

**DATE:** June 17, 2019  
**TO:** SAA Board of Directors  
**FROM:** Tim Rogers and Shelli Swanson  
**SUBJECT:** **June 19, 2019 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.

Wednesday's meeting will focus on leasing available aircraft hangar space which is one of the Airport Authority highest priorities for 2019. The potential lease of hangars H504 and H959 have the potential of bringing net, new jobs to Salina and Saline County. The average wage of the associated new jobs is \$25.00 per hour.

Please note the following agenda comments.

**Agenda Item #5 – Review of Airport Activity and Financial Reports for the Month Ending May 31, 2019.** (Rogers and Swanson)

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

The Salina air traffic control tower (ATCT) recorded 6,328 operations during May 2019 which was a 24% increase as compared to the May 2018 total of 5,094. A contributing factor to the May 2019 increase was continued increases in K-State professional pilot flight training. For the year-to-date, a total of 29,355 operations have occurred at the Salina Airport which is 18% more than the May 2018 YTD total of 24,935.

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

The May 2019 fuel flowage came in at 172,835 gallons which was 31% more than the May 2018 total of 131,941. For the year-to-date a total of 783,326 gallons has been delivered on the Airport which is 9% more than the 2018 YTD total of 720,327. For the remainder of 2019 fuel flowage will continue to trend upward due to scheduled SLN deployments and military training exercises.

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

SkyWest recorded 3,725 total passengers during May 2018 which was a 33% increase over the May 2018 total of 2,804 total passengers. The ArkStar Group has started work on the 2019 Passenger Demand and Leakage Study that is a key component of the Airport Authority's terminal building requirements study.

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

Total operating revenue YTD is tracking under budget by 8%, however remains ahead of 2018 by 1.3%. Total YTD administrative expenses arrived 5% under budget and total maintenance expenses ended the month 11% over budget bringing total operating expenses slightly over budget at 1% or \$6,033. Net income before depreciation is trailing budget expectations by \$88,455 for the YTD.

**Financial Reports – May 2019 Capital Additions/Payables Report Enclosed** (Swanson)

**Short-term Leasing Activity** - Since the May board meeting, one new short-term lease has been executed. An agreement with Avflight for a one-year lease of 2,778 SF of Bldg. 207 for use as a vehicle maintenance facility. The \$7,440 annual lease contract began on June 1 and provides our FBO with a 2-bay vehicle maintenance shop. This agreement is a renewal of a year-to-year lease that began on June 1, 2017 and the renewal rate was adjusted according to the CPI.

**Financial Reports – Accounts Receivable Past Due 31 days or more as of June 17, 2019** (Swanson)

<b><u>Account</u></b>	<b><u>Amount</u></b>	<b><u>Days</u></b>	<b><u>Comments</u></b>
Alltel	\$200	>90	Annual mowing charge
Downs, Austin	\$350	31-60	T-hgr. & Storage Igloo rent

**Agenda Item #6 – Review of 2019 Mill Levy Needed to Fund 2020 Bond Principal and Interest Payments.** (Swanson)

Enclosed is a summary of scheduled 2020 bond principle and interest payments that will be reviewed at the board meeting. The summary is based upon the Saline County Clerk's June 7, 2019 estimated assessed valuation for Salina, KS. The summary includes the bond and interest payments associated with the Airport Authority's permanent financing for outstanding 2016-1 temporary notes (Series 2019-A) and most recent general obligation bond refunding (Series 2019-B). The estimated 2019 mill levy required for 2020 bond and interest payments does not include a mill levy for funds to match state and federal grants.

**Agenda Item #7 – Consideration of SAA Resolution No. 19-04 Providing for the Sale, Issuance and Delivery of General Obligation Bonds, Series 2019-A.** (Swanson)

**Note:** *Vice chairman Eichelberger will serve as acting chair for this agenda item. Chairman Buer will abstain from this agenda item discussion and any subsequent vote.*

At the May 15, 2019 SAA board meeting, Resolution No. 19-03 authorizing the offering for sale of General Obligation Bonds, Series 2019-A, of the Salina Airport Authority was approved. The Series 2019-A bonds will retire and permanently finance the SAA's 2016-1 Temporary Notes that were issued to fund airport capital improvements including the slurry seal on Runway 17/35 and rehabilitation of Taxiway E.

Bids were received on May 31, 2019. First Bank of Kansas was the low bid and the tabulation sheet is enclosed.

SAA Resolution No. 19-04 completes the Series 2019-A transaction.

**Recommendation:** Approval of SAA Resolution No. 19-04 and authorization to enter into a Bond Purchase Agreement with First Bank Kansas.

**Board members able to vote:** Eichelberger, Gunn, Vancil

**Agenda Item #8 –Consideration of SAA Resolution No. 19-05 Providing for the Sale, Issuance and Delivery of General Obligation Bonds, Series 2019-B.** (Swanson)

**Note:** *Vice chairman Eichelberger will serve as acting chair for this agenda item. Chairman Buer will abstain from this agenda item discussion and any subsequent vote.*

At the May 15, 2019 meeting, the SAA board authorized the offering for sale of \$3,455,000 of General Obligation Bonds, Series 2019-B of the Salina Airport Authority. The offering was for the purposes of refunding the outstanding callable portion of the Authority's Series 2009-B and 2011-A bonds to achieve an interest rate savings.

Bids were received on May 31, 2019. First Bank of Kansas was the low bid and the tabulation sheet is enclosed.

After all bond issuance costs are paid, the refunding will achieve a savings of \$61,773 through the Sept. 1, 2023 final maturity date, which exceeded the Board approved minimum savings threshold of \$25,000. None of the existing bond series maturities were extended.

**Recommendation:** Approval of SAA Resolution No. 19-05 and authorization to enter into a Bond Purchase Agreement with First Bank Kansas.

**Board members able to vote:** Eichelberger, Gunn, Vancil

**Agenda Item #9 – Consideration of Lease Terms for the Lease of Hangar H504 to an Air Ambulance Company.** (Rogers and Swanson)

A Kansas based air ambulance company has indicated interest in leasing Hangar H504 and establishing air ambulance operations at the Salina Regional Airport. The company would service Salina, Saline County and all North Central Kansas. The company has coordinated its operations with the Salina Regional Health Center and the Salina Fire Department, EMS division. The company would operate at SLN with a 16-person staff comprised of pilots, paramedics and flight nurses. The company will base one Bell Jet Ranger helicopter at SLN. In addition, a Beechcraft C-90 King Air will rotate in and out of H504. The company intends to start operations on July 15.

The company will initially staff H504 with 12-hour shifts. The Airport Authority will need to install a fire alarm and sprinkler system to accommodate the need for 24-hour shifts. A second-floor restroom needs to be added and the hangar floor restroom needs to be ADA compliant. The H504 improvements can be completed while the company occupies H504.

The proposed lease terms are:

<b>Effective date:</b>	July 15, 2019
<b>Lease term:</b>	Five (5) years
<b>Option to renew:</b>	Three (3) additional terms of five (5) years each
<b>Basic rental:</b>	\$1,930 per month, \$23,160 per year, \$4.14 per SF per year
<b>Security deposit:</b>	\$1,930

**Hangar improvements budget:** \$195,000  
**Lease inducement:** July 15 to August 31 occupancy at \$0 basic rental. H504 improvements are to be completed by September 1.

Enclosed is a copy of the proposed H504 lease agreement. I expect that the air ambulance company will submit a signed copy of the lease by June 28.

**Agenda Item #10 – Review and Approval of Hangar H504 Improvements and Project Budget.**  
(Rogers and Bieker)

**Note:** *Director Vancil will abstain from this agenda item discussion and any subsequent vote.*

Enclosed is a copy of the proposed H504 improvements budget. At the meeting Kenny Bieker and I will review the scope of work with you.

**Recommendation:** Approval of the Hangar H504 scope of work and budget

**Board members able to vote:** Buer, Eichelberger, Gunn

**Agenda Item #11 – Consideration of Lease Terms for the Lease of Hangar H959 to an Aircraft Maintenance and Repair Company.** (Rogers and Swanson)

An out of state aircraft maintenance, repair and overhaul company (MRO) has indicated interest in leasing Hangar H959 for expansion of its current airline MRO business operations. The company has been considering H959 at SLN and a location in another state. The company is working with the Kansas Department of Commerce (KDC) on a business incentives offer and agreement. A H959 lease cannot be signed until the KDC negotiations have been completed.

The company needs to occupy H959 on July 1 to start move in and start-up work. Customer airline aircraft would begin to arrive on September 1. The company's July and August start up time is also needed for employee recruitment, hiring and training. The company plans to hire 100 net, new employees during year one of SLN operations. The projections for net, new jobs for year two is 150 and year three is 200 – **a total of 450 net, new jobs in three years.**

To support a MRO operation in H959 the Airport Authority will need to complete \$2,638,971 in improvements at H959. The improvements can be completed while the MRO company moves in and sets up operations during July and August.

The proposed lease terms are:

**Effective date:** July 1, 2019  
**Lease term:** Five (5) years  
**Option to renew:** Three (3) additional terms of five (5) years each  
**Basic rental (all four bays):** \$23,545 per month, \$282,540 per year, \$2.24 per SF per year  
**Security deposit:** \$12,500

**Hangar improvements budget:** \$2,638,918  
**Lease inducements:** July 1 to August 31 occupancy for move in and start up at \$0 basic rental. H959 improvements are to be completed by September 1. Tenant can lease H959 in phases starting with Bay #1 and add Bays #2, #3 and #4 as lines of work are added.

Enclosed is a copy of the proposed H959 lease agreement. I expect that the MRO company will submit a signed copy of the lease by June 21.

**Agenda Item #12 – Review and Approval of Hangar H959 Improvements and Project Budget.**  
(Rogers and Bieker)

Enclosed is a copy of the proposed H959 improvements budget. At the meeting Kenny Bieker and I will review the scope of work with you.

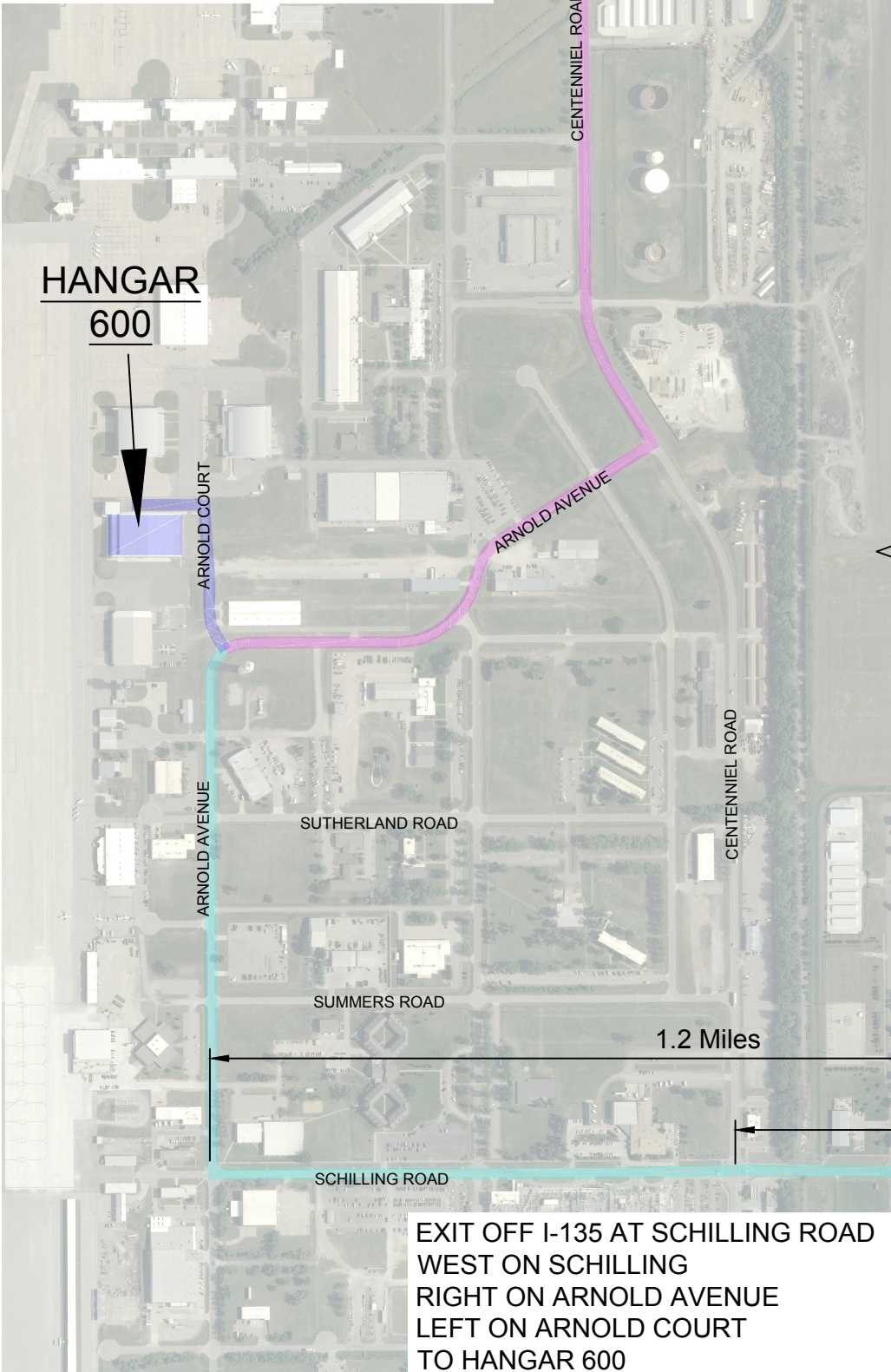
**Recommendation:** Approval of the Hangar H959 scope of work and budget

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 ARNOLD AVENUE  
RIGHT ON ARNOLD COURT  
TO HANGAR 600



**SALINA AIRPORT AUTHORITY REGULAR BOARD MEETING**  
**Hangar H600, Second Floor Conference Room**  
**2720 Arnold Court**  
**June 19, 2019 – 8:00 AM**

**AGENDA**

**Action Items**

1. Call to order and determine a quorum is present. (Buer)
2. Recognition of guests. (Buer)
3. Additions to the agenda and agenda review (Rogers)
4. Approval of the minutes of the May 15, 2019 board meeting. (Buer)
5. Review of airport activity and financial reports for the month ending May 31, 2019. (Rogers and Swanson)
6. Review of the 2019 Airport Authority mill levy funds needed for 2020 bond principal and interest payments. (Rogers and Swanson)
7. Consideration of SAA Resolution No. 19-04 providing for the sale, issuance and delivery of general obligation bonds, Series 2019-A. (Rogers and Swanson)
8. Consideration of SAA Resolution No. 19-05 providing for the sale, issuance and delivery of general obligation bonds, Series 2019-B. (Rogers and Swanson)
9. Consideration of lease terms for the lease of Hangar H504 to an air ambulance company. (Rogers and Swanson)
10. Review and approval of Hangar H504 improvements and project budget. (Rogers, Swanson and Bieker)
11. Consideration of lease terms for the lease of Hangar H959 to an aircraft maintenance repair and overhaul company. (Rogers and Swanson)
12. Review and approval of Hangar H959 improvements and project budget. (Rogers, Swanson and Bieker)

**Directors' Forum** (Buer)

**Visitor's Questions and Comments** (Buer)



**Staff Reports** (Rogers)

**Announcements** (Windhorst)

**Adjournment** (Buer)





**MINUTES OF THE REGULAR MEETING OF THE BOARD  
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY  
May 15, 2019  
HANGAR 600 SECOND FLOOR CONFERENCE ROOM**

**Call to Order**

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

**Attendance**

Attendance was taken. Chairman Buer (via telecom), Directors Eichelberger, Vancil, Weisel, and Gunn were present. Also present were Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker; Business and Communications Manager Kasey Windhorst; Administrative Assistant Kaycie Taylor, and Attorney Greg Bengtson. Mitch Robinson, Salina Community Economic Development Organization; David Arteberry, George K. Baum; Michael Bunn, T-hangar Tenant and Julie Yager-Zucker, Avflight were guests.

**Additions to the Agenda**

Chairman Buer asked if there were any additions. Executive Director Tim Rogers stated that the executive session was no longer required and reviewed the agenda.

**Minutes**

Chairman Buer asked if the board members had additions or corrections to the minutes of the April 17, 2019 regular board meeting. Director Gunn moved, seconded by Director Eichelberger, to approve the minutes of the April 17, 2019 regular board meeting. Motion passed unanimously.

**Airport Activity and Financial Reports**

Executive Director Rogers reported on airport activity for the month of April 2019. The Salina Air Traffic Control Tower (ATCT) recorded 8,225 operations during April 2019, which was a 49% increase as compared to April 2018 total of 5,510. Rogers attributes this to the increased enrollment of first year student pilots at Kansas State Polytechnic. For the year-to-date, a total of 23,027 operations have occurred, which is 16% more than the April 2018 year-to-date total. Rogers informed staff that Jay Hatchett has been named as the new Salina ATCT Manager. April 2019 fuel flowage came in at 119,745 gallons which was 22% less than the April 2018 total of 154,513. For the year-to-date, a total of 610,491 gallons has been delivered on the airport which is 4% more than the 2018 total of 588,386. Rogers stated that scheduled military and government jet operations beginning this month will boost fuel sales and total gallons delivered for the year. SkyWest reported 1,548 total passengers during April 2019 which was 98% more than the April 2018 total of 783 total passengers. For the year-to-date, SkyWest reported 3,287 which was a 105% increase to April 2018 year-to-date total of 1,604. Rogers informed the board of approval received from the FAA to proceed with the Passenger Demand and Leakage Study as part of the Terminal Building Requirements Study.

Director of Administration and Finance, Shelli Swanson reported on the financials for April 2019. Total operating income arrived at nearly 8% under budget, but is tracking 2.8% ahead of 2018, or \$20,995 as a result of year-over-year growth. Fuel flowage revenue is nearly level with year over year totals but will increase significantly with the scheduled FOL activities. Total administrative expenses arrived at 7% under budget while maintenance expenses are over budget 14%. Swanson stated that extensive snow removal, equipment repairs, and utility costs are coming to an end and should level out in the near future.

Swanson noted that gain on sale of assets is tracking at \$47,120 over budget due to a surplus property auction that netted \$55,120 in cash proceeds. The SAA auctioned items via Purple Wave online site. Most of the items auctioned were acquired through DRMO (military surplus program) and were held for the mandatory one-year period required by the DRMO program policy.

Swanson discussed two new short-term leases that have been executed since the last board meeting. An agreement has been reached with NASA for 22 days of leasing 19,168 SF of Hangar 600 and ground support equipment. The \$25,055 lease contract will begin on August 18, 2019.

The second agreement is with NOAA's aircraft operations center for 2,523 SF of office space in Hangar 600 and ground support equipment. The contract began May 13, 2019 and will provide office space for aircraft operations and researchers on site to study severe thunderstorms through June 27, 2019. The lease will generate \$12,692 in revenue.

Chairman Buer directed staff to file the financials for audit.

### **Airport Authority's 2020 Operating Plan and Budget**

Director of Administration and Finance, Shelli Swanson reviewed the calendar for preparation of the SAA's 2020 Operating Plan and Budget. The proposed dates are as follows:

Wednesday, July 17, 8:00 AM	SAA board meeting – finalize 2020 capital budget
Wednesday, August 21, 8:00 AM	SAA board meeting- 2020 mill levy resolution
Wednesday, September 4, 4:00 PM	SAA study session – 2020 operating plan & goals
Wednesday, September 18, 8:00 AM	SAA board meeting – 2020 revenue projections
Wednesday, October 16, 8:00 AM	SAA board meeting – 2020 operating expenses
Wednesday, November 6, 4:00 PM	SAA study session – review draft budget report
Wednesday, November 20, 8:00 AM	SAA board meeting – final budget review and action

### **SAA Resolution No. 19-02**

Executive Director Rogers presented SAA Resolution 19-02 that declares the Airport Authority's intent to levy a tax not to exceed one (1) mill to qualify for and match a FAA AIP grant. The resolution provides that the Airport Authority will publish notice of the intent to levy a tax not to exceed one (1) mill and is subject to petition.

Director Gunn moved, seconded by Director Vancil, to approve Resolution 19-02. Motion carried unanimously.

### **SAA Resolution No. 19-03**

Swanson presented SAA Resolution No. 19-03 authorizing the offering for sale of General Obligation Bonds, Series 2019-A, of the Salina Airport Authority. This GO Bond series will retire and permanently finance the SAA's 2016-1 Temporary Notes that were issued to fund airport capital improvements including the slurry seal on Runway 17/35 and rehabilitation of Taxiway E.

Swanson introduced Airport Authority financial advisor, David Arteberry, with George K. Baum. Arteberry discussed the timeline for the GO bond issue and the pros and cons of both private and public placement of bonds. He informed the board that he believes it would be in the best interest of the Airport Authority to submit the bonds to area banks for public placement and refinance the existing bonds for a lower interest rate.

Rogers recommended the approval of Resolution 19-03 authorizing the offering for sale of general obligation bonds, Series 2019-A.

Director Weisel moved, seconded by Director Gunn, to approve Resolution 19-03. The motion passed by a vote of 3 yeas and 0 nays. Chairman Buer and Director Eichelberger abstained from discussion on the motion and the vote on the motion.

Director Vancil moved to solicit bids from area banks simultaneously with Resolution 19-03 for the purpose of refinancing existing general obligation bonds Series 2009 B and Series 2011 A, with a targeted minimum savings of \$25,000, seconded by Director Gunn. Chairman Buer and Director Eichelberger abstained. The motion passed by a vote of 3 yeas and 0 nays. Chairman Buer and Director Eichelberger abstained from discussion on the motion and the vote on the motion.

### **Staff Reports**

#### **Airport and Airport Industrial Center Building and Hangar Lease Prospects**

Executive Director Rogers reviewed active prospects for both long and short-term leases at the Salina Regional Airport and Airport Industrial Center. Rogers updated the board on prospects A and B for Hangar H959 and discussed the needs for renovation for the medical helicopter company considering Hangar H504.

#### **2019 Forward Operating Location (FOL) and Events Calendar**

Executive Director Rogers reviewed the previously scheduled events of the 2019 and 2020 FOL calendar. Rogers commented on Project TORUS, which is currently underway in Hangar 600 and will continue through June 27, 2019. Rogers also informed staff of two new additions to the FOL calendar in 2019 and 2020. Fall of 2019 will see two separate military aviation units for training exercises, while NASA is planning a 2020 deployment to the Salina Airport. The complete list of FOL activity is as follows:

- NOAA-Project TORUS (May 13 – June 27, 2019, H600)
- Jaded Thunder (August 1 – August 17, 2019, H509, H600, and H606)
- NASA FIREX-AQ (August 18 – September 8, 2019, H600)
- Commemorative Air Force (September 2 – September 9, 2019, H600)

- 34<sup>th</sup> Weapons Squadron (September 15 – October 5, 2019) - tentative
- IAC US National Aerobatic Championships (September 21 – September 29, 2019, H606)
- NASA DCOTSS (June 27 – July 31, 2020)

Upon a motion duly made, the meeting adjourned at 9:25 A.M.

Minutes approved at the June 19, 2019 Board Meeting.

