Plan and Budget Report study session is scheduled for Wednesday, September 7, 4:00 PM, H600, 2<sup>nd</sup> floor conference room.

### **Adjournment** (Maes)

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF  
DIRECTORS OF THE SALINA AIRPORT AUTHORITY  
JULY 20, 2016  
HANGAR 600 SECOND FLOOR CONFERENCE ROOM**

**Call to Order**

The meeting was called to order at 8:00 AM by Chairman Vancil.

**Attendance**

Attendance was taken. Chairman Vancil, Directors Maes, Neuschafer, Wiesel and Platten were present. Also present were Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker; Office Manager Kasey Windhorst; Administrative Assistants Catarino Porras and Jacob Spain and Board Attorney Greg Bengtson. Karl Ryan, Salina City Commission; Luci Larson, County Commission and Julie Yager-Zucker, Avflight were guests.

**Additions to the Agenda**

Chairman Vancil asked if there were any additions to the agenda. Executive Director Rogers stated that there were no additions to the agenda.

**Minutes**

Chairman Vancil asked if the board members had additions or corrections to the minutes of the June 15, 2016 regular board meeting. Director Neuschafer moved, seconded by Director Maes, to approve the minutes of the June 15, 2016 regular board meeting. Motion passed unanimously.

**50 Years Ago**

Executive Director Rogers commented that the 1966 Airport Authority board of directors unanimously adopted a resolution approving a mill levy of 3.0 mills for the 1967 budget year. The 3 mills raised \$182,300 used for operating expenses and capital expenditures. In 1966 the City of Salina assessed valuation was approximately \$60,782,882.

On July 15, 1966 Salina Municipal Airport operations started at the former Schilling AFB. Operations at the former Salina Municipal Airport (now the East Crawford Recreation Center) continued until August 18, 1966.

**Airport Activity and Financial Reports**

Executive Director Rogers reported on airport activity for the month of June 2016. Air traffic total operations for June 2016 increased to 8,001 compared to 7,268 in June 2015. The 10% increase was spread across military and local civil categories. Total fuel flowage for the month of June 2016 was 132,964 gallons which was a 5% increase compared to the June 2015 total of 126,428 gallons. Rogers anticipates an increase in fuel flowage for the remainder of 2016 due to the upcoming Bombardier flight testing and Ft. Riley military operations. Great Lakes Airlines boarded 285 passengers in the first 31 days of nonstop flights to Denver. Great Lakes is averaging 9 passengers per day and the number of reservations for each departure continues to trend upward. Rogers thanked everyone for their support for improving air service for Salina

and Saline County. The start of the “Fly Salina” marketing and promotion program will help reach our goal of 800 enplaned passengers per month.

Director of Administration and Finance Swanson reported on financials for the month ending June 30, 2016. Total operating income arrived 3% over budget and a total of 6% or 53,082 ahead of the first half of 2015. Total administrative expenses ended up \$7,863 under budget while total maintenance expenses arrived at \$30,343 under projections at the end of June. Swanson reported that positive net income before depreciation totaled \$59,021. Rogers discussed the negotiated First Addendum to Lease Agreement with Tischlerei – Fine Woodworking, LLC for past due balance in the amount of \$38,348. Chairman Vancil directed the staff to file the financials for audit.

### **FAA AIP Project No. 36**

Executive Director Rogers briefed the board on the status of FAA AIP Project No. 36 for Taxiway Echo rehabilitation and Taxiway Alpha holding location changes. Total project cost is \$2,946,461 and is eligible for 90% FAA grant funding (\$2,298,925). The Salina Airport Authority local share would be the remaining 10% (\$255,536). The FAA grant offer and agreement will be presented to the board for acceptance at the August 17<sup>th</sup> board meeting. The Salina Airport Authority will coordinate the project’s construction schedule with airport users to determine the best time for the associated runway closures. Swanson reviewed detailed project budget.

### **SAA Resolution No. 16-04 - G.O. Temp Notes for Airfield Improvements**

Executive Director Rogers reviewed the issuance of general obligation temporary notes for financing capital improvements at the Salina Regional Airport. The projects to be financed include the rehabilitation of Taxiway Echo (SAA 10% local share), Taxiway Alpha holding position relocation (SAA 10% local share) and the Runway 17/35 slurry seal (100% local funds). The board considered the following three options.

- Option #1 – Approval of SAA Resolution No. 16-04 that provides \$657,000 funding for airfield improvements that include Taxiway Echo, Taxiway Alpha and Runway 17/35.
- Option #2 – Approval of the issuance of G.O. Bond Temporary Notes and financing in the amount of \$260,000 which would fund Taxiway Echo and Taxiway Alpha improvements.
- Option #3 – No action which would delay the completion of Taxiway Echo, Taxiway Alpha and Runway 17/35 improvements.

Director Neuschafer moved to approve SAA resolution 16-04 for authorizing the issuance of general obligation bond temporary notes in an amount not to exceed \$657,000 for improvements to Taxiway Alpha, Taxiway Echo and Runway 17/35. Director Platten seconded the motion. Motion passed unanimously.

### **Review Draft SAA Resolution 16-05 – 2017 Mill Levy**

Executive Director Rogers discussed the draft SAA draft Resolution 16-05 that would set the SAA's 2017 mill levy at 4.212 mills. The proposed mill levy is a decrease from the current 4.396 mill levy. Rogers reviewed the 2017-2024 mill levy projections. Director Maes suggested discussion to hold mill levy at the current rate of 4.396. Additional funds raised at 4.396 mills would be used to stabilize future mill levy requirements. Additional options will be discussed at the August 17<sup>th</sup> board meeting.

### **2017 Operating Plan and Budget**

Executive Director Rogers reviewed the following schedule for the process of preparing the SAA's 2017 operating plan and budget. The board agreed to the following schedule:

- Wednesday, September 7, 4:00 PM  
SAA board study session – 2017 operating plan priorities
- Wednesday, October 19, 8:00 AM  
SAA board meeting – 2017 operating revenue projections
- Wednesday, November 16, :00 AM  
SAA board meeting – 2017 operating & capital expenses
- Wednesday, December 7, 4:00 PM  
SAA board study session – Draft Operating plan & Budget
- Wednesday, December 21, 8:00 AM  
SAA board meeting – Final Operating Plan and Budget

### **Staff Reports**

- Executive Director Rogers reviewed upcoming military training and deployment activity scheduled at KSLN.
- Rogers updated the board on the Fly Salina marketing and promotion plan to be submitted to the Denver International Airport's Air Service Incentive Program. SAA staff have worked with local radio stations on fly away promotions and two-year advertising budget.
- Rogers noted the Smoky Hill Air National Guard will host an Open House on Saturday, August 6, 2016 from 10:00a.m. – 3:00p.m.

Upon a motion duly made, the meeting adjourned at 9:21 A.M.

Minutes approved at the August 17, 2016 Board meeting.

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Secretary

(SEAL)



# SALINA AIRPORT AUTHORITY

## AIRPORT ACTIVITY REPORT

### 2016

#### AIR TRAFFIC/ATCT

July, 2016	5,877 Operations 684 Instrument Operations 333 Peak Day
July, 2015	8,089 Operations 641 Instrument Operations 485 Peak Day
January 2016 - July 2016	48,271 Operations
January 2015 - July 2015	54,857 Operations
January 2014 - July 2014	51,989 Operations

#### FUEL FLOWAGE

July, 2016	208,846 Gallons
July, 2015	237,783 Gallons
January 2016 - July 2016	937,866 Gallons
January 2015 - July 2015	1,280,475 Gallons
January 2014 - July 2014	959,115 Gallons

KSU-S	Avflight Salina	Avflight	
		Military/Gov't Portion	Self-fuel Station Portion
8,771	200,075	118,024	1,406
12,041	225,742	128,171	1,411
66,754	871,112	226,180	6,130
76,245	1,204,230	368,811	5,745
67,051	886,748	261,291	5,316

#### Great Lakes

#### ENPLANEMENTS

#### DEPLANEMENTS

#### TOTAL

July, 2016	393 Passengers	396 Passengers	789
July, 2015	77 Passengers		
January 2016 - July 2016	541 Passengers		
January 2015 - July 2015	751 Passengers		
January 2014 - July 2014	1,193 Passengers		

#### ENPLANEMENTS - Charter Flights

July, 2016	0 Passengers
July, 2015	0 Passengers
January 2016 - July 2016	0 Passengers
January 2015 - July 2015	5,252 Passengers
January 2014 - July 2014	196 Passengers

#### TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights

July, 2016	393 Passengers
July, 2015	77 Passengers
January 2016 - July 2016	541 Passengers
January 2015 - July 2015	6,003 Passengers
January 2014 - July 2014	1,389 Passengers

# AIRPORT TRAFFIC RECORD

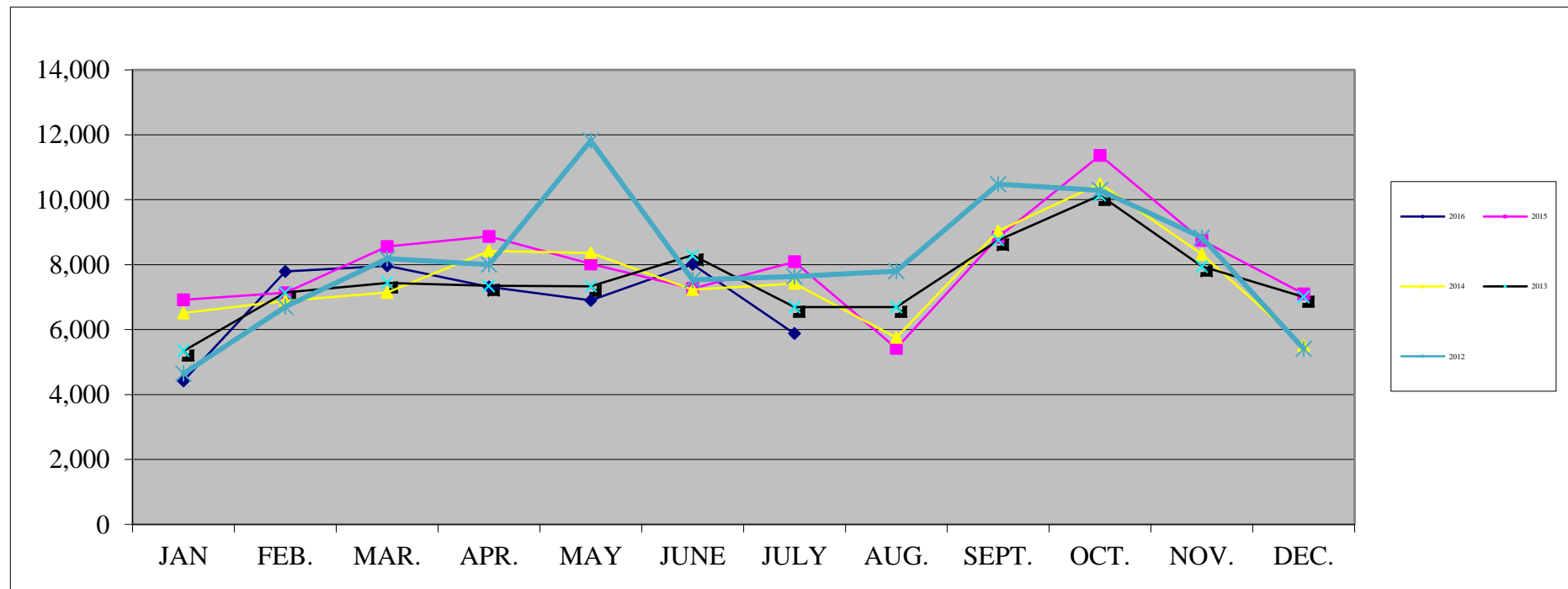
## 2015 - 2016

	ITINERANT					LOCAL			
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	Total Operations
<b>2016</b>									
January, 16	5	941	676	88	1,710	2,502	210	2,712	4,422
February, 16	78	2,171	1,038	208	3,495	4,064	230	4,294	7,789
March, 16	21	1,830	869	234	2,954	4,644	364	5,008	7,962
April, 16	15	1,799	791	269	2,874	4,110	328	4,438	7,312
May, 16	106	1,610	980	325	3,021	3,473	404	3,877	6,898
June, 16	69	1,758	1,089	273	3,189	4,310	512	4,822	8,011
July, 16	3	1,411	942	152	2,508	3,215	154	3,369	5,877
August, 16									
September, 16									
October, 16									
November, 16									
December, 16									
<b>Totals January - July</b>	<b>297</b>	<b>11,520</b>	<b>6,385</b>	<b>1,549</b>	<b>19,751</b>	<b>26,318</b>	<b>2,202</b>	<b>28,520</b>	<b>48,271</b>
<b>2015</b>									
January, 15	7	1,543	723	138	2,411	4,243	264	4,507	6,918
February, 15	6	1,937	779	138	2,860	3,997	276	4,273	7,133
March, 15	68	2,086	814	176	3,144	5,079	334	5,413	8,557
April, 15	21	2,160	665	290	3,136	5,168	566	5,734	8,870
May, 15	72	1,774	733	207	2,786	4,790	446	5,236	8,022
June, 15	2	1,793	847	236	2,878	4,076	314	4,390	7,268
July, 15	169	1,771	786	102	2,828	5,050	211	5,261	8,089
August, 15									
September, 15									
October, 15									
November, 15									
December, 15									
<b>Totals January - July</b>	<b>345</b>	<b>13,064</b>	<b>5,347</b>	<b>1,287</b>	<b>20,043</b>	<b>32,403</b>	<b>2,411</b>	<b>34,814</b>	<b>54,857</b>
<b>Difference</b>	<b>-48</b>	<b>-1,544</b>	<b>1,038</b>	<b>262</b>	<b>-292</b>	<b>-6,085</b>	<b>-209</b>	<b>-6,294</b>	<b>-6,586</b>
<b>YTD % Change</b>	<b>-14%</b>	<b>-12%</b>	<b>19%</b>	<b>20%</b>	<b>-1%</b>	<b>-19%</b>	<b>-9%</b>	<b>-18%</b>	<b>-12%</b>



## AIR TRAFFIC

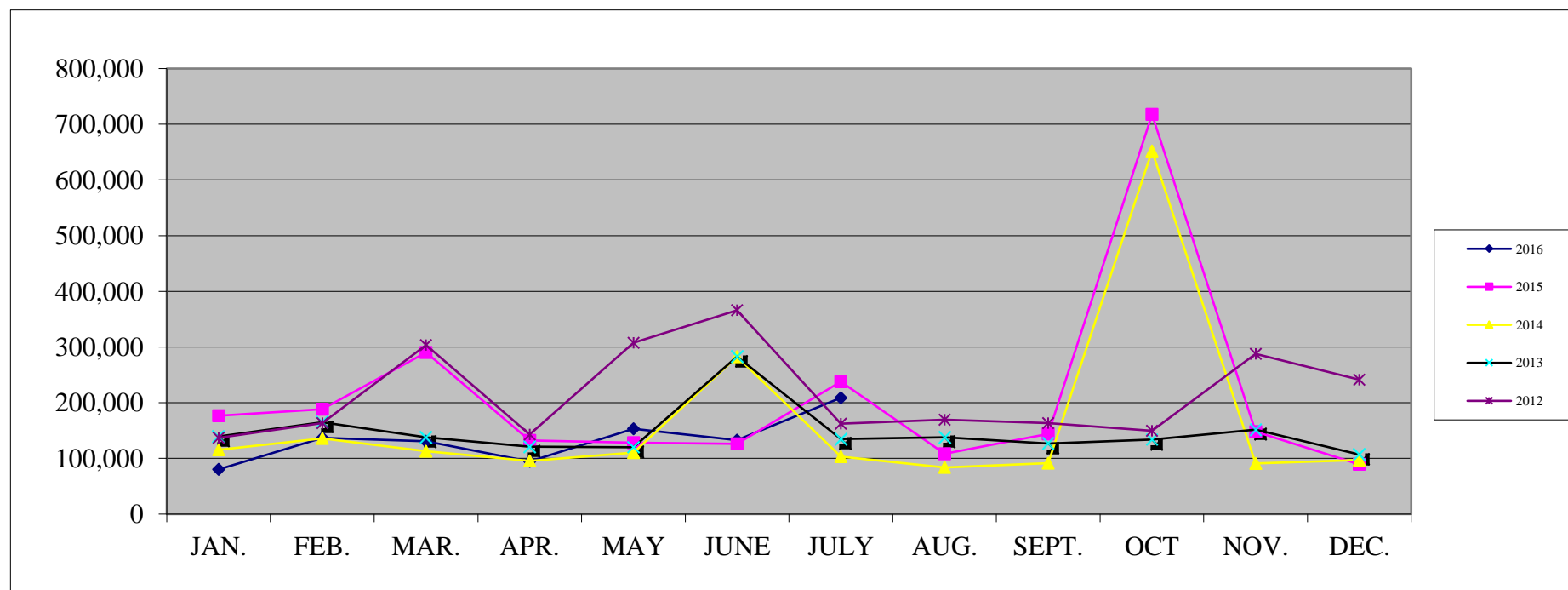
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
<b>2016</b>	4,422	7,789	7,962	7,312	6,898	8,011	5,877						<b>48,271</b>
<b>2015</b>	6,918	7,133	8,557	8,870	8,022	7,268	8,089	5,426	8,846	11,367	8,753	7,101	96,350
<b>2014</b>	6,511	6,887	7,143	8,426	8,365	7,234	7,423	5,756	9,035	10,496	8,316	5,509	91,101
<b>2013</b>	5,341	7,146	7,440	7,349	7,336	8,291	6,696	6,694	8,755	10,136	7,946	7,001	90,131
<b>2012</b>	4,642	6,700	8,189	8,002	11,819	7,532	7,635	7,802	10,478	10,292	8,838	5,409	97,338
<b>2011</b>	3,088	3,880	4,632	5,671	5,418	6,379	5,639	4,804	9,355	9,249	6,138	4,954	69,207
<b>2010</b>	2,760	4,430	5,743	5,964	4,611	4,572	4,364	4,009	6,816	7,653	5,100	4,429	60,451
<b>2009</b>	4,345	6,822	5,675	5,888	6,209	5,883	5,082	3,860	6,470	5,258	5,775	3,795	65,062
<b>2008</b>	4,233	6,749	6,063	6,291	5,530	6,345	5,356	4,112	7,425	8,125	6,571	4,775	71,575
<b>2007</b>	5,606	5,726	6,005	7,264	6,087	6,788	6,232	5,531	8,637	7,425	7,498	3,680	76,479
<b>2006</b>	5,660	6,886	6,468	6,719	6,958	6,411	5,074	6,370	8,692	9,410	6,894	5,922	81,464