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Secretary  
(SEAL)

**SALINA AIRPORT AUTHORITY  
AIRPORT ACTIVITY REPORT  
2019**

**AIR TRAFFIC/ATCT**

May, 2019	6,328 Operations 796 Instrument Operations 482 Peak Day
May, 2018	5,094 Operations 848 Instrument Operations 316 Peak Day
January 2019 - May 2019	29,355 Operations
January 2018 - May 2018	24,935 Operations
January 2017 - May 2017	25,059 Operations

**FUEL FLOWAGE**

May, 2019	172,835 Gallons
May, 2018	131,941 Gallons
January 2019 - May 2019	783,326 Gallons
January 2018 - May 2018	720,327 Gallons
January 2017 - May 2017	1,199,468 Gallons

KSU-S	Avflight Salina	Avflight	
		Military/Gov't Portion	Self-fuel Station Portion
6,814	166,021	65,124	304
8,356	123,585	14,801	710
38,468	744,858	223,647	1,994
34,253	686,074	256,653	2,852
45,880	1,153,588	616,405	3,323

**SkyWest Airlines**

**ENPLANEMENTS**

May, 2019	1,865 Passengers
May, 2018	1,387 Passengers
January 2019 - May 2019	7,182 Passengers
January 2018 - May 2018	3,268 Passengers
January 2017 - May 2017	3,345 Passengers

**DEPLANEMENTS**

**TOTAL**

1,860 Passengers	3,725
1,417 Passengers	2,804

**ENPLANEMENTS - Charter Flights**

May, 2019	0 Passengers
May, 2018	0 Passengers
January 2019 - May 2019	584 Passengers
January 2018 - May 2018	401 Passengers
January 2017 - May 2017	967 Passengers

**TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights**

May, 2019	1,865 Passengers
May, 2018	1,387 Passengers
January 2019 - May 2019	7,766 Passengers
January 2018 - May 2018	3,669 Passengers
January 2017 - May 2017	4,312 Passengers

# AIRPORT TRAFFIC RECORD

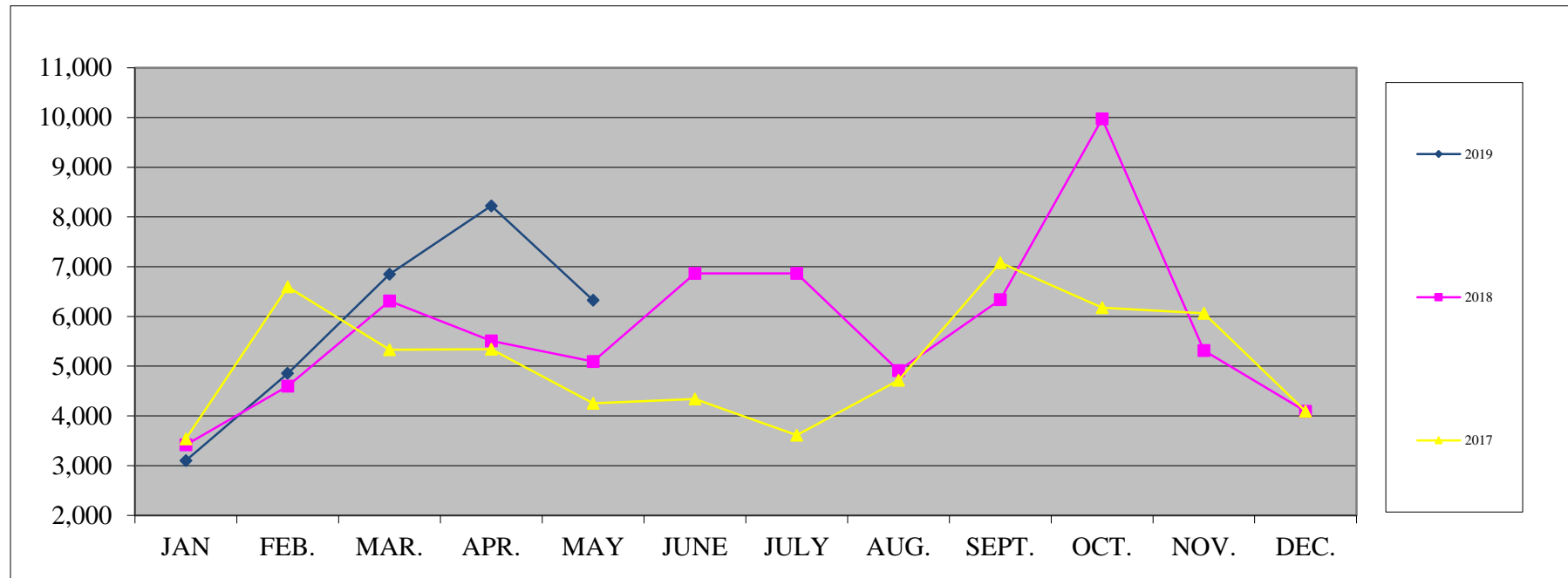
## 2018 - 2019

	ITINERANT					LOCAL			
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	Total Operations
<b>2019</b>									
January, 19	61	819	600	258	1,738	992	372	1,364	3,102
February, 19	104	1,553	555	211	2,423	2,232	197	2,429	4,852
March, 19	115	1,765	790	147	2,817	3,811	220	4,031	6,848
April, 19	104	2,112	966	232	3,414	4,608	203	4,811	8,225
May, 19	118	1,464	939	235	2,756	3,328	244	3,572	6,328
June, 19									
July, 19									
August, 19									
September, 19									
October, 19									
November, 19									
December, 19									
<b>Totals January - May</b>	<b>502</b>	<b>7,713</b>	<b>3,850</b>	<b>1,083</b>	<b>13,148</b>	<b>14,971</b>	<b>1,236</b>	<b>16,207</b>	<b>29,355</b>
<b>2018</b>									
January, 18	0	1,068	587	205	1,860	1,390	168	1,558	3,418
February, 18	17	1,282	541	316	2,156	2,103	342	2,445	4,601
March, 18	2	1,413	840	462	2,717	2,976	619	3,595	6,312
April, 18	6	1,469	670	284	2,429	2,666	415	3,081	5,510
May, 18	7	1,431	811	264	2,513	2,370	211	2,581	5,094
June, 18									
July, 18									
August, 18									
September, 18									
October, 18									
November, 18									
December, 18									
<b>Totals January - May</b>	<b>32</b>	<b>6,663</b>	<b>3,449</b>	<b>1,531</b>	<b>11,675</b>	<b>11,505</b>	<b>1,755</b>	<b>13,260</b>	<b>24,935</b>
<b>Difference</b>	<b>-32</b>	<b>-6,663</b>	<b>-3,449</b>	<b>-1,531</b>	<b>-11,675</b>	<b>-11,505</b>	<b>-1,755</b>	<b>-13,260</b>	<b>-24,935</b>
<b>YTD % Change</b>	<b>-100%</b>	<b>-100%</b>	<b>-100%</b>	<b>-100%</b>	<b>-100%</b>	<b>-100%</b>	<b>-100%</b>	<b>-100%</b>	<b>-100%</b>
<b>Legend:</b>	<b>AC: Air Carrier</b>		<b>AT: Air Taxi</b>						
	<b>GA: General Aviation</b>		<b>MI: Military</b>						



## AIR TRAFFIC

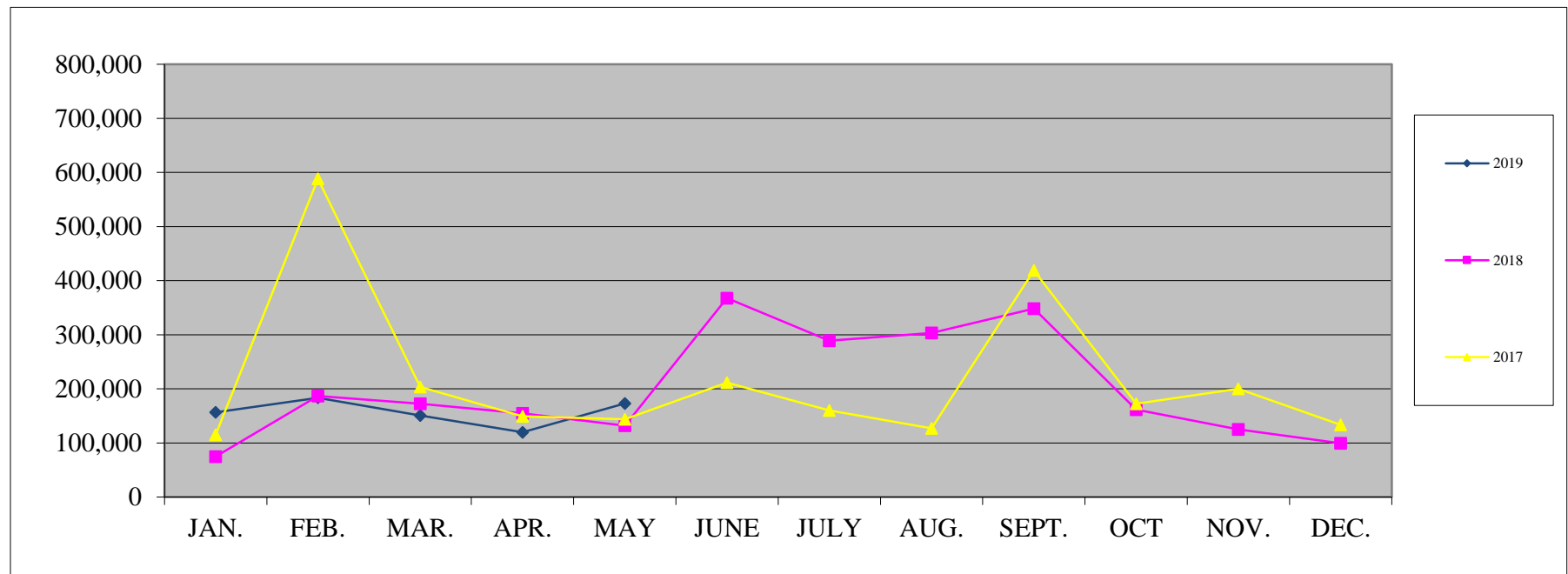
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
<b>2019</b>	3,102	4,852	6,848	8,225	<b>6,328</b>								<b>29,355</b>
<b>2018</b>	3,418	4,601	6,312	5,510	5,094	6,865	6,865	4,910	6,336	9,974	5,317	4,091	69,293
<b>2017</b>	3,539	6,598	5,329	5,340	4,253	4,338	3,613	4,717	7,081	6,177	6,062	4,094	61,141
<b>2016</b>	4,422	7,789	7,962	7,312	6,898	8,011	5,877	4,789	7,593	6,052	5,458	4,948	77,111
<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



## FUEL FLOWAGE

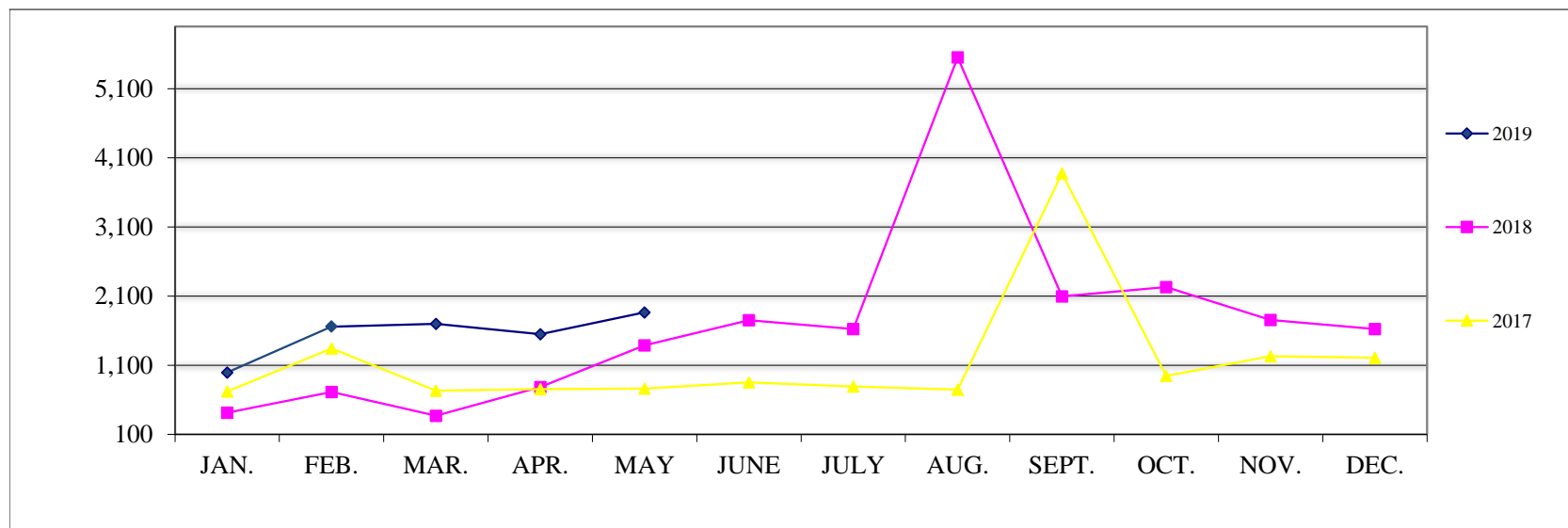
Gallons of Fuel Sold at SLN

	<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>2019</b>	156,531	183,334	150,881	119,745	<b><u>172,835</u></b>								<b><u>783,326</u></b>
<b>2018</b>	74,807	186,507	172,561	154,513	131,941	367,663	288,977	303,273	348,454	161,563	125,129	99,437	2,414,825
<b>2017</b>	115,075	588,072	203,387	149,134	143,801	211,351	160,134	126,751	418,616	172,614	200,050	133,173	2,622,158
<b>2016</b>	80,221	136,763	130,990	94,673	153,410	132,964	208,846	375,330	137,906	126,983	100,764	182,062	1,860,912
<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



## 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>2019</b>	996	1,659	1,698	1,548	<u>1,865</u>									<u>7,766</u>
<b>2018</b>	414	715	370	783	1,387	1,751	1,623	5,553	2,095	2,230	1,756	1,622		20,299
<b>2017</b>	720	1,344	731	756	761	852	793	746	3,874	946	1,229	1,207	-109	13,850
<b>2016</b>	36	0	0	0	0	104	372	910	637	558	574	692	84	3,967
<b>2015</b>	528	107	4,550	531	122	88	77	79	61	3,574	592	80	-310	10,079
<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



**\*\*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 May 31, 2019

06/17/2019

	May 31, 19	Apr 30, 19	\$ Change	May 31, 18	\$ Change	% Change
<b>ASSETS</b>						
Current Assets						
Checking/Savings						
Cash in Bank-Bond Funds	0	0	0	1,217,622	-1,217,622	-100%
Cash in bank-Operating Funds	60,928	160,614	-99,686	130,538	-69,610	-53%
Cash in Bank - Mill Levy	1,589,555	717,425	872,130	1,462,076	127,479	9%
Total Checking/Savings	<sup>1</sup> 1,650,483	878,039	772,444	2,810,236	-1,159,753	-41%
Accounts Receivable						
Accounts Receivable	<sup>2</sup> 57,989	86,684	-28,695	181,762	-123,773	-68%
Total Accounts Receivable	57,989	86,684	-28,695	181,762	-123,773	-68%
Other Current Assets						
Agri Land Receivable	56,000	56,000	0	55,000	1,000	2%
Mill Levy receivable	610,153	1,327,048	-716,895	0	610,153	100%
Other current assets	163,469	169,600	-6,131	149,752	13,717	9%
Undeposited Funds	110	945	-835	812	-702	-86%
Total Other Current Assets	829,732	1,553,593	-723,861	205,564	624,168	304%
Total Current Assets	2,538,204	2,518,316	19,888	3,197,562	-659,358	-21%
Fixed Assets						
Fixed assets at cost	88,471,037	88,461,036	10,001	87,047,813	1,423,224	2%
Less accumulated depreciation	-45,649,720	-45,420,390	-229,330	-42,928,770	-2,720,950	-6%
Total Fixed Assets	42,821,317	43,040,646	-219,329	44,119,043	-1,297,726	-3%
Other Assets						
Deferred Outflow of Resources	1,502,669	1,502,669	0	1,496,655	6,014	0%
Total Other Assets	1,502,669	1,502,669	0	1,496,655	6,014	0%
<b>TOTAL ASSETS</b>	<b>46,862,190</b>	<b>47,061,631</b>	<b>-199,441</b>	<b>48,813,260</b>	<b>-1,951,070</b>	<b>-4%</b>
<b>LIABILITIES &amp; EQUITY</b>						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts payable	<sup>3</sup> 83,609	104,621	-21,012	626,476	-542,867	-87%
Total Accounts Payable	83,609	104,621	-21,012	626,476	-542,867	-87%
Credit Cards						
Sam's Club Discover	1,345	1,889	-544	-138	1,483	1,075%
VISA - Sunflower Bank, N.A. - K	-30	0	-30	0	-30	-100%
VISA - Sunflower Bank, N.A. - S	0	645	-645	0	0	0%
VISA - Sunflower Bank, N.A. - T	0	511	-511	430	-430	-100%
Total Credit Cards	1,315	3,045	-1,730	292	1,023	350%
Other Current Liabilities						
Accrued debt interest payable	157,541	103,827	53,714	175,751	-18,210	-10%
Debt, current portion	1,969,153	1,969,153	0	1,222,153	747,000	61%
Deferred Agri Land Revenue	32,667	37,333	-4,666	32,083	584	2%
Deferred Mill Levy revenue	1,786,389	1,831,016	-44,627	1,243,877	542,512	44%
Other current liabilities	224,490	295,304	-70,814	185,403	39,087	21%
Total Other Current Liabilities	4,170,240	4,236,633	-66,393	2,859,267	1,310,973	46%
Total Current Liabilities	4,255,164	4,344,299	-89,135	3,486,035	769,129	22%
Long Term Liabilities						
Debt - Long Term	21,364,892	21,364,892	0	24,016,722	-2,651,830	-11%
Deferred Inflows of Resources	64,402	64,402	0	96,486	-32,084	-33%
Less current portion	-1,969,153	-1,969,153	0	-1,222,153	-747,000	-61%
Net Pension Liability	605,630	605,630	0	603,456	2,174	0%
Security Deposits Returnable	47,898	47,410	488	49,445	-1,547	-3%
Total Long Term Liabilities	20,113,669	20,113,181	488	23,543,956	-3,430,287	-15%
Total Liabilities	24,368,833	24,457,480	-88,647	27,029,991	-2,661,158	-10%
Equity						
Invested in Capital Assets net	21,456,426	21,666,122	-209,696	19,818,090	1,638,336	8%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	698,079	488,383	209,696	1,899,326	-1,201,247	-63%
Net Income	248,854	359,647	-110,793	-24,146	273,000	1,131%
Total Equity	22,493,359	22,604,152	-110,793	21,783,270	710,089	3%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>46,862,192</b>	<b>47,061,632</b>	<b>-199,440</b>	<b>48,813,261</b>	<b>-1,951,069</b>	<b>-4%</b>

**Salina Airport Authority**  
**Profit & Loss Budget Performance**  
May 2019

10:48 AM  
06/17/2019  
Accrual Basis

	May 19	Jan - May 19	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
<b>Airfield revenue</b>						
Fuel Flowage Fees	15,323	63,779	83,333	-19,554	77%	200,000
Hangar rent	43,537	270,567	240,128	30,439	113%	576,307
Landing fees	4,259	16,124	10,417	5,707	155%	25,000
Ramp rent	4,269	21,345	20,833	512	102%	50,000
<b>Total Airfield revenue</b>	<b>4 67,388</b>	<b>371,815</b>	<b>354,711</b>	<b>17,104</b>	<b>105%</b>	<b>851,307</b>
<b>Building and land rent</b>						
Agri land rent	4,667	23,878	23,333	545	102%	56,000
<b>Building rents - Long Term</b>						
Short-term leasing	21,718	119,078	87,500	31,578	136%	210,000
Building rents - Long Term - Other	56,696	290,236	381,942	-91,706	76%	916,660
<b>Total Building rents - Long Term</b>	<b>5 78,414</b>	<b>409,314</b>	<b>469,442</b>	<b>-60,128</b>	<b>87%</b>	<b>1,126,660</b>
<b>Land rent</b>						
Basic Land Rent	9,045	44,997	42,138	2,859	107%	101,131
Property tax - tenant share	10,325	51,625	51,625	0	100%	123,899
<b>Total Land rent</b>	<b>19,370</b>	<b>96,622</b>	<b>93,763</b>	<b>2,859</b>	<b>103%</b>	<b>225,030</b>
Tank rent	1,128	5,640	4,988	652	113%	11,970
<b>Total Building and land rent</b>	<b>103,579</b>	<b>535,454</b>	<b>591,526</b>	<b>-56,072</b>	<b>91%</b>	<b>1,419,660</b>
<b>Other revenue</b>						
Airport Marketing	6,933	19,595	45,833	-26,238	43%	110,000
Commissions	3,196	9,971	14,583	-4,612	68%	35,000
Other income	6,520	20,729	33,333	-12,604	62%	80,000
<b>Total Other revenue</b>	<b>16,649</b>	<b>50,295</b>	<b>93,749</b>	<b>-43,454</b>	<b>54%</b>	<b>225,000</b>
<b>Total Income</b>	<b>6 187,616</b>	<b>957,564</b>	<b>1,039,986</b>	<b>-82,422</b>	<b>92%</b>	<b>2,495,967</b>
<b>Gross Income</b>	<b>187,616</b>	<b>957,564</b>	<b>1,039,986</b>	<b>-82,422</b>	<b>92%</b>	<b>2,495,967</b>
<b>Expense</b>						
<b>Administrative expenses</b>						
A/E, consultants, brokers	1,250	19,424	8,750	10,674	222%	21,000
Airport promotion	15,565	68,082	81,229	-13,147	84%	194,950
Bad Debt Expense	-3,556	6,765	6,250	515	108%	15,000
Computer/Network Admin.	977	7,148	7,976	-828	90%	19,143
Dues and subscriptions	1,521	9,344	10,417	-1,073	90%	25,000
Employee retirement	9,443	34,694	34,452	242	101%	82,685
FICA and medicare tax expense	7,272	26,424	26,370	54	100%	63,289
Industrial development	0	17,321	17,708	-387	98%	42,500
Insurance , property	15,133	69,279	72,917	-3,638	95%	175,000
Insurance, medical	16,862	83,550	93,750	-10,200	89%	225,000
Kansas unemployment tax	0	188	417	-229	45%	1,000
Legal and accounting	2,565	15,463	13,542	1,921	114%	32,500
Office salaries	54,253	198,278	207,408	-9,130	96%	497,780
Office Supplies	186	2,852	2,500	352	114%	6,000
Other administrative expense	771	3,638	4,531	-893	80%	10,875
Postage	59	716	1,250	-534	57%	3,000
Property tax expense	13,552	67,760	67,760	0	100%	162,625
Special Events	59	438	417	21	105%	1,000
Telephone	1,605	7,877	7,656	221	103%	18,375
Training	0	250	2,917	-2,667	9%	7,000
Travel and meetings	32	2,172	5,000	-2,828	43%	12,000
<b>Total Administrative expenses</b>	<b>7 137,549</b>	<b>641,663</b>	<b>673,217</b>	<b>-31,554</b>	<b>95%</b>	<b>1,615,722</b>

		May 19	Jan - May 19	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
<b>Maintenance expenses</b>							
Airfield maintenance		8,188	21,633	12,875	8,758	168%	30,900
Airport Security		477	1,726	1,667	59	104%	4,000
Building maintenance		7,426	41,110	20,688	20,422	199%	49,650
Equipment fuel and repairs		4,570	37,030	37,500	-470	99%	90,000
Fire Services		0	42	7,917	-7,875	1%	19,000
Grounds maintenance		805	5,675	1,875	3,800	303%	4,500
Maintenance salaries		41,998	153,088	152,063	1,025	101%	364,950
Other maintenance expenses		841	5,085	8,333	-3,248	61%	20,000
Snow removal expense		0	20,444	8,333	12,111	245%	20,000
Utilities		13,286	103,005	100,000	3,005	103%	240,000
<b>Total Maintenance expenses</b>	8	<u>77,591</u>	<u>388,838</u>	<u>351,251</u>	<u>37,587</u>	<u>111%</u>	<u>843,000</u>
<b>Total Expense</b>	9	<u>215,140</u>	<u>1,030,501</u>	<u>1,024,468</u>	<u>6,033</u>	<u>101%</u>	<u>2,458,722</u>
<b>Net Ordinary Income</b>	10	<u>-27,524</u>	<u>-72,937</u>	<u>15,518</u>	<u>-88,455</u>	<u>-470%</u>	<u>37,245</u>
<b>Other Income/Expense</b>							
<b>Other Income</b>							
Capital contributed		0	681,823	330,195	351,628	206%	792,469
Gain on sale of assets		0	55,120	10,000	45,120	551%	24,000
<b>Interest income</b>							
Interest income on deposits		63	251	225	26	112%	540
<b>Total Interest income</b>		<u>63</u>	<u>251</u>	<u>225</u>	<u>26</u>	<u>112%</u>	<u>540</u>
Mill levy income		199,800	1,000,006	999,001	1,005	100%	2,397,603
<b>Total Other Income</b>		<u>199,863</u>	<u>1,737,200</u>	<u>1,339,421</u>	<u>397,779</u>	<u>130%</u>	<u>3,214,612</u>
<b>Other Expense</b>							
<b>Debt interest expense net</b>							
Bond issue cost		86	188	8,213	-8,025	2%	19,710
Interest Expense on Debt		53,715	268,573	268,573	0	100%	644,575
<b>Total Debt interest expense net</b>		<u>53,801</u>	<u>268,761</u>	<u>276,786</u>	<u>-8,025</u>	<u>97%</u>	<u>664,285</u>
Depreciation expense		229,330	1,146,650	1,146,650	0	100%	2,751,960
<b>Total Other Expense</b>		<u>283,131</u>	<u>1,415,411</u>	<u>1,423,436</u>	<u>-8,025</u>	<u>99%</u>	<u>3,416,245</u>
<b>Net Other Income</b>		<u>-83,268</u>	<u>321,789</u>	<u>-84,015</u>	<u>405,804</u>	<u>-383%</u>	<u>-201,633</u>
<b>Net Income</b>		<u><u>-110,792</u></u>	<u><u>248,852</u></u>	<u><u>-68,497</u></u>	<u><u>317,349</u></u>	<u><u>-363%</u></u>	<u><u>-164,388</u></u>



**Salina Airport Authority**  
**Profit & Loss Prev Year Comparison**  
January through May 2019

10:50 AM  
06/17/2019  
Accrual Basis

	Jan - May 19	Jan - May 18	\$ Change	% Change
Ordinary Income/Expense				
Income				
Airfield revenue				
Fuel Flowage Fees	63,778.78	59,444.47	4,334.31	7.29%
Hangar rent	270,567.17	168,496.84	102,070.33	60.58%
Landing fees	16,124.40	12,916.09	3,208.31	24.84%
Ramp rent	21,345.00	18,070.00	3,275.00	18.12%
Total Airfield revenue	371,815.35	258,927.40	112,887.95	43.6%
Building and land rent				
Agri land rent	23,878.35	23,416.65	461.70	1.97%
Building rents - Long Term				
Short-term leasing	119,077.50	134,309.72	-15,232.22	-11.34%
Building rents - Long Term - Other	290,235.96	323,856.56	-33,620.60	-10.38%
Total Building rents - Long Term	409,313.46	458,166.28	-48,852.82	-10.66%
Land rent				
Basic Land Rent	44,997.20	41,640.13	3,357.07	8.06%
Property tax - tenant share	51,624.60	50,093.75	1,530.85	3.06%
Land rent - Other	0.00	0.00	0.00	0.0%
Total Land rent	96,621.80	91,733.88	4,887.92	5.33%
Tank rent	5,640.00	4,740.00	900.00	18.99%
Total Building and land rent	535,453.61	578,056.81	-42,603.20	-7.37%
Other revenue				
Airport Marketing	19,594.87	57,645.25	-38,050.38	-66.01%
Commissions	9,971.33	9,540.38	430.95	4.52%
Other income	20,729.06	41,313.37	-20,584.31	-49.83%
Total Other revenue	50,295.26	108,499.00	-58,203.74	-53.64%
Total Income	957,564.22	945,483.21	12,081.01	1.28%
Gross Profit	11 957,564.22	945,483.21	12,081.01	1.28%
Expense				
Administrative expenses				
A/E, consultants, brokers	19,424.00	21,072.25	-1,648.25	-7.82%
Airport promotion				
Air Serv. Mktg - City	19,594.87	24,993.57	-5,398.70	-21.6%
Air Serv. Mktg - County	5,902.26	24,993.59	-19,091.33	-76.39%
Air Serv. Mktg - SAA	42,242.49	3,804.93	38,437.56	1,010.2%
Air Serv. Mktg - SkyWest	0.00	17,701.47	-17,701.47	-100.0%
Airport promotion - Other	342.51	5,245.15	-4,902.64	-93.47%
Total Airport promotion	68,082.13	76,738.71	-8,656.58	-11.28%
Bad Debt Expense	6,765.16	2,480.00	4,285.16	172.79%
Computer/Network Admin.	7,148.16	5,480.94	1,667.22	30.42%
Dues and subscriptions	9,343.53	9,861.54	-518.01	-5.25%
Employee retirement	34,693.82	27,971.42	6,722.40	24.03%
FICA and medicare tax expense	26,424.41	22,297.96	4,126.45	18.51%
Industrial development	17,321.43	25,000.00	-7,678.57	-30.71%
Insurance , property	69,279.38	48,968.59	20,310.79	41.48%
Insurance, medical	83,549.66	87,941.56	-4,391.90	-4.99%
Kansas unemployment tax	188.20	175.91	12.29	6.99%
Legal and accounting	15,462.60	7,201.60	8,261.00	114.71%
Office salaries	198,277.50	178,047.49	20,230.01	11.36%
Office Supplies	2,851.91	6,592.86	-3,740.95	-56.74%
Other administrative expense				
Merchant Processing Fees	1,526.74	898.53	628.21	69.92%
Other administrative expense - Other	2,111.18	2,451.99	-340.81	-13.9%
Total Other administrative expense	3,637.92	3,350.52	287.40	8.58%
Postage	716.03	2,026.10	-1,310.07	-64.66%
Property tax expense	67,760.40	60,416.65	7,343.75	12.16%
Special Events	437.90	0.00	437.90	100.0%
Telephone	7,877.00	8,804.90	-927.90	-10.54%
Training	250.00	2,687.66	-2,437.66	-90.7%
Travel and meetings	2,171.98	2,369.93	-197.95	-8.35%
Total Administrative expenses	641,663.12	599,486.59	42,176.53	7.04%

		Jan - May 19	Jan - May 18	\$ Change	% Change
Maintenance expenses					
Airfield maintenance		21,632.66	10,704.70	10,927.96	102.09%
Airport Security		1,725.63	1,308.44	417.19	31.89%
Building maintenance		41,110.18	36,253.09	4,857.09	13.4%
Equipment fuel and repairs		37,029.60	35,371.02	1,658.58	4.69%
Fire Services		41.80	595.80	-554.00	-92.98%
Grounds maintenance		5,675.39	927.64	4,747.75	511.81%
Maintenance salaries		153,088.33	121,598.27	31,490.06	25.9%
Other maintenance expenses		5,084.55	5,524.61	-440.06	-7.97%
Snow removal expense		20,443.71	3,438.86	17,004.85	494.49%
Utilities		103,004.53	117,765.14	-14,760.61	-12.53%
Total Maintenance expenses		388,836.38	333,487.57	55,348.81	16.6%
Uncategorized Expenses		0.05	0.00	0.05	100.0%
12 Total Expense		1,030,499.55	932,974.16	97,525.39	10.45%
Net Ordinary Income		-72,935.33	12,509.05	-85,444.38	-683.06%
Other Income/Expense					
Other Income					
Capital contributed	13	681,823.00	505,843.85	175,979.15	34.79%
Gain on sale of assets		55,120.00	0.00	55,120.00	100.0%
Interest income					
Interest income on deposits		251.05	2,264.95	-2,013.90	-88.92%
Total Interest income		251.05	2,264.95	-2,013.90	-88.92%
Mill levy income		1,000,005.93	890,935.35	109,070.58	12.24%
Total Other Income		1,737,199.98	1,399,044.15	338,155.83	24.17%
Other Expense					
Debt interest expense net					
Bond issue cost		188.10	0.00	188.10	100.0%
Interest Expense on Debt		268,572.90	311,199.60	-42,626.70	-13.7%
Total Debt interest expense net		268,761.00	311,199.60	-42,438.60	-13.64%
Depreciation expense		1,146,650.00	1,124,500.00	22,150.00	1.97%
Total Other Expense		1,415,411.00	1,435,699.60	-20,288.60	-1.41%
Net Other Income		321,788.98	-36,655.45	358,444.43	977.88%
Net Income		248,853.65	-24,146.40	273,000.05	1,130.6%

**Salina Airport Authority**  
**Capital Additions Budget vs. Actual**  
As of May 31, 2019

10:52 AM  
06/17/2019  
Accrual Basis

	May 19	Jan - May 19	Annual Budget	+/- Annual Budget	% of Annual Budget
<b>ASSETS</b>					
Fixed Assets					
Fixed assets at cost					
Airfield					
AIP-39 ARFF Vehicle Acquisition		655	703,521	-702,866	0%
AIP-40 Terminal Master Plan		2,600	200,000	-197,400	1%
AIP-41 Txy D Extension	14 2,480	2,480	1	2,479	248,000%
Total Airfield	2,480	5,735	903,522	-897,787	1%
Buildings & Improvements					
Building improvements	15 6,265	41,888	20,000	21,888	209%
Total Buildings & Improvements	6,265	41,888	20,000	21,888	209%
Equipment					
Communications equipment	0	0	5,000	-5,000	0%
Computer equipment		1,703	2,500	-797	68%
Shop equipment		15,127	0	15,127	100%
Total Equipment	0	16,830	7,500	9,330	224%
Land					
Airport Indust. Cent. Imps.		1,070	10,000	-8,930	11%
Environmental					
Environmental - SAFB	1,257	46,202	30,000	16,202	154%
Total Environmental	1,257	46,202	30,000	16,202	154%
Rail Spur Imps.	0	0	10,000	-10,000	0%
Total Land	1,257	47,272	50,000	-2,728	95%
Total Fixed assets at cost	16 10,002	111,725	981,022	-869,297	11%

# Salina Airport Authority

## Significant Capital Expenditures Detail

### May 2019

Type	Date	Name	Memo	Amount	Balance
<b>Fixed assets at cost</b>					
<b>Airfield</b>					
<b>AIP-41 Txy D Extension</b>					
Bill	05/31/2019	Independent Fee Estimates,...	AIP-41 / Independent Fee Estimate (IFE)	2,480.00	2,480.00
Total AIP-41 Txy D Extension				2,480.00	2,480.00
Total Airfield				2,480.00	2,480.00
<b>Buildings &amp; Improvements</b>					
<b>Building Improvements</b>					
<b>Bldg. Imps. Other</b>					
Bill	05/17/2019	Innovative Flooring	Hangar 509 Carpet Installation	6,264.56	6,264.56
Total Bldg. Imps. Other				6,264.56	6,264.56
Total Building improvements				6,264.56	6,264.56
Total Buildings & Improvements				6,264.56	6,264.56
<b>Land</b>					
<b>Environmental</b>					
<b>Environmental - SAFB</b>					
Bill	05/31/2019	Clark, Mize & Linville	Env. legal fees -May 2019	1,256.85	1,256.85
Total Environmental - SAFB				1,256.85	1,256.85
Total Environmental				1,256.85	1,256.85
Total Land				1,256.85	1,256.85
Total Fixed assets at cost				10,001.41	10,001.41
<b>TOTAL</b>				<b>10,001.41</b>	<b>10,001.41</b>

**SALINA AIRPORT AUTHORITY**  
**Mill Levy Projections For GO Bond Debt Service**

**2019-2028**

Actual Debt Service Schedule as of 7/17/2019				2009-B GO DEBT SERVICE (2)		2011-A GO DEBT SERVICE (2)		2015-A GO DEBT SERVICE		2016-1 TEMPORARY NOTES (3)		2017-A GO DEBT SERVICE		2017-B GO DEBT SERVICE		2019-A GO DEBT SERVICE		2019-B GO DEBT SERVICE		TOTAL GO DEBT SERVICE PAYMENTS		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	\$	Mills	\$			Mills	\$					Mills	\$
2018	2019	\$ 429,728,895	0.566%	1.006	\$ 432,375	0.911	\$ 391,545	1.409	\$ 605,468	0.007	\$ 2,957	0.848	\$ 364,590	0.392	\$ 168,300					\$ 1,138,358	0.105	\$ 45,000				-0.582	\$ (250,200)	4.096	\$ 1,760,034
2019	2020	\$ 448,061,516	4.266%					1.368	\$ 612,868			0.811	\$ 363,358	0.375	\$ 167,800	0.179	\$ 80,256	1.794	\$ 803,938	\$ 2,028,220	0.100	\$ 45,000				-0.583	\$ (261,200)	4.044	\$ 1,812,020
2020	2021	\$ 448,128,725	0.015%					0.420	\$ 188,368			0.819	\$ 366,958	0.373	\$ 167,300	0.171	\$ 76,483	2.746	\$1,230,480	\$ 2,029,588						-0.586	\$ (262,506)	3.943	\$ 1,767,082
2021	2022	\$ 448,195,945	0.015%					0.421	\$ 188,693			1.797	\$ 805,308	0.372	\$ 166,800	0.179	\$ 80,163	1.769	\$ 792,705	\$ 2,033,668						-0.589	\$ (263,819)	3.949	\$ 1,769,849
2022	2023	\$ 448,263,174	0.015%					0.197	\$ 88,443			1.792	\$ 803,463	0.371	\$ 166,300	0.175	\$ 78,635	1.999	\$ 896,100	\$ 2,032,941						-0.591	\$ (265,138)	3.944	\$ 1,767,803
2023	2024	\$ 448,330,413	0.015%					0.203	\$ 91,043			3.804	\$ 1,705,600	0.369	\$ 165,550	0.172	\$ 77,043			\$ 2,039,235						-0.594	\$ (266,463)	3.954	\$ 1,772,772
2024	2025	\$ 448,397,663	0.015%					0.208	\$ 93,195			3.798	\$ 1,703,160	0.368	\$ 164,800	0.179	\$ 80,385			\$ 2,041,540						-0.597	\$ (267,796)	3.956	\$ 1,773,744
2025	2026	\$ 448,464,923	0.015%									3.395	\$ 1,522,598	1.001	\$ 449,050	0.175	\$ 78,530			\$ 2,050,178						-0.600	\$ (269,135)	3.971	\$ 1,781,043
2026	2027	\$ 448,532,192	0.015%									2.784	\$ 1,248,883	1.594	\$ 714,750	0.171	\$ 76,605			\$ 2,040,238						-0.603	\$ (270,480)	3.946	\$ 1,769,757
2027	2028	\$ 448,599,472	0.015%									2.784	\$ 1,248,884	1.593	\$ 714,751	0.177	\$ 79,575			\$ 2,043,210						-0.606	\$ (271,833)	3.949	\$ 1,771,377
2028	2029	\$ 448,666,762	0.015%									2.784	\$ 1,248,885	1.593	\$ 714,752	0.172	\$ 77,325			\$ 2,040,962						-0.609	\$ (273,192)	3.940	\$ 1,767,770

**NOTES:**

- Final assessed valuation (Less TIF) for 2018  
Estimated Assessed Valuation at July 1, 2019 as provided by the Saline County Clerk's Office less TIF incremental increase (For 2020 Budget)  
Future Assessed Valuation assumed to grow annually at a rate of .015% (For 2021-2029 Budget Years)
- 2009-A & 2011-B Series Refunded in 2017  
2009-B & 2011-A Series Partial Refunding in 2017  
2009-B & 2011-A Series Balance of Issues Refunded in 2019
- 2016-1 GO Temp Notes permanently financed with 2019-A Series

## Summary of Bids

### Salina Airport Authority General Obligation Bonds Series 2019-A&B

#### **\$675,000 Series 2019-A (New Money)**

Maturity	Original Prediction	Sunflower Bank	Bennington State Bank	First Bank KS
2020	3.00	3.75	2.99	2.10
2021	3.00	3.75	3.19	2.20
2022	3.00	3.75	3.49	2.35
2023	3.00	3.75	3.99	2.45
2024	3.00	3.75	4.05	2.55
2025	3.00	3.75	4.10	2.65
2026	3.00	3.75	4.19	2.75
2027	3.00	3.75	4.39	2.90
2028	3.00	3.75	4.69	3.00
2029	3.00	3.75	4.99	3.10
True Interest Cost	3.00%	3.75%	4.32%	2.77%

#### **\$3,455,000 Series 2019-B (Refunding - Taxable)**

Maturity	Original Prediction	Sunflower Bank	Bennington State Bank	First Bank KS
2020	3.05	4.50	2.75	2.80
2021	3.15	4.50	3.10	2.85
2022	3.20	4.50	3.35	2.90
2023	3.35	4.50	3.75	3.00
True Interest Cost	3.23%	4.50%	3.38%	2.91%



## Final Numbers

### **Salina Airport Authority**

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(Salina, Kansas)

General Obligation Bonds

2019-A

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## Salina Airport Authority

(Salina, Kansas)

General Obligation Bonds

2019-A

## Sources & Uses

Dated 07/10/2019 | Delivered 07/10/2019

### Sources Of Funds

Par Amount of Bonds	\$675,000.00
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<b>Total Sources</b>	<b>\$675,000.00</b>
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### Uses Of Funds

Costs of Issuance	14,943.75
-------------------	-----------

Principal Due on Temporary Notes	657,000.00
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Interest Due on Temporary Notes	2,956.50
---------------------------------	----------

Rounding Amount	99.75
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<b>Total Uses</b>	<b>\$675,000.00</b>
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## Salina Airport Authority

(Salina, Kansas)

General Obligation Bonds

2019-A

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/10/2019	-	-	-	-	-
03/01/2020	-	-	11,384.77	11,384.77	-
09/01/2020	60,000.00	2.100%	8,871.25	68,871.25	80,256.02
03/01/2021	-	-	8,241.25	8,241.25	-
09/01/2021	60,000.00	2.200%	8,241.25	68,241.25	76,482.50
03/01/2022	-	-	7,581.25	7,581.25	-
09/01/2022	65,000.00	2.350%	7,581.25	72,581.25	80,162.50
03/01/2023	-	-	6,817.50	6,817.50	-
09/01/2023	65,000.00	2.450%	6,817.50	71,817.50	78,635.00
03/01/2024	-	-	6,021.25	6,021.25	-
09/01/2024	65,000.00	2.550%	6,021.25	71,021.25	77,042.50
03/01/2025	-	-	5,192.50	5,192.50	-
09/01/2025	70,000.00	2.650%	5,192.50	75,192.50	80,385.00
03/01/2026	-	-	4,265.00	4,265.00	-
09/01/2026	70,000.00	2.750%	4,265.00	74,265.00	78,530.00
03/01/2027	-	-	3,302.50	3,302.50	-
09/01/2027	70,000.00	2.900%	3,302.50	73,302.50	76,605.00
03/01/2028	-	-	2,287.50	2,287.50	-
09/01/2028	75,000.00	3.000%	2,287.50	77,287.50	79,575.00
03/01/2029	-	-	1,162.50	1,162.50	-
09/01/2029	75,000.00	3.100%	1,162.50	76,162.50	77,325.00
<b>Total</b>	<b>\$675,000.00</b>	<b>-</b>	<b>\$109,998.52</b>	<b>\$784,998.52</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$3,950.63
Average Life	5.853 Years
Average Coupon	2.7843321%
Net Interest Cost (NIC)	2.7843321%
True Interest Cost (TIC)	2.7749034%
Bond Yield for Arbitrage Purposes	2.7749034%
All Inclusive Cost (AIC)	3.1999622%

### IRS Form 8038

Net Interest Cost	2.7843321%
Weighted Average Maturity	5.853 Years

## Salina Airport Authority

(Salina, Kansas)

General Obligation Bonds

2019-A

## Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
09/01/2020	Serial Coupon	2.100%	2.100%	60,000.00	100.000%	60,000.00
09/01/2021	Serial Coupon	2.200%	2.200%	60,000.00	100.000%	60,000.00
09/01/2022	Serial Coupon	2.350%	2.350%	65,000.00	100.000%	65,000.00
09/01/2023	Serial Coupon	2.450%	2.450%	65,000.00	100.000%	65,000.00
09/01/2024	Serial Coupon	2.550%	2.550%	65,000.00	100.000%	65,000.00
09/01/2025	Serial Coupon	2.650%	2.650%	70,000.00	100.000%	70,000.00
09/01/2026	Serial Coupon	2.750%	2.750%	70,000.00	100.000%	70,000.00
09/01/2027	Serial Coupon	2.900%	2.900%	70,000.00	100.000%	70,000.00
09/01/2028	Serial Coupon	3.000%	3.000%	75,000.00	100.000%	75,000.00
09/01/2029	Serial Coupon	3.100%	3.100%	75,000.00	100.000%	75,000.00
<b>Total</b>	-	-	-	<b>\$675,000.00</b>	-	<b>\$675,000.00</b>

## Bid Information

Par Amount of Bonds	\$675,000.00
Gross Production	\$675,000.00
Bid (100.000%)	675,000.00
Total Purchase Price	\$675,000.00
Bond Year Dollars	\$3,950.63
Average Life	5.853 Years
Average Coupon	2.7843321%
Net Interest Cost (NIC)	2.7843321%
True Interest Cost (TIC)	2.7749034%

## Salina Airport Authority

(Salina, Kansas)

General Obligation Bonds

2019-A

## Detail Costs Of Issuance

Dated 07/10/2019 | Delivered 07/10/2019

### COSTS OF ISSUANCE DETAIL

Financial Advisor	\$5,000.00
Bond Counsel	\$8,500.00
State Treasurer	\$1,193.75
Kansas Attorney General	\$250.00
<b>TOTAL</b>	<b>\$14,943.75</b>

## Salina Airport Authority

(Salina, Kansas)

General Obligation Bonds

2019-A

## Proof of Bond Yield @ 2.7749034%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
07/10/2019	-	1.0000000x	-	-
03/01/2020	11,384.77	0.9824722x	11,185.22	11,185.22
09/01/2020	68,871.25	0.9690274x	66,738.13	77,923.35
03/01/2021	8,241.25	0.9557666x	7,876.71	85,800.06
09/01/2021	68,241.25	0.9426873x	64,330.16	150,130.22
03/01/2022	7,581.25	0.9297869x	7,048.95	157,179.17
09/01/2022	72,581.25	0.9170631x	66,561.59	223,740.75
03/01/2023	6,817.50	0.9045134x	6,166.52	229,907.27
09/01/2023	71,817.50	0.8921355x	64,070.94	293,978.21
03/01/2024	6,021.25	0.8799269x	5,298.26	299,276.47
09/01/2024	71,021.25	0.8678854x	61,638.31	360,914.78
03/01/2025	5,192.50	0.8560087x	4,444.83	365,359.61
09/01/2025	75,192.50	0.8442945x	63,484.62	428,844.22
03/01/2026	4,265.00	0.8327407x	3,551.64	432,395.86
09/01/2026	74,265.00	0.8213449x	60,997.18	493,393.04
03/01/2027	3,302.50	0.8101051x	2,675.37	496,068.42
09/01/2027	73,302.50	0.7990191x	58,570.10	554,638.51
03/01/2028	2,287.50	0.7880848x	1,802.74	556,441.26
09/01/2028	77,287.50	0.7773001x	60,075.58	616,516.84
03/01/2029	1,162.50	0.7666630x	891.25	617,408.09
09/01/2029	76,162.50	0.7561715x	57,591.91	675,000.00
<b>Total</b>	<b>\$784,998.52</b>	<b>-</b>	<b>\$675,000.00</b>	<b>-</b>