# FUEL FLOWAGE

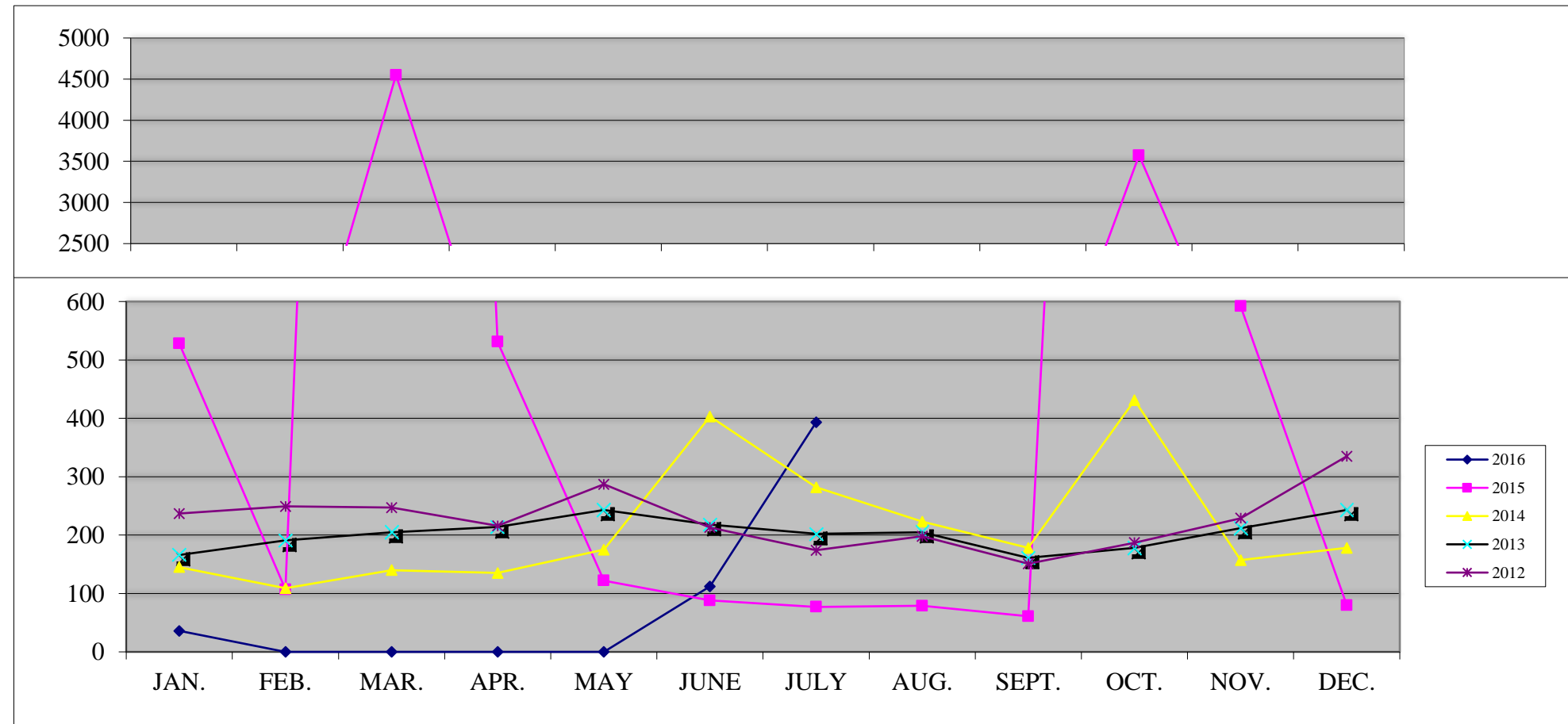
Gallons of Fuel Sold at SLN

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
<b>2016</b>	80,221	136,763	130,990	94,673	153,410	132,964	208,846						<b>937,867</b>
<b>2015</b>	176,746	188,406	290,470	132,543	128,100	126,428	237,782	108,581	143,816	717,601	147,853	89,277	2,487,603
<b>2014</b>	115,573	135,651	112,694	95,549	110,387	282,468	103,108	83,757	91,423	652,207	90,948	97,295	1,971,061
<b>2013</b>	139,227	165,167	138,056	121,295	120,083	282,743	134,677	137,840	126,523	134,024	151,427	106,917	1,757,981
<b>2012</b>	136,995	163,253	303,472	142,770	307,541	365,938	162,584	169,534	163,515	149,404	287,619	241,424	2,594,049
<b>2011</b>	158,199	175,703	311,254	168,490	141,986	261,097	246,687	202,390	178,133	172,586	203,684	166,461	2,386,670
<b>2010</b>	140,149	174,668	276,837	195,019	195,859	333,684	271,029	212,013	170,735	209,067	315,010	269,921	2,763,991
<b>2009</b>	202,765	239,649	182,205	183,738	192,029	306,421	222,991	145,268	171,251	216,190	256,904	162,174	2,481,585
<b>2008</b>	240,060	298,097	293,841	231,396	212,675	319,814	218,666	236,294	245,330	374,857	236,718	206,767	3,114,515
<b>2007</b>	301,504	331,456	315,827	300,209	306,483	433,448	292,410	317,909	323,365	294,420	327,122	234,641	3,778,794
<b>2006</b>	267,924	311,776	297,888	287,710	286,273	286,903	324,655	413,395	388,262	321,437	314,458	316,431	3,817,112



## ENPLANEMENTS

	<u>JAN.</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>FAA</u> <u>Adjustment</u>	<u>TOTAL</u>
<b>2016</b>	36	0	0	0	0	112	393							<b>541</b>
<b>2015</b>	528	107	4,550	531	122	88	77	79	61	3,574	592	80		10,389
<b>2014</b>	145	109	140	135	175	403	282	223	178	431	157	178	-158	2,398
<b>2013</b>	166	191	205	214	243	218	202	205	161	178	212	243	391	2,829
<b>2012</b>	237	249	247	216	287	213	174	198	151	187	229	335	803	3,526
<b>2011</b>	146	156	205	181	254	258	261	234	225	287	264	234	152	2,857
<b>2010</b>	81	97	139	116	668	166	162	154	178	436	234	510	203	3,144
<b>2009</b>	224	227	275	223	232	210	225	242	439	190	223	129	29	2,868
<b>2008</b>	228	147	224	283	372	396	393	450	524	930	309	398	516	5,170
<b>2007</b>	109	81	133	107	185	226	221	285	241	325	679	353	1,182	4,127
<b>2006</b>	163	140	230	121	176	179	161	150	161	147	293	108	848	2,877



**\*\*Adjustment based on Nonscheduled/On-Demand Air Carrier Filings FAA Form 1800-31**

**Salina Airport Authority**  
**Statement of Net Assets Prev Year Comparison**  
**As of July 31, 2016**

	Jul 31, 16	Jun 30, 16	\$ Change	Jul 31, 15	\$ Change	% Change
<b>ASSETS</b>						
Current Assets						
Checking/Savings						
Cash in Bank - Bond Funds	66,504	80,497	-13,993	0	66,504	100%
Cash in bank & Petty Cash-Op	1,619,893	1,598,688	21,205	1,302,053	317,840	24%
Total Checking/Savings	1,686,397	1,679,185	7,212	1,302,053	384,344	30%
Accounts Receivable						
Accounts Receivable	112,257	136,717	-24,460	127,507	-15,251	-12%
Total Accounts Receivable	112,257	136,717	-24,460	127,507	-15,251	-12%
Other Current Assets						
Agri Land Receivable	58,000	58,000	0	58,000	0	0%
Mill Levy receivable	179,879	179,879	0	147,232	32,646	22%
Other current assets	135,752	138,268	-2,515	152,995	-17,243	-11%
Undeposited Funds	0	2,021	-2,021	0	0	0%
Total Other Current Assets	373,631	378,167	-4,536	358,228	15,403	4%
Total Current Assets	2,172,284	2,194,069	-21,784	1,787,788	384,497	22%
Fixed Assets						
Fixed assets at cost	82,409,886	82,387,817	22,068	81,991,185	418,700	1%
Less accumulated depreciation	-38,305,335	-38,085,173	-220,163	-35,695,448	-2,609,888	-7%
Total Fixed Assets	44,104,550	44,302,644	-198,094	46,295,737	-2,191,187	-5%
Other Assets						
Other assets	38,773	41,223	-2,450	0	38,773	100%
Total Other Assets	38,773	41,223	-2,450	0	38,773	100%
<b>TOTAL ASSETS</b>	<b>46,315,608</b>	<b>46,537,937</b>	<b>-222,329</b>	<b>48,083,525</b>	<b>-1,767,918</b>	<b>-4%</b>
<b>LIABILITIES &amp; EQUITY</b>						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts payable	53,817	63,041	-9,224	55,079	-1,262	-2%
Total Accounts Payable	53,817	63,041	-9,224	55,079	-1,262	-2%
Credit Cards						
Sam's Club Discover	0	-500	500	-369	369	100%
VISA - Sunflower Bank, N.A. - T	0	0	0	17	-17	-100%
Total Credit Cards	0	-500	500	-352	352	100%
Other Current Liabilities						
Accrued debt interest payable	399,624	319,741	79,883	447,831	-48,206	-11%
Debt, current portion	1,109,894	1,109,894	0	1,025,674	84,220	8%
Deferred Agri Land Revenue	24,667	29,500	-4,833	24,167	500	2%
Deferred Mill Levy revenue	829,641	995,569	-165,928	829,694	-53	0%
Other current liabilities	196,974	184,420	12,554	198,995	-2,021	-1%
Total Other Current Liabilities	2,560,799	2,639,123	-78,324	2,526,360	34,440	1%
Total Current Liabilities	2,614,616	2,701,664	-87,048	2,581,086	33,530	1%
Long Term Liabilities						
Capital Lease Payable	28,301	28,301	0	82,296	-53,995	-66%
Debt - Long Term	22,823,445	22,823,445	0	23,023,503	-200,057	-1%
Less current portion	-1,109,894	-1,109,894	0	-1,025,674	-84,220	-8%
Security Deposits Returnable	44,352	43,977	375	36,529	7,823	21%
Total Long Term Liabilities	21,786,204	21,785,829	375	22,116,654	-330,450	-2%
Total Liabilities	24,400,821	24,487,494	-86,673	24,697,740	-296,920	-1%
Equity						
Invested in Capital Assets net	21,252,805	21,450,898	-198,093	23,187,960	-1,935,155	-8%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	1,438,866	1,240,773	198,093	969,560	469,306	48%
Net Income	-866,884	-731,229	-135,655	-861,735	-5,149	-1%
Total Equity	21,914,787	22,050,443	-135,655	23,385,785	-1,470,998	-6%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>46,315,608</b>	<b>46,537,937</b>	<b>-222,329</b>	<b>48,083,525</b>	<b>-1,767,918</b>	<b>-4%</b>

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Accrual Basis

**Salina Airport Authority**  
**Profit & Loss Budget Performance**  
**July 2016**

	Jul 16	Budget	\$ Over Budget	% of Budget	Jan - Jul 16	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
<b>Ordinary Income/Expense</b>									
<b>Income</b>									
Airfield revenue									
Fuel Flowage Fees	15,851	13,063	2,789	121%	74,074	91,438	-17,364	81%	156,750
Hangar rent	47,942	45,513	2,429	105%	313,216	294,392	18,824	106%	515,000
Landing fees	854	450	404	190%	1,891	3,150	-1,259	60%	5,400
Ramp rent	4,084	4,155	-71	98%	30,758	29,088	1,670	106%	49,865
<b>Total Airfield revenue</b>	<b>68,731</b>	<b>63,181</b>	<b>5,550</b>	<b>109%</b>	<b>419,938</b>	<b>418,067</b>	<b>1,871</b>	<b>100%</b>	<b>727,015</b>
Building and land rent									
Agri land rent	4,833	4,833	0	100%	33,833	33,833	-0	100%	58,000
Building rents									
Short-term leasing	7,910	3,867	4,043	205%	39,856	27,071	12,785	147%	46,408
Building rents - Other	70,935	64,883	6,052	109%	468,235	454,179	14,057	103%	778,592
<b>Total Building rents</b>	<b>78,845</b>	<b>68,750</b>	<b>10,095</b>	<b>115%</b>	<b>508,092</b>	<b>481,250</b>	<b>26,842</b>	<b>106%</b>	<b>825,000</b>
Land rent									
Basic Land Rent	5,068	7,192	-2,124	70%	40,128	50,241	-10,113	80%	86,199
Property tax - tenant share	10,833	10,833	0	100%	75,831	75,831	0	100%	129,996
Land rent - Other	0	0	0	0%	0	0	0	0%	0
<b>Total Land rent</b>	<b>15,901</b>	<b>18,025</b>	<b>-2,124</b>	<b>88%</b>	<b>115,959</b>	<b>126,072</b>	<b>-10,113</b>	<b>92%</b>	<b>216,195</b>
Tank rent	808	742	66	109%	5,656	5,192	464	109%	8,900
<b>Total Building and land rent</b>	<b>100,387</b>	<b>92,350</b>	<b>8,038</b>	<b>109%</b>	<b>663,540</b>	<b>646,347</b>	<b>17,192</b>	<b>103%</b>	<b>1,108,095</b>
Other revenue									
ARFF Training	0	0	0	0%	0	0	0	0%	0
Commissions	2,108	1,667	441	126%	12,261	11,667	594	105%	20,000
Other income	165	3,417	-3,252	5%	42,330	23,917	18,413	177%	41,000
<b>Total Other revenue</b>	<b>2,273</b>	<b>5,083</b>	<b>-2,810</b>	<b>45%</b>	<b>54,591</b>	<b>35,583</b>	<b>19,007</b>	<b>153%</b>	<b>61,000</b>
<b>Total Income</b>	<b>171,391</b>	<b>160,614</b>	<b>10,777</b>	<b>107%</b>	<b>1,138,069</b>	<b>1,099,997</b>	<b>38,071</b>	<b>103%</b>	<b>1,896,110</b>
<b>Gross Profit</b>	<b>171,391</b>	<b>160,614</b>	<b>10,777</b>	<b>107%</b>	<b>1,138,069</b>	<b>1,099,997</b>	<b>38,071</b>	<b>103%</b>	<b>1,896,110</b>
<b>Expense</b>									
Administrative expenses									
A/E, consultants, brokers	4,135	1,993	2,142	207%	28,942	13,949	14,992	207%	23,913
Airport promotion	166	833	-668	20%	8,462	5,833	2,628	145%	10,000
Bad Debt Expense	0	0	0	0%	0	0	0	0%	0
Computer/Network Admin.	818	833	-16	98%	9,125	5,833	3,291	156%	10,000
Dues and subscriptions	2,448	1,250	1,198	196%	14,077	8,750	5,327	161%	15,000
Employee retirement	6,581	7,427	-846	89%	38,231	39,609	-1,378	97%	66,840
FICA and medicare tax expense	5,926	6,077	-151	98%	31,150	32,409	-1,259	96%	54,690
Industrial development	3,750	3,750	0	100%	11,250	11,250	0	100%	15,000
Insurance, property	13,050	12,500	550	104%	82,554	87,500	-4,946	94%	150,000
Insurance, medical	12,521	15,750	-3,229	80%	96,514	110,250	-13,736	88%	189,000
Kansas unemployment tax	152	0	152	100%	330	500	-170	66%	1,000
Legal and accounting	0	2,583	-2,583	0%	9,872	18,083	-8,212	55%	31,000
Office salaries	46,998	47,476	-478	99%	248,488	253,205	-4,717	98%	427,281
Office Supplies	1,140	500	640	228%	4,577	3,500	1,077	131%	6,000
Other administrative expense									
Merchant Processing Fees	27	57	-31	46%	354	400	-45	89%	685
Other administrative expense - Other	201	256	-54	79%	3,199	1,787	1,411	179%	3,065
<b>Total Other administrative expense</b>	<b>228</b>	<b>313</b>	<b>-85</b>	<b>73%</b>	<b>3,553</b>	<b>2,187</b>	<b>1,366</b>	<b>162%</b>	<b>3,750</b>
Postage	-3	250	-253	-1%	1,210	1,750	-540	69%	3,000
Property tax expense	13,750	13,750	0	100%	96,250	96,250	0	100%	165,000
Special Events	0	83	-83	0%	0	583	-583	0%	1,000
Telephone	1,020	1,313	-293	78%	9,515	9,188	328	104%	15,750
Training	500	667	-167	75%	1,375	4,667	-3,292	29%	8,000
Travel and meetings	1,089	667	423	163%	4,333	4,667	-334	93%	8,000
<b>Total Administrative expenses</b>	<b>114,268</b>	<b>118,014</b>	<b>-3,746</b>	<b>97%</b>	<b>699,803</b>	<b>709,963</b>	<b>-10,160</b>	<b>99%</b>	<b>1,204,224</b>
Maintenance expenses									
Airfield maintenance	2,499	1,375	1,124	182%	23,880	9,625	14,255	248%	16,500
Airport Security	0	-42	42	0%	0	292	-292	0%	500
Building maintenance	4,243	3,333	909	127%	25,264	23,333	1,930	108%	40,000
Equipment fuel and repairs	4,870	4,417	453	110%	31,007	30,917	91	100%	53,000
Fire Services	0	125	-125	0%	0	875	-875	0%	1,500
Grounds maintenance	0	292	-292	0%	2,147	2,042	106	105%	3,500
Maintenance salaries	31,052	34,598	-3,547	90%	163,454	184,524	-21,070	89%	311,384
Other maintenance expenses	328	1,542	-1,213	21%	6,393	10,792	-4,399	59%	18,500
Snow removal expense	0	1,083	-1,083	0%	540	7,583	-7,043	7%	13,000
Utilities	15,727	13,000	2,727	121%	128,995	142,944	-13,949	90%	205,000
<b>Total Maintenance expenses</b>	<b>58,718</b>	<b>59,807</b>	<b>-1,088</b>	<b>98%</b>	<b>381,680</b>	<b>412,926</b>	<b>-31,247</b>	<b>92%</b>	<b>662,884</b>