### Derivation Of Target Amount

Par Amount of Bonds	\$675,000.00
Original Issue Proceeds	\$675,000.00



## Salina Airport Authority

(Salina, Kansas)

General Obligation Bonds

2019-A

## Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Coupon	Price	Issuance Price	Exponent	Bond Years
07/10/2019	-	-	-	-	-	-
09/01/2020	60,000.00	2.100%	100.000%	60,000.00	1.1416667x	68,500.00
09/01/2021	60,000.00	2.200%	100.000%	60,000.00	2.1416667x	128,500.00
09/01/2022	65,000.00	2.350%	100.000%	65,000.00	3.1416667x	204,208.33
09/01/2023	65,000.00	2.450%	100.000%	65,000.00	4.1416667x	269,208.33
09/01/2024	65,000.00	2.550%	100.000%	65,000.00	5.1416667x	334,208.33
09/01/2025	70,000.00	2.650%	100.000%	70,000.00	6.1416667x	429,916.67
09/01/2026	70,000.00	2.750%	100.000%	70,000.00	7.1416667x	499,916.67
09/01/2027	70,000.00	2.900%	100.000%	70,000.00	8.1416667x	569,916.67
09/01/2028	75,000.00	3.000%	100.000%	75,000.00	9.1416667x	685,625.00
09/01/2029	75,000.00	3.100%	100.000%	75,000.00	10.1416667x	760,625.00
<b>Total</b>	<b>\$675,000.00</b>	<b>-</b>	<b>-</b>	<b>\$675,000.00</b>	<b>-</b>	<b>\$3,950,625.00</b>

### Description of Bonds

Final Maturity Date	9/01/2029
Issue price of entire issue	675,000.00
Stated Redemption at Maturity	675,000.00
Weighted Average Maturity = Bond Years/Issue Price	5.853 Years
Bond Yield for Arbitrage Purposes	2.7749034%

### Uses of Proceeds of Issue

Proceeds used for accrued interest	-
Proceeds used for bond issuance costs (including underwriters' discount)	14,943.75
Proceeds used for credit enhancement	-
Proceeds allocated to reasonably required reserve or replacement fund	-

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**RESOLUTION NO. 19-04**

**OF**

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

**ADOPTED**

**JUNE 19, 2019**

**GENERAL OBLIGATION BONDS  
SERIES 2019-A**

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## RESOLUTION NO. 19-04

**A RESOLUTION AUTHORIZING AND PROVIDING FOR THE SALE, ISSUANCE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2019-A, OF THE SALINA AIRPORT AUTHORITY (SALINA, KANSAS); PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS 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.**

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**WHEREAS**, the 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, including specifically K.S.A 27-315 to 27-326 *et seq.*; and

**WHEREAS**, the “Issuer” has previously authorized certain internal improvements described as follows (the “Improvements”):

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

**WHEREAS**, the Governing Body is authorized by law to issue the general obligation bonds of the Issuer to pay 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 Bonds in the principal amount of \$675,000 to pay a portion of the costs of the Improvements and to retire the Refunded Notes.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE 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 Bond 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 *et seq.*, K.S.A. 10-620 *et seq.* and K.S.A. 27-315 to 27-326 *et seq.*, all as amended and supplemented from time to time.

“**Authorized Denomination**” means \$5,000 or any integral multiples thereof.

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

**“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.

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

**“Bond Purchase Agreement”** means the Bond Purchase Agreement dated as of June 19, 2019 between the Issuer and the Purchaser.

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

**“Bond Registrar”** means the State Treasurer, and any successors and assigns.

**“Bond Resolution”** means this resolution relating to the Bonds.

**“Bonds”** means the General Obligation Bonds, Series 2019-A, authorized and issued by the Issuer pursuant to this Bond Resolution.

**“Business Day”** means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and 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 promulgated thereunder by the United States Department of the Treasury.

**“Costs of Issuance”** means all costs of issuing the Bonds, 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, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

**“Dated Date”** means July 10, 2019.

**“Debt Service Requirements”** means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds 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 Bond 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.

**“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 Bonds 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 Bonds 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 Bonds or in this Bond 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 Bonds 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.

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

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

**“Governing Body”** means the Board of Directors of the Issuer.

**“Improvement Fund”** means the Improvement Fund for General Obligation Bonds, Series 2019-A created pursuant to *Section 501* hereof.

**“Improvements”** means the improvements referred to in the preamble to this Bond Resolution.

**“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 Bond Resolution.

**“Interest Payment Date(s)”** means the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing March 1, 2020.

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

**“Issuer”** means the Salina Airport Authority (Salina, Kansas) and any successors or assigns.

**“Maturity”** when used with respect to any Bond means the date on which the principal of such Bond 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.

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

(a) To the Issuer at:

Salina Airport Authority (Salina, Kansas)  
3237 Arnold Ave  
Salina, Kansas 67401  
Phone No. 785-827-3914  
Fax No. 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:

First Bank Kansas  
235 S. Santa Fe  
Salina, Kansas 67401  
Fax 785-825-7663

(d) To the Rating Agency(ies):

Moody's Municipal Rating Desk  
7 World Trade Center  
250 Greenwich Street  
23rd Floor  
New York, New York 10007

or such other address as is furnished in writing to the other parties referenced herein.

**“Notice Representative”** means:

- (a) With respect to the Issuer, the Secretary.
- (b) With respect to the Bond Registrar and Paying Agent, the Director of Bond Services.
- (c) With respect to any Purchaser, the manager of its Municipal Bond Department.
- (d) With respect to any Rating Agency, any Vice President thereof.

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

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

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

**“Participants”** means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

**“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; (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 Bond Purchase Agreement.

**“Purchaser”** means First Bank Kansas, Salina, Kansas, the original purchaser of the Bonds, and any successor and assigns.

**“Rating Agency”** means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

**“Rebate Fund”** means the Rebate Fund for General Obligation Refunding Bonds, Series 2019-A 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”** means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of this Bond Resolution.

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

**“Refunded Notes”** means the Series 2016-1 General Obligation Temporary Notes maturing on September 1, 2019, in the aggregate principal amount of \$657,000.

**“Refunded Notes Paying Agent”** means the paying agent for the Refunded Notes as designated in the Refunded Notes Resolution, and any successor or successors at the time acting as paying agent of the Refunded Notes.

**“Refunded Notes Redemption Date”** means September 1, 2019.

**“Refunded Notes Resolution”** means the resolution which authorized the Refunded Notes.

**“Replacement Bonds”** means Bonds issued to the Beneficial Owners of the Bonds in accordance with *Article II* hereof.

**“Secretary”** means the duly appointed and/or elected Secretary or, in the Secretary’s absence, the duly appointed deputy Secretary or acting Secretary of the Issuer.

**“Series 2016-1 Notes”** means the Issuer’s 2016-1 General Obligation Temporary Notes, Series 2016-1, dated September 15, 2016.

**“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 Bond or any installment of interest thereon means the date specified in such Bond and this Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

**“Treasurer”** means the duly appointed and/or elected Treasurer of the Issuer 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 BONDS

**Section 201. Authorization of the Bonds.** There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2019-A, of the Issuer in the principal amount of \$675,000, for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; and (b) pay Costs of Issuance; and (c) retire the Refunded Notes.

**Section 202. Description of the Bonds.** The Bonds shall consist of fully registered bonds in an Authorized Denomination, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in *Article III* hereof, and shall bear interest at the rates per annum as follows:

#### SERIAL BONDS

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>	<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2020	\$60,000	2.100%	2025	\$70,000	2.650%
2021	60,000	2.200	2026	70,000	2.750
2022	65,000	2.350	2027	70,000	2.900
2023	65,000	2.450	2028	75,000	3.000
2024	65,000	2.550	2029	75,000	3.100

The Bonds shall bear interest at the above specified rates (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 Bonds, 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 Bond Registrar.** The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Bonds and Bond Registrar with respect to the registration, transfer and exchange of Bonds. The Chairman of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Bonds.

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

Every Paying Agent or Bond 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 Bonds.** The principal of, or Redemption Price, and interest on the Bonds 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 Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond 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 Bond 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 Bonds, by electronic transfer to such Owner upon written notice given to the Bond 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 Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond 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 Bond and the date of the proposed payment (which date shall be at least 30 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 therefore to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond 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 Bonds 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 Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

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

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

Bonds 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 Bond 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 Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. 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 Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond 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 Bond 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 Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond 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 Bond 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 Bond 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 Bond Registrar, the Bond Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

**Section 207. Execution, Registration, Authentication and Delivery of Bonds.** Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds 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 Bonds in the manner herein specified, and to cause the Bonds 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 County, 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 Bonds 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. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

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

The Bonds 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 Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond Registrar. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the Issuer or its representative.

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

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

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent 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 Bond 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 Bond Resolution equally and ratably with all other Outstanding Bonds.

**Section 209. Cancellation and Destruction of Bonds Upon Payment.** All Bonds 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 Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

**Section 210. Nonpresentment of Bonds.** If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond 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 Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond 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 Bond, and such Bond 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 Bonds – Bond Purchase Agreement.** The Chairman is hereby authorized to enter into the Bond Purchase Agreement between the Issuer and the Purchaser in substantially the form submitted to the Governing Body concurrently with the adoption of this 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 Bond Purchase Agreement, the Issuer agrees to sell the Bonds to the Purchaser for the Purchase Price, upon the terms and conditions set forth therein.

## **ARTICLE III**

### **REDEMPTION OF BONDS**

#### **Section 301. Redemption by Issuer.**

***Optional Redemption.*** At the option of the Issuer, Bonds maturing on September 1 in the years 2026, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on September 1, 2025, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the Redemption Date.

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

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate Bond 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 Bond 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 Bond to the Bond 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 Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond 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 Bonds for redemption prior to maturity, written notice of such intent shall be provided to the Bond Registrar in accordance with K.S.A. 10-129, as amended, not less than 45 days prior to the Redemption Date. The Bond Registrar shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Bond 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 Bonds to be called for redemption.

Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. 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 Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond 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 Bonds 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 Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds 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 Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds 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 Bond, there shall be prepared for the Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as

provided herein. All Bonds 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 Bond 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 (if any) of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds 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 Bond Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed the CUSIP number (if any) of the Bonds being redeemed with the proceeds of such check or other transfer.

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 Bond.

## ARTICLE IV

### SECURITY FOR BONDS

**Section 401. Security for the Bonds.** The Bonds shall be general obligations of the Issuer payable as to both principal and interest 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 Bonds as the same become due.

**Section 402. Levy and Collection of Annual Tax; Transfer to Debt Service Account.** The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, 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 in each of the several years, respectively, 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 transferred to the Debt Service Account and shall be used solely for the payment of the

principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, 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 Bonds 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 BOND PROCEEDS**

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

- (a) Improvement Fund for General Obligation Bonds, Series 2019-A
- (b) Debt Service Account for General Obligation Bonds, Series 2019-A (within the Bond and Interest Fund).
- (c) Rebate Fund for General Obligation Bonds, Series 2019-A.

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

**Section 502. Deposit of Bond Proceeds and Other Moneys.** The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) All accrued interest received from the sale of the Bonds shall be deposited in the Debt Service Account.
- (b) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Improvement Fund.

**Section 503. Application of Moneys in the Improvement Fund; Redemption of Refunded Notes.** 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 and on file in the office of the Chairman, including any alterations in or amendments to said plans and specifications deemed advisable and approved by the Governing Body; (b) paying Costs of Issuance; (c) retiring the Refunded Notes; and (d) transferring any amounts to the Rebate Fund required by this *Article V*.

**Section 504. 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 Bonds as and when the same become due and the usual and customary fees and expenses of the Bond 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 Bonds and the fees and expenses of the Bond Registrar and Paying Agent as

and when the same become due, and to forward such sums to the Paying Agent 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 Bond Registrar and Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds 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 Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

#### **Section 505. 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 Bonds 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) 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 Bonds 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 Bond 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 Bonds.

**Section 506. 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 city of the Issuer; or (b) if no such entity has a main or branch office located in the city of 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 depositories 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 other than the Escrow Fund may be invested in accordance with this Bond 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.

## ARTICLE VI

### DEFAULT AND REMEDIES

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

**Section 602. Limitation on Rights of Owners.** The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond 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 Bonds.

**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 Bond 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 Bonds by this Bond 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 Bonds shall, subject to any determination in such action or proceeding or applicable law of the State, 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 Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Issuer's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond 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 Bonds 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 Bonds 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 Bonds, no such satisfaction shall occur until (a) the Issuer has elected to redeem such Bonds, 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 Bond Registrar to give such notice of redemption in compliance with *Article III* hereof. 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 Bonds, 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 Bonds, 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 Bond 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 Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Chairman, Secretary and Director of Administration and Finance 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 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 Bonds 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 Bonds pursuant to *Article VII* hereof or any other provision of this Bond Resolution until such time as is set forth in the Federal Tax Certificate.

## ARTICLE IX

### CONTINUING DISCLOSURE

**Section 901. Exempt from Disclosure.** The Issuer has not prepared an official statement or other offering document relating to the Bonds and is relying on exemption to provide and disseminate such information contained in Section (d)(1) of the SEC Rule. In furtherance of such exemption, the Issuer certifies that: (a) the Purchaser has certified that the Bonds are being issued in denominations of \$100,000 or more; and (b) the Bonds are being sold to no more than thirty-five persons, each of whom the Purchaser reasonably believes: (1) has the knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment and (2) is not purchasing for more than one account or with a view to distributing the Bonds.

## 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. 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 Bonds, 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 shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Bond 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 Bonds or of this Bond 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 Bonds 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 Bond;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; or
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Bond Resolution.

Any provision of the Bonds or of this Bond 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 Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond 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 conform this Bond 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 Bonds or of this Bond 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 amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Bond 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 Bond or a prospective purchaser or owner of any Bond authorized by this Bond 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 Bond 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 Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The Issuer shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Bond Resolution which affects the duties or obligations of the Paying Agent under this Bond 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 Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond 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 Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Resolution, Bonds owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond 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 Bonds which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds 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 Bonds 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 Bond 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 Bonds 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, Vice Chairman, Secretary, Treasurer, and chief financial officer of the Issuer, 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 Bond 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 Bond 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 Bond Resolution.

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

**Section 1009. Effective Date.** This Bond Resolution shall take effect and be in full force from and after its adoption by the Governing Body.

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**ADOPTED** by the Governing Body of the Issuer on June 19, 2019.

(SEAL)

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Vice Chairman

ATTEST:

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Secretary

**EXHIBIT A**  
**(FORM OF BONDS)**

**REGISTERED  
NUMBER** \_\_

**REGISTERED  
\$**

**UNITED STATES OF AMERICA  
STATE OF KANSAS  
COUNTY OF SALINE  
SALINA AIRPORT AUTHORITY  
(SALINA, KANSAS)  
GENERAL OBLIGATION BOND  
SERIES 2019-A**

**Interest  
Rate:**

**Maturity  
Date:**

**Dated  
Date: July 10, 2019**

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**KNOW ALL PERSONS BY THESE PRESENTS:** That the Salina Airport Authority (Salina, Kansas), 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, 2020 (the “Interest Payment Dates”), until the Principal Amount has been paid.

**Method and Place of Payment.** The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The interest payable on this Bond on any Interest Payment Date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Bond 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 (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or, (b) in the case of an interest payment to any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Registered 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 Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public

and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

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

**Authorization of Bonds.** This Bond is one of an authorized series of Bonds of the Issuer designated “General Obligation Bonds, Series 2019-A,” aggregating the principal amount of \$675,000 (the “Bonds”) issued for the purposes set forth in the Resolution of the Issuer authorizing the issuance of the Bonds (the “Bond Resolution”). The Bonds 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. 10-101 *et seq.*, K.S.A. 10-620 *et seq.* and K.S.A. 27.315 to 27-326 *et seq.*, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

**General Obligations.** The Bonds constitute general obligations of the Issuer payable as to both principal and interest 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 Bonds as the same become due.

**Redemption Prior to Maturity.** The Bonds are subject to redemption prior to maturity, as set forth in the Bond Resolution.

**Transfer and Exchange.** This Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal office of the Bond Registrar, upon surrender of this Bond, together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner’s duly authorized agent, and thereupon a new Bond or Bonds 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 Bond 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 Bonds and the cost of a reasonable supply of bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Bond is registered on the Bond 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 Bonds are issued in fully registered form in Authorized Denominations.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond 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 Bond 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 bonds, does not exceed any constitutional or statutory limitation.

**IN WITNESS WHEREOF**, the Issuer has caused this Bond 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: \_\_\_\_\_ (facsimile)  
Chairman

ATTEST:

By: \_\_\_\_\_ (facsimile)  
Secretary

---

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Bond is one of a series of General Obligation Bonds, Series 2019-A, of the Salina Airport Authority (Salina, Kansas), described in the within-mentioned Bond Resolution.

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

Kansas State Treasurer,  
Topeka, Kansas  
as Bond Registrar and Paying Agent

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

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

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## BOND ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer to

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

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

the Bond to which this assignment is affixed in the outstanding principal amount of \$\_\_\_\_\_, standing in the name of the undersigned on the books of the Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint \_\_\_\_\_ as agent to transfer said Bond on the books of said Bond 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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**CERTIFICATE OF CLERK**

STATE OF KANSAS            )  
                                      ) SS.  
COUNTY OF SALINE        )

The undersigned, Secretary of the Salina Airport Authority (Salina, Kansas), does hereby certify that the within Bond has been duly registered in my office according to law as of July 10, 2019.

WITNESS my hand and official seal.

(Facsimile Seal)

By: \_\_\_\_\_ (facsimile)  
Secretary

---

**CERTIFICATE OF COUNTY CLERK**

STATE OF KANSAS            )  
                                      ) SS.  
COUNTY OF SALINE        )

The undersigned, County Clerk of Saline County, Kansas, does hereby certify that the within Bond has been duly registered in my office according to law as of \_\_\_\_\_, 2019.

WITNESS my hand and official seal.

(Facsimile Seal)

By: \_\_\_\_\_ (facsimile)  
County Clerk

---

**CERTIFICATE OF STATE TREASURER**

OFFICE OF THE TREASURER, STATE OF KANSAS

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

WITNESS my hand and official seal.

(Seal)

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

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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 Bonds:

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

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

(PRINTED LEGAL OPINION)



## Final Numbers

### Salina Airport Authority

Taxable General Obligation Refunding Bonds

Series 2019-B

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## Salina Airport Authority

Taxable General Obligation Refunding Bonds  
Series 2019-B

## Sources & Uses

Dated 07/10/2019 | Delivered 07/10/2019

### Sources Of Funds

Par Amount of Bonds	\$3,455,000.00
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<b>Total Sources</b>	<b>\$3,455,000.00</b>
----------------------	-----------------------

### Uses Of Funds

Costs of Issuance	37,425.00
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Deposit to Current Refunding Fund	3,415,000.00
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Rounding Amount	2,575.00
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<b>Total Uses</b>	<b>\$3,455,000.00</b>
-------------------	-----------------------

## Salina Airport Authority

### Taxable General Obligation Refunding Bonds

Series 2019-B

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/10/2019	-	-	-	-	-
03/01/2020	-	-	64,038.33	64,038.33	-
09/01/2020	690,000.00	2.800%	49,900.00	739,900.00	803,938.33
03/01/2021	-	-	40,240.00	40,240.00	-
09/01/2021	1,150,000.00	2.850%	40,240.00	1,190,240.00	1,230,480.00
03/01/2022	-	-	23,852.50	23,852.50	-
09/01/2022	745,000.00	2.900%	23,852.50	768,852.50	792,705.00
03/01/2023	-	-	13,050.00	13,050.00	-
09/01/2023	870,000.00	3.000%	13,050.00	883,050.00	896,100.00
<b>Total</b>	<b>\$3,455,000.00</b>	<b>-</b>	<b>\$268,223.33</b>	<b>\$3,723,223.33</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$9,194.46
Average Life	2.661 Years
Average Coupon	2.9172282%
Net Interest Cost (NIC)	2.9172282%
True Interest Cost (TIC)	2.9147393%
Bond Yield for Arbitrage Purposes	2.9147393%
All Inclusive Cost (AIC)	3.3461570%

### IRS Form 8038

Net Interest Cost	2.9172282%
Weighted Average Maturity	2.661 Years

## Salina Airport Authority

### Taxable General Obligation Refunding Bonds

Series 2019-B

## Savings Report

Date	Total P+I	PCF	Net New D/S	Old Net D/S	Savings	Fiscal Total
07/10/2019	-	-	(2,575.00)	-	2,575.00	-
09/01/2019	-	(9,641.36)	(9,641.36)	-	9,641.36	12,216.36
03/01/2020	64,038.33	-	64,038.33	71,542.50	7,504.17	-
09/01/2020	739,900.00	-	739,900.00	746,542.50	6,642.50	14,146.67
03/01/2021	40,240.00	-	40,240.00	56,627.50	16,387.50	-
09/01/2021	1,190,240.00	-	1,190,240.00	1,186,627.50	(3,612.50)	12,775.00
03/01/2022	23,852.50	-	23,852.50	32,667.50	8,815.00	-
09/01/2022	768,852.50	-	768,852.50	772,667.50	3,815.00	12,630.00
03/01/2023	13,050.00	-	13,050.00	18,052.50	5,002.50	-
09/01/2023	883,050.00	-	883,050.00	888,052.50	5,002.50	10,005.00
<b>Total</b>	<b>\$3,723,223.33</b>	<b>(9,641.36)</b>	<b>\$3,711,006.97</b>	<b>\$3,772,780.00</b>	<b>\$61,773.03</b>	<b>-</b>

### PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	46,613.97
Effects of Primary Purpose Earnings	9,601.92
Net PV Cashflow Savings @ 2.915%(Bond Yield)	56,215.88
Contingency or Rounding Amount	2,575.00
Net Present Value Benefit	\$58,790.88
Net PV Benefit / \$3,415,000 Refunded Principal	1.722%
Net PV Benefit / \$3,455,000 Refunding Principal	1.702%

### Refunding Bond Information

Refunding Dated Date	7/10/2019
Refunding Delivery Date	7/10/2019

## Salina Airport Authority

### Taxable General Obligation Refunding Bonds

Series 2019-B

## Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
09/01/2020	Serial Coupon	2.800%	2.800%	690,000.00	100.000%	690,000.00
09/01/2021	Serial Coupon	2.850%	2.850%	1,150,000.00	100.000%	1,150,000.00
09/01/2022	Serial Coupon	2.900%	2.900%	745,000.00	100.000%	745,000.00
09/01/2023	Serial Coupon	3.000%	3.000%	870,000.00	100.000%	870,000.00
<b>Total</b>	-	-	-	<b>\$3,455,000.00</b>	-	<b>\$3,455,000.00</b>

### Bid Information

Par Amount of Bonds	\$3,455,000.00
Gross Production	\$3,455,000.00
Bid (100.000%)	3,455,000.00
Total Purchase Price	\$3,455,000.00
Bond Year Dollars	\$9,194.46
Average Life	2.661 Years
Average Coupon	2.9172282%
Net Interest Cost (NIC)	2.9172282%
True Interest Cost (TIC)	2.9147393%

## Salina Airport Authority

Taxable General Obligation Refunding Bonds  
Series 2019-B

## Detail Costs Of Issuance

Dated 07/10/2019 | Delivered 07/10/2019

### COSTS OF ISSUANCE DETAIL

Financial Advisor	\$17,275.00
Bond Counsel (actual quote)	\$18,500.00
State Treasurer	\$1,350.00
KS Attorney General	\$300.00
<b>TOTAL</b>	<b>\$37,425.00</b>

## Salina Airport Authority

### Taxable General Obligation Bonds

Series 2009-B

(After 2017 Refunding)

## Bonds to be Refunded - 2009-B

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S	Fiscal Total
07/10/2019	-	-	-	-	-	-	-
09/01/2019	810,000.00	810,000.00	-	-	-	-	-
03/01/2020	-	-	-	-	20,250.00	20,250.00	-
09/01/2020	-	-	395,000.00	5.000%	20,250.00	415,250.00	435,500.00
03/01/2021	-	-	-	-	10,375.00	10,375.00	-
09/01/2021	-	-	415,000.00	5.000%	10,375.00	425,375.00	435,750.00
<b>Total</b>	<b>\$810,000.00</b>	<b>\$810,000.00</b>	<b>\$810,000.00</b>	<b>-</b>	<b>\$61,250.00</b>	<b>\$871,250.00</b>	<b>-</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	7/10/2019
Average Life	1.654 Years
Average Coupon	5.0000000%
Weighted Average Maturity (Par Basis)	1.654 Years
Weighted Average Maturity (Original Price Basis)	1.654 Years

### Refunding Bond Information

Refunding Dated Date	7/10/2019
Refunding Delivery Date	7/10/2019

## Salina Airport Authority

### Taxable General Obligation Bonds

Series 2011-A

(After 2017 Refunding)

## Bonds to be Refunded - 2011-A

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S	Fiscal Total
07/10/2019	-	-	-	-	-	-	-
09/01/2019	2,605,000.00	2,605,000.00	-	-	-	-	-
03/01/2020	-	-	-	-	51,292.50	51,292.50	-
09/01/2020	-	-	280,000.00	3.600%	51,292.50	331,292.50	382,585.00
03/01/2021	-	-	-	-	46,252.50	46,252.50	-
09/01/2021	-	-	715,000.00	3.800%	46,252.50	761,252.50	807,505.00
03/01/2022	-	-	-	-	32,667.50	32,667.50	-
09/01/2022	-	-	740,000.00	3.950%	32,667.50	772,667.50	805,335.00
03/01/2023	-	-	-	-	18,052.50	18,052.50	-
09/01/2023	-	-	870,000.00	4.150%	18,052.50	888,052.50	906,105.00
<b>Total</b>	<b>\$2,605,000.00</b>	<b>\$2,605,000.00</b>	<b>\$2,605,000.00</b>	<b>-</b>	<b>\$296,530.00</b>	<b>\$2,901,530.00</b>	<b>-</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	7/10/2019
Average Life	2.986 Years
Average Coupon	3.9987301%
Weighted Average Maturity (Par Basis)	2.986 Years
Weighted Average Maturity (Original Price Basis)	2.986 Years

### Refunding Bond Information

Refunding Dated Date	7/10/2019
Refunding Delivery Date	7/10/2019



## Salina Airport Authority

### Taxable General Obligation Refunding Bonds

Series 2019-B

## Current Refunding Escrow

Date	Principal	Rate	Interest	-Transfers	Receipts	Disbursements	Cash Balance
07/10/2019	-	-	-	-	-	-	-
09/01/2019	3,415,000.00	2.00000000%	9,641.36	(9,641.36)	3,415,000.00	3,415,000.00	-
<b>Total</b>	<b>\$3,415,000.00</b>	<b>-</b>	<b>\$9,641.36</b>	<b>(9,641.36)</b>	<b>\$3,415,000.00</b>	<b>\$3,415,000.00</b>	<b>-</b>

### Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	3,415,000.00
Total Cost of Investments	\$3,415,000.00
Target Cost of Investments at bond yield	\$3,401,029.16
Yield to Receipt	2.0000003%
Yield for Arbitrage Purposes	2.9147393%

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**RESOLUTION NO. 19-05**

**OF**

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

**ADOPTED**

**JUNE 19, 2019**

**TAXABLE GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2019-B**

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## RESOLUTION NO. 19-05

**A RESOLUTION AUTHORIZING AND PROVIDING FOR THE SALE, ISSUANCE AND DELIVERY OF TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019-B, OF THE SALINA AIRPORT AUTHORITY (SALINA, KANSAS); FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE ISSUER'S OUTSTANDING TAXABLE GENERAL OBLIGATION BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS 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**, the 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, including specifically K.S.A 27-315 to 27-236 *et seq.*; and

**WHEREAS**, the Issuer heretofore issued and has Outstanding the Refunded Bonds and is authorized by K.S.A. 10-427 *et seq.* to issue general obligation refunding bonds of the Issuer for the purpose of refunding the Refunded Bonds; and

**WHEREAS**, in order to achieve interest cost savings through early redemption of the Refunded Bonds, and provide an orderly plan of finance for the Issuer, it has become desirable and in the best interest of the Issuer and its inhabitants to authorize the issuance and delivery of the Bonds in order to provide funds to refund the Refunded Bonds; and

**WHEREAS**, the Governing Body hereby finds and determines that it is necessary for the Issuer to authorize the issuance and delivery of the Bonds in the principal amount of \$3,455,000 to refund the Refunded Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE 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 Bond 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 *et seq.*, K.S.A. 10-427 *et seq.* and K.S.A. 10-620 *et seq.*, all as amended and supplemented from time to time.

**"Authorized Denomination"** means \$5,000 or any integral multiples thereof.

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

**“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.

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

**“Bond Purchase Agreement”** means the Bond Purchase Agreement dated as of June 19, 2019 between the Issuer and the Purchaser.

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

**“Bond Registrar”** means the State Treasurer, and any successors and assigns.

**“Bond Resolution”** means this resolution relating to the Bonds.

**“Bonds”** means the Taxable General Obligation Refunding Bonds, Series 2019-B, authorized and issued by the Issuer pursuant to this Bond Resolution.

**“Business Day”** means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and 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 promulgated thereunder by the United States Department of the Treasury.

**“Costs of Issuance”** means all costs of issuing the Bonds, 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, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

**“Dated Date”** means July 10, 2019.

**“Debt Service Requirements”** means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds 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 Bond 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.

**“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 Bonds 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 Bonds 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 Bonds or in this Bond 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 Bonds then Outstanding.

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

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

**“Governing Body”** means the Board of Directors of the Issuer.

**“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 Bond Resolution.

**“Interest Payment Date(s)”** means the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing March 1, 2020.

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

**“Issuer”** means the Salina Airport Authority (Salina, Kansas) and any successors or assigns.

**“Maturity”** when used with respect to any Bond means the date on which the principal of such Bond 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.

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

(a) To the Issuer at:

Salina Airport Authority (Salina, Kansas)  
3237 Arnold Ave  
Salina, Kansas 67401  
Phone No. 785-827-3914  
Fax No. 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:

First Bank Kansas  
235 S. Santa Fe  
Salina, Kansas 67401  
Fax 785-825-7663



(d) To the Rating Agency(ies):

Moody's Municipal Rating Desk  
7 World Trade Center  
250 Greenwich Street  
23rd Floor  
New York, New York 10007

or such other address as is furnished in writing to the other parties referenced herein.

**“Notice Representative”** means:

- (a) With respect to the Issuer, the Secretary.
- (b) With respect to the Bond Registrar and Paying Agent, the Director of Bond Services.
- (c) With respect to any Purchaser, the manager of its Municipal Bond Department.
- (d) With respect to any Rating Agency, any Vice President thereof.

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

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

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

**“Participants”** means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

**“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; (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 Bond Purchase Agreement.

**"Purchaser"** means First Bank Kansas, Salina, Kansas, the original purchaser of the Bonds, and any successor and assigns.

**"Rating Agency"** means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

**"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"** means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of this Bond Resolution.

**"Redemption Fund"** means the Redemption Fund for Refunded Bonds created pursuant to *Section 501* hereof.

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

**"Refunded Bonds"** means collectively: (a) the Series 2009-B Bonds maturing in the years 2020 to 2021, inclusive, in the aggregate principal amount of \$810,000; and (b) the Series 2011-A Bonds maturing in the years 2020 to 2023, inclusive, in the aggregate principal amount of \$2,605,000.

**"Refunded Bonds Paying Agent"** means the respective paying agent for each series of the Refunded Bonds as designated in the respective Refunded Bonds Resolution, and any successor or successors at the time acting as paying agent for any of the Refunded Bonds.

**"Refunded Bonds Redemption Date"** means September 1, 2019.

**"Refunded Bonds Resolution"** means each resolution which authorized the Refunded Bonds.

**"Replacement Bonds"** means Bonds issued to the Beneficial Owners of the Bonds in accordance with *Article II* hereof.

**"Secretary"** means the duly appointed and/or elected Secretary or, in the Secretary's absence, the duly appointed deputy Secretary or acting Secretary of the Issuer.

**“Series 2009-B Bonds”** means the Issuer’s 2009-B Taxable General Obligation Bonds, Series 2009-B, dated June 1, 2009.

**“Series 2011-A Bonds”** means the Issuer’s 2011-A Taxable General Obligation Bonds, Series 2011-A, dated August 15, 2011.

**“Series 2009-B Principal and Interest Account”** means the Principal and Interest Account for the Series 2009-B Bonds.

**“Series 2011-A Principal and Interest Account”** means the Principal and Interest Account for the Series 2011-A Bonds.

**“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 Bond or any installment of interest thereon means the date specified in such Bond and this Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

**“Treasurer”** means the duly appointed and/or elected Treasurer of the Issuer 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 BONDS

**Section 201. Authorization of the Bonds.** There shall be issued and hereby are authorized and directed to be issued the Taxable General Obligation Refunding Bonds, Series 2019-B, of the Issuer in the principal amount of \$3,455,000, for the purpose of providing funds to: (a) refund the Refunded Bonds; and (b) pay Costs of Issuance.

**Section 202. Description of the Bonds.** The Bonds shall consist of fully registered bonds in an Authorized Denomination, and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, shall become due in the amounts, on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in *Article III* hereof, and shall bear interest at the rates per annum as follows:

#### SERIAL BONDS

<u>Stated Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
2020	\$ 690,000	2.800%
2021	1,150,000	2.850
2022	745,000	2.900
2023	870,000	3.000

The Bonds shall bear interest at the above specified rates (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 Bonds, 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 Bond Registrar.** The State Treasurer is hereby designated as the Paying Agent for the payment of principal of and interest on the Bonds and Bond Registrar with respect to the registration, transfer and exchange of Bonds. The Chairman of the Issuer is hereby authorized and empowered to execute on behalf of the Issuer an agreement with the Bond Registrar and Paying Agent for the Bonds.

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

Every Paying Agent or Bond 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 Bonds.** The principal of, or Redemption Price, and interest on the Bonds 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 Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond 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 Bond 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 Bonds, by electronic transfer to such Owner upon written notice given to the Bond 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 Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond 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 Bond and the date of the proposed payment (which date shall be at least 30 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 therefore to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond 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 Bonds 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 Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

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

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. An Owner shall only have the authority to transfer and exchange Bonds in an aggregate principal amount of \$100,000 or more unless such transfer and exchange is made through a primary offering (as defined in the SEC Rule). Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

Bonds 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 Bond 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 Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds provided for by this Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. 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 Code § 3406, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Owner hereunder or under the Bonds.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond 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 Bond 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 Bond is registered on the Bond Register as the absolute Owner of such Bond, whether such Bond 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 Bond 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 Bond 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 Bond Registrar, the Bond Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners whose authority is evidenced to the satisfaction of the Bond Registrar.

**Section 207. Execution, Registration, Authentication and Delivery of Bonds.** Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds 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 Bonds in the manner herein specified, and to cause the Bonds 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 County, 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 Bonds 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. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

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

The Bonds 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 Bond Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Bond Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Bond Registrar. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Bond Resolution. Upon authentication, the Bond Registrar shall deliver the Bonds to the Purchaser upon instructions of the Issuer or its representative.

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

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

Upon the issuance of any new Bond under this Section, the Issuer and the Paying Agent 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 Bond 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 Bond Resolution equally and ratably with all other Outstanding Bonds.

**Section 209. Cancellation and Destruction of Bonds Upon Payment.** All Bonds 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 Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

**Section 210. Nonpresentment of Bonds.** If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond 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 Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond 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 Bond, and such Bond 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 Bonds – Bond Purchase Agreement.** The Chairman is hereby authorized to enter into the Bond Purchase Agreement between the Issuer and the Purchaser in substantially the form submitted to the Governing Body concurrently with the adoption of this 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 Bond Purchase Agreement, the Issuer agrees to sell the Bonds to the Purchaser for the Purchase Price, upon the terms and conditions set forth therein.

### **ARTICLE III**

#### **REDEMPTION OF BONDS**

**Section 301. No Redemption of Bonds.** The Bonds shall not be subject to redemption and payment prior to their Stated Maturity.

### **ARTICLE IV**

#### **SECURITY FOR BONDS**

**Section 401. Security for the Bonds.** The Bonds shall be general obligations of the Issuer payable as to both principal and interest 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 Bonds as the same become due.

**Section 402. Levy and Collection of Annual Tax; Transfer to Debt Service Account.** The Governing Body shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, 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 in each of the several years, respectively, 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 transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, 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 Bonds 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 BOND PROCEEDS

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

- (a) Redemption Fund for Refunded Bonds.
- (b) Debt Service Account for Taxable General Obligation Refunding Bonds, Series 2019-B (within the Bond and Interest Fund).
- (c) Cost of Issuance Account for Taxable General Obligation Refunding Bonds, Series 2019-B.

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

**Section 502. Deposit of Bond Proceeds and Other Moneys.** The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) All accrued interest received from the sale of the Bonds shall be deposited in the Debt Service Account.
- (b) The sum of \$40,000.00 shall be deposited into the Cost of Issuance Account.
- (c) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited into the Redemption Fund.

**Section 503. Application of Moneys in the Redemption Fund.** Moneys in the Redemption Fund shall be paid and transferred to the Refunded Bonds Paying Agent, with irrevocable instructions to apply such amount to the payment of the Refunded Bonds on the Refunded Bonds Redemption Date. The Chairman is authorized and instructed to provide appropriate notice of redemption in accordance with the Refunded Bonds Resolution authorizing the issuance of such Refunded Bonds. Any moneys remaining in the Redemption Fund not needed to retire the Refunded Bonds shall be transferred to the Debt Service Account.

**Section 504. 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 Bonds as and when the same become due and the usual and customary fees and expenses of the Bond 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 Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent 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 Bond Registrar and Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds 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 Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

**Section 505. 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 city of the Issuer; or (b) if no such entity has a main or branch office located in the city of 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 depositories 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 other than the Escrow Fund may be invested in accordance with this Bond 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.

**Section 506. Redemption of Refunded Bonds.** The Outstanding Series 2009-B Bonds, becoming due on September 1, 2020 and thereafter, in the aggregate the principal amount of \$810,000, are hereby called for redemption and payment prior to maturity on the Refunded Bonds Redemption Date. Said Series 2019-B Bonds shall be redeemed in accordance with the Refunded Bonds Resolution by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to such Refunded Bonds Redemption Date. The Chairman is hereby directed to cause notice of the call for redemption and payment of said Series 2019-B Bonds to be given in the manner provided in the Refunded Bonds Resolution. The officers of the Issuer and the Refunded Bonds Paying Agent are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of said Series 2019-B Bonds as herein provided.

The Outstanding Series 2011-A Bonds, becoming due on September 1, 2020 and thereafter, in the aggregate the principal amount of \$2,605,000,000, are hereby called for redemption and payment prior to maturity on the Refunded Bonds Redemption Date. Said Series 2011-A Bonds shall be redeemed in accordance with the Refunded Bonds Resolution by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to such Refunded Bonds Redemption Date. The Chairman is hereby directed to cause notice of the call for redemption and payment of said Series 2011-A Bonds to be given in the manner provided in the Refunded Bonds Resolution. The officers of the Issuer and the Refunded Bonds Paying Agent are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of said Series 2011-A Bonds as herein provided.

**Section 507. Application of Moneys in the Costs of Issuance Account.** Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to Debt Service Account.]

## ARTICLE VI

### DEFAULT AND REMEDIES

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

**Section 602. Limitation on Rights of Owners.** The covenants and agreements of the Issuer contained herein and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Bond 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 Bonds.

**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 Bond 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 Bonds by this Bond 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 Bonds shall, subject to any determination in such action or proceeding or applicable law of the State, 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 Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Bond Resolution and the pledge of the Issuer's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Bond 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 Bonds 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 Bonds 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 Bonds, no such satisfaction shall occur until (a) the Issuer has elected to redeem such Bonds, 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 Bond Registrar to give such notice of redemption in compliance with *Article III* hereof. 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 Bonds, 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 Bonds, 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 Bond Resolution.

## ARTICLE VIII

### CONTINUING DISCLOSURE

**Section 801. Exempt from Disclosure.** The Issuer has not prepared an official statement or other offering document relating to the Bonds and is relying on exemption to provide and disseminate such information contained in Section (d)(1) of the SEC Rule. In furtherance of such exemption, the Issuer certifies that: (a) the Purchaser has certified that the Bonds are being issued in denominations of \$100,000 or more; and (b) the Bonds are being sold to no more than thirty-five persons, each of whom the Purchaser reasonably believes: (1) has the knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment and (2) is not purchasing for more than one account or with a view to distributing the Bonds.

## ARTICLE IX

### MISCELLANEOUS PROVISIONS

**Section 901. 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. 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 Bonds, 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 shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Bond Resolution, the Issuer shall promptly cure such deficiency.

**Section 902. Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of this Bond 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 Bonds 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 Bond;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; or
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Bond Resolution.

Any provision of the Bonds or of this Bond 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 Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement this Bond 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 conform this Bond 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 Bonds or of this Bond 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 amending or supplementing the provisions of this Bond Resolution and shall be deemed to be a part of this Bond Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Bond 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 Bond or a prospective purchaser or owner of any Bond authorized by this Bond 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 Bond 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 Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

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

**Section 903. 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 Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond 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 Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Resolution, Bonds owned by the Issuer shall be disregarded and deemed not to be Outstanding under this Bond 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 Bonds which the Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds 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 Bonds and that the pledgee is not the Issuer.

**Section 904. Notices.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Bond 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 905. Electronic Transactions.** The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

**Section 906. Further Authority.** The officers and officials of the Issuer, including the Chairman, Secretary, Treasurer, and chief financial officer of the Issuer, 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 Bond 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 907. Severability.** If any section or other part of this Bond 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 Bond Resolution.

**Section 908. Governing Law.** This Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 909. Effective Date.** This Bond Resolution shall take effect and be in full force from and after its adoption by the Governing Body.

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**ADOPTED** by the Governing Body of the Issuer on June 19, 2019.

(SEAL)

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Vice-Chairman

ATTEST:

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Secretary



**EXHIBIT A**  
**(FORM OF BONDS)**

**REGISTERED  
NUMBER** \_\_

**REGISTERED  
\$**

**UNITED STATES OF AMERICA  
STATE OF KANSAS  
COUNTY OF SALINE  
SALINA AIRPORT AUTHORITY  
(SALINA, KANSAS)  
TAXABLE GENERAL OBLIGATION REFUNDING BOND  
SERIES 2019-B**

**Interest  
Rate:**

**Maturity  
Date:**

**Dated  
Date: July 10, 2019**

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**KNOW ALL PERSONS BY THESE PRESENTS:** That the Salina Airport Authority (Salina, Kansas), 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, 2020 (the “Interest Payment Dates”), until the Principal Amount has been paid.

**Method and Place of Payment.** The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The interest payable on this Bond on any Interest Payment Date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Bond 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 (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or, (b) in the case of an interest payment to any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Registered 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 Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public

and private debts. Interest not punctually paid will be paid in the manner established in the within defined Bond Resolution.

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

**Authorization of Bonds.** This Bond is one of an authorized series of Bonds of the Issuer designated “Taxable General Obligation Refunding Bonds, Series 2019-B,” aggregating the principal amount of \$3,455,000 (the “Bonds”) issued for the purposes set forth in the Resolution of the Issuer authorizing the issuance of the Bonds (the “Bond Resolution”). The Bonds 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. 10-101 *et seq.*, K.S.A. 10-427 *et seq.* and 10-620 *et seq.*, all as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

**General Obligations.** The Bonds constitute general obligations of the Issuer payable as to both principal and interest 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 Bonds as the same become due.

**Redemption Prior to Maturity.** The Bonds are not subject to redemption prior to maturity, as set forth in the Bond Resolution.

**Transfer and Exchange.** This Bond may be transferred or exchanged, as provided in the Bond Resolution, only on the Bond Register kept for that purpose at the principal office of the Bond Registrar, upon surrender of this Bond, together with a written instrument of transfer or authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or the Registered Owner’s duly authorized agent, and thereupon a new Bond or Bonds 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 Bond 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 Bonds and the cost of a reasonable supply of bond blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Bond is registered on the Bond 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 Bonds are issued in fully registered form in Authorized Denominations.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Bond Resolution until the Certificate of Authentication and Registration hereon shall have been lawfully executed by the Bond 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 Bond 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 bonds, does not exceed any constitutional or statutory limitation.

**IN WITNESS WHEREOF**, the Issuer has caused this Bond 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: \_\_\_\_\_ (facsimile)  
Vice-Chairman

ATTEST:

By: \_\_\_\_\_ (facsimile)  
Secretary

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**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Bond is one of a series of Taxable General Obligation Refunding Bonds, Series 2019-B, of the Salina Airport Authority (Salina, Kansas), described in the within-mentioned Bond Resolution.

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

Kansas State Treasurer,  
Topeka, Kansas  
as Bond Registrar and Paying Agent

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

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

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## BOND ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer to

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

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

the Bond to which this assignment is affixed in the outstanding principal amount of \$\_\_\_\_\_, standing in the name of the undersigned on the books of the Bond Registrar. The undersigned do(es) hereby irrevocably constitute and appoint \_\_\_\_\_ as agent to transfer said Bond on the books of said Bond 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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**CERTIFICATE OF CLERK**

STATE OF KANSAS            )  
                                      ) SS.  
COUNTY OF SALINE        )

The undersigned, Secretary of the Salina Airport Authority (Salina, Kansas), does hereby certify that the within Bond has been duly registered in my office according to law as of July 10, 2019.

WITNESS my hand and official seal.

(Facsimile Seal)

By: \_\_\_\_\_ (facsimile)  
Secretary

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**CERTIFICATE OF COUNTY CLERK**

STATE OF KANSAS            )  
                                      ) SS.  
COUNTY OF SALINE        )

The undersigned, County Clerk of Saline County, Kansas, does hereby certify that the within Bond has been duly registered in my office according to law as of \_\_\_\_\_, 2019.

WITNESS my hand and official seal.

(Facsimile Seal)

By: \_\_\_\_\_ (facsimile)  
County Clerk

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**CERTIFICATE OF STATE TREASURER**

OFFICE OF THE TREASURER, STATE OF KANSAS

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

WITNESS my hand and official seal.

(Seal)

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

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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 Bonds:

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

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

(PRINTED LEGAL OPINION)

## LEASE AGREEMENT

This Lease Agreement (the “Lease”) is made and entered into this \_\_\_\_ day of June, 2019 by and between the **SALINA AIRPORT AUTHORITY, a Kansas public corporation**, of Salina, Saline County, Kansas, (the “Authority”), and **H504 TENANT**, (“Lessee”)

### 1. Property Description.

1.1. Legal Description of Leased Tract. The Authority, in consideration of the rents, covenants, agreements, and conditions hereinafter agreed to be paid and performed by the Lessee, leases unto the Lessee the following described real estate:

Hangar No. 504 (containing approximately 5,617 sq. ft., more or less) located at the Salina Regional Airport, Salina, Saline County, Kansas, (commonly known as 2013 Kneubuhl Court) Lot 6, Block 5, Schilling Subdivision No. 5 to the City of Salina, Saline County, Kansas,

together with any improvements constructed or to be constructed thereon and the appurtenances thereunto belonging, as depicted on the attached Exhibit A (the “Premises”).