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Accrual Basis

**Salina Airport Authority**  
**Profit & Loss Budget Performance**  
**July 2016**

	Jul 16	Budget	\$ Over Budget	% of Budget	Jan - Jul 16	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Uncategorized Expenses	0	0	0	0%	0	0	0	0%	0
<b>Total Expense</b>	<b>172,987</b>	<b>177,820</b>	<b>-4,834</b>	<b>97%</b>	<b>1,081,483</b>	<b>1,122,889</b>	<b>-41,406</b>	<b>96%</b>	<b>1,867,108</b>
<b>Net Ordinary Income</b>	<b>-1,596</b>	<b>-17,207</b>	<b>15,611</b>	<b>9%</b>	<b>56,586</b>	<b>-22,892</b>	<b>79,477</b>	<b>-247%</b>	<b>29,002</b>
<b>Other Income/Expense</b>									
Other Income									
Capital contributed	0	283,458	-283,458	0%	14,270	1,984,208	-1,969,938	1%	3,401,500
Gain on sale of assets	0	0	0	0%	0	10,000	-10,000	0%	15,000
Interest income									
Interest income on deposits	50	21	29	238%	275	146	129	189%	250
<b>Total Interest income</b>	<b>50</b>	<b>21</b>	<b>29</b>	<b>238%</b>	<b>275</b>	<b>146</b>	<b>129</b>	<b>189%</b>	<b>250</b>
Mill levy income	165,928	165,928	0	100%	1,162,527	1,161,497	1,030	100%	1,991,138
<b>Total Other Income</b>	<b>165,978</b>	<b>449,407</b>	<b>-283,430</b>	<b>37%</b>	<b>1,177,072</b>	<b>3,155,851</b>	<b>-1,978,779</b>	<b>37%</b>	<b>5,407,888</b>
<b>Other Expense</b>									
Debt interest expense net									
Bond issue cost	0	3,750	-3,750	0%	0	26,250	-26,250	0%	45,000
Interest Expense on Debt	79,883	79,883	0	100%	559,431	559,183	248	100%	958,600
<b>Total Debt interest expense net</b>	<b>79,883</b>	<b>83,633</b>	<b>-3,750</b>	<b>96%</b>	<b>559,431</b>	<b>585,433</b>	<b>-26,002</b>	<b>96%</b>	<b>1,003,600</b>
Depreciation expense	220,163	220,163	0	100%	1,541,138	1,541,138	0	100%	2,641,950
<b>Total Other Expense</b>	<b>300,046</b>	<b>303,796</b>	<b>-3,750</b>	<b>99%</b>	<b>2,100,569</b>	<b>2,126,571</b>	<b>-26,002</b>	<b>99%</b>	<b>3,645,550</b>
<b>Net Other Income</b>	<b>-134,068</b>	<b>145,612</b>	<b>-279,680</b>	<b>-92%</b>	<b>-923,497</b>	<b>1,029,281</b>	<b>-1,952,777</b>	<b>-90%</b>	<b>1,762,338</b>
<b>Net Income</b>	<b>-135,664</b>	<b>128,405</b>	<b>-264,069</b>	<b>-106%</b>	<b>-866,911</b>	<b>1,006,389</b>	<b>-1,873,300</b>	<b>-86%</b>	<b>1,791,340</b>

**Salina Airport Authority**  
**Capital Additions Budget vs. Actual**  
As of July 31, 2016

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08/12/2016  
Accrual Basis

	Jul 31, 16	Jan - Jul 16	Annual Budget	+/- Annual Budget	% of Annual Budget
<b>ASSETS</b>					
Fixed Assets					
Fixed assets at cost					
Airfield					
AIP-36 Txy E Rehab Const. Ph 1		1,855	3,515,248	-3,513,393	0%
AIP-37 Txy B & E Rehab Design		38,945	50,497	-11,552	77%
Airfield Improvements					
AMP - Economic Impact Study		0	5,875	-5,875	0%
Airfield Improvements - Other		4,293	15,000	-10,707	29%
Total Airfield Improvements	0	4,293	20,875	-16,582	21%
KAIP - 17/35 Slurry Seal	0	0	392,000	-392,000	0%
Total Airfield	0	45,093	3,978,620	-3,933,527	1%
Buildings & Improvements					
Building improvements					
Bldg. 310 Enviro/Interior Demo	2,685	2,685	65,000	-62,315	4%
Bldg. 409-2 Imps.		18,682	21,500	-2,818	87%
Bldg. Imps. Other	1,372	5,122	20,000	-14,878	26%
Total Building improvements	4,057	26,489	106,500	-80,011	25%
Pumphouse 305	0	0	15,000	-15,000	0%
Terminal building improvements					
2015 Terminal Bldg. Remodel	15,575	257,279	259,553	-2,274	99%
2nd Floor Remodel-SAA Admin Ofc	0	5,381	15,000	-9,619	36%
Total Terminal building improvements	15,575	262,660	274,553	-11,893	96%
Total Buildings & Improvements	19,632	289,149	396,053	-106,904	73%
Equipment					
Communications equipment	0	0	2,000	-2,000	0%
Computer equipment		899	7,500	-6,601	12%
Other Equipment		8,297	15,000	-6,703	55%
Shop equipment	0	0	10,000	-10,000	0%
Vehicles	0	0	10,000	-10,000	0%
Total Equipment	0	9,196	44,500	-35,304	21%
Land					
Airport Indust. Cent. Imps.	0	0	15,000	-15,000	0%
Environmental					
Environmental - SAFB	2,436	5,617	15,000	-9,383	37%
Total Environmental	2,436	5,617	15,000	-9,383	37%
Nestle Site Imps.	0	0	18,500	-18,500	0%
Rail Spur Imps.	0	0	15,000	-15,000	0%
West Beechcraft Road Imps.	0	0	2,500	-2,500	0%
Total Land	2,436	5,617	66,000	-60,383	9%
Total Fixed assets at cost	22,068	349,055	4,485,173	-4,136,118	8%

# Salina Airport Authority

## Significant Capital Expenditures Detail

### July 2016

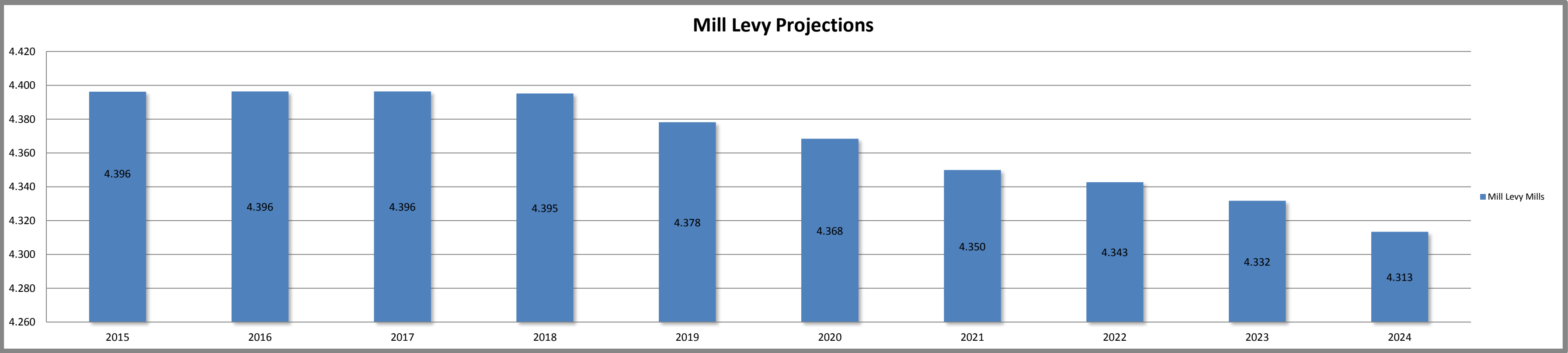
Type	Date	Name	Memo	Amount	Balance
<b>Fixed assets at cost</b>					
<b>Buildings &amp; Improvements</b>					
<b>Building improvements</b>					
<b>Bldg. 310 Enviro/Interior Demo</b>					
Bill	07/14/2016	Integrated Solutions, Inc. (iS...	Building 310 asbestos survey	2,685.00	2,685.00
		Total Bldg. 310 Enviro/Interior Demo		2,685.00	2,685.00
<b>Bldg. Imps. Other</b>					
Bill	07/18/2016	CBS Manhattan LLC	Hangar 959 Keypad and exit device	1,372.13	1,372.13
		Total Bldg. Imps. Other		1,372.13	1,372.13
		Total Building improvements		4,057.13	4,057.13
<b>Terminal building improvements</b>					
<b>2015 Terminal Bldg. Remodel</b>					
Bill	07/26/2016	Keith Consolidated Industrie...	TW3025 - Passenger Boarding Ramp (progress payment 1 of 2)	13,050.00	13,050.00
Bill	07/26/2016	Cheney Door Company	Building 120, Over head door replacement in baggage claim garage.	2,214.50	15,264.50
Bill	07/27/2016	Cheney Door Company	Labor for Baggage claim overhead doors	310.00	15,574.50
		Total 2015 Terminal Bldg. Remodel		15,574.50	15,574.50
		Total Terminal building improvements		15,574.50	15,574.50
		Total Buildings & Improvements		19,631.63	19,631.63
<b>Land</b>					
<b>Environmental</b>					
<b>Environmental - SAFB</b>					
Bill	07/12/2016	Stinson Leonard Street, LLP	Professional services - June 2016	2,436.61	2,436.61
		Total Environmental - SAFB		2,436.61	2,436.61
		Total Environmental		2,436.61	2,436.61
		Total Land		2,436.61	2,436.61
		Total Fixed assets at cost		22,068.24	22,068.24
<b>TOTAL</b>				<b>22,068.24</b>	<b>22,068.24</b>



SALINA AIRPORT AUTHORITY  
Mill Levy Projections  
2016-2024

Projections as of 8/10/2016				2009-A GO DEBT SERVICE		2009-B GO DEBT SERVICE		2011-A GO DEBT SERVICE		2011-B GO DEBT SERVICE		2015-A GO DEBT SERVICE		GO BOND DEBT SERVICE FUND		LESS BALANCE ALLOCATED FROM DEBT SERVICE FUND		LESS ESTIMATED MV TAX REVENUE		TOTAL MILL LEVY REQUIRED	
YEAR BUDGET PREPARED	FISCAL YEAR	ASSESSED VALUATION (1)	% +/-	Mills	\$	Mills	\$	Mills	\$	Mills	\$	Mills	\$	Mills	\$					Mills	\$
2015	2016	\$ 416,174,805	2.14%	0.206	\$ 85,647	1.318	\$ 548,662	1.793	\$ 746,363	0.248	\$ 103,331	1.219	\$ 507,135	0.000	\$ -	0.000	\$ -	-0.388	\$ (161,524)	4.396	\$ 1,829,614
2016	2017	\$ 425,319,904	2.20%	0.201	\$ 85,647	1.282	\$ 545,262	1.765	\$ 750,665	0.243	\$ 103,331	1.195	\$ 508,468	0.185	\$ 78,500	0.000	\$ -	-0.475	\$ (201,983)	4.396	\$ 1,869,890
2017	2018	\$ 425,383,702	0.02%	0.201	\$ 85,648	1.285	\$ 546,462	1.749	\$ 743,927	0.243	\$ 103,331	1.198	\$ 509,568	0.198	\$ 84,230	0.000	\$ -	-0.477	\$ (202,993)	4.396	\$ 1,870,173
2018	2019	\$ 425,447,510	0.02%	0.201	\$ 85,648	1.284	\$ 546,162	1.741	\$ 740,815	0.243	\$ 103,331	1.423	\$ 605,468	0.000		-0.018	\$ (7,500)	-0.480	\$ (204,008)	4.395	\$ 1,869,916
2019	2020	\$ 425,511,327	0.02%	0.201	\$ 85,648	1.291	\$ 549,287	1.720	\$ 731,855	0.243	\$ 103,331	1.440	\$ 612,868	0.000		-0.035	\$ (15,000)	-0.482	\$ (205,028)	4.378	\$ 1,862,961
2020	2021	\$ 425,575,153	0.02%	0.201	\$ 85,647	1.291	\$ 549,537	2.718	\$ 1,156,775	0.243	\$ 103,331	0.443	\$ 188,368	0.000		-0.043	\$ (18,500)	-0.484	\$ (206,053)	4.368	\$ 1,859,105
2021	2022	\$ 425,638,990	0.02%	0.201	\$ 85,647	1.289	\$ 548,787	2.713	\$ 1,154,605	0.243	\$ 103,331	0.443	\$ 188,693	0.000		-0.053	\$ (22,500)	-0.487	\$ (207,083)	4.350	\$ 1,851,480
2022	2023	\$ 425,702,835	0.02%	0.201	\$ 85,648	1.285	\$ 547,037	2.949	\$ 1,255,375	0.243	\$ 103,331	0.208	\$ 88,443	0.000		-0.054	\$ (23,000)	-0.489	\$ (208,119)	4.343	\$ 1,848,715
2023	2024	\$ 425,766,691	0.02%	0.201	\$ 85,648	1.287	\$ 548,150	2.958	\$ 1,259,270	0.243	\$ 103,331	0.214	\$ 91,053	0.000		-0.080	\$ (34,000)	-0.491	\$ (209,159)	4.332	\$ 1,844,293
2024	2025	\$ 425,830,556	0.02%	0.201	\$ 85,647	1.285	\$ 547,349	2.958	\$ 1,259,684	0.243	\$ 103,333	0.219	\$ 93,195	0.000		-0.099	\$ (42,230)	-0.494	\$ (210,205)	4.313	\$ 1,836,773
															162,730.00		(162,730.00)				

NOTES:  
1. Estimated Assessed Valuation at July 1, 2016 as provided by the Saline County Clerk's Office.  
Future Assessed Valuation assumed to grow annually at a rate of .02%

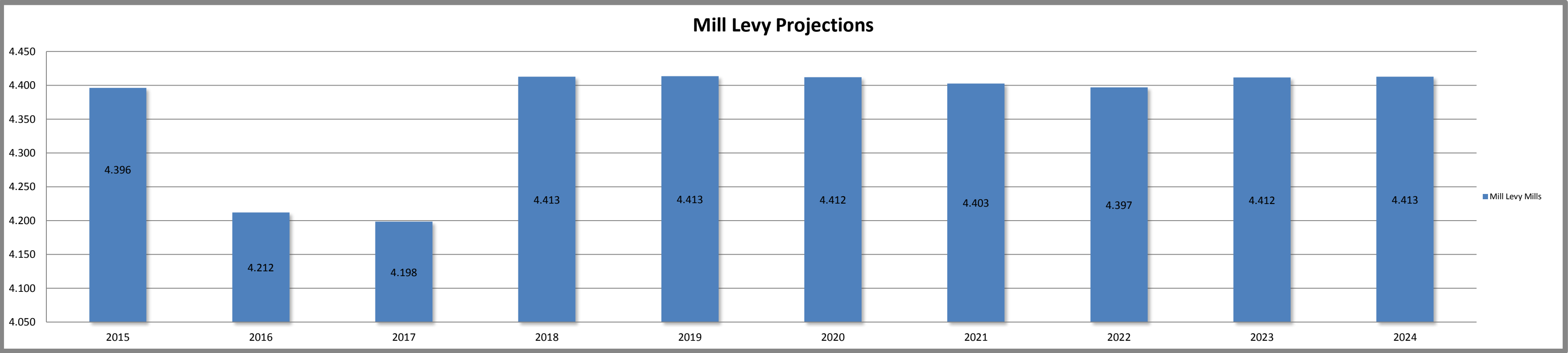


OPTION 1

SALINA AIRPORT AUTHORITY  
Mill Levy Projections  
2016-2024

Projections as of 8/10/2016				2009-A GO DEBT SERVICE		2009-B GO DEBT SERVICE		2011-A GO DEBT SERVICE		2011-B GO DEBT SERVICE		2015-A GO DEBT SERVICE		GO BOND DEBT SERVICE FUND		LESS BALANCE ALLOCATED FROM DEBT SERVICE FUND		LESS ESTIMATED MV TAX REVENUE		TOTAL MILL LEVY REQUIRED	
YEAR BUDGET PREPARED	FISCAL YEAR	ASSESSED VALUATION (1)	% +/-	Mills	\$	Mills	\$	Mills	\$	Mills	\$	Mills	\$	Mills	\$					Mills	\$
2015	2016	\$ 416,174,805	2.14%	0.206	\$ 85,647	1.318	\$ 548,662	1.793	\$ 746,363	0.248	\$ 103,331	1.219	\$ 507,135	0.000	\$ -	0.000	\$ -	-0.388	\$ (161,524)	4.396	\$ 1,829,614
2016	2017	\$ 425,319,904	2.20%	0.201	\$ 85,647	1.282	\$ 545,262	1.765	\$ 750,665	0.243	\$ 103,331	1.195	\$ 508,468	0.000	\$ -	0.000	\$ -	-0.475	\$ (201,983)	4.212	\$ 1,791,390
2017	2018	\$ 425,383,702	0.02%	0.201	\$ 85,648	1.285	\$ 546,462	1.749	\$ 743,927	0.243	\$ 103,331	1.198	\$ 509,568	0.000		0.000	\$ -	-0.477	\$ (202,993)	4.198	\$ 1,785,943
2018	2019	\$ 425,447,510	0.02%	0.201	\$ 85,648	1.284	\$ 546,162	1.741	\$ 740,815	0.243	\$ 103,331	1.423	\$ 605,468	0.000		0.000		-0.480	\$ (204,008)	4.413	\$ 1,877,416
2019	2020	\$ 425,511,327	0.02%	0.201	\$ 85,648	1.291	\$ 549,287	1.720	\$ 731,855	0.243	\$ 103,331	1.440	\$ 612,868	0.000		0.000		-0.482	\$ (205,028)	4.413	\$ 1,877,961
2020	2021	\$ 425,575,153	0.02%	0.201	\$ 85,647	1.291	\$ 549,537	2.718	\$ 1,156,775	0.243	\$ 103,331	0.443	\$ 188,368	0.000		0.000		-0.484	\$ (206,053)	4.412	\$ 1,877,605
2021	2022	\$ 425,638,990	0.02%	0.201	\$ 85,647	1.289	\$ 548,787	2.713	\$ 1,154,605	0.243	\$ 103,331	0.443	\$ 188,693	0.000		0.000		-0.487	\$ (207,083)	4.403	\$ 1,873,980
2022	2023	\$ 425,702,835	0.02%	0.201	\$ 85,648	1.285	\$ 547,037	2.949	\$ 1,255,375	0.243	\$ 103,331	0.208	\$ 88,443	0.000		0.000		-0.489	\$ (208,119)	4.397	\$ 1,871,715
2023	2024	\$ 425,766,691	0.02%	0.201	\$ 85,648	1.287	\$ 548,150	2.958	\$ 1,259,270	0.243	\$ 103,331	0.214	\$ 91,053	0.000		0.000		-0.491	\$ (209,159)	4.412	\$ 1,878,293
2024	2025	\$ 425,830,556	0.02%	0.201	\$ 85,647	1.285	\$ 547,349	2.958	\$ 1,259,684	0.243	\$ 103,333	0.219	\$ 93,195	0.000		0.000		-0.494	\$ (210,205)	4.413	\$ 1,879,003
															-		-				

NOTES:  
1. Estimated Assessed Valuation at July 1, 2016 as provided by the Saline County Clerk's Office.  
Future Assessed Valuation assumed to grow annually at a rate of .02%

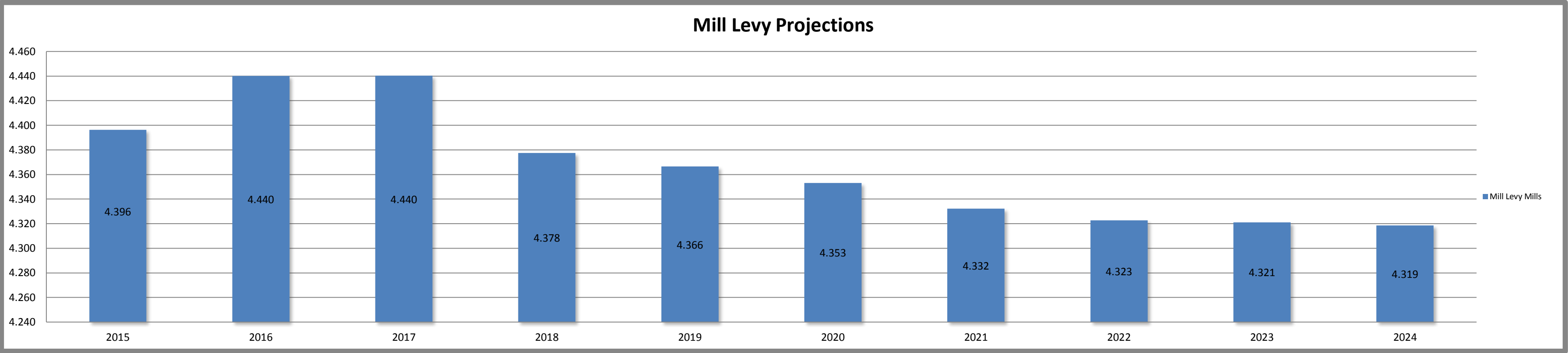


OPTION 2

SALINA AIRPORT AUTHORITY  
Mill Levy Projections  
2016-2024

Projections as of 8/10/2016				2009-A GO DEBT SERVICE		2009-B GO DEBT SERVICE		2011-A GO DEBT SERVICE		2011-B GO DEBT SERVICE		2015-A GO DEBT SERVICE		GO BOND DEBT SERVICE FUND		LESS BALANCE ALLOCATED FROM DEBT SERVICE FUND		LESS ESTIMATED MV TAX REVENUE		TOTAL MILL LEVY REQUIRED	
YEAR BUDGET PREPARED	FISCAL YEAR	ASSESSED VALUATION (1)	% +/-	Mills	\$	Mills	\$	Mills	\$	Mills	\$	Mills	\$	Mills	\$					Mills	\$
2015	2016	\$ 416,174,805	2.14%	0.206	\$ 85,647	1.318	\$ 548,662	1.793	\$ 746,363	0.248	\$ 103,331	1.219	\$ 507,135	0.000	\$ -	0.000	\$ -	-0.388	\$ (161,524)	4.396	\$ 1,829,614
2016	2017	\$ 425,319,904	2.20%	0.201	\$ 85,647	1.282	\$ 545,262	1.765	\$ 750,665	0.243	\$ 103,331	1.195	\$ 508,468	0.228	\$ 97,100	0.000	\$ -	-0.475	\$ (201,983)	4.440	\$ 1,888,490
2017	2018	\$ 425,383,702	0.02%	0.201	\$ 85,648	1.285	\$ 546,462	1.749	\$ 743,927	0.243	\$ 103,331	1.198	\$ 509,568	0.242	\$ 102,900	0.000	\$ -	-0.477	\$ (202,993)	4.440	\$ 1,888,843
2018	2019	\$ 425,447,510	0.02%	0.201	\$ 85,648	1.284	\$ 546,162	1.741	\$ 740,815	0.243	\$ 103,331	1.423	\$ 605,468	0.000		-0.035	\$ (15,000)	-0.480	\$ (204,008)	4.378	\$ 1,862,416
2019	2020	\$ 425,511,327	0.02%	0.201	\$ 85,648	1.291	\$ 549,287	1.720	\$ 731,855	0.243	\$ 103,331	1.440	\$ 612,868	0.000		-0.047	\$ (20,000)	-0.482	\$ (205,028)	4.366	\$ 1,857,961
2020	2021	\$ 425,575,153	0.02%	0.201	\$ 85,647	1.291	\$ 549,537	2.718	\$ 1,156,775	0.243	\$ 103,331	0.443	\$ 188,368	0.000		-0.059	\$ (25,000)	-0.484	\$ (206,053)	4.353	\$ 1,852,605
2021	2022	\$ 425,638,990	0.02%	0.201	\$ 85,647	1.289	\$ 548,787	2.713	\$ 1,154,605	0.243	\$ 103,331	0.443	\$ 188,693	0.000		-0.070	\$ (30,000)	-0.487	\$ (207,083)	4.332	\$ 1,843,980
2022	2023	\$ 425,702,835	0.02%	0.201	\$ 85,648	1.285	\$ 547,037	2.949	\$ 1,255,375	0.243	\$ 103,331	0.208	\$ 88,443	0.000		-0.074	\$ (31,500)	-0.489	\$ (208,119)	4.323	\$ 1,840,215
2023	2024	\$ 425,766,691	0.02%	0.201	\$ 85,648	1.287	\$ 548,150	2.958	\$ 1,259,270	0.243	\$ 103,331	0.214	\$ 91,053	0.000		-0.090	\$ (38,500)	-0.491	\$ (209,159)	4.321	\$ 1,839,793
2024	2025	\$ 425,830,556	0.02%	0.201	\$ 85,647	1.285	\$ 547,349	2.958	\$ 1,259,684	0.243	\$ 103,333	0.219	\$ 93,195	0.000		-0.094	\$ (40,000)	-0.494	\$ (210,205)	4.319	\$ 1,839,003
															200,000.00		(200,000.00)				

NOTES:  
1. Estimated Assessed Valuation at July 1, 2016 as provided by the Saline County Clerk's Office.  
Future Assessed Valuation assumed to grow annually at a rate of .02%



OPTION 3

**\$657,000**  
**Salina Airport Authority**  
**General Obligation Temporary Notes**  
**Series 2016-A**

**Bid Tabulation Sheet**

Dated: September 15, 2016

Bid Date: August 12, 2016

Bidder	Rate (%)*	Total Interest to Maturity
1. First State Bank	0.90%	\$17,509.05
2. UMB Bank	1.78%	\$34,629.01
3. The Bennington State Bank	2.15%	\$41,827.17

\* All bids are based on Notes that pay interest that is exempt from federal income taxes and is not "bank qualified". Bids were also allowed for federally taxable notes. UMB and Bennington Bank submitted bids for both scenarios. However, the taxable rates were approximately .70% to 1.00% higher than the rates shown above.

- 
- A. Excerpt of Minutes of Meeting approving sale, approving Note Resolution
  - B. Note Resolution
-

**EXCERPT OF MINUTES OF A MEETING  
OF THE GOVERNING BODY OF  
SALINA AIRPORT AUTHORITY (SALINA, KANSAS)  
HELD ON AUGUST 17, 2016**

The governing body met in regular session at M.J. Kennedy Air Terminal Conference Room located at the Salina Regional Airport Terminal Building, 3237 Arnold, Salina, Kansas, at 8:00 a.m., the following members being present and participating, to-wit:

Present: \_\_\_\_\_

Absent: \_\_\_\_\_

The Chairman declared that a quorum was present and called the meeting to order.

\* \* \* \* \*

(Other Proceedings)

Thereupon, there was presented a Resolution entitled:

**A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2016-1, OF SALINA AIRPORT AUTHORITY (SALINA, KANSAS); PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX, IF NECESSARY, FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID NOTES AS THEY BECOME DUE; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.**

Thereupon, Board Member \_\_\_\_\_ moved that said Resolution be adopted. The motion was seconded by Board Member \_\_\_\_\_. Said Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, the vote being as follows:

Yea: \_\_\_\_\_

Nay: \_\_\_\_\_

Thereupon, the Chairman declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No.16-06, and was signed by the Chairman and attested by the Secretary.

\* \* \* \* \*

(Other Proceedings)

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On motion duly made, seconded and carried, the meeting thereupon adjourned.

**CERTIFICATE**

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of Salina Airport Authority (Salina, Kansas), held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

---

Secretary

---

**RESOLUTION NO. 16-06**

**OF**

**SALINA AIRPORT AUTHORITY (SALINA, KANSAS)**

**ADOPTED**

**AUGUST 17, 2016**

**GENERAL OBLIGATION TEMPORARY NOTES  
SERIES 2016-1**

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## **RESOLUTION**

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*EXHIBIT A* – FORM OF NOTES..... A-1

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**RESOLUTION NO. 16-06**

**A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2016-1, OF SALINA AIRPORT AUTHORITY (SALINA, KANSAS); PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX, IF NECESSARY, FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID NOTES AS THEY BECOME DUE; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.**

---

**WHEREAS**, Salina Airport Authority (Salina, Kansas) (the “Issuer”) is a legally constituted public airport authority duly created, organized and existing under the Constitution and laws of the State; and

**WHEREAS**, pursuant to the provisions of the laws of the State of Kansas applicable thereto, by proceedings duly had, the governing body of the Issuer has caused the following improvements (the “Improvements”) to be made in the Authority:

<u><b>Project Description</b></u>	<u><b>Resolution No.</b></u>	<u><b>Authority</b></u>	<u><b>Estimated Cost</b></u>
Capital Improvements at the Salina Regional Airport and Airport Industrial Center	16-04	K.S.A. 27-315 to 27-326 inclusive	\$648,220

; and

**WHEREAS**, the governing body of the Issuer is authorized by law to issue general obligation bonds to pay a portion of the costs of the Improvements; and

**WHEREAS**, it is necessary for the Issuer to provide cash funds (from time to time) to meet its obligations incurred in constructing the Improvements prior to the completion thereof and the issuance of the Issuer's general obligation bonds, and it is desirable and in the interest of the Issuer that such funds be raised by the issuance of temporary notes of the Issuer pursuant to the Act; and

**WHEREAS**, none of such general obligation bonds or temporary notes previously authorized have been issued and the Issuer proposes to issue its temporary notes to pay a portion of the costs of the Improvements; and

**WHEREAS**, the governing body of the Issuer hereby finds and determines that it is necessary for the Issuer to authorize the issuance and delivery of the Notes in the principal amount of \$[657,000] to pay a portion of the costs of the Improvements.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF SALINA AIRPORT AUTHORITY (SALINA, KANSAS), AS FOLLOWS:**

## ARTICLE I

### DEFINITIONS

**Section 101. Definitions of Words and Terms.** In addition to words and terms defined elsewhere herein, the following words and terms as used in this Note Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

**“Act”** means the Constitution and statutes of the State including K.S.A. 10-101 to 10-125, inclusive, specifically including K.S.A. 10-123, K.S.A. 10-620 *et seq.*, and K.S.A. 27-315 to 27-326, all as amended and supplemented from time to time.

**“Authority”** means Salina Airport Authority (Salina, Kansas).

**“Authorized Denomination”** means \$100,000 or any integral multiples of \$1,000 in excess thereof.

**“Beneficial Owner”** of the Notes includes any Owner of the Notes and any other Person who, directly or indirectly has the investment power with respect to any of the Notes.

**“Bond and Interest Fund”** means the Bond and Interest Fund of the Issuer for its general obligation bonds.

**“Bond Counsel”** means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

**“Business Day”** means a day other than a Saturday, Sunday or holiday on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

**“Chairman”** means the duly elected and acting Chairman, or in the Chairman's absence, the duly appointed and/or elected Vice Chairman or Acting Chairman of the Issuer.

**“Code”** means the Internal Revenue Code of 1986, as amended, and the applicable regulations proposed or promulgated thereunder of the United States Department of the Treasury.

**“Costs of Issuance”** means all costs of issuing the Notes, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, and all expenses incurred in connection with receiving ratings on the Notes.

**“Dated Date”** means September 8, 2016.

**“Debt Service Account”** means the Debt Service Account for General Obligation Temporary Notes, Series 2016-1 (within the Bond and Interest Fund) created pursuant to **Section 501** hereof.

**“Debt Service Requirements”** means the aggregate principal payments and interest payments on the Notes for the period of time for which calculated; provided, however, that for purposes of calculating

such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

**“Defaulted Interest”** means interest on any Note which is payable but not paid on any Interest Payment Date.

**“Defeasance Obligations”** means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody’s or Standard & Poor’s that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

**“Derivative”** means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

**“Director of Administration and Finance”** means the duly appointed and acting Director of Administration and Finance of the Issuer or, in the Director's absence, the duly appointed Deputy, Assistant or Acting Director of Administration and Finance of the Issuer.

**“Event of Default”** means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Notes shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Notes shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Notes or in this Note Resolution on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Notes then Outstanding.

**“Federal Tax Certificate”** means the Issuer's Federal Tax Certificate dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

**“Financeable Costs”** means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

**“Fiscal Year”** means the twelve month period ending on December 31.

**“Funds and Accounts”** means funds and accounts created by or referred to in **Section 501** hereof.

**“Improvement Fund”** means the Improvement Fund for General Obligation Temporary Notes, Series 2016-1 created pursuant to **Section 501** hereof.

**“Improvements”** means the improvements referred to in the preamble to this Note Resolution and any Substitute Improvements.

**“Independent Accountant”** means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by this Note Resolution.

**“Interest Payment Date(s)”** means the Stated Maturity of an installment of interest on any Note which shall be March 1 and September 1 of each year, commencing March 1, 2017.

**“Issue Date”** means the date when the Issuer delivers the Notes to the Purchaser in exchange for the Purchase Price.

**“Issuer”** means the Authority and any successors or assigns.

**“Maturity”** when used with respect to any Note means the date on which the principal of such Note becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

**“Moody’s”** means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“Note Payment Date”** means any date on which principal of or interest on any Note is payable.

**“Note Purchase Agreement”** means the Note Purchase Agreement dated as of August 17, 2016 between the Issuer and the Purchaser.

**“Note Register”** means the books for the registration, transfer and exchange of Notes kept at the office of the Note Registrar.

**“Note Registrar”** means the State Treasurer and its successors and assigns.

**“Note Resolution”** means this resolution relating to the Notes.

**“Notes”** means the General Obligation Temporary Notes, Series 2016-1, authorized and issued by the Issuer pursuant to this Note Resolution.

**“Notice Address”** means with respect to the following entities:

(a) To the Issuer at:

Salina Airport Authority  
Salina Regional Airport  
Attn: Director of Administration and Finance  
3237 Arnold Ave.  
Salina, KS 67401  
Fax: (785) 827-2221

(b) To the Paying Agent at:

State Treasurer of the State of Kansas  
Landon Office Building  
900 Southwest Jackson, Suite 201  
Topeka, Kansas 66612-1235  
Fax: (785) 296-6976

(c) To the Purchaser:

[Purchaser Name]

[Purchaser City, State]

Fax: \_\_\_\_\_

**“Notice Representative”** means:

(a) With respect to the Issuer, the Secretary.

(b) With respect to the Note Registrar and Paying Agent, the Director of Bond Services.