### 2. Term, Effective Date and Holdover.

2.1. Term and Effective Date of Lease. This Lease shall be for a term of approximately five (5) years commencing effective July 15, 2019 (“Effective Date”) and terminating on July 31, 2029 (“Primary Term”), subject to the option for renewal and extension hereinafter set forth.

2.2. Holdover. If the Lessee remains in possession of all or any part of the Premises after the expiration of this Lease, without the express or implied consent of the Authority, such occupancy shall be considered to be a “Holdover Tenancy” from month-to-month only, and not a renewal or extension of this Lease for any further term. In such case, the Basic Rent for such Holdover Tenancy shall be payable in the amount of 150% of the amount specified in Section 3.1 herein. Such Holdover Tenancy shall be subject to every other provision, covenant and agreement contained herein, including any applicable rental adjustments as per Section 3.1.1 herein. The foregoing provisions of this Subsection are in addition to and do not affect the right of re-entry or any right of the Authority hereunder or as otherwise provided by law and in no way shall such provisions affect any

right which the Authority may have otherwise to recover damages, to the extent permissible by applicable law, from Lessee for loss or liability incurred by the Authority resulting from the failure by Lessee to surrender the Premises, or for any other reason. Nothing contained in this Subsection shall be construed as consent by Authority to any holding over by Lessee and the Authority expressly reserves the right to require Lessee to surrender possession of the Premises to Authority as provided in this Lease, and to the extent permissible by applicable law, upon the expiration of this Lease.

3. Option to Renew. The Lessee is hereby given the option to renew this Lease for three (3) additional terms of five (5) years at the expiration of the Primary Term. In the event the Lessee elects to exercise its option hereunder, it must notify the Authority in writing six (6) months prior to the expiration of the then current term and the Basic Rent for option periods shall be as specified below in Section 4 herein.

4. Rent.

- 4.1. Basic Rent. Lessee agrees to pay the Authority a Basic Rent for the leasing of the Premises according to the following schedule the first of which shall be due on September 1, 2019. For each subsequent month, the rental shall be payable monthly in advance and shall be due on the first day of each month for that month.

- 4.1.1. Primary Term

- 4.1.1.1. Lease Years 1-2 \$1,930 per month
    - 4.1.1.2. Lease Years 3-4 \$2,000 per month
    - 4.1.1.3. Lease Year 5 \$2,080 per month

- 4.1.2. Option Period One

- 4.1.2.1. Lease Year 6 \$2,080 per month
    - 4.1.2.2. Lease Year 7-8 \$2,160 per month
    - 4.1.2.3. Lease Year 9-10 \$2,250 per month

- 4.1.3. Option Period Two

- 4.1.3.1. Rental rate as mutually agreed upon by the parties no later than three (3) months prior to the expiration of the then current term.

- 4.1.4. Option Period Three

- 4.1.4.1. Rental rate as mutually agreed upon by the parties no later than three (3) months prior to the expiration of the then current term.

- 4.2. Additional Rental. In addition to the Basic Rent, Lessee covenants and agrees that it will be responsible for Additional Rent, which shall include the following components:



- 4.2.1. Taxes. Lessee agrees to pay all real estate taxes, which may be levied against the Premises prorated to the Effective Date. Upon the Authority's receipt of a statement for taxes or assessments, the Authority will invoice the Lessee. When applicable, the Lessee may determine whether to exercise the option to pay only the first half or the entire obligation. Lessee agrees to make payment to the Authority of the full amount due under the chosen option, no later than December 15 for taxes or assessments due December 20 and no later than May 5 for taxes or assessments due May 10.
- 4.2.2. Late Charge. If the rental amount due hereunder is not received by the Authority within five (5) days of due date, a late charge of six percent (**6%**) of the total amount due and currently owing, or Seventy-Five Dollars (**\$75.00**), whichever is greater, will be assessed against the Lessee. Failure to pay the rent and the late charge within twenty (20) days shall be grounds for termination of this Lease, solely at the discretion of the Authority, and not as a termination right for Lessee, in addition to recovery of the unpaid rent and the late charge.
- 4.2.3. Security Deposit. Upon Lessee's execution and delivery of this Lease, Lessee agrees to pay a Security Deposit in the amount equal to the Basic Rent (\$1,930). The Security Deposit shall be held by the Authority without liability for interest, as security for the performance by Lessee of Lessee's covenants and obligations under this Lease; it being expressly understood that the Security Deposit shall not be considered an advance payment of rent or a measure of the Authority's damages in case of default by Lessee. The Authority may commingle the Security Deposit with the Authority's other funds. The Authority may, from time to time, without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of Lessee hereunder. Following any such application of the Security Deposit, Lessee shall pay to the Authority on demand the amount so applied in order to restore the Security Deposit to its original amount. If Lessee is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any such application shall be returned by the Authority to Lessee.
- 4.2.4. Keys. All keys issued to Lessee by the Authority must be returned to the Authority by 12:00 P.M., Noon, on the date this Lease expires or is terminated. If all keys are not returned or if Lessee loses a key during the term of the Lease or any extension thereof, a fee will be charged for each key lost and for each building interior and exterior lock change. The charge per key and lock change will be according to the current rates and charges schedule as adopted annually in the Authority's fiscal year budget.

4.3. Rental Renegotiations. Lessee acknowledges that as required by AAIA Section 511. (a)(9), the Authority must maintain a fee and rental structure for its facilities and services, which will make the Airport as self-sustaining as possible under the circumstances. In the event that an FAA and/or DOT audit should determine that the rentals provided for herein are inadequate, the parties agree to renegotiate the rentals.

5. Insurance.

5.1. Lessee's Liability Insurance. Lessee shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of Kansas such insurance as will protect Lessee from claims set forth below which may arise out of or result from Lessee's operations and for which Lessee may be legally liable, whether such operations be by Lessee or by its independent contractors or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

5.1.1. Claims under workers' compensation, disability benefit and other similar employee benefit acts, which are applicable to Lessee's operations;

5.1.2. Claims for damages because of bodily injury, occupational sickness or disease, or death of Lessee's employees;

5.1.3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Lessee's employees;

5.1.4. Claims for damages insured by usual personal injury liability coverage;

5.1.5. Claims for damages, other than the leased property, because of injury to or destruction of tangible property, including loss of use resulting there from;

5.1.6. Claims for damages because of bodily injury including death of a person, or property damage arising out of the ownership, maintenance or use of a motor vehicle;

5.1.7. Claims for bodily injury or property damage arising out of products liability and/or completed operations; and

5.1.8. Claims involving contractual liability insurance applicable to Lessee's obligations under Section 17.1 of this Lease.

5.2. The insurance required by Section 5.1 and Section 5.2 shall be written for not less than the limits of liability specified below or as required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from date of

commencement of this Lease. All insurance policies must be issued by an insurance carrier which has a Best's general policyholder's rating (as published in the most recent issue of Best's Key Rating Guide, Property-Casualty) of not less than A- and a financial size category of V or greater (which equates to an adjusted policyholders' surplus of \$4-\$25 million). Coverage from Lloyd's of London and Industrial Risk Insurance (IRI) is also acceptable only if there is 100% reinsurance with an acceptably rated company. The reinsurance agreement must have a total value (100 percent) assumption of liability endorsement. In addition, reinsurance agreements must have at least 90-days prior notice of cancellation provisions.

5.2.1. Commercial General Liability, which is no more restrictive than ISO Form CG0001 1/96 or any revision thereof with minimum limits of liability of:

\$ 2,000,000	General Aggregate
\$ 2,000,000	Products-Completed Operations Aggregate
\$ 1,000,000	Personal & Advertising Injury
\$ 1,000,000	Each Occurrence
\$ 100,000	Fire Damage (Any one fire)
\$ 5,000	Medical Expense (Any one person)

The policy shall be endorsed to provide the required limits on a "per location" basis.

5.2.2. Comprehensive Auto Liability for owned, non-owned and hired vehicles with combined single limits of liability of \$1,000,000 per occurrence.

5.2.3. Workers' Compensation with statutory limits.

5.2.4. Employer's Liability coverage with limits of at least:

\$ 500,000	Each Accident
\$ 500,000	Disease-Policy Limit
\$ 500,000	Disease-Each Employee

5.2.5. Commercial Umbrella / Excess Liability providing excess coverage with limits no less than \$5,000,000 each occurrence / \$5,000,000 annual aggregate.

- 5.2.6. Aircraft Liability - \$1,000,000 per occurrence including passengers and coverage for owned aircraft with combined single limits of liability of not less than \$100,000 per passenger and \$1,000,000 per occurrence.
- 5.2.7. such other coverage as is appropriate to the operations of Lessee's business, e.g., hangarkeeper's legal liability, pollution liability, etc.
- 5.3. Certificates of Insurance acceptable to the Authority shall be filed with the Authority prior to commencement of this Lease. These certificates and the insurance policies required by this Section 5 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Authority. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by Lessee with reasonable promptness in accordance with Lessee's information and belief.
- 5.4. Lessee agrees that its insurance policies will be amended to be primary without right of contribution from the Authority or its insurance policies, that Lessee's insurance policies will be amended to state that its insurer agrees to waive its right of subrogation against the Authority and that the above insurances will not be invalidated for the Authority by any action, inaction or negligence of the insured. All amounts of claims, losses or damages resulting from deductible clauses or self-insured retentions shall be for the account of the Lessee.
- 5.5. Lessee agrees that all liability policies, except workers' compensation, will be amended to name the Authority, its subsidiaries, parent, affiliates, executive officers, directors and employees as additional insureds.
- 5.6. All independent contractors hired by Lessee will be held to the same insurance requirements as the Lessee. The Authority will be named as an additional insured on independent contractors' policies, and Lessee will provide the Authority, upon request, with copies of such independent contractors' Certificates of Insurance.
- 5.7. The requirement of Lessee to purchase and maintain insurance shall not, in any manner, limit or qualify the liabilities and obligations otherwise assumed by Lessee under this Lease.
- 5.8. Claims Made Insurance
- 5.8.1. Lessee shall, to the extent reasonably possible, obtain the liability insurance required hereunder on an occurrence basis. If any insurance required herein is to be issued or renewed on a claims made basis, the retroactive date of such insurance shall be no later than the commencement date of this Lease and shall provide that in the event of cancellation or non-

renewal of the insurance, the discovery period for insurance claims (tail coverage) shall be for a period of not less than two years.

#### 5.9. Authority's Liability Insurance

- 5.9.1. The Authority shall be responsible for purchasing and maintaining the Authority's usual liability insurance.

#### 5.10. Property Insurance

- 5.10.1. Lessee shall purchase and maintain, with a company or companies lawfully authorized to do business in the State of Kansas, commercial property insurance written on a "special causes of loss" policy form. The policy must include an agreed value clause endorsement and a clause that provides for all claims to be made on a replacement cost basis (not on an actual cash value basis) and without deduction being made for depreciation. The policy must be an amount equal to the greater of:
- 5.10.1.1. 100% of the full replacement cost of the Improvements (without any deduction being made for depreciation) as determined by the Authority on an annual basis, using Boeckh, Marshall/Swift or another comparable commercial building cost estimating guide; or
  - 5.10.1.2. the amount specified in the agreed value clause (i.e. the amount specified by the insurer to suspend any co-insurance clause);
  - 5.10.1.3. \$405,000
- 5.10.2. All loss payments made under the property insurance for loss to the building shall be payable to the Authority.
- 5.10.3. The property insurance policy must include a deductible of not more than \$4,000 per occurrence, and notwithstanding the provisions of section 11 of this lease, Lessee shall pay costs not covered because of such deductibles.
- 5.10.4. The policy must include inflation guard coverage or equivalent coverage that ensures that the policy limit will be increased over time to reflect the effect of inflation.
- 5.10.5. The policy must include comprehensive equipment breakdown coverage for the full replacement cost value as determined in Section 5.10.1. Should

the premises contain a boiler based heating system, Lessee is required to have a qualified inspector complete a jurisdictional boiler inspection on an annual basis and provide the Authority with a copy of the resulting certificate.

5.10.6. Loss of Use Insurance (rent loss/business income/extra expense).

5.10.6.1. The Authority, at the Authority's option, may purchase and maintain such insurance as will insure the Authority's property due to fire or other hazards, however caused, and the cost thereof shall be paid by the Authority. The Authority waives all rights of action against Lessee for loss of use of the Authority's property, including consequential losses due to fire, theft or other hazards however caused.

5.10.6.2. Lessee, at Lessee's option, may purchase and maintain such insurance as will insure Lessee against loss of use of the Leased Premises due to fire or other hazards, however caused, and the cost thereof shall be paid by Lessee. Lessee waives all rights of action against the Authority for loss of use of the leased Premises, including consequential losses due to fire, theft or other hazards however caused.

5.10.7. Prior to the commencement of this lease agreement, Lessee shall file with the Authority copy of the property insurance policy that includes insurance coverages required by this Section 5.10. Said policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this lease agreement. The policy shall contain a provision that the policy will not be cancelled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Authority.

5.10.8. Waivers of Subrogation. The Authority and Lessee waive all rights against each other, for damages caused by fire or other causes of loss to the extent covered by property insurance required pursuant to this Section 5.10 or other property insurance applicable to the leased Premises, except such rights as they have to the proceeds of such insurance held by Lessee as fiduciary. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though (1) that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) did not pay the insurance premium directly or indirectly, (3) and whether or not the person or entity had an insurable interest in the property damaged.

5.10.9. Any loss to the Leasehold covered by the property policy required in this Section 5.10 shall be adjusted by Lessee as fiduciary and made payable to the Authority.

- 5.10.10. Payment of Premiums. In the event of a failure by Lessee to secure such insurance or to pay the premiums thereon, the Authority shall have the right and privilege to secure such insurance or pay the premiums thereon, which amount shall be deemed so much additional rental and shall be due and payable with the next installment of rent thereafter.
6. Use of Premises. Lessee agrees to use the Premises for the sole purpose of operating an air and ground medical transport company and other activities normally associated therewith. All activities will comply with SLN Airport Rules and Regulations and all other applicable law or regulations.
- 6.1. Lessee agrees that the Premises shall not be used or occupied for any purpose that constitutes a nuisance or may be objectionable to adjacent property; that it will not allow the escape from the Premises of any fumes, odors, smoke, obnoxious gas, gases or other substances which are offensive or which constitute a nuisance or interfere with the conduct of other business in the area. Lessee will provide adequate devices to control excessive noise, vibrations or electromagnetic emissions.
7. Environmental Concerns. The parties acknowledge that no tests have been conducted on the Premises to ascertain whether the soil may be contaminated by any hydrocarbons or other hazardous substances. If either party desires an environmental review of the Premises then the Authority and the Lessee agree that they will jointly contract for an environmental review of the Premises to ascertain whether the soil may be contaminated by any hydrocarbon or other hazardous substances. The tests shall be conducted by a reliable and competent engineering firm mutually acceptable to both parties. The cost of the environmental soil survey shall be shared equally by the parties. A copy of the report shall be attached to the Lease and made a part of thereof by reference. Either of the parties hereto may request an environmental review of the Premises at the termination of the Lease and the cost thereof shall be shared by the parties.
- 7.1. Authority's Responsibility. The Authority shall be responsible for the cleanup and removal of any hazardous substances or materials which are determined to have been present on the Premises prior to July 15, 2019. Authority agrees to hold Lessee harmless from and against all claims, expenses, loss or liability arising from the presence of any such contamination which occurred prior to July 15, 2019, and which is identified by the environmental review contemplated by this section.
- 7.2. Lessee's Responsibility. The Lessee shall be responsible for the cleanup and removal of any hazardous substances or materials located on the Premises as identified by an environmental review, which are determined to have occurred after July 15, 2019. Lessee shall indemnify and hold the Authority harmless from and against all claims, expenses, loss, or liability arising from any such

contamination, which occurred on the Premises and after July 15, 2019, while the Lessee was occupying the Premises.

7.3. Lessee also agrees to comply with all storm water and waste collection requirements of any federal, state or local governmental laws, rules and regulations.

8. Improvements to Premises:

8.1. As soon as practically possible, the Authority will make the following improvements to the Premises.

8.1.1. Installation of fire suppression and fire alarm monitoring systems throughout entire Hangar.

8.1.2. Construction of improvements to facility to include areas for crew rest, laundry, kitchenette, restrooms and showers.

8.2. Lessee may, with the written consent of the Authority, which consent shall not be unreasonably withheld, build and construct improvements on the Premises; provided, however, that prior to commencement of any such work the Lessee shall submit construction and site plans thereof to the Authority for its approval and secure the necessary building permits from the City of Salina. Any repairs, improvements or new construction shall conform to the following:

8.3. Any improvements on the Premises shall be restricted to commercial, industrial or warehouse use.

8.4. All construction shall conform to the applicable Building Code.

9. Ownership of Fixtures. It is understood and agreed by and between the parties hereto that any fixtures attached to the Premises or placed on or about Premises by Lessee shall be considered personal property and shall remain the property of the Lessee, who shall have the right to remove the same from the Premises upon the expiration of this Lease so long as such removal does not impair the structural feature of the improvements presently on the Premises. Provided, however, in the event of termination of this Lease due to a breach of covenant by the Lessee, then all fixtures and improvements shall become the property of the Authority and may not be removed from the Premises.

10. Removal of Fixtures. On or before the date of expiration or termination of this Lease, or any extension thereof, the Lessee shall vacate the Premises, remove its personal property and movable fixtures therefrom and restore the Premises to as good an order and condition as that existing upon the commencement of the term of this Lease, damages beyond the control of the Lessee and due to normal wear and tear excepted. If, however, the Lessee fails to remove the personal property and movable fixtures and/or to restore the Premises to substantially the same condition as existed at commencement of the Lease, then the Authority may remove the personal property



and movable fixtures and restore the Premises and may retain the fixtures until such time as Lessee reimburses the Authority for all its expenses connected therewith.

11. Default.

11.1. Lessee shall be in default of this Lease if it:

- 11.1.1. Fails to pay the Basic Rent or Additional Rental when due or to comply with any substantial term, condition or covenant of this Lease within ten (10) days after written notice;
- 11.1.2. Abandons or surrenders the Premises or the leasehold estate;
- 11.1.3. Attempts to assign or sublease the Premises other than in accordance with the terms of the Lease;
- 11.1.4. Is adjudicated bankrupt or insolvent, makes a general assignment for the benefit of creditors takes the benefit of any insolvency act, or is unable to meet its obligations as they become due; or
- 11.1.5. Violates any of the other terms and conditions of this Lease.

11.2. In the event of default by Lessee, the Authority shall have the following cumulative remedies:

- 11.2.1. Terminate the Lease;
- 11.2.2. Reenter and repossess the Premises;
- 11.2.3. Relet the Premises or any part thereof;
- 11.2.4. Accelerate and collect rentals remaining to be paid under the Lease;
- 11.2.5. Seize and hold Lessee's onsite property for the satisfaction of the deficiency;
- 11.2.6. Bring a suit for damages against Lessee; or
- 11.2.7. Pursue any other remedy available to the Authority under Kansas law.

12. Waiver. Waiver by the Authority of any breach of this Lease shall not be construed as a continuing waiver of a subsequent breach nor imply further indulgence.

- 12.1. In the event legal action must be taken because of the breach of any agreement or obligation contained in this Lease on the part of the Lessee or Authority to be kept or performed, and a breach shall be established, the prevailing party shall be entitled to recover all expenses incurred thereof, including reasonably attorney fees.

13. Repairs to Improvements on Premises. During the term of the Lease, Authority will keep roof and exterior of the Premises in a good state of repair. Lessee covenants that during the term of this Lease it will properly care for the demised Premises and appurtenances and suffer no waste or injury, make all interior repairs in and about the demised Premises and fixtures and appurtenances, necessary to preserve the same in good order and condition, which repairs shall be in a class equal to the original work.

13.1. Lessee shall be responsible for all routine maintenance and repairs necessary to keep the heating and/or cooling system, in a good state of repair and in good working condition. In addition, the Lessee shall be responsible for the first \$500.00 per year in the costs and expenses of repairing any portion of the HVAC system. The Authority shall be responsible for the replacement of any fixtures, appliances or other portions of the heating, air conditioning which are not repairable and which must be replaced to keep the systems in good working condition. In addition, Lessee will pay for a semi-annual maintenance contract on the HVAC system with a reputable HVAC contractor approved by the Authority during the entire term of this Lease. Should the Lessee fail to maintain the semi-annual maintenance contract at all times during the term of this Lease then the Lessee shall automatically be fully liable for ALL maintenance, major repair including up to replacement of the HVAC system at the sole discretion of the Authority.

13.2. Lessee shall be responsible for all routine maintenance and repairs necessary to keep the plumbing, electrical systems and doors in a good state of repair and in good working condition. Maintenance to be performed by the Lessee includes but is not limited to janitorial services, insect and pest control, supply and replacement of lighting fixtures including light bulb and ballast replacement in the offices, cleaning of stoppages in plumbing fixtures, drain line and septic systems, replacement of floor covering, building interior painting, repairing and replacing building and overhead door motors, chains and belts as originally approved and installed. The Authority shall be responsible for the replacement of any fixtures, appliances or other portions of the plumbing and/or electrical systems which are not repairable, and which must be replaced to keep the systems in good working condition. The Authority will be responsible for all maintenance on hangar bay and exterior lighting. The Authority shall provide and install the initial supply of hand fire extinguishers as required by applicable building code for the interior of the Premises and the Lessee shall maintain and replace the extinguishers as necessary to comply with applicable building code including annual inspections. Lessee is responsible for maintaining electric loads within the design capacity of the system. The Authority shall be responsible for maintaining the aircraft parking apron, airfield perimeter fencing, and the parking lot including pavement, striping and signage.

13.3. In the event Lessee fails to keep said Premises in good order and repair then the Authority may perform all repairs which may be necessary in about the demised Premises and the cost of such repairs shall be and constitute additional rental.

14. Utilities and HVAC System. The Lessee shall, at its own expense, obtain and pay for all electricity, water, gas, sewer use fees, or other utilities used by Lessee during the term of this Lease, including the cost of maintenance and operation of the HVAC system for the Premises.