(c) With respect to the Purchaser, [the manager of its Municipal Bond Department].

**“Outstanding”** means, when used with reference to the Notes, as of a particular date of determination, all Notes theretofore authenticated and delivered, except the following Notes:

- (a) Notes theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Notes deemed to be paid in accordance with the provisions of *Article VII* hereof; and
- (c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered hereunder.

**“Owner”** when used with respect to any Note means the Person in whose name such Note is registered on the Note Register. Whenever consent of the Owners is required pursuant to the terms of this Note Resolution, and the Owner of the Notes, as set forth on the Note Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Notes.

**“Paying Agent”** means the State Treasurer and any successors and assigns.

**“Permitted Investments”** shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

**“Person”** means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

**“Purchase Price”** means the amount set forth in the Note Purchase Agreement.

**“Purchaser”** means [Purchaser Name], [Purchaser City, State], the original purchaser of the Notes, and any successors and assigns.

**“Rebate Fund”** means the Rebate Fund for General Obligation Temporary Notes, Series 2016-1 created pursuant to *Section 501* hereof.



**“Record Dates”** for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

**“Redemption Date”** when used with respect to any Note to be redeemed means the date fixed for the redemption of such Note pursuant to the terms of this Note Resolution.

**“Redemption Price”** when used with respect to any Note to be redeemed means the price at which such Note is to be redeemed pursuant to the terms of this Note Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

**“Secretary”** means the duly elected/appointed and acting Secretary of the Issuer, or in the Secretary's absence, the duly appointed Deputy, Assistant or Acting Secretary of the Issuer.

**“Special Record Date”** means the date fixed by the Paying Agent pursuant to *Article II* hereof for the payment of Defaulted Interest.

**“Standard & Poor's” or “S&P”** means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“State”** means the state of Kansas.

**“State Treasurer”** means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

**“Stated Maturity”** when used with respect to any Note or any installment of interest thereon means the date specified in such Note and this Note Resolution as the fixed date on which the principal of such Note or such installment of interest is due and payable.

**“Substitute Improvements”** means the substitute or additional improvements of the Issuer described in *Article V* hereof.

**“Treasurer”** means the duly appointed and/or elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

**“United States Government Obligations”** means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

## ARTICLE II

### AUTHORIZATION AND DETAILS OF THE NOTES

**Section 201. Authorization of the Notes.** There shall be issued and hereby are authorized and directed to be issued the General Obligation Temporary Notes, Series 2016-1, of the Issuer in the principal amount of \$[657,000], for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; (b) pay interest on the Notes during the construction of the Improvements; and (c) pay Costs of Issuance.

**Section 202. Description of the Notes.** The Notes shall consist of fully registered notes in Authorized Denominations, and shall be numbered in such manner as the Note Registrar shall determine. All of the Notes shall be dated as of the Dated Date, shall become due in the amounts on the Stated Maturity, subject to redemption and payment prior to the Stated Maturity as provided in **Article III** hereof, and shall bear interest at the rate per annum as follows:

<b>Stated Maturity</b>	<b>Principal</b>	<b>Annual Rate</b>
<b><u>September 1</u></b>	<b><u>Amount</u></b>	<b><u>of Interest</u></b>
2019	\$[657,000]	[ ]%

The Notes shall bear interest at the above specified rate (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in **Section 204** hereof.

Each of the Notes, as originally issued or issued upon transfer, exchange or substitution, shall be printed in accordance with the format required by the Attorney General of the State and shall be substantially in the form attached hereto as **EXHIBIT A** or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 *et seq.*

**Section 203. Designation of Paying Agent and Note Registrar.** The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Note and Note Registrar with respect to the registration, transfer and exchange of Notes. The Chairman of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Note Registrar and Paying Agent for the Notes.

The Issuer will at all times maintain a Paying Agent and Note Registrar meeting the qualifications herein described for the performance of the duties hereunder. The Issuer reserves the right to appoint a successor Paying Agent or Note Registrar by (a) filing with the Paying Agent or Note Registrar then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent or Note Registrar and appointing a successor, and (b) causing notice of appointment of the successor Paying Agent and Note Registrar to be given by first class mail to each Owner. No resignation or removal of the Paying Agent or Note Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Note Registrar.

Every Paying Agent or Note Registrar appointed hereunder shall at all times meet the requirements of K.S.A. 10-501 *et seq.* and K.S.A. 10-620 *et seq.*, respectively.

**Section 204. Method and Place of Payment of the Notes.** The principal of, or Redemption Price, if any, and interest on the Notes shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Note shall be paid at Maturity to the Person in whose name such Note is registered on the Note Register at the Maturity thereof, upon presentation and surrender of such Note at the principal office of the Paying Agent. The interest payable on each Note on any Interest

Payment Date shall be paid to the Owner of such Note as shown on the Note Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Note Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to any Owner of \$500,000 or more in aggregate principal amount of Notes, by electronic transfer to such Owner upon written notice given to the Note Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Note shall cease to be payable to the Owner of such Note on the relevant Record Date and shall be payable to the Owner in whose name such Note is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment (which date shall be at least 45 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Note entitled to such notice at the address of such Owner as it appears on the Note Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Notes and at least annually shall forward a copy or summary of such records to the Issuer.

**Section 205. Payments Due on Saturdays, Sundays and Holidays.** In any case where a Note Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Note Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Note Payment Date, and no interest shall accrue for the period after such Note Payment Date.

**Section 206. Registration, Transfer and Exchange of Notes.** The Issuer covenants that, as long as any of the Notes remain Outstanding, it will cause the Note Register to be kept at the office of the Note Registrar as herein provided. Each Note when issued shall be registered in the name of the Owner thereof on the Note Register.

Notes may be transferred and exchanged only on the Note Register as provided in this Section. Upon surrender of any Note at the principal office of the Note Registrar, the Note Registrar shall transfer or exchange such Note for a new Note or Notes in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Note that was presented for transfer or exchange.

The Notes shall be transferable by the Purchaser or subsequent transferee only upon prior delivery to the Note Registrar and the Issuer an investment letter in substantially the form of **Exhibit B** hereto, signed by the transferee, stating that (a) the transferee is either (1) an “accredited investor” as defined in Rule 501 of Regulation D of the Securities and Exchange Commission (the “SEC”) or (2) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, as amended, (b) the transferee

is purchasing the Notes for its own account for investment and with no present intention of selling or transferring the Notes, (c) the transferee has been provided with or given access to all financial and other information requested relating to the Notes or which it deems material in connection with the purchase of Notes, (d) the transferee considers that it has such knowledge and experience in financial and business matters, including the purchase of tax-exempt obligations, as to be independently capable of evaluating the merits and risks of investment in the Notes and to make an informed decision with respect thereto, and (e) the transferee understands that the Notes are subject to all terms and conditions of this Note Resolution. The Notes shall be held by no more than three (3) persons at any time.

Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Note Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Notes is exercised, the Note Registrar shall authenticate and deliver Notes in accordance with the provisions of this Note Resolution. The Issuer shall pay the fees and expenses of the Note Registrar for the registration, transfer and exchange of Notes provided for by this Note Resolution and the cost of printing a reasonable supply of registered note blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Note Registrar, are the responsibility of the Owners of the Notes. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Notes.

The Issuer and the Note Registrar shall not be required (a) to register the transfer or exchange of any Note that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to *Article III* hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Note during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to this *Article II*.

The Issuer and the Paying Agent may deem and treat the Person in whose name any Note is registered on the Note Register as the absolute Owner of such Note, whether such Note is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Note and for all other purposes. All payments so made to any such Owner or upon the Owner's order shall be valid and effective to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Note Registrar, the Note Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Notes then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Note Registrar.

**Section 207. Execution, Registration, Authentication and Delivery of Notes.** Each of the Notes, including any Notes issued in exchange or as substitutions for the Notes initially delivered, shall be executed for and on behalf of the Issuer by the manual or facsimile signature of the Chairman, attested by the manual or facsimile signature of the Secretary and the seal of the Issuer shall be affixed thereto or imprinted thereon. The Chairman and Secretary are hereby authorized and directed to prepare and execute the Notes in the manner herein specified, and to cause the Notes

to be registered in the office of the Secretary, which registration shall be evidenced by the manual or facsimile signature of the Secretary with the seal of the Issuer affixed thereto or imprinted thereon, and registered in the office of the Clerk of Saline, Kansas, which registration shall be evidenced by the manual or facsimile signature of the Clerk of Saline County, Kansas with the seal of Saline County, Kansas affixed thereto or imprinted thereon. The Notes shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. The Notes shall be countersigned by the manual or facsimile signature of the Secretary and the seal of the Issuer shall be affixed or imprinted adjacent thereto following registration of the Notes by the Treasurer of the State of Kansas. In case any officer whose signature appears on any Notes ceases to be such officer before the delivery of such Notes, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Note may be signed by such persons who at the actual time of the execution of such Note are the proper officers to sign such Note although at the date of such Note such persons may not have been such officers.

The Chairman and Secretary are hereby authorized and directed to prepare and execute the Notes as herein specified, and when duly executed, to deliver the Notes to the Note Registrar for authentication.

The Notes shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as **EXHIBIT A** hereof, which shall be manually executed by an authorized officer or employee of the Note Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Notes that may be issued hereunder at any one time. No Note shall be entitled to any security or benefit under this Note Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Note Registrar. Such executed certificate of authentication upon any Note shall be conclusive evidence that such Note has been duly authenticated and delivered under this Note Resolution. Upon authentication, the Note Registrar shall deliver the Notes to the Purchaser upon instructions of the Issuer or its representative.

**Section 208. Mutilated, Lost, Stolen or Destroyed Notes.** If (a) any mutilated Note is surrendered to the Note Registrar or the Note Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (b) there is delivered to the Issuer and the Note Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Note Registrar that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Note Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Issuer, in its discretion, may pay such Note instead of issuing a new Note.

Upon the issuance of any new Note under this Section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Note issued pursuant to this Section shall constitute a replacement of the prior obligation of the Issuer, and shall be entitled to all the benefits of this Note Resolution equally and ratably with all other Outstanding Notes.

**Section 209. Cancellation and Destruction of Notes Upon Payment.** All Notes that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before

Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Notes so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

**Section 210. Nonpresentment of Notes.** If any Note is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Note have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Note Resolution or on, or with respect to, said Note. If any Note is not presented for payment within four (4) years following the date when such Note becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

**Section 211. Sale of the Notes – Note Purchase Agreement.** The Chairman is hereby authorized to enter into the Note Purchase Agreement between the Issuer and the Purchaser in substantially the form submitted to the governing body concurrently with the adoption of this Note Resolution, with such changes therein as shall be approved by the Chairman, such officer's signature thereon being conclusive evidence of the approval thereof. Pursuant to the Note Purchase Agreement, the Issuer agrees to sell the Notes to the Purchaser for the Purchase Price, upon the terms and conditions set forth therein.

### ARTICLE III

#### REDEMPTION OF NOTES

**Section 301. Redemption by Issuer.**

**Optional Redemption.** At the option of the Issuer, the Notes will be subject to redemption and payment prior to maturity, as a whole or in part (selection of the amount of Notes to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time on or after September 1, 2018, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

**Section 302. Selection of Notes to be Redeemed.** Notes shall be redeemed only in an Authorized Denomination. When less than all of the Notes are to be redeemed and paid prior to their Stated Maturity, such Notes shall be redeemed in such manner as the Issuer shall determine. Notes of less than a full Stated Maturity shall be selected by the Note Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Note Registrar may determine.

In the case of a partial redemption of Notes by lot when Notes of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a

separate Note of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Note is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Note to the Note Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Note or Notes of the aggregate principal amount of the unredeemed portion of the principal amount of such Note. If the Owner of any such Note fails to present such Note to the Paying Agent for payment and exchange as aforesaid, such Note shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

**Section 303. Notice and Effect of Call for Redemption.** In the event the Issuer desires to call the Notes for redemption prior to maturity, written notice of such intent shall be provided to the Note Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Note Registrar shall call Notes for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Note Registrar at least 45 days prior to the Redemption Date of written instructions of the Issuer specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Notes to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in this Section are met.

Unless waived by any Owner of Notes to be redeemed, if the Issuer shall call any Notes for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Notes to the Note Registrar, the State Treasurer and the Purchaser. In addition, the Issuer shall cause the Note Registrar to give written notice of redemption to the Owners of said Notes. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption of any Notes, the respective principal amounts) of the Notes to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Note or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Notes are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent.

The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Notes or portions of Notes that are to be redeemed on such Redemption Date.

Official notice of redemption having been given as aforesaid, the Notes or portions of Notes to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Notes or portion of Notes shall cease to bear interest. Upon surrender of such Notes for redemption in accordance with such notice, the Redemption Price of such Notes shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Note, there shall be prepared for the Owner a new Note or Notes of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Notes that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, further notice may be given by the Issuer or the Note Registrar on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) [the CUSIP numbers of all Notes being redeemed; (2) ]the date of issue of the Notes as originally issued; (3) the rate of interest borne by each Note being redeemed; (4) the maturity date of each Note being redeemed; and (5) any other descriptive information needed to identify accurately the Notes being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Note Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Notes and to one or more national information services that disseminate notices of redemption of obligations such as the Notes.

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Note.

## ARTICLE IV

### SECURITY FOR NOTES

**Section 401. Security for the Notes.** The Notes shall be general obligations of the Issuer payable as to both principal and interest from general obligation bonds of the Issuer, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Notes as the same become due.

**Section 402. Levy and Collection of Annual Tax.** The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Notes as the same become due, if necessary, by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.



The taxes referred to above shall be extended upon the tax rolls and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Notes as and when the same become due, and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the principal of or interest on the Notes when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

## **ARTICLE V**

### **ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF NOTE PROCEEDS**

**Section 501. Creation of Funds and Accounts.** Simultaneously with the issuance of the Notes, there shall be created within the Treasury of the Issuer the following funds and accounts:

- (a) Improvement Fund for General Obligation Temporary Notes, Series 2016-1.
- (b) Debt Service Account for General Obligation Temporary Notes, Series 2016-1.
- (c) Rebate Fund for General Obligation Temporary Notes, Series 2016-1.

The Funds and Accounts established herein shall be administered in accordance with the provisions of this Note Resolution so long as the Notes are Outstanding.

**Section 502. Deposit of Note Proceeds.** The net proceeds received from the sale of the Notes shall be deposited simultaneously with the delivery of the Notes as follows:

- (a) All accrued interest received from the sale of the Notes and \$[\_\_\_\_\_], representing interest on the Notes during construction of the Improvements shall be deposited in the Debt Service Account.
- (b) The remaining balance of the proceeds derived from the sale of the Notes shall be deposited in the Improvement Fund.

**Section 503. Application of Moneys in the Improvement Fund.** Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements, in accordance with the plans and specifications therefor approved by the governing body of the Issuer and on file in the office of the Secretary, including any alterations in or amendments to said plans and specifications deemed advisable and approved by the governing body of the Issuer; (b) paying Costs of Issuance; and (c) transferring any amounts to the Rebate Fund required by this *Article V*. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

**Section 504. Substitution of Improvements; Reallocation of Proceeds.**

(a) The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Notes provided the following conditions are met: (1) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (2) a resolution authorizing the use of the proceeds of the Notes to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section, (3) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Notes to include the Substitute Improvements; and (4) the use of the proceeds of the Notes to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Notes under State or federal law.

(b) The Issuer may reallocate expenditure of Note proceeds among all Improvements financed by the Notes; provided the following conditions are met: (1) the reallocation is approved by the governing body of the Issuer; (2) the reallocation shall not cause the proceeds of the Notes allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (3) the reallocation will not adversely affect the tax-exempt status of the Notes under State or federal law.

**Section 505. Application of Moneys in Debt Service Account.** All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Notes as and when the same become due and the usual and customary fees and expenses of the Note Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Notes and the fees and expenses of the Note Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent, if other than the Issuer, in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Note Registrar and Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Notes are no longer entitled to enforce payment of the Notes or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Note Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Notes entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the indebtedness for which the Notes were issued shall be transferred and paid into the Bond and Interest Fund.

**Section 506. Application of Moneys in the Rebate Fund.**

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Notes shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The Issuer shall periodically determine the arbitrage rebate, if any, under Code § 148(f) of the Code in accordance with the Federal Tax Certificate, and the Issuer shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Notes and payment and

satisfaction of any Rebate Amount, or provision made therefor, shall be deposited into the Bond and Interest Fund.

(c) Notwithstanding any other provision of this Note Resolution, including in particular *Article VII* hereof, the obligation to pay arbitrage rebate to the United States of America and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Notes.

**Section 507. Deposits and Investment of Moneys.** Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States: (a) which has a main or branch office located in the Issuer; or (b) if no such entity has a main or branch office located in the Issuer, with such an entity that has a main or branch office located in the county or counties in which the Issuer is located. All such depositaries shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments as set forth in this Article or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

Moneys held in any Fund or Account may be invested in accordance with this Note Resolution and the Federal Tax Certificate in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may be credited to the Debt Service Account.

## ARTICLE VI

### DEFAULT AND REMEDIES

**Section 601. Remedies.** The provisions of the Note Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Notes. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Notes at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Notes similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Note Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Notes.

**Section 602. Limitation on Rights of Owners.** The covenants and agreements of the Issuer contained herein and in the Notes shall be for the equal benefit, protection, and security of the

Owners of any or all of the Notes, all of which Notes shall be of equal rank and without preference or priority of one Note over any other Note in the application of the funds herein pledged to the payment of the principal of and the interest on the Notes, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Note Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Outstanding Notes.

**Section 603. Remedies Cumulative.** No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any Note shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Notes by this Note Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Notes shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

## ARTICLE VII

### DEFEASANCE

**Section 701. Defeasance.** When any or all of the Notes, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Note Resolution and the pledge of the Issuer's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Notes or scheduled interest payments thereon so paid and discharged. Notes, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Note Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Notes or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of or Redemption Price of said Notes and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Notes, no such satisfaction shall occur until (a) the Issuer has elected to redeem such Notes, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Note Registrar to give such notice of redemption in compliance with *Article III*. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Notes, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Notes, and such moneys shall be and are hereby irrevocably

appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Note Resolution.

## ARTICLE VIII

### TAX COVENANTS

**Section 801. General Covenants.** The Issuer covenants and agrees that: it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Notes; and (b) all provisions and requirements of the Federal Tax Certificate. The Chairman, Finance Director and Secretary are hereby authorized and directed to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the Issuer. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Notes will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

**Section 802. Survival of Covenants.** The covenants contained in this Article and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Notes pursuant to *Article VII* hereof or any other provision of this Note Resolution until such time as is set forth in the Federal Tax Certificate.

## ARTICLE IX

### NO OFFERING DOCUMENTS

**Section 901. Disclosure.** The Issuer has not prepared an official statement or other offering document relating to the Notes and is not making a continuing disclosure undertaking under SEC Rule 15c2-12, with respect to this issue. The Purchaser acknowledges that it (a) is capable of evaluating credit risks of the Note; (b) has obtained necessary information to evaluate the structure and credit of the Note; (c) has not relied on representations of the Authority or its representatives to make the decision to purchase the Note; and (d) does not intend to sell or redistribute the Note.

## ARTICLE X

### MISCELLANEOUS PROVISIONS

**Section 1001. Annual Audit.** Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the Secretary, and a duplicate copy of the audit shall be mailed to the Purchaser. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Notes, or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner. As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Note Resolution, the Issuer shall promptly cure such deficiency.

**Section 1002. Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Notes or of this Note Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Notes then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Secretary, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Note;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Note;
- (c) permit preference or priority of any Note over any other Note; or
- (d) reduce the percentage in principal amount of Notes required for the written consent to any modification or alteration of the provisions of this Note Resolution.

Any provision of the Notes or of this Note Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Notes at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Note Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity herein, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Notes among Improvements, to provide for Substitute Improvements, to conform this Note Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Every amendment or modification of the provisions of the Notes or of this Note Resolution, to which the written consent of the Owners is given, as above provided, shall be expressed in a resolution adopted by the governing body of the Issuer amending or supplementing the provisions of this Note Resolution and shall be deemed to be a part of this Note Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Note Resolution shall always be kept on file in the office of the Secretary, and shall be made available for inspection by the Owner of any Note or a prospective purchaser or owner of any Note authorized by this Note Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of this Note Resolution will be sent by the Secretary to any such Owner or prospective Owner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Secretary a copy of the resolution of the Issuer hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Notes then Outstanding. It shall not be necessary to note on any of the Outstanding Notes any reference to such amendment or modification.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Notes or this Note Resolution which affects the duties or obligations of the Paying Agent under this Note Resolution.

**Section 1003. Notices, Consents and Other Instruments by Owners.** Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Notes, if made in the following manner, shall be sufficient for any of the purposes of this Note Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Notes, the amount or amounts, numbers and other identification of Notes, and the date of holding the same shall be proved by the Note Register.

In determining whether the Owners of the requisite principal amount of Notes Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Note Resolution, Notes owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Note Resolution, except that, in determining whether the Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Notes so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Owners the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer.

**Section 1004. Notices.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Note Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

**Section 1005. Electronic Transactions.** The issuance of the Notes and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

**Section 1006. Further Authority.** The officers and officials of the Issuer, including the Chairman and Secretary, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Note Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

**Section 1007. Severability.** If any section or other part of this Note Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Note Resolution.

**Section 1008. Governing Law.** This Note Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 1009. Effective Date.** This Note Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

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**ADOPTED** by the governing body of the Issuer on August 17, 2016.

(SEAL)

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Chairman

ATTEST:

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Secretary

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**EXHIBIT A**  
**(FORM OF NOTES)**

**THIS NOTE OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY (1) TO AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501 OF REGULATION D OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND (2) IN ACCORDANCE WITH THE TRANSFER RESTRICTIONS SET FORTH IN THE NOTE RESOLUTION.**

**REGISTERED  
NUMBER \_\_\_\_\_**

**REGISTERED  
\$**

**UNITED STATES OF AMERICA  
STATE OF KANSAS  
COUNTY OF SALINE  
SALINA AIRPORT AUTHORITY  
GENERAL OBLIGATION TEMPORARY NOTE  
SERIES 2016-1**

**Interest  
Rate: [\_\_\_\_\_]%**

**Maturity  
Date: September 1, 2019**

**Dated  
Date: September 8, 2016**

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**KNOW ALL PERSONS BY THESE PRESENTS:** That Salina Airport Authority, in the County of Saline, State of Kansas (the “Issuer”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months), from the Dated Date shown above, or from the most recent date to which interest has been paid or duly provided for, payable semiannually on March 1 and September 1 of each year, commencing March 1, 2017 (the “Interest Payment Dates”), at maturity or earlier redemption until the Principal Amount has been paid.

**Method and Place of Payment.** The principal or redemption price of this Note shall be paid at maturity or upon earlier redemption to the person in whose name this Note is registered at the maturity or redemption date thereof, upon presentation and surrender of this Note at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Note Registrar”). The interest payable on this Note on any Interest Payment Date shall be paid to the person in whose name this Note is registered on the registration books maintained by the Note Registrar at the close of business on the Record Date(s) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest Payment Date. Such interest shall be payable by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Note Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner.

**Definitions.** Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the hereinafter defined Note Resolution.

**Authorization of Notes.** This Note is one of an authorized series of Notes of the Issuer designated “General Obligation Temporary Notes, Series 2016-1,” aggregating the principal amount of \$[657,000] (the “Notes”) issued for the purposes set forth in the Resolution of the Issuer authorizing the issuance of the Notes (the “Note Resolution”). The Notes are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-123 and K.S.A. 27-315 to 27-326, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

**General Obligations.** The Notes constitute general obligations of the Issuer payable as to both principal and interest from the proceeds of general obligation bonds of the Issuer and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are hereby pledged for the payment of the principal of and interest on this Note and the issue of which it is a part as the same respectively become due.

**Redemption Prior to Maturity.** The Notes are subject to redemption prior to maturity as set forth in the Note Resolution.

**Transfer and Exchange.** This Note may be transferred or exchanged, as provided in the Note Resolution, only on the Note Register kept for that purpose at the principal office of the Note Registrar, upon surrender of this Note together with a written instrument of transfer or authorization for exchange satisfactory to the Note Registrar duly executed by the Registered Owner or the Registered Owner’s duly authorized agent, and thereupon a new Note or Notes in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Note Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Notes and the cost of a reasonable supply of note blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Note is registered on the Note Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Notes are issued in fully registered form in Authorized Denominations.

THIS NOTE OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY (1) TO AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501 OF REGULATION D OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND (2) IN ACCORDANCE WITH THE TRANSFER RESTRICTIONS SET FORTH IN THE NOTE RESOLUTION.

**Authentication.** This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Note Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Note Registrar.

**IT IS HEREBY DECLARED AND CERTIFIED** that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Note have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the State of Kansas, and that the total indebtedness of the Issuer, including this series of notes, does not exceed any constitutional or statutory limitation.

**IN WITNESS WHEREOF**, the Issuer has caused this Note to be executed by the manual or facsimile signature of its Chairman, and attested by the manual or facsimile signature of its Secretary, and its seal to be affixed hereto or imprinted hereon.

**SALINA AIRPORT AUTHORITY (SALINA, KANSAS)**

(Facsimile Seal)

By: \_\_\_\_\_  
Chairman

ATTEST:

By: \_\_\_\_\_  
Secretary

This General Obligation Temporary Note shall not be negotiable unless and until countersigned below following registration by the Treasurer of the State of Kansas.

(Facsimile Seal)

\_\_\_\_\_  
Secretary

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**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Note is one of a series of General Obligation Temporary Notes, Series 2016-1, of Salina Airport Authority (Salina, Kansas), described in the within-mentioned Note Resolution.

Registration Date: \_\_\_\_\_

Office of the State Treasurer,  
Topeka, Kansas,  
as Note Registrar and Paying Agent

By \_\_\_\_\_

Registration Number: \_\_\_\_\_

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**CERTIFICATE OF SECRETARY**

STATE OF KANSAS                    )  
  ) SS.  
COUNTY OF SALINE )

The undersigned, Secretary of Salina Airport Authority (Salina, Kansas), does hereby certify that the within Note has been duly registered in my office according to law as of September 8, 2016.

WITNESS my hand and official seal.

(Facsimile Seal)

\_\_\_\_\_  
(facsimile)  
Secretary

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**CERTIFICATE OF COUNTY CLERK**

STATE OF KANSAS                    )  
  ) SS.  
COUNTY OF SALINE )

The undersigned, County Clerk of Saline, Kansas, does hereby certify that the within Note has been duly registered in her office according to law as of September \_\_\_\_, 2016.

WITNESS my hand and official seal.

(Facsimile Seal)

\_\_\_\_\_  
(facsimile)  
County Clerk

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**CERTIFICATE OF STATE TREASURER**

OFFICE OF THE TREASURER, STATE OF KANSAS

RON ESTES, Treasurer of the State of Kansas, does hereby certify that a transcript of the proceedings leading up to the issuance of this Note has been filed in the office of the State Treasurer, and that this Note was registered in such office according to law on \_\_\_\_\_.

WITNESS my hand and official seal.

(Facsimile Seal)

By: \_\_\_\_\_ (facsimile)  
Treasurer of the State of Kansas

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## NOTE ASSIGNMENT

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer to

\_\_\_\_\_  
(Name and Address)

\_\_\_\_\_  
(Social Security or Taxpayer Identification No.)

the Note to which this assignment is affixed in the outstanding principal amount of \$\_\_\_\_\_, standing in the name of the undersigned on the books of the Note Registrar. The undersigned do(es) hereby irrevocably constitute and appoint \_\_\_\_\_ as agent to transfer said Note on the books of said Note Registrar with full power of substitution in the premises.

Dated \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Social Security or  
Taxpayer Identification No.

\_\_\_\_\_  
Signature (Sign here exactly as name(s)  
appear on the face of Certificate)

Signature guarantee:

By \_\_\_\_\_

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## LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of such Notes:

**GILMORE & BELL, P.C.**

Attorneys at Law  
2405 Grand Boulevard  
Suite 1100  
Kansas City, Missouri 64108

(PRINTED LEGAL OPINION)

**EXHIBIT B  
TO NOTE RESOLUTION**

**FORM OF REPRESENTATION LETTER**

[date]

Salina Airport Authority (Salina, Kansas)  
Salina, Kansas

Treasurer of the State of Kansas,  
as Note Registrar  
Topeka, Kansas

Re: Salina Airport Authority (Salina, Kansas), General Obligation Temporary Notes, Series 2016-1

Ladies and Gentlemen:

The undersigned is the transferee of \$ \_\_\_\_\_ of the notes described above (the “Notes”) issued by the Salina Airport Authority (Salina, Kansas) (the “Issuer”) pursuant to a Note Resolution adopted by the Issuer on September 17, 2016 (the “Note Resolution”).

The undersigned hereby represents, acknowledges and covenants as follows in connection with the purchase of the Notes:

1. In purchasing the Notes, the undersigned is relying solely on information provided by the Issuer and on statements, certifications, covenants, warranties and representations of the Issuer, and on the undersigned’s own knowledge and investigation of the facts and circumstances relating to the purchase of the Notes.
2. The undersigned is an “accredited investor” within the meaning of Regulation D of the Securities and Exchange Commission. The undersigned has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be capable of evaluating the merits and risks of an investment in the Notes. The undersigned has had an opportunity to obtain and has received such information and materials from the Issuer as the undersigned considers necessary to evaluate the merits and risks involved in the purchase of the Notes.
3. The undersigned has been advised that the Notes (a) have not been rated by any rating service, (b) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (c) will not be listed on any stock or other securities exchange, (d) will not be readily marketable and (e) are subject to provisions regarding restrictions on transfer set forth in the Note Resolution.
4. The undersigned is purchasing the Notes for the undersigned’s own account and not with a view to other resale or other distribution thereof provided, however, that the undersigned may transfer the Notes in accordance with the provisions of the Note Resolution and applicable law.

Sincerely yours,

[TRANSFEREE]

By:\_\_\_\_\_

Name:\_\_\_\_\_

Date:\_\_\_\_\_





U.S. Department  
of Transportation  
Federal Aviation  
Administration

ORIGINAL

## GRANT AGREEMENT

### PART I – OFFER

**JUL 18 2016**

Date of Offer

Airport/Planning Area

**Salina Regional**

AIP Grant Number

**3-20-0072-036-2016**

DUNS Number

**156346900**

TO: **Salina Airport Authority, Kansas**  
(herein called the "Sponsor")

FROM: **The United States of America**  
(acting through the Federal Aviation Administration, herein called the "FAA")

**WHEREAS**, the Sponsor has submitted to the FAA a Project Application dated June 20, 2016, for a grant of Federal funds for a project at or associated with the **Salina Regional Airport**, which is included as part of this Grant Agreement; and

**WHEREAS**, the FAA has approved a project for the **Salina Regional Airport** (herein called the "Project") consisting of the following:

**Mill & Overlay Taxiway E (from Runway 17/35 to Runway 12/30),  
Install Medium Intensity Taxiway Lights and Remark Pavement  
- Phase 2a (Construction Only)**

which is more fully described in the Project Application.

**NOW THEREFORE**, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. 47101, et seq., (herein the AAIA grant statute is referred to as "the Act"), the representations contained in the Project Application, and in consideration of (a) the Sponsor's adoption and ratification of the Grant Assurances dated March 2014, and the Sponsor's acceptance of this Offer, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided,

**THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES** to pay **Ninety (90%) percent** of the allowable costs incurred accomplishing the Project as the United States share of the Project.

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

### **CONDITIONS**

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is **\$2,298,925.00.**

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$0 for planning

**\$2,298,925.00** for airport development or noise program implementation

\$0 for land acquisition.

2. **Period of Performance.** The period of performance begins on the date the Sponsor formally accepts this agreement. Unless explicitly stated otherwise in an amendment from the FAA, the end date of the project period of performance is 4 years (1,460 calendar days) from the date of formal grant acceptance by the Sponsor.

The Sponsor may only charge allowable costs for obligations incurred prior to the end date of the period of performance (2 CFR § 200.309). Unless the FAA authorizes a written extension, the sponsor must submit all project closeout documentation and liquidate (pay off) all obligations incurred under this award no later than 90 calendar days after the end date of the period of performance (2 CFR § 200.343).

The period of performance end date does not relieve or reduce Sponsor obligations and assurances that extend beyond the closeout of a grant agreement.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.
4. **Indirect Costs – Sponsor.** Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application and as accepted by the FAA to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.
7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before **August 30, 2016**, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the



purposes of this grant agreement, the term “Federal funds” means funds however used or dispersed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.
11. **System for Award Management (SAM) Registration And Universal Identifier.**
  - A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
  - B. Requirement for Data Universal Numbering System (DUNS) Numbers:
    1. The Sponsor must notify potential subrecipient that it cannot receive a contract unless it has provided its DUNS number to the Sponsor. A subrecipient means a consultant, contractor, or other entity that enters into an agreement with the Sponsor to provide services or other work to further this project, and is accountable to the Sponsor for the use of the Federal funds provided by the agreement, which may be provided through any legal agreement, including a contract.
    2. The Sponsor may not make an award to a subrecipient unless the subrecipient has provided its DUNS number to the Sponsor.
    3. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866-606-8220) or on the web (currently at <http://fedgov.dnb.com/webform>).
12. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi invoicing System for Department of Transportation (DOT) Financial Assistance Awardees.
13. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the “planning” component of condition No. 1.

The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of

the United States.

An informal letter amendment has the same force and effect as a formal grant amendment.

14. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this grant.
15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
16. **Buy American.** Unless otherwise approved in advance by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.
17. **Maximum Obligation Increase For Nonprimary Airports.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
  - A. May not be increased for a planning project;
  - B. May be increased by not more than 15 percent for development projects;
  - C. May be increased by not more than 15 percent or by an amount not to exceed 25 percent of the total increase in allowable costs attributable to the acquisition of land or interests in land, whichever is greater, based on current credible appraisals or a court award in a condemnation proceeding.
18. **Audits for Public Sponsors.** The Sponsor must provide for a Single Audit in accordance with 2 CFR Part 200. The Sponsor must submit the Single Audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. The Sponsor must also provide one copy of the completed 2 CFR Part 200 audit to the Airports District Office.
19. **Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:
  - A. Verify the non-federal entity is eligible to participate in this Federal program by:
    1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if non-federal entity is excluded or disqualified; or
    2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
    3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
  - B. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions (e.g. Sub-contracts).
  - C. Immediately disclose to the FAA whenever the Sponsor: (1) learns they have entered into a covered transaction with an ineligible entity or (2) suspends or debar a contractor, person, or entity.
20. **Ban on Texting While Driving.**
  - A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:



1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
  - a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
  - b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- B. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts.

**21. Trafficking in Persons.**

- A. Prohibitions: The prohibitions against trafficking in persons (Prohibitions) that apply to any entity other than a State, local government, Indian tribe, or foreign public entity. This includes private Sponsors, public Sponsor employees, subrecipients of private or public Sponsors (private entity) are:
  1. Engaging in severe forms of trafficking in persons during the period of time that the agreement is in effect;
  2. Procuring a commercial sex act during the period of time that the agreement is in effect; or
  3. Using forced labor in the performance of the agreement, including subcontracts or subagreements under the agreement.
- B. In addition to all other remedies for noncompliance that are available to the FAA, Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), allows the FAA to unilaterally terminate this agreement, without penalty, if a private entity –
  1. Is determined to have violated the Prohibitions; or
  2. Has an employee who the FAA determines has violated the Prohibitions through conduct that is either:
    - a. Associated with performance under this agreement; or
    - b. Imputed to the Sponsor or subrecipient using 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by the FAA at 2 CFR part 1200.