15. Liens. The Lessee shall pay, satisfy and discharge all liens and obligations of any nature and kind whatsoever created by or the obligations of the Lessee which shall attach to or be imposed upon the Premises and shall indemnify, save and hold harmless the Authority from such payment and from all resulting damages and expenses.
16. Assignment of Lease. The Lessee shall not assign this Lease or any interest therein and shall not sublet the Premises or any part thereof, or allow any person to occupy or use the Premises or any portion thereof, without the prior written consent of the Authority. A consent to one assignment or subletting for use by any other person shall not be deemed to be a consent to any subsequent assignment.
17. Indemnification and Hold Harmless.
- 17.1. To the fullest extent permitted by law, the Lessee shall indemnify and hold harmless the Authority, its affiliates and its officers, directors, employees, agents, representatives, guests and invitees ("Authority Indemnitees") from and against all claims, damages, losses, liabilities, fines, penalties, costs, and expenses (including attorney's fees, consultant costs, environmental investigation, remedial or removal costs and natural resource damages) arising out of, relating to or resulting from (i) Lessee's occupancy and or use of the Premises; (ii) any breach of this Lease by the Lessee; (iii) any leak, spill or other release or disposal of or exposure to (A) any goods while being transported or delivered by Lessee or (B) any other materials, substances or chemicals that Lessee or any of its independent contractors bring onto the Premises; and/or (iv) the acts, omissions, negligence or willful misconduct of any persons used or employed directly or indirectly by the Lessee or any independent contractor. The indemnification obligations under this Subparagraph shall not be limited in any way by the limits of any insurance coverage or limitations on the amount or type of damages, compensation or benefits payable by, for or to the Lessee, any independent contractor, or any other person under any insurance policy, worker's compensation acts, disability acts or other employee benefit acts.
- 17.2. In claims against any person or entity indemnified under this Section 17 by an employee of Lessee, an independent contractor of the Lessee's, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 17.1 shall not be limited by limitation or amount or type of damages, compensation or benefits payable by or for Lessee, or an independent contractor under workers' compensation acts, disability benefit acts or other employee benefit acts.
18. Inspection of Premises. The Lessee agrees that the Authority, the Federal Aviation Administration, or its agents may, at all reasonable times, have free access to the Premises for the purpose of examining or inspecting the condition of the Premises and any improvements thereon, or exercising any right or power reserved to the

Authority or Federal Aviation Administration under the terms and provisions of this agreement.

19. Notices. All notices to be given pursuant to this Lease shall be addressed to the parties as follows:

<b>Authority</b>	Salina Airport Authority Salina Airport Terminal Building 3237 Arnold Salina, KS 67401
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<b>Lessee</b>	H504 TENANT
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20. Damage by Casualty.

20.1. If the Premises are destroyed or damaged by fire or other casualty, the Lessee may, at its sole option terminate this Lease. If this Lease is so cancelled, rent shall be paid only to the date of cancellation and the Lessee shall surrender the Premises to the Authority after being allowed a reasonable time to locate a substitute site, remove its personal property and otherwise conclude its affairs at the Premises

20.2. If the Lessee does not elect to terminate this Lease in case of destruction or damage by casualty, this Lease shall continue in full force and effect and the Authority shall restore the Premises to at least its previous condition, and to Lessee's satisfaction, within a reasonable time. For that purpose, the Authority and its agents and contractors may enter the Premises. Rent shall totally abate during the period of such restoration. The Authority's obligation to restore the Premises shall be absolute, and shall not be limited by the amount of available insurance proceeds.

21. General Clauses.

21.1. The Lessee shall comply with all applicable laws, ordinances and regulations of the state, county and municipality in which the Premises are located with regard to construction, sanitation, licenses or permits to do business and all other matters.

21.2. The Lessee shall pay to the proper governmental agencies and as they become due and payable, all taxes, assessments, and similar charges, which at any time

during the term of this Lease may be taxed, except those which the Authority has in this Lease agreed to pay.

- 21.3. Any property of the Authority damaged or destroyed by the Lessee, incident to the Lessee's use and occupation of the Premises, shall be promptly repaired or replaced by the Lessee to the satisfaction of the Authority or in lieu of repair or replacement, the Lessee shall, if so required by the Authority, pay to the Authority money in the amount sufficient to compensate for the loss sustained by the Authority by reason of damage or destruction of the property.
- 21.4. The Lessee acknowledges that it has inspected and knows the condition of the Premises and it is understood that the Premises is leased without any representation or warranty by the Authority whatsoever and without obligation on the part of the Authority to make any alterations, repairs, or additions to the Premises.
- 21.5. The Lessee shall not use, or permit to be used, any portion of the Premises under its control for signs, billboards, or displays, other than those connected with its own operations on the Premises. Advertising signs must be located on the buildings on the Premises and shall not contain more than 120 square feet in the area. Flashing or illuminated signs in which the light is not maintained constant and stationary in intensity and color are prohibited.
- 21.6. All loading docks for buildings or warehouses located on the Premises shall be maintained only on the side or rear of the building or warehouse.
- 21.7. The Lessee shall not be the agent of the Authority in making repairs or other improvements to the Premises and no materialman's liens or claims thereunder shall be valid against the Authority or against the interest of the Authority in the Premises.
- 21.8. All materials, supplies, or equipment stored outside of the buildings located on the Premises shall be stored in an orderly manner so as not to create a nuisance or fire hazard and shall be in compliance with all applicable governmental regulations.
- 21.9. The Lessee must at all times keep the Premises and buildings in a safe, clean, wholesome condition and comply in all respects with all government, health, and police requirements. The Lessee will remove at its own expense any rubbish which may accumulate on the property.
- 21.10. The Authority shall be responsible for snow removal on the Premises vehicle parking lot and adjacent aircraft parking apron. Lessee will be responsible for hand work required by snow removal including sidewalks and entryways. The Lessee will keep grass and landscaping reasonably mowed and trimmed.

- 21.11. The Authority reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the Airport and all publicly-owned air navigational facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.
- 21.12. The Authority reserves the right to further develop or improve the landing area and all publicly-owned air navigation facilities of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance.
- 21.13. The Authority reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Airport which in the opinion of the Authority would limit the usefulness of the Airport or constitute a hazard to aircraft.
- 21.14. During time of war or national emergency the Authority shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities, and/or other area or facilities of the Airport. If any such agreement is executed, the provisions of this Lease, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
- 21.15. It is understood and agreed that the rights granted by this Lease will not be exercised in such a way to interfere with or adversely affect the use, operation, maintenance, or development of the Airport.
- 21.16. There is hereby reserved to the Authority, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Premises together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using the airspace or landing at, taking off from, or operating on or about the Airport.
- 21.17. This Lease shall be subordinate to provisions of any existing or future agreement between the Authority and the United States of America or any agency thereof relative to the operation, development or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.
- 21.18. If Lessee defaults in its payment of rent or fails to substantially comply with any of the other items of this Lease then, if requested by the Authority, the Lessee agrees to provide the Authority with a financial statement covering Lessee's latest fiscal or calendar year, which financial statement shall be in such form as accurately discloses the assets, liabilities, and net worth of the Lessee. If, in the opinion of the Authority, the financial statement provided is incomplete

or fails to accurately indicate the financial condition of the Lessee, the Lessee agrees to provide the Authority such further financial information as the Authority may in writing request.

## 22. Nondiscrimination Assurances.

22.1. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenant's and agrees as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Premises, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities or benefits and services in compliance with all other requirements imposed pursuant to 49 CFR, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as the regulations may be amended.

22.2. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenants and agrees as a covenant running with the land that (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the facilities; (ii) that in construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (iii) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, and as the regulations may be amended.

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

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

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

23. Binding Effect. This Lease shall be binding upon the heirs, beneficiaries, personal representatives, successors, and assigns of the Authority and the Lessee.

The Authority and the Lessee have each caused this Lease to be executed by its duly authorized officers on the date shown.

**SALINA AIRPORT AUTHORITY**

Date \_\_\_\_\_

By: \_\_\_\_\_  
Chairman of Board of Directors

**ATTEST**

Date \_\_\_\_\_

By: \_\_\_\_\_  
Secretary of the Board of Directors

**H504 TENANT**

Date \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_[Name]  
\_\_\_\_\_[Title]

**ATTEST**

Date \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_[Name]  
\_\_\_\_\_[Title]



**SALINA REGIONAL AIRPORT, SALINA KANSAS  
FACILITIES OPINION OF PROBABLE CONSTRUCTION COST**

**5/22/2019**

**Building Upgrades For H504 Tenant**

Item No.	Item Description	Unit	Quantity	Unit Cost	Total Cost
	MISCELLANEOUS				
1	Restrooms (Unisex Public) including all connections.	Each	2	\$ 20,000.00	\$ 40,000.00
	PLUMBING				
2	Water Service to the Hangar Sized for Suppression System	L.S.	1	\$ 40,000.00	\$ 40,000.00
	FIRE SUPPRESSION SYSTEM				
3	Hangar 504 Fire Sprinkler System	S.F.	5617	\$ 10.00	\$ 56,170.00
4	Hangar 504 Fire Alarm Monitoring System	S.F.	5617	\$ 6.00	\$ 33,702.00
Construction Costs					\$169,872.00
Engineering Costs					\$16,988.00
Administrative Costs					\$3,000.00
Construction Management Costs					\$5,567.00
Total Costs					\$195,427.00

Project Description

The proposed tenant would be using the facility to house an airlift craft for transporting patients to hospital locations. This would require sleeping quarters in the hangar which would require building upgrades such as fire suppression system, Bathrooms/Shower on the second floor and fire alarm / monitoring equipment.

## **LEASE AGREEMENT**

This Lease Agreement (the “Lease”) is made and entered into this \_\_\_\_ day of May, 2019, by and between the **SALINA AIRPORT AUTHORITY, a Kansas public corporation**, of Salina, Saline County, Kansas, (the “Authority”), and **H959 TENANT**, a Professional Limited Liability Company, authorized to do business in Kansas, (“Lessee”)

### **RECITALS**

- A. The Salina Regional Airport is currently served by daily air service provided by a Federal Aviation Administration (FAA) certificated air carrier (14 C.F.R. Part 121) and intends to support continued air service by FAA certificated air carriers into the foreseeable future.
- B. The Salina Regional Airport is a designated airport of embarkation and debarkation (APOE/D) for Ft. Riley, Kansas; Ft. Riley APOE/D air carrier flights are operated by a variety of FAA certificated air carriers (14 C.F.R. Part 121); and the Salina Regional Airport intends to continue to support the needs of Ft. Riley into the foreseeable future.
- C. As an experienced and qualified provider of services essential to the operation of the Salina Regional Airport, the Lessee needs a facility suitable for conducting air carrier aircraft maintenance, repair, and overhaul (MRO); avionics activities; and aircraft charter and related operations.
- D. The Authority has available one large multi-bay hangar located on FAA- designated Airport Property for use as an MRO, avionics, and aircraft charter facility, commonly known as Hangar No. 959 located at 2044 Scanlan, Salina Regional Airport, Salina, KS and referred to herein as the “Hangar.”
- E. The Lessee’s business activities will require a minimum of one Hangar bay and at peak times, up to and including 4 Hangar bays and supporting office and shop space.

NOW THEREFORE, the parties hereby covenant and agree to the terms and conditions as follows:

1. **Property Description.**

- 1.1. **Legal Description of Leased Tract.** The Authority, in consideration of the rents, covenants, agreements, and conditions hereinafter agreed to be paid and performed by the Lessee, leases unto the Lessee the following described real estate:

A portion of Hangar No. 959, defined as Bay 1 (containing approximately 54,512 SF of combined hangar, office and shop space) and located at the Salina Regional

Airport, Salina, Saline County, Kansas, (commonly known as 2044 Scanlan), together with the appurtenances thereunto belonging, (the “Premises”) and as further depicted on the attached Exhibit A.

- 1.2. At the Lessee’s option, the Premises may be expanded from time to time to include Bays 2, 3 and/or 4 as described and depicted on the attached Exhibit A, provided that such Hangar space is available and reserved by Lessee in advance.
- 1.3. Lessee acknowledges and agrees that the Authority may, from time to time, lease the other portions of the Hangar (Bays #2, #3 and #4), not leased to Lessee, to other aircraft owners for short-term storage and aeronautical use. The Authority agrees to offer Lessee a first right of refusal, during the term of this Lease, to lease the remaining portion of the Hangar (Bays #2, #3 and #4) prior to executing a lease with another aircraft owner for a lease with a term greater than 30 days. If Lessee exercises its first right of refusal pursuant to this Section, the applicable Basic Rent shall be as provided pursuant to Sections 4.1.1 and 4.1.2.
2. Term, Effective Date, Early Possession and Holdover.
  - 2.1. Term and Effective Date of Lease. This Lease shall be for a term of five (5) years commencing effective July 1, 2019 (“Effective Date”), and terminating on June 30, 2024 (“Primary Term”), subject to the option for renewal and extension hereinafter set forth.
  - 2.2. Possession. Lessee may take possession of the Premises on July 1, 2019 for the purpose of move-in and set-up prior to the commencement of operations on September 1, 2019 at which time, Basic Rental will be due per Section 4.1 herein. In order to take possession on July 1, 2019, Lessee shall meet all insurance obligations per Section 5 herein.
  - 2.3. Holdover. If the Lessee remains in possession of all or any part of the Premises after the expiration of this Lease, without the express or implied consent of the Authority, such occupancy shall be considered to be a “Holdover Tenancy” from month-to-month only, and not a renewal or extension of this Lease for any further term. In such case, the Basic Rent for such Holdover Tenancy shall be payable in the amount of 150% of the amount specified in Section 3.1 herein. Such Holdover Tenancy shall be subject to every other provision, covenant and agreement contained herein, including any applicable rental adjustments as per Section 3.1.1 herein. The foregoing provisions of this Subsection are in addition to and do not affect the right of re-entry or any right of the Authority hereunder or as otherwise provided by law and in no way shall such provisions affect any right which the Authority may have otherwise to recover damages, to the extent permissible by applicable law, from Lessee for loss or liability incurred by the Authority resulting from the failure by Lessee to surrender the Premises, or for any other reason.

Nothing contained in this Subsection shall be construed as consent by Authority to any holding over by Lessee and the Authority expressly reserves the right to require Lessee to surrender possession of the Premises to Authority as provided in this Lease, and to the extent permissible by applicable law, upon the expiration of this Lease.

3. Option to Renew. The Lessee is hereby given the option to renew this Lease for three (3) additional terms of five (5) years each at the expiration of the Primary Term. In the event the Lessee elects to exercise its option hereunder, it must notify the Authority in writing six (6) months prior to the expiration of the then current term. The Basic Rent for option period shall be as follows:

4. Rent.

- 4.1. Basic Rent. Lessee agrees to pay the Authority a Basic Rent for the leasing of the Premises the sum of Six Thousand Two Hundred and Fifty Dollars and no/100 (\$6,250) per month, the first of which shall be due on September 1, 2019. The rental shall be payable monthly in advance and shall be due on the first day of each month for that month.

- 4.1.1. Should the Lessee exercise their option to expand the Premises, the Basic Rent shall be adjusted as follows:

4.1.1.1. Bays 1 – 2	\$12,500 per month (as adjusted per Section 4.1.2)
4.1.1.2. Bays 1 – 3	\$18,750 per month (as adjusted per Section 4.1.2)
4.1.1.3. Bays 1 – 4	\$23,545 per month (as adjusted per Section 4.1.2)

- 4.1.2. On the second (2<sup>nd</sup>) anniversary date after the Effective Date and every two (2) years thereafter during the term of this Lease and any extension thereon, the Basic Rent shall be adjusted by increasing the Basic Rent for the prior 24-month period by the same percentage as the percentage of increase in the U.S. Government Consumer Price Index (C.P.I.) over the same prior 24-month period. If the C.P.I. over the same 24-month period has not shown a net increase, the Basic Rent for the option period shall remain the same as the Basic Rent for the prior 24-month period. The C.P.I. shall be the statistical report prepared and published by the Bureau of Labor Statistics for the United States for all items for urban consumers, or such other index or report substituted therefore by the U.S. Government. The reference basis for the C.P.I. shall be 1967 equals 100 or the most current index base as established by the Bureau of Statistics. The difference between such index nearest to the first day of the prior 24-month period and the last available index to the last day of the prior 24-month period divided by such index nearest to the first day of the prior 24-month period will determine either the percentage of increase, or that the Basic Rent will remain the same as the prior 24-month period, as provided above.

4.2. Additional Rental. In addition to the Basic Rent, Lessee covenants and agrees that it will be responsible for Additional Rent, which shall include the following components:

4.2.1. Taxes. Hangar H959 is currently exempt from the payment of real estate taxes per Kansas law (K.S.A. 27-319(b)(1)). In the event of a change in the real estate tax status of the Hangar resulting in the levy of real estate taxes against the Hangar, the Authority and Lessee agree to address the payment of the property taxes attributable to the Premises by entering into a good-faith renegotiation of the Basic Rent for the Premises to commence upon and remain in effect for so long as Hangar H959 is subject to real estate taxes.

4.2.2. Late Charge. If the rental amount due hereunder is not received by the Authority within five (5) days of due date, a late charge of six percent (6%) of the total amount due and currently owing, or Seventy-Five Dollars (\$75.00), whichever is greater, will be assessed against the Lessee. Failure to pay the rent and the late charge within twenty (20) days shall be grounds for termination of this Lease, solely at the discretion of the Authority, and not as a termination right for Lessee, in addition to recovery of the unpaid rent and the late charge.

4.2.3. Security Deposit. Upon Lessee's execution and delivery of this Lease, Lessee agrees to pay a Security Deposit in the amount equal to (\$12,500). The Security Deposit shall be held by the Authority without liability for interest, as security for the performance by Lessee of Lessee's covenants and obligations under this Lease; it being expressly understood that the Security Deposit shall not be considered an advance payment of rent or a measure of the Authority's damages in case of default by Lessee. The Authority may commingle the Security Deposit with the Authority's other funds. The Authority may, from time to time, without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of Lessee hereunder. Following any such application of the Security Deposit, Lessee shall pay to the Authority on demand the amount so applied in order to restore the Security Deposit to its original amount. If Lessee is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any such application shall be returned by the Authority to Lessee.

4.2.4. Keys. All keys issued to Lessee by the Authority must be returned to the Authority by 12:00 P.M., Noon, on the date this Lease expires or is terminated. If all keys are not returned or if Lessee loses a key during the term of the Lease or any extension thereof, a fee will be charged for each key lost and for each building interior and exterior lock change. The charge per key and lock change will be according to the current rates and charges schedule as adopted annually in the Authority's fiscal year budget.

4.3. Rental Renegotiations. Lessee acknowledges that as required by AAIA Section 511. (a)(9), the Authority must maintain a fee and rental structure for its facilities and services, which will make the Airport as self-sustaining as possible under the circumstances. In the event that an FAA and/or DOT audit should determine that the rentals provided for herein are inadequate, the parties agree to renegotiate the rentals.

5. Insurance.

5.1. Lessee's Liability Insurance. Lessee shall purchase from and maintain in a company or companies lawfully authorized to do business in the State of Kansas such insurance as will protect Lessee from claims set forth below which may arise out of or result from Lessee's operations and for which Lessee may be legally liable, whether such operations be by Lessee or by its independent contractors or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

5.1.1. Claims under workers' compensation, disability benefit and other similar employee benefit acts, which are applicable to Lessee's operations;

5.1.2. Claims for damages because of bodily injury, occupational sickness or disease, or death of Lessee's employees;

5.1.3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Lessee's employees;

5.1.4. Claims for damages insured by usual personal injury liability coverage;

5.1.5. Claims for damages, other than the leased property, because of injury to or destruction of tangible property, including loss of use resulting there from;

5.1.6. Claims for damages because of bodily injury including death of a person, or property damage arising out of the ownership, maintenance or use of a motor vehicle;

5.1.7. Claims for bodily injury or property damage arising out of products liability and/or completed operations; and

5.1.8. Claims involving contractual liability insurance applicable to Lessee's obligations under Section 17.1 of this Lease.

5.2. The insurance required by Section 5.1 and Section 5.2 shall be written for not less than the limits of liability specified below or as required by law, whichever

coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from date of commencement of this Lease. All insurance policies must be issued by an insurance carrier which has a Best's general policyholder's rating (as published in the most recent issue of Best's Key Rating Guide, Property-Casualty) of not less than A- and a financial size category of V or greater (which equates to an adjusted policyholders' surplus of \$4-\$25 million). Coverage from Lloyd's of London and Industrial Risk Insurance (IRI) is also acceptable only if there is 100% reinsurance with an acceptably rated company. The reinsurance agreement must have a total value (100 percent) assumption of liability endorsement. In addition, reinsurance agreements must have at least 90-days prior notice of cancellation provisions.

5.2.1. Commercial General Liability, which is no more restrictive than ISO Form CG0001 1/96 or any revision thereof with minimum limits of liability of:

\$ 2,000,000	Premises liability per occurrence of combined single limit for bodily injury and property damage
\$2,000,000	Aircraft liability per occurrence including passengers and coverage for owned aircraft with combined single limits of liability of not less than \$100,000 per passenger and \$1,000,000 per occurrence.
\$ 2,000,000	Products-completed operations per occurrence for repairs and services And parts not installed.
\$ 1,000,000	Personal & Advertising Injury

The policy shall be endorsed to provide the required limits on a "per location" basis.

5.2.2. Comprehensive Auto Liability for owned, non-owned and hired vehicles with combined single limits of liability of \$1,000,000 per occurrence.

5.2.3. Workers' Compensation with statutory limits.

5.2.4. Employer's Liability coverage with limits of at least:

\$ 500,000	Each Accident
\$ 500,000	Disease-Policy Limit
\$ 500,000	Disease-Each Employee

- 5.2.5. Commercial Umbrella / Excess Liability providing excess coverage with limits no less than \$5,000,000 each occurrence / \$5,000,000 annual aggregate.
- 5.2.6. Hangar Keeper's Liability – \$1,000,000 for each aircraft and \$2,000,000 each loss.
- 5.3. Certificates of Insurance acceptable to the Authority shall be filed with the Authority prior to commencement of this Lease. These certificates and the insurance policies required by this Section 5 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Authority. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by Lessee with reasonable promptness in accordance with Lessee's information and belief.
- 5.4. Lessee agrees that its insurance policies will be amended to be primary without right of contribution from the Authority or its insurance policies, that Lessee's insurance policies will be amended to state that its insurer agrees to waive its right of subrogation against the Authority and that the above insurances will not be invalidated for the Authority by any action, inaction or negligence of the insured. All amounts of claims, losses or damages resulting from deductible clauses or self-insured retentions shall be for the account of the Lessee.
- 5.5. Lessee agrees that all liability policies, except workers' compensation, will be amended to name the Authority, its subsidiaries, parent, affiliates, executive officers, directors and employees as additional insureds.
- 5.6. All independent contractors hired by Lessee will be held to the same insurance requirements as the Lessee. The Authority will be named as an additional insured on independent contractors' policies, and Lessee will provide the Authority, upon request, with copies of such independent contractors' Certificates of Insurance.
- 5.7. The requirement of Lessee to purchase and maintain insurance shall not, in any manner, limit or qualify the liabilities and obligations otherwise assumed by Lessee under this Lease.
- 5.8. Claims Made Insurance
- 5.8.1. Lessee shall, to the extent reasonably possible, obtain the liability insurance required hereunder on an occurrence basis. If any insurance required herein is to be issued or renewed on a claims made basis, the retroactive date of such insurance shall be no later than the commencement date of this Lease and shall provide that in the event of cancellation or non-renewal of the insurance, the



discovery period for insurance claims (tail coverage) shall be for a period of not less than two years.

#### 5.9. Authority's Liability Insurance

- 5.9.1. The Authority shall be responsible for purchasing and maintaining the Authority's usual liability insurance.

#### 5.10. Property Insurance

- 5.10.1. Lessee shall purchase and maintain, with a company or companies lawfully authorized to do business in the State of Kansas, commercial property insurance written on a "special causes of loss" policy form. The policy must include an agreed value clause endorsement and a clause that provides for all claims to be made on a replacement cost basis (not on an actual cash value basis) and without deduction being made for depreciation. The policy must be an amount equal to the greater of:
  - 5.10.1.1. 100% of the full replacement cost of the Improvements (without any deduction being made for depreciation) as determined by the Authority on an annual basis, using Boeckh, Marshall/Swift or another comparable commercial building cost estimating guide; or
  - 5.10.1.2. the amount specified in the agreed value clause (i.e. the amount specified by the insurer to suspend any co-insurance clause);
  - 5.10.1.3. \$8,800,000
- 5.10.2. All loss payments made under the property insurance for loss to the building shall be payable to the Authority.
- 5.10.3. The property insurance policy must include a deductible of not more than \$5,000 per occurrence, and notwithstanding the provisions of section 11 of this lease, Lessee shall pay costs not covered because of such deductibles.
- 5.10.4. The policy must include inflation guard coverage or equivalent coverage that ensures that the policy limit will be increased over time to reflect the effect of inflation.
- 5.10.5. The policy must include comprehensive equipment breakdown coverage for the full replacement cost value as determined in Section 5.10.1. Should the

premises contain a boiler based heating system, Lessee is required to have a qualified inspector complete a jurisdictional boiler inspection on an annual basis and provide the Authority with a copy of the resulting certificate.