**22. AIP Funded Work Included in a PFC Application.** Within 90 days of acceptance of this award, Sponsor must submit to the Federal Aviation Administration an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this grant award. The airport sponsor may not make any expenditure under this award until project work addressed under this award is removed from an approved PFC application by amendment.

**23. Exhibit “A” Property Map.** The Exhibit “A” Property Map dated **June 2014**, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.

**24. Lighting.** The Sponsor must operate and maintain the lighting system during the useful life of the system in accordance with applicable FAA standards.

**25. Pavement Maintenance Management Program.** The Sponsor agrees that it will implement an effective airport pavement maintenance management program as required by Grant Assurance Pavement Preventive Management. The Sponsor agrees that it will use the program for the useful life of any

pavement constructed, reconstructed, or repaired with federal financial assistance at the airport. The Sponsor further agrees that the program will

- A. Follow FAA Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," for specific guidelines and procedures for maintaining airport pavements, establishing an effective maintenance program, specific types of distress and its probable cause, inspection guidelines, and recommended methods of repair;
- B. Detail the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed;
- C. Include a Pavement Inventory, Inspection Schedule, Record Keeping, Information Retrieval, and Reference, meeting the following requirements:
  - 1. Pavement Inventory. The following must be depicted in an appropriate form and level of detail:
    - a. Location of all runways, taxiways, and aprons;
    - b. Dimensions;
    - c. Type of pavement, and;
    - d. Year of construction or most recent major rehabilitation.
  - 2. Inspection Schedule.
    - a. Detailed Inspection. A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available, i.e., Pavement Condition Index (PCI) survey as set forth in the Advisory Circular 150/5380-6, the frequency of inspections may be extended to three years.
    - b. Drive-By Inspection. A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition. For drive-by inspections, the date of inspection and any maintenance performed must be recorded.
  - 3. Record Keeping. Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The type of distress, location, and remedial action, scheduled or performed, must be documented. The minimum information is:
    - a. Inspection date;
    - b. Location;
    - c. Distress types; and
    - d. Maintenance scheduled or performed.
  - 4. Information Retrieval System. The Sponsor must be able to retrieve the information and records produced by the pavement survey to provide a report to the FAA as may be required.

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**26. Project which Contain Paving Work in Excess of \$500,000.** The Sponsor agrees to:

- A. Furnish a construction management program to the FAA prior to the start of construction which details the measures and procedures to be used to comply with the quality control provisions of the construction contract, including, but not limited to, all quality control provisions and tests required by the Federal specifications. The program must include as a minimum:
  - 1. The name of the person representing the Sponsor who has overall responsibility for contract administration for the project and the authority to take necessary actions to comply with the contract.



2. Names of testing laboratories and consulting engineer firms with quality control responsibilities on the project, together with a description of the services to be provided.
  3. Procedures for determining that the testing laboratories meet the requirements of the American Society of Testing and Materials standards on laboratory evaluation referenced in the contract specifications (D 3666, C 1077).
  4. Qualifications of engineering supervision and construction inspection personnel.
  5. A listing of all tests required by the contract specifications, including the type and frequency of tests to be taken, the method of sampling, the applicable test standard, and the acceptance criteria or tolerances permitted for each type of test.
  6. Procedures for ensuring that the tests are taken in accordance with the program, that they are documented daily, and that the proper corrective actions, where necessary, are undertaken.
- B. Submit at completion of the project, a final test and quality assurance report documenting the summary results of all tests performed; highlighting those tests that indicated failure or that did not meet the applicable test standard. The report must include the pay reductions applied and the reasons for accepting any out-of-tolerance material. Submit interim test and quality assurance reports when requested by the FAA.
- C. Failure to provide a complete report as described in paragraph b, or failure to perform such tests, will, absent any compelling justification; result in a reduction in Federal participation for costs incurred in connection with construction of the applicable pavement. Such reduction will be at the discretion of the FAA and will be based on the type or types of required tests not performed or not documented and will be commensurate with the proportion of applicable pavement with respect to the total pavement constructed under the grant agreement.
- D. The FAA, at its discretion, reserves the right to conduct independent tests and to reduce grant payments accordingly if such independent tests determine that sponsor test results are inaccurate.
- 27. Protection of Runway Protection Zone.** The Sponsor agrees to prevent the erection or creation of any structure, place of public assembly, or other use in the runway protection zone, as depicted on the Exhibit "A": Property Map, except for NAVAIDS that are fixed by their functional purposes or any other structure permitted by the FAA. The Sponsor further agrees that any existing structures or uses within the Runway Protection Zone will be cleared or discontinued by the Sponsor unless approved by the FAA.
- 28. Protection of Runway Protection Zone.** The Sponsor agrees to take any and all steps necessary to ensure that the owner of the land within the designated Runway Protection Zone will not build any structure in the Runway Protection Zone that is an airport hazard or which might create glare or misleading lights or lead to the construction of residences, fuel handling and storage facilities, smoke generating activities, or places of public assembly, such as churches, schools, office buildings, shopping centers, and stadiums.
- 29. Small Airport Fund.** The source of this grant may include funding from the Small Airport Fund.
- 30. Plans and Specifications Approval Based Upon Certification.** The FAA and the Sponsor agree that the FAA approval of the Sponsor's Plans and Specification is based primarily upon the Sponsor's certification to carry out the project in accordance with policies, standards, and specifications approved by the FAA. The Sponsor understands that:
- A. The Sponsor's certification does not relieve the Sponsor of the requirement to obtain prior FAA approval for modifications to any AIP standards or to notify the FAA of any limitations to competition within the project;
  - B. The FAA's acceptance of a Sponsor's certification does not limit the FAA from reviewing appropriate project documentation for the purpose of validating the certification statements;

- C. If the FAA determines that the Sponsor has not complied with their certification statements, the FAA will review the associated project costs to determine whether such costs are allowable under AIP.

**31. Non-AIP Work in Application.** The Sponsor understands and agrees that:

- A. The Project Application includes the cost of insurance that is not being funded with any Federal funding in this project ;
- B. Although the Sponsor has estimated a total project cost of \$2,554,461.00, the total allowable cost for purposes of determining federal participation will not exceed \$2,298,925.00;
- C. It must maintain separate cost records for the AIP and non-AIP work;
- D. All cost records must be made available for inspection and audit by the FAA;
- E. The Sponsor understands that all non-AIP work is the sole responsibility of the Sponsor; and
- F. The amount of allowable cost that will be used for purposes of determining an increase in the maximum obligation of the United States will not exceed \$2,298,925.00, which is the total allowable cost for purposes of determining federal participation in 2) of this special condition.



The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

**UNITED STATES OF AMERICA  
FEDERAL AVIATION ADMINISTRATION**



*(Signature)*

**Jim A. Johnson**

*(Typed Name)*

**Manager, Central Region Airports Division**

*(Title of FAA Official)*

**PART II - ACCEPTANCE**

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.<sup>1</sup>

Executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**Salina Airport Authority**

*(Name of Sponsor)*

*(Signature of Sponsor's Authorized Official)*

**By:**

*(Typed Name of Sponsor's Authorized Official)*

*(Title of Sponsor's Authorized Official)*

**CERTIFICATE OF SPONSOR'S ATTORNEY**

I, \_\_\_\_\_, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Kansas. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at \_\_\_\_\_ (location) this \_\_\_\_\_ day of \_\_\_\_\_.

**By:**

*(Signature of Sponsor's Attorney)*

\_\_\_\_\_

<sup>1</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.



AMENDMENT NO. ONE (1) TO CONTRACT  
DATED SEPTEMBER 17, 2014  
BETWEEN  
JVIATION, INC.  
AND  
SALINA AIRPORT AUTHORITY  
SALINA, KS

The Sponsor and the Engineer agree to amend their contract for improvements to the Salina Regional Airport, Salina, Kansas to include scope of work and fees for Taxiway E & A construction phase services. The improvement Item is included in the Scope of Work of the original contract. The item covered by this amendment is described as follows:

Taxiway E & A Construction Phase Services

The Sponsor agrees to pay the Engineer for the services listed under Section 2 of the original contract in the following manner:

PART B - SPECIAL SERVICES (CONSTRUCTION ADMINISTRATION AND FIELD ENGINEERING/ACCEPTANCE TESTING/ ALP UPDATE NARRATIVE)

CONSTRUCTION ADMINISTRATION AND FIELD ENGINEERING

The estimated maximum for CONSTRUCTION ADMINISTRATION and FIELD ENGINEERING is:

Construction Administration.....	Not to Exceed \$14,797.00
Pre-Construction Coordination .....	Not to Exceed \$3,942.00
Construction Coordination.....	Not to Exceed \$149,057.00
Post Construction.....	Not to Exceed \$21,157.00
Reimbursable Costs During Construction .....	Not to Exceed \$20,556.00

The maximum estimated SPECIAL SERVICES (SUBCONSULTANT WORK) is as follows:

ACCEPTANCE TESTING

Kaw Valley Engineering, Inc. ....	Not to Exceed \$7,675.00
-----------------------------------	--------------------------

If work is abandoned, or terminated, after obtaining approval by the Sponsor and the FAA of the final construction plans and specifications, the Sponsor shall pay the Engineer for work completed in full, not to exceed the amount for the contract.

TOTAL .....	Not to Exceed \$217,184.00
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Method of payment shall be as follows:

For services rendered under PART B - SPECIAL SERVICES, the Sponsor agrees to make monthly payments based upon the work performed by the Engineer, up to 90 percent of the total contract. The final ten percent of the fee shall be due and payable when the project final inspection and the construction report have been completed, and when reproducible "Record Drawings" have been submitted to the Sponsor and when the revised Airport Layout Plan has been approved by the FAA or when the construction work has terminated. The "Record Drawings" and Construction Report shall be submitted within a period of 90 days from end of construction period. This Amendment shall be considered concurrent with completion of audit.

## PART C – ASSURANCES

### I.

#### **CIVIL RIGHTS ACT OF 1964, TITLE VI – CONTRACTOR CONTRACTUAL REQUIREMENTS**

*Reference: 49 CFR PART 21*

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

- **Compliance with Regulations.** The Engineer shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
- **Nondiscrimination.** The Engineer, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Engineer shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
- **Solicitations for Subcontracts, Including Procurements of Materials and Equipment.** In all solicitations either by competitive bidding or negotiation made by the Engineer for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Engineer of the Engineer's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
- **Information and Reports.** The Engineer shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the

Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of an Engineer is in the exclusive possession of another who fails or refuses to furnish this information, the Engineer shall so certify to the sponsor or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

- **Sanctions for Noncompliance.** In the event of the Engineer's noncompliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:
  - a. Withholding of payments to the Engineer under the contract until the Engineer complies, and/or
  - b. Cancellation, termination, or suspension of the contract, in whole or in part.
- **Incorporation of Provisions.** The Engineer shall include the provisions of paragraphs one through five (*Compliance with Regulations, Nondiscrimination, Solicitations for Subcontracts, Information and Reports, and Sanctions for Noncompliance*) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Engineer shall take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a Engineer becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Engineer may request the Sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the Engineer may request the United States to enter into such litigation to protect the interests of the United States.

## II.

### AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982, SECTION 520 - GENERAL CIVIL RIGHTS PROVISIONS

*Reference: Airport and Airway Improvement Act of 1982, Section 520; Title 49 47123; AC 150/5100-15, Para. 10.c.*

The Engineer assures that it will comply with pertinent statutes, Executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the tenant/concessionaire/lessee or its transferee for the period during which Federal assistance is extended to the airport a program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of Engineers, this provision binds the Engineers from the bid solicitation period through the



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

### III.

#### **DISADVANTAGED BUSINESS ENTERPRISES**

*Reference: 49 CFR Part 26*

- **Contract Assurance (§26.13)** - The Engineer or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Engineer shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the Engineer to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.

**Prompt Payment (§26.29)** - The prime Engineer agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than *Fifteen (15)* days from the receipt of each payment the prime Engineer receives from Sponsor. The prime Engineer agrees further to return retainage payments to each subcontractor within Fifteen (15) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Board. This clause applies to both DBE and non-DBE subcontractors.

### IV.

#### **LOBBYING AND INFLUENCING FEDERAL EMPLOYEES**

*Reference: 49 CFR Part 20, Appendix A*

- No Federal appropriated funds shall be paid, by or on behalf of the Engineer, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant and the amendment or modification of any Federal grant.
- If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal grant, the Engineer shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

**V.**  
**ACCESS TO RECORDS AND REPORTS**  
*Reference: 49 CFR Part 18.36(i); FAA Order 5100.38*

The Engineer shall maintain an acceptable cost accounting system. The Engineer agrees to provide the Sponsor, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representative's access to any books, documents, papers, and records of the Engineer which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Engineer agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

**VI.**  
**BREACH OF CONTRACT TERMS**  
*Reference: 49 CFR Part 18.36*

Any violation or breach of terms of this contract on the part of the Engineer or their subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

**VII.**  
**RIGHTS TO INVENTIONS**  
*Reference: 49 CFR Part 18.36(i)(8); FAA Order 5100.38*

All rights to inventions and materials generated under this contract are subject to regulations issued by the FAA and the Sponsor of the Federal grant under which this contract is executed.

**VIII.**  
**TRADE RESTRICTION CLAUSE**  
*Reference: 49 CFR Part 30.13; FAA Order 5100.38*

The Engineer or subcontractor, by submission of an offer and/or execution of a contract, certifies that it:

- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
- b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list;
- c. has not procured any product nor subcontracted for the supply of any product for use on



the project that is produced in a foreign country on said list.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a Engineer or subcontractor who is unable to certify to the above. If the Engineer knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use on the project, the Federal Aviation Administration may direct through the Sponsor cancellation of the contract at no cost to the Government.

Further, the Engineer agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. The Engineer may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.

The Engineer shall provide immediate written notice to the sponsor if the Engineer learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide written notice to the Engineer if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the Engineer or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Sponsor cancellation of the contract or subcontract for default at no cost to the Government.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of an Engineer is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

## **IX.**

### **TERMINATION OF CONTRACT**

***Reference: 49 CFR Part 18.36(i)(2); FAA Order 5100.38***

- The Sponsor may, by written notice, terminate this contract in whole or in part at any time, either for the Sponsor's convenience or because of failure to fulfill the contract obligations. Upon receipt of such notice services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this contract, whether completed or in progress, delivered to the Sponsor.
- If the termination is for the convenience of the Sponsor, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.



- If the termination is due to failure to fulfill the Engineer's obligations, the Sponsor may take over the work and prosecute the same to completion by contract or otherwise. In such case, the Engineer shall be liable to the Sponsor for any additional cost occasioned to the Sponsor thereby.
- If, after notice of termination for failure to fulfill contract obligations, it is determined that the Engineer had not so failed, the termination shall be deemed to have been effected for the convenience of the Sponsor. In such event, adjustment in the contract price shall be made as provided in paragraph 2 of this clause.
- The rights and remedies of the sponsor provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

#### **X.**

#### **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION**

***Reference: 49 CFR Part 29; FAA Order 5100.38***

The bidder/offeror certifies, by submission of this proposal or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the bidder/offeror/Engineer or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this solicitation/proposal.

#### **XI.**

#### **OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970**

***Reference: 20 CFR part 1910***

All contracts and subcontracts that result from this solicitation incorporate the following provisions by reference, with the same force and effect as if given in full text. The contractor has full responsibility to monitor compliance to the referenced statute or regulation. The contractor must address any claims or disputes that pertain to a referenced requirement directly with the Federal Agency with enforcement responsibilities.

## **XII.**

### **CLEAN AIR AND WATER POLLUTION CONTROL**

*(Reference: 49 CFR § 18.36(i)(12)) Note, when the DOT adopts 2 CFR 200, this reference will change to 2 CFR § 200 Appendix II(G))*

Contractors and subcontractors agree:

- a. That any facility to be used in the performance of the contract or subcontract or to benefit from the contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities;
- b. To comply with all the requirements of Section 114 of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq. and Section 308 of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 and Section 308 of the Acts, respectively, and all other regulations and guidelines issued thereunder;
- c. That, as a condition for the award of this contract, the contractor or subcontractor will notify the awarding official of the receipt of any communication from the EPA indicating that a facility to be used for the performance of or benefit from the contract is under consideration to be listed on the EPA List of Violating Facilities;
- d. To include or cause to be included in any construction contract or subcontract which exceeds \$100,000 the aforementioned criteria and requirements.

## **XIII.**

### **CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS**

*(Reference: 2 CFR § 200 Appendix II (E))*

- **Overtime Requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- **Violation; Liability for Unpaid Wages; Liquidated Damages.** In the event of any violation of the clause set forth in paragraph (1) above, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 above, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without



payment of the overtime wages required by the clause set forth in paragraph 1 above.

- **Withholding for Unpaid Wages and Liquidated Damages.** The Federal Aviation Administration or the Sponsor shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 above.
- **Subcontractors.** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 1 through 4 and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1 through 4 of this section.

#### **XIV**

##### **FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)**

*Reference: 29 USC § 201, et seq.*

All contracts and subcontracts that result from this solicitation incorporate the following provisions by reference, with the same force and effect as if given in full text. The contractor has full responsibility to monitor compliance to the referenced statute or regulation. The contractor must address any claims or disputes that pertain to a referenced requirement directly with the Federal Agency with enforcement responsibilities.

#### **XV**

##### **TEXTING WHEN DRIVING**

*References: Executive Order 13513, DOT Order 3902.10*

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving" (10/1/2009) and DOT Order 3902.10 "Text Messaging While Driving" (12/30/2009), FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

The Contractor must promote policies and initiatives for employees and other work personnel that decrease crashes by distracted drivers, including policies to ban text messaging while driving. The Contractor must include these policies in each third party subcontract involved on this project.

All other terms and conditions of the original contract shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures this 12<sup>th</sup> day of July 2016

SPONSOR:  
SALINA AIRPORT AUTHORITY  
SALINA, KS

By: \_\_\_\_\_

Attest: \_\_\_\_\_

ENGINEER:  
AVIATION, INC.

By:  \_\_\_\_\_

**SCOPE OF WORK  
FOR  
SALINA REGIONAL AIRPORT  
Salina, KS**

**AIP Project No. 3-20-0072-37 Construction Phase Services  
Rehabilitate Taxiway E (West of RW 17/35) &  
Relocate Taxiway A Holding Position at Runway 35**

This project will consist of a Construction Management Phase for the Rehabilitation of Taxiway E (FY 2016) including Construction Administration, On-site Coordination, and Post Construction Coordination Phases for the project described below. This supplemental agreement will also include a narrative documenting and providing justification for the changes to the ALP per the design of the current Taxiway E & Taxiway A project. The Construction Phase Services for the Reconstruction of Taxiway B to be constructed in FY 2017 is not included in this Supplemental Agreement.

**DESCRIPTION**

**Rehabilitate Taxiway E (West of RW 17/35) & Relocate Taxiway A Holding Position at Runway 35 Construction Phase Services**

The FY 2016 construction project will consist of rehabilitating Taxiway E on the west side of Runway 17/35. The 50' width and the 12.5' shoulders on each side will be rehabilitated, and the remaining excess pavement will be removed. The FY 2016 construction project also includes the relocation of the Taxiway A holding position. The Taxiway A holding position at the south end of Runway 17/35 is currently located 290' from the runway centerline and will be shifted to 263' from the centerline. The project will include the relocation of associated signage, lighting and marking.



The estimated construction cost for the Taxiway E & Taxiway A project is approximately: **\$2,400,000.**



PART B - SPECIAL SERVICES: Taxiway E Construction Phase Services. **Part B - Special Services will consist of construction administration for office support, pre-construction coordination, providing on-site construction coordination and post-construction/project close out.**

#### **4.0 Construction Administration Phase**

**4.1 Prepare Construction Contract and Documents.** This item accounts for the Engineer's in-house efforts during and immediately after the projects' bid openings. Engineer will prepare the Notice of Award, Notice to Proceed and Contract Agreements for the Sponsor's approval and signatures. Appropriate copies will be submitted to the successful contractor(s) for their signatures. Engineer will make five copies of the plans and specifications for the contractor's use during construction.

**4.2 Office Assistance.** Office Engineering staff, CAD personnel, and clerical staff will be required to assist the Resident Engineer as necessary during construction. Specific items to be accomplished include compiling and sending additional information requested from the office to the project site, providing secondary engineering opinions on issues arising during construction, maintaining project files as necessary (field files are mirrored in the office for continuity) and various other items necessary in the day to day operations.

**4.3 Periodic Cost Estimates.** The Engineer will prepare monthly cost estimates during construction and submit to the Sponsor for review/approval.

**4.4 Weekly/Monthly Reports.** The Project Manager will review progress reports weekly and monthly.

**4.5 Material Submittal Review.** Material submittal data will be reviewed and approved by the Resident Engineer or office personnel, if the Resident Engineer is unable to make final determination of compliance.

**4.6 Change Orders/Supplemental Agreements.** Clerical and drafting personnel will assist with change orders and supplemental agreements as necessary.

#### **5.0 Pre-Construction Coordination Phase.**

**5.1 Prepare Project Files.** The Engineer is required to assure the construction contracts are in order, the bonds have been completed, and the Contractor has been provided with adequate copies of the construction plans. The Plans will be updated to include all addenda items issued during bidding. Clerical will prepare the quantity sheets, testing sheets, construction report format, etc.

**5.2 Prepare Pre-Construction Meeting.** The Engineer will assure the pre-construction meeting has been scheduled and all necessary parties have been informed. The Engineer will establish a pre-construction meeting to review project specific requirements prior to commencing construction.

**5.3 Conduct Pre-Construction Meeting.** The meeting will be conducted at the Airport and will include the Sponsor, Contractor, Sub-Contractors, and Airport tenants affected by the construction.

## **6.0 On-Site Construction Coordination Phase.**

This phase will consist of providing one lead Construction Manager. It will be the responsibility of the Construction Manager to have sufficient on-site construction coordination to ensure that the project is completed according to good construction practice and is consistent with the Engineer's direction. The Taxiway E project has 90 calendar days for construction. Incidental travel costs, including vehicle usage, mileage, lodging, per diem, etc. are in addition to the engineering hours expended.

**6.1 Field Inspection/Coordination.** The Project Manager will make on-site visits, as required, to deal with construction issues as necessary for the duration of the project. As of now, it is estimated that the Project Manager will be required to make a minimum of five site visits for the project.

**6.2 Resident Engineering.** The Construction Manager will be on-site full time 10 hours per day for an estimated additional 90 calendar days. It is assumed that the Construction Manager will be able to complete weekly documentation in the course of the days spent on site. .

**6.3 Review Construction Submittals.** The construction coordination will consist of reviewing and approving the shop drawings and material submittal data from the Contractor. The Construction Manager will review copies of the Contractor's survey data for pavement grades and structure locations. The Construction Manager will review other construction items for general compliance with the construction documents. Coordination and/or clarification from the design engineer may be required.

**6.4 Calculate Construction Quantities.** The Construction Manager will maintain record of the progress and will review the quantity records with the Contractor on a monthly basis.

**6.5 Periodic Cost Estimates.** The Construction Manager will prepare the Monthly Cost Estimates and review the quantities with the Contractor. The Construction Manager, Airport and Contractor will resolve discrepancies, or disagreements with the Contractor's records.

**6.6 Prepare Daily Reports.** The Construction Manager will maintain a daily log of the construction activities and maintain construction photos for the duration of time on site.

**6.7 Prepare/Submit Weekly Reports.** The Construction Manager will prepare a weekly FAA report. The report will be submitted to the Sponsor, FAA and the office.

**6.8 Review QC/QA Results provided by Contractor/Engineer.** The Construction Manager will review testing results and coordinate revisions by the Contractor for Quality Control and Quality Assurance submittals performed as part of the acceptance testing required by the technical specifications.

## **7.0 Post Construction Coordination Phase.**

This phase will consist of project close out and site cleanup.

**7.1 Conduct Final Inspection.** The Engineer, along with the Sponsor will conduct the final inspection.

**7.2 Prepare Clean-up Item List.** The Engineer will assure the Contractor has removed all construction equipment and construction debris from the airport, that all access points have been re-secured (fences repaired, gates closed and locked, keys returned, etc.) and the site is clean.

**7.3 Engineering Record Drawings.** The Engineer will prepare the Record Drawings indicating modifications made during construction and provide a copy to the Sponsor and the FAA in PDF format.

**7.4 Engineering Closeout Report Documents.** The Engineer will prepare the final construction report and provide a hard copy and a PDF to the Sponsor and the FAA.

**7.5 Summarize Project Costs.** The Engineer will be required to obtain all administrative expenses, engineering fees and costs, surveying costs, testing cost and construction costs associated with project and assemble a total project summary. The summary will be compared with the available funding.

**7.6 Assist with Project Audit.** When requested by the Sponsor, the Engineer will assist with the project, or year-end audit. The Engineer will provide files that are pertinent to the project cost and completion.

**7.7 Airport Layout Plan Update Narrative.** Aviation will write a narrative documenting all changes to the ALP per the current Taxiway E and Taxiway A project and provide justification for these changes.



**Special Considerations**

The following special considerations are required for this project but will be completed by a sub-consultant to the Engineer. The cost for this work will be included in the engineering contract agreement with the Sponsor and the costs are in addition to the engineering fees outlined above.

**Acceptance Testing (Kaw Valley Engineering, Inc.):** Acceptance testing will be performed under the direct supervision of engineering field personnel. All acceptance test summaries must be accepted by the FAA prior to final inspection. Certified materials technicians will perform the necessary material acceptance testing for the following items, as detailed in the project specifications:

- ➔ Item P-152 Excavation and Embankment
- ➔ Item P-401 Plant Mix Bituminous Pavements
- ➔ Item P-610 Structural Portland Cement Concrete

1212 **CONTRACT AGREEMENT**

1213  
1214 **Salina Airport Authority**  
1215 **Salina, Kansas**  
1216 **AIP PROJECT NO. 3-20-0072-036**

1217  
1218 THIS AGREEMENT, made and entered into this 28th day of  
1219 July, 20 16, by and between Salina Airport Authority, Party of  
1220 the First Part, hereinafter referred to as the "Owner", and APAC-Kansas, Inc., Shears Division,  
1221 Party of the Second Part, hereinafter referred to as the "Contractor," for the construction of airport  
1222 improvement including Relocate Taxiway A Holding Position at Runway 35, Rehabilitate Taxiway E,  
1223 and Remove Excess Pavement Width and other incidental work at the Salina Regional Airport.

1224  
1225 WITNESSETH:

1226  
1227 **ARTICLE 1.** It is hereby mutually agreed that for and in consideration of the payments as  
1228 provided for herein to the Contractor by the Owner, the said Contractor shall furnish all labor,  
1229 equipment, and material and shall perform all work necessary to complete the improvements in a  
1230 good and substantial manner, ready for use, and in strict accordance with this Contract, a copy of  
1231 which is filed pursuant to law in the office of the legal representative of the Owner.

1232  
1233 **ARTICLE 2.** It is hereby further agreed that in consideration of the faithful performance of the  
1234 work by the Contractor, the Owner shall pay the Contractor the compensation due him/her by  
1235 reason of said faithful performance of the work, at stated intervals and in the amount certified by the  
1236 Engineer, in accordance with the provisions of this Contract.

1237  
1238 **ARTICLE 3.** It is hereby further agreed that, at the completion of the work and its acceptance by  
1239 the Owner, all sums due the Contractor by reason of his faithful performance of the work, taking  
1240 into consideration additions to or deductions from the Contract price by reason of alterations or  
1241 modifications of the original Contract or by reason of "Extra Work" authorized under this Contract,  
1242 will be paid the Contractor by the Owner after said completion and acceptance.

1243  
1244 **ARTICLE 4.** It is hereby further agreed that any references herein to the "Contract" shall include  
1245 "Contract Documents" as the same as defined in Paragraph 10-13, Section 10 of the General  
1246 Provisions and consisting of the Invitation for Bid, Instruction to Bidders, all issued Addenda,  
1247 Proposal, Statement of Qualifications, Anticipated Sub-Contracts, Form of Proposal Guaranty,  
1248 Notice of Award, Contract Agreement, Performance & Payment bonds, Notice to Proceed, Notice  
1249 of Contractor's Settlement, Wage Rates, General Provisions, Special Provisions, Plans, Technical  
1250 Specifications, attached appendices and all documents incorporated by reference. Said "Contract  
1251 Documents" are made a part of the Contract as if set out at length herein. Said Contract Agreement  
1252 is limited to the items in the proposal as signed by the "Contractor" and included in the "Contract  
1253 Documents."

1254  
1255 **ARTICLE 5.** The Contractor agrees to perform all the work describe in the Contract Documents  
1256 for the unit prices and lump sums as submitted in the Bid, taking into consideration additions to or  
1257 deductions from the Total Bid by reason of alterations or modifications of the original quantities or

by reason of "Extra Work" authorized under this Agreement in accordance with the provisions of the Contract Documents.

**ARTICLE 6.** The Contractor agrees to commence work within ten (10) calendar days after the receipt of a notice to proceed and the Contractor further agrees to complete said work within 90 calendar day(s). Extensions of the Contract time may only be permitted execution of a formal modification to Contract Agreement as approved by the Owner. Liquidated damages in the amount of \$1,500/calendar day(s) shall be paid to the Airport for that time which exceeds the number of Calendar days allowed in this paragraph. In addition, up to \$1,950/calendar day(s) for the construction manager plus up to \$1,400/calendar day(s) for each additional resident engineer plus any incurred expenses (per diem, lodging, etc.) will be charged to the Contractor for that time which exceeds the number of Calendar days allowed in this paragraph. Further, each phase of work under the project has additional liquidated damage clauses, as outlined in Section 80-08 FAILURE TO COMPLETE ON TIME.

The total estimated cost for AIP project #3-20-0072-036 thereof to be Two Million Three Hundred Thirty-four Thousand Six Hundred Seventy-two Dollars and Thirty Cents (\$2,334,672.30).

IN WITNESS WHEREOF, the Party of the First Part and the Party of the Second Part, respectively, have caused this Agreement to be duly executed in day and year first herein written in five (5) copies, all of which to all intents and purposed shall be considered as the original.

CONTRACTOR, Party of the Second Part

OWNER, Party of the First Part

APAC-Kansas, Inc., Shears Division

Salina Airport Authority

By: 

By: \_\_\_\_\_

Jason Heis, Branch Manager

(Office or Position of Signer)

\_\_\_\_\_  
(Office or Position of Signer)

(SEAL)

(SEAL)

ATTEST: 

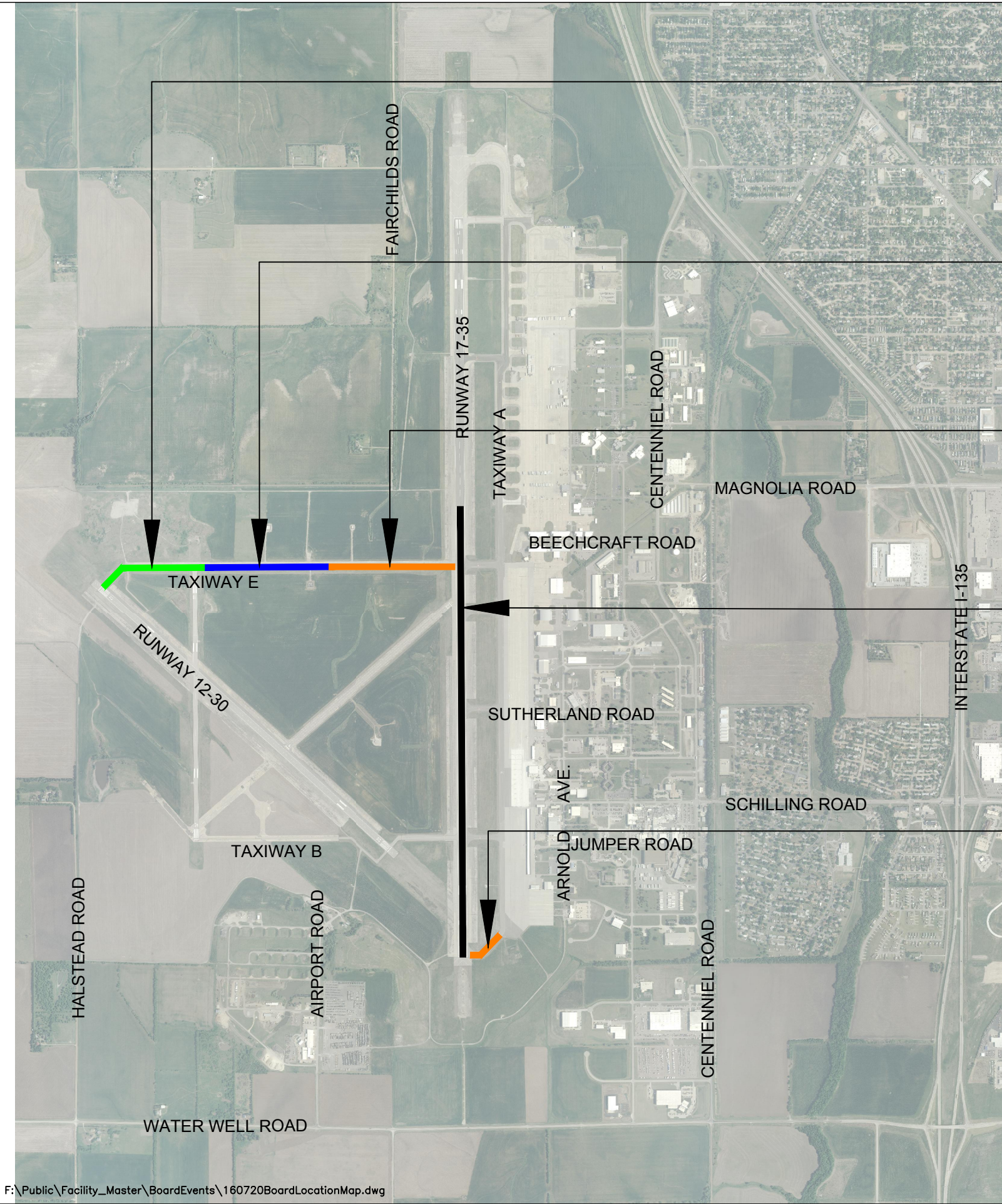
ATTEST: \_\_\_\_\_

Jessica Unruh, Office Manager

(Office or Position of Signer)

\_\_\_\_\_  
(Office or Position of Signer)





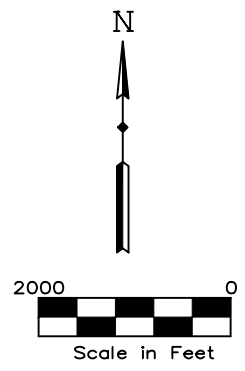
Schedule II Rehab  
Taxiway E

Schedule III Rehab  
Taxiway E

Schedule IV Rehab  
Taxiway E

Slurry Seal South 7,500'  
Runway 35.

Schedule I Relocate  
Taxiway A Holding  
Position.



Drawing Number 2214-07-16



3237 ARNOLD, SALINA, KS 67401  
(785-827-3914 FAX: 785-827-2221)  
None : REVISIONS  
KRB : DESIGNED BY  
KRB : DRAWN BY  
1" = 2000' : SCALE  
7/19/16, 09:20 : DATE