5.10.6. Loss of Use Insurance (rent loss/business income/extra expense).

5.10.6.1. The Authority, at the Authority's option, may purchase and maintain such insurance as will insure the Authority's property due to fire or other hazards, however caused, and the cost thereof shall be paid by the Authority. The Authority waives all rights of action against Lessee for loss of use of the Authority's property, including consequential losses due to fire, theft or other hazards however caused.

5.10.6.2. Lessee, at Lessee's option, may purchase and maintain such insurance as will insure Lessee against loss of use of the Leased Premises due to fire or other hazards, however caused, and the cost thereof shall be paid by Lessee. Lessee waives all rights of action against the Authority for loss of use of the leased Premises, including consequential losses due to fire, theft or other hazards however caused.

5.10.7. Prior to the commencement of this lease agreement, Lessee shall file with the Authority copy of the property insurance policy that includes insurance coverages required by this Section 5.10. Said policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this lease agreement. The policy shall contain a provision that the policy will not be cancelled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Authority.

5.10.8. Waivers of Subrogation. The Authority and Lessee waive all rights against each other, for damages caused by fire or other causes of loss to the extent covered by property insurance required pursuant to this Section 5.10 or other property insurance applicable to the leased Premises, except such rights as they have to the proceeds of such insurance held by Lessee as fiduciary. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though (1) that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) did not pay the insurance premium directly or indirectly, (3) and whether or not the person or entity had an insurable interest in the property damaged.

5.10.9. Any loss to the Leasehold covered by the property policy required in this Section 5.10 shall be adjusted by Lessee as fiduciary and made payable to the Authority.

5.10.10. Payment of Premiums. In the event of a failure by Lessee to secure such insurance or to pay the premiums thereon, the Authority shall have the

right and privilege to secure such insurance or pay the premiums thereon, which amount shall be deemed so much additional rental and shall be due and payable with the next installment of rent thereafter.

6. Use of Premises. Lessee agrees to use the Premises for the sole purpose of conducting aircraft maintenance repair and overhaul (MRO), avionics activities and aircraft charter operations and other activities normally associated therewith. All activities will comply with SLN Commercial Minimum Standards, Airport Rules and Regulations and all other applicable law or regulations.

- 6.1. Lessee agrees that the Premises shall not be used or occupied for any purpose that constitutes a nuisance or may be objectionable to adjacent property; that it will not allow the escape from the Premises of any fumes, odors, smoke, obnoxious gas, gases or other substances which are offensive or which constitute a nuisance or interfere with the conduct of other business in the area. Lessee will provide adequate devices to control excessive noise, vibrations or electromagnetic emissions.

7. Environmental Concerns. The parties acknowledge that no tests have been conducted on the Premises to ascertain whether the soil may be contaminated by any hydrocarbons or other hazardous substances. If either party desires an environmental review of the Premises then the Authority and the Lessee agree that they will jointly contract for an environmental review of the Premises to ascertain whether the soil may be contaminated by any hydrocarbon or other hazardous substances. The tests shall be conducted by a reliable and competent engineering firm mutually acceptable to both parties. The cost of the environmental soil survey shall be shared equally by the parties. A copy of the report shall be attached to the Lease and made a part of thereof by reference. Either of the parties hereto may request an environmental review of the Premises at the termination of the Lease and the cost thereof shall be shared by the parties.

- 7.1. Authority's Responsibility. The Authority shall be responsible for the cleanup and removal of any hazardous substances or materials which are determined to have been present on the Premises prior to July 1, 2019. Authority agrees to hold Lessee harmless from and against all claims, expenses, loss or liability arising from the presence of any such contamination which occurred prior to July 1, 2019, and which is identified by the environmental review contemplated by this section.

- 7.2. Lessee's Responsibility. The Lessee shall be responsible for the cleanup and removal of any hazardous substances or materials located on the Premises as identified by an environmental review, which are determined to have occurred after July 1, 2019. Lessee shall indemnify and hold the Authority harmless from and against all claims, expenses, loss, or liability arising from any such contamination, which occurred on the Premises and after July 1, 2019, while the Lessee was occupying the Premises.

- 7.3. Lessee also agrees to comply with all storm water and waste collection requirements of any federal, state or local governmental laws, rules and regulations.
8. Improvements to Premises. Lessee may, with the written consent of the Authority, which consent shall not be unreasonably withheld, build and construct improvements on the Premises; provided, however, that prior to commencement of any such work the Lessee shall submit construction and site plans thereof to the Authority for its approval and secure the necessary building permits from the City of Salina. Any repairs, improvements or new construction shall conform to the following:
- 8.1. Any improvements on the Premises shall be restricted to commercial, industrial or warehouse use.
- 8.2. All construction shall conform to the applicable Building Code.
9. Ownership of Fixtures. It is understood and agreed by and between the parties hereto that any fixtures attached to the Premises or placed on or about Premises by Lessee shall be considered personal property and shall remain the property of the Lessee, who shall have the right to remove the same from the Premises upon the expiration of this Lease so long as such removal does not impair the structural feature of the improvements presently on the Premises. Provided, however, in the event of termination of this Lease due to a breach of covenant by the Lessee, then all fixtures and improvements shall become the property of the Authority and may not be removed from the Premises.
10. Removal of Fixtures. On or before the date of expiration or termination of this Lease, or any extension thereof, the Lessee shall vacate the Premises, remove its personal property and movable fixtures therefrom and restore the Premises to as good an order and condition as that existing upon the commencement of the term of this Lease, damages beyond the control of the Lessee and due to normal wear and tear excepted. If, however, the Lessee fails to remove the personal property and movable fixtures and/or to restore the Premises to substantially the same condition as existed at commencement of the Lease, then the Authority may remove the personal property and movable fixtures and restore the Premises and may retain the fixtures until such time as Lessee reimburses the Authority for all its expenses connected therewith.
11. Default.
- 11.1. Lessee shall be in default of this Lease if it:
- 11.1.1. Fails to pay the Basic Rent or Additional Rental when due or to comply with any substantial term, condition or covenant of this Lease within ten (10) days after written notice;
- 11.1.2. Abandons or surrenders the Premises or the leasehold estate;
- 11.1.3. Attempts to assign or sublease the Premises other than in accordance with the terms of the Lease;

- 11.1.4. Is adjudicated bankrupt or insolvent, makes a general assignment for the benefit of creditors takes the benefit of any insolvency act, or is unable to meet its obligations as they become due; or
  - 11.1.5. Violates any of the other terms and conditions of this Lease.
- 11.2. In the event of default by Lessee, the Authority shall have the following cumulative remedies:
- 11.2.1. Terminate the Lease;
  - 11.2.2. Reenter and repossess the Premises;
  - 11.2.3. Relet the Premises or any part thereof;
  - 11.2.4. Accelerate and collect rentals remaining to be paid under the Lease;
  - 11.2.5. Seize and hold Lessee's onsite property for the satisfaction of the deficiency;
  - 11.2.6. Bring a suit for damages against Lessee; or
  - 11.2.7. Pursue any other remedy available to the Authority under Kansas law.
12. Waiver. Waiver by the Authority of any breach of this Lease shall not be construed as a continuing waiver of a subsequent breach nor imply further indulgence.
- 12.1. In the event legal action must be taken because of the breach of any agreement or obligation contained in this Lease on the part of the Lessee or Authority to be kept or performed, and a breach shall be established, the prevailing party shall be entitled to recover all expenses incurred thereof, including reasonably attorney fees.
13. Repairs to Improvements on Premises. During the term of the Lease, Authority will keep roof and exterior of the Premises in a good state of repair. Lessee covenants that during the term of this Lease it will properly care for the demised Premises and appurtenances and suffer no waste or injury, make all interior repairs in and about the demised Premises and fixtures and appurtenances, necessary to preserve the same in good order and condition, which repairs shall be in a class equal to the original work.
- 13.1. Lessee shall be responsible for all routine maintenance and repairs necessary to keep the heating and/or cooling system, in a good state of repair and in good working condition. In addition, the Lessee shall be responsible for the first \$1000.00 per year in the costs and expenses of repairing any portion of the HVAC system. The Authority shall be responsible for the replacement of any fixtures, appliances or other portions of the heating, air conditioning which are not repairable and which must be replaced to keep the systems in good working condition. In addition, Lessee will pay for a semi-annual maintenance contract on the HVAC system with a reputable HVAC contractor approved by the Authority during the entire term of this Lease. Should the Lessee fail to maintain the semi-annual maintenance contract at all times during the term of this Lease then the Lessee shall automatically be fully liable for ALL maintenance, major repair

including up to replacement of the HVAC system at the sole discretion of the Authority.

13.2. Lessee shall be responsible for all routine maintenance and repairs necessary to keep the plumbing, electrical systems and doors in a good state of repair and in good working condition. Maintenance to be performed by the Lessee includes but is not limited to janitorial services, supply and replacement of lighting fixtures including light bulb and ballast replacement, cleaning of stoppages in plumbing fixtures, drain line and septic systems, replacement of floor covering, building interior painting, repairing and replacing building and overhead door motors, chains and belts and landscaping as originally approved and installed. The Authority shall be responsible for the replacement of any fixtures, appliances or other portions of the plumbing and/or electrical systems which are not repairable and which must be replaced to keep the systems in good working. The Authority shall provide and install the initial supply of hand fire extinguishers as required by applicable building code for the interior of the Premises and the Lessee shall maintain and replace the extinguishers as necessary to comply with applicable building code including annual inspections. Lessee is responsible for maintaining electric loads within the design capacity of the system. The Authority shall be responsible for maintaining the outside aircraft parking apron, the parking lot including pavement, striping and signage.

13.3. In the event Lessee fails to keep said Premises in good order and repair then the Authority may perform all repairs which may be necessary in about the demised Premises and the cost of such repairs shall be and constitute additional rental.

13.4. In the event the Authority fails to perform any of its obligations relating to the Premises under this Section 13, the Lessee shall give the Authority written notice of the unfulfilled obligation and allow the Authority reasonable time to commence the work necessary to fulfill the obligation. If the Authority fails to commence the work within a reasonable time or, following commencement, fails to diligently pursue the work necessary to fulfill the obligation, Lessee may complete the work required to fulfill the Authority's obligation under this Section 13 at Lessee's expense and submit paid invoices to the Authority for reimbursement, subject to the following conditions precedent:

- (a) Lessee shall meet and confer with the Authority prior to commencement of any work to specifically identify the work to be performed and to confirm that the work will be performed in compliance with this subsection;
- (b) Any work to be completed by Lessee shall be performed by contractors appropriately licensed by the City of Salina, Kansas in compliance with all applicable codes; and
- (c) Any contractor performing work shall be selected based upon competitive proposals or bids and shall be required to provide proof of insurance coverages and bonding as determined by the Authority.

13.5. Upon written approval by the Authority and subject to the conditions precedent set forth in Section 13.4, Lessee may make improvements and modifications to the Hangar which (a) Lessee determines would enhance the Premises and or serve a purpose to help the Lessee prosper and grow and (b) the Authority determines are to be used by Lessee in providing services essential to the operation of the Salina Regional Airport. The cost of such improvements to the Hangar that enhance the value and capabilities of the hangar may be reimbursed to the Lessee at the discretion of the Authority by means of a negotiated adjustment to the Lessee's Basic Rent.

14. Utilities and HVAC System. The Lessee shall, at its own expense, obtain and pay for all electricity, water, gas, sewer use fees, or other utilities used by Lessee during the term of this Lease, including the cost of maintenance and operation of the HVAC system for the Premises.

15. Liens. The Lessee shall pay, satisfy and discharge all liens and obligations of any nature and kind whatsoever created by or the obligations of the Lessee which shall attach to or be imposed upon the Premises and shall indemnify, save and hold harmless the Authority from such payment and from all resulting damages and expenses.

16. Assignment of Lease. The Lessee shall not assign this Lease or any interest therein and shall not sublet the Premises or any part thereof, or allow any person to occupy or use the Premises or any portion thereof, without the prior written consent of the Authority. A consent to one assignment or subletting for use by any other person shall not be deemed to be a consent to any subsequent assignment.

17. Indemnification and Hold Harmless.

17.1. To the fullest extent permitted by law, the Lessee shall indemnify and hold harmless the Authority, its affiliates and its officers, directors, employees, agents, representatives, guests and invitees ("Authority Indemnitees") from and against all claims, damages, losses, liabilities, fines, penalties, costs, and expenses (including attorney's fees, consultant costs, environmental investigation, remedial or removal costs and natural resource damages) arising out of, relating to or resulting from (i) Lessee's occupancy and or use of the Premises; (ii) any breach of this Lease by the Lessee; (iii) any leak, spill or other release or disposal of or exposure to (A) any goods while being transported or delivered by Lessee or (B) any other materials, substances or chemicals that Lessee or any of its independent contractors bring onto the Premises; and/or (iv) the acts, omissions, negligence or willful misconduct of any persons used or employed directly or indirectly by the Lessee or any independent contractor. The indemnification obligations under this Subparagraph shall not be limited in any way by the limits of any insurance coverage or limitations on the amount or type of damages, compensation or benefits payable by, for or to the Lessee, any independent contractor, or any other

person under any insurance policy, worker's compensation acts, disability acts or other employee benefit acts.

17.2. In claims against any person or entity indemnified under this Section 17 by an employee of Lessee, an independent contractor of the Lessee's, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 17.1 shall not be limited by limitation or amount or type of damages, compensation or benefits payable by or for Lessee, or an independent contractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

18. Inspection of Premises. The Lessee agrees that the Authority, the Federal Aviation Administration, or its agents may, at all reasonable times, have free access to the Premises for the purpose of examining or inspecting the condition of the Premises and any improvements thereon, or exercising any right or power reserved to the Authority or Federal Aviation Administration under the terms and provisions of this agreement.

19. Notices. All notices to be given pursuant to this Lease shall be addressed to the parties as follows:

<b>Authority</b>	Salina Airport Authority Salina Airport Terminal Building 3237 Arnold Salina, KS 67401
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<b>Lessee</b>	H959 TENANT
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20. Damage by Casualty.

20.1. If the Premises are destroyed or damaged by fire or other casualty, the Lessee may, at its sole option terminate this Lease. If this Lease is so cancelled, rent shall be paid only to the date of cancellation and the Lessee shall surrender the Premises to the Authority after being allowed a reasonable time to locate a substitute site, remove its personal property and otherwise conclude its affairs at the Premises

20.2. If the Lessee does not elect to terminate this Lease in case of destruction or damage by casualty, this Lease shall continue in full force and effect and the



Authority shall restore the Premises to at least its previous condition, and to Lessee's satisfaction, within a reasonable time. For that purpose, the Authority and its agents and contractors may enter the Premises. Rent shall totally abate during the period of such restoration.

21. General Clauses.

- 21.1. The Lessee shall comply with all applicable laws, ordinances and regulations of the state, county and municipality in which the Premises are located with regard to construction, sanitation, licenses or permits to do business and all other matters.
- 21.2. The Lessee shall pay to the proper governmental agencies and as they become due and payable, all taxes, assessments, and similar charges, which at any time during the term of this Lease may be taxed, except as Section 4.2.1 addresses the potential for real estate taxes attributable to the Premises.
- 21.3. Any property of the Authority damaged or destroyed by the Lessee, incident to the Lessee's use and occupation of the Premises, shall be promptly repaired or replaced by the Lessee to the satisfaction of the Authority or in lieu of repair or replacement, the Lessee shall, if so required by the Authority, pay to the Authority money in the amount sufficient to compensate for the loss sustained by the Authority by reason of damage or destruction of the property.
- 21.4. The Lessee acknowledges that it has inspected and knows the condition of the Premises and it is understood that the Premises is leased without any representation or warranty by the Authority whatsoever and without obligation on the part of the Authority to make any alterations, repairs, or additions to the Premises.
- 21.5. The Lessee shall not use, or permit to be used, any portion of the Premises under its control for signs, billboards, or displays, other than those connected with its own operations on the Premises. Advertising signs must be located on the buildings on the Premises and shall not contain more than 120 square feet in the area. Flashing or illuminated signs in which the light is not maintained constant and stationary in intensity and color are prohibited.
- 21.6. All loading docks for buildings or warehouses located on the Premises shall be maintained only on the side or rear of the building or warehouse.
- 21.7. The Lessee shall not be the agent of the Authority in making repairs or other improvements to the Premises and no materialman's liens or claims thereunder shall be valid against the Authority or against the interest of the Authority in the Premises.
- 21.8. All materials, supplies, or equipment stored outside of the buildings located on the Premises shall be stored in an orderly manner so as not to create a nuisance or

fire hazard and shall be in compliance with all applicable governmental regulations.

- 21.9. The Lessee must at all times keep the Premises and buildings in a safe, clean, wholesome condition and comply in all respects with all government, health, and police requirements. The Lessee will remove at its own expense any rubbish which may accumulate on the property.
- 21.10. The Authority shall be responsible for snow removal on the Premises as required by Lessee's occupancy and shall keep unpaved areas grassed and landscaped to present a pleasing appearance. Such grass and landscaping shall be kept reasonably mowed and trimmed. The Lessee shall be responsible for sidewalk snow removal and areas close to the building requiring handwork.
- 21.11. The Authority reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the Airport and all publicly-owned air navigational facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.
- 21.12. The Authority reserves the right to further develop or improve the landing area and all publicly-owned air navigation facilities of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance.
- 21.13. The Authority reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Airport which in the opinion of the Authority would limit the usefulness of the Airport or constitute a hazard to aircraft.
- 21.14. During time of war or national emergency the Authority shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities, and/or other area or facilities of the Airport. If any such agreement is executed, the provisions of this Lease, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
- 21.15. It is understood and agreed that the rights granted by this Lease will not be exercised in such a way to interfere with or adversely affect the use, operation, maintenance, or development of the Airport.
- 21.16. There is hereby reserved to the Authority, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Premises together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using the airspace or landing at, taking off from, or operating on or about the Airport.

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

21.18. If Lessee defaults in its payment of rent or fails to substantially comply with any of the other items of this Lease then, if requested by the Authority, the Lessee agrees to provide the Authority with a financial statement covering Lessee's latest fiscal or calendar year, which financial statement shall be in such form as accurately discloses the assets, liabilities, and net worth of the Lessee. If, in the opinion of the Authority, the financial statement provided is incomplete or fails to accurately indicate the financial condition of the Lessee, the Lessee agrees to provide the Authority such further financial information as the Authority may in writing request.

## 22. Nondiscrimination Assurances.

22.1. The Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, covenant's and agrees as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Premises, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities or benefits and services in compliance with all other requirements imposed pursuant to 49 CFR, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as the regulations may be amended.

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

22.3. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participation

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

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

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

23. Binding Effect. This Lease shall be binding upon the heirs, beneficiaries, personal representatives, successors, and assigns of the Authority and the Lessee.

The Authority and the Lessee have each caused this Lease to be executed by its duly authorized officers on the date shown.

**SALINA AIRPORT AUTHORITY**

Date \_\_\_\_\_

By: \_\_\_\_\_  
Kent Buer  
Chairman of Board of Directors

**ATTEST**

Date \_\_\_\_\_

By: \_\_\_\_\_  
Kristin Gunn  
Secretary of the Board of Directors

**H959 TENANT**

Date \_\_\_\_\_

By: \_\_\_\_\_  
President and CEO

**ATTEST**

Date \_\_\_\_\_

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

\_\_\_\_\_ [Name]

\_\_\_\_\_ [Title]

**SALINA REGIONAL AIRPORT, SALINA KANSAS  
FACILITIES OPINION OF PROBABLE CONSTRUCTION COST**

**6/4/2019**

**Ramp Rehabilitation For Hangar 959 Tenant**

					Hard Bid Received
Item No.	Item Description	Unit	Quantity	Unit Cost	Total Cost
1	Mobilization	L.S.	1.0	\$ 9,905.00	\$ 9,905.00
	DEMO				
2	Mill Concrete Pavement (2")	S.Y.	8451	\$ 6.25	\$ 52,819.00
3	Mill Concrete Pavement (3")	S.Y.	25353	\$ 6.35	\$ 160,992.00
4	Remove Existing Boiler	L.S.	1	\$ 75,000.00	\$ 75,000.00
5	Remove Existing Fencing	L.F.	1245	\$ 3.00	\$ 3,735.00
6	959 Remove Existing Shed West Side of Building	L.S.	1	\$ 3,500.00	\$ 3,500.00
	SUBGRADE WORK				
7	Subgrade Preparation	C.Y.	2244	\$ 10.00	\$ 22,438.00
8	Base Rock, Recycled (6")	S.Y.	6731	\$ 9.00	\$ 60,582.00
				\$ 5,000.00	
	PAVEMENT WORK				
9	Bituminous Tack Oil	Gal.	6538	\$ 2.45	\$ 16,019.00
10	Bituminous Surface Course	Ton	5704	\$ 85.65	\$ 488,548.00
11	Concrete Pavement (6")	S.Y.	6731	\$ 60.00	\$ 403,880.00
12	Aircraft Tie-Down	Each	30	\$ 250.00	\$ 7,500.00
13	Grounding Point	Each	5	\$ 100.00	\$ 500.00
14	Marking, Reflectorized, Permanent	S.F.	10830	\$ 2.00	\$ 21,660.00
	ELECTRICAL WORK				
15	T-8 6-lamp hangar light	Each	120	\$ 360.00	\$ 43,200.00
16	1200A, 480V, 3 phase Service	L.S.	1	\$ 26,180.00	\$ 26,180.00
17	400A Feeder to shops 1, 2 & 3	Each	3	\$ 20,200.00	\$ 60,600.00
18	Transformer	Each	2	\$ 17,400.00	\$ 34,800.00
	LANDSCAPING WORK				
19	Fencing, 6' with 3-strand barbed wire	L.F.	1444	\$ 20.00	\$ 28,880.00
20	Fencing, 24' Sliding Gate with gate opener	Each	2	\$ 12,000.00	\$ 24,000.00
	MISCELLANEOUS				
21	Adjust Existing Manhole	Each	1	\$ 3,500.00	\$ 3,500.00
	BUILDING				
22	Hangar 959 North Hangar Door Improvements	L.S.	1	\$ 100,000.00	\$ 200,000.00
23	959 Repair existing Window Mortor Falling From Framing	L.S.	1	\$ 4,000.00	\$ 4,000.00
	ROOFING				
24	Reroof Hangar 959	L.S.	1	\$ 321,840.00	\$ 321,840.00
	PLUMBING				
25	959 Bathroom Fixtures, 10 each Toilets	Each	10	\$ 1,250.00	\$ 12,500.00
26	959 Bathroom Fixtures, 10 Each Sinks	Each	10	\$ 750.00	\$ 7,500.00
	ENVIRONMENTAL				
28	Asbestos Cleanup (Boiler Room)	L.S.	1	\$ 175,000.00	\$ 275,000.00
<b>Construction Costs</b>					<b>\$2,369,078.00</b>
<b>Engineering Costs</b>					<b>\$0.00</b>
<b>Administrative Costs</b>					<b>\$3,000.00</b>
<b>Contingencies</b>					<b>\$266,840.00</b>
<b>Total Costs</b>					<b>\$2,638,918.00</b>