

DATE: October 15, 2021
TO: SAA Board of Directors
FROM: Tim Rogers and Shelli Swanson
SUBJECT: **October 20, 2021, SAA Regular Board Meeting**

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

<https://global.gotomeeting.com/join/910329741>

Wednesday's meeting will feature discussion concerning the following 2021 and 2022 Airport Authority operating plan priorities.

- Salina Airport Authority financial goals and objectives.
- Salina Regional Airport and Airport Industrial Center capital improvements funding.
- Airport Industrial Center development lot leasing.
- Airport Industrial Center buildings deferred maintenance.
- 2022 – 2026 Salina Airport airfield improvements
- M.J. Kennedy Air Terminal expansion and renovation.
- General aviation hangar construction.

Please note the following agenda comments.

Agenda Item #5 – Review of Airport Activity and Financial Reports for the Month Ending September 30, 2021 (Rogers and Swanson)

Airport Activity – Air Traffic (Rogers)

The Salina air traffic control tower (ATCT) recorded 7,206 operations during September 2021 which was a 4.5% decrease as compared to the September 2020 total of 7,550. For the year-to-date, a total of 60,741 operations have occurred at the Salina Airport which is 43% more than the September 2020 YTD total of 42,569. As compared to the seven (7) other federal contract towers in Kansas, the SLN tower continues to be ranked #1 in total operations.

Airport Activity – Fuel Flowage (Rogers)

The September 2021 fuel flowage came in at 171,259 gallons which was 33% more than the September 2020 total of 128,710 gallons. For the year-to-date, a total of 1,565,572 gallons has been delivered on the Airport which is 13% less than the 2020 YTD total of 1,801,166 gallons.

Airport Activity – Passenger Enplanements (Rogers)

During September 2021 SkyWest enplaned 1,900 passengers, which was a 244% increase over the September 2020 total of 552 passengers. The September YTD total passenger count was 3,738 which was a 242% increase over the September 2020 YTD total of 1,093. 2021 passenger enplanements continue to recover at a pace greater than the national average and at numbers greater than 2019.

Financial Reports – Comments and Notes (Swanson)

At the end of Q3, total operating revenue arrived at 17% over budget (\$316,333) and 7% ahead of the same period in 2020. Total administrative expenses ended up 8% over budget while maintenance expenses reached 17% over budget bringing total operating expenses to 11% over budget or \$209,323. Utility expenses associated with the Feb. winter storm, increase building maintenance expense, and airport promotion represent the majority of the resulting 11% overrun.

Total operating income before depreciation reached \$141,606 at the end of September which is \$107,010 ahead of budget.

On Oct. 14, subsequent to close of the Q3 financials, the SAA received \$222,935.78 marking the final reimbursement under the \$1,005,467 CRRSAA grant (2nd COVID relief grant). Total fixed asset additions YTD arrived at \$1,880,171 or 29% of the annual budget. Several items under the capital budget including Bldg. 595 rehabilitation, GA Hangar Construction and certain Terminal Concourse expenditures will not be completed before the end of the year and will carry forward into the 2022 budget.

Financial Reports – September Significant Expenditures/Payables Report Enclosed

Financial Reports – Accounts Receivable Past Due 31 days or more as of October 18, 2021 (Swanson)

Account	Amount	Days	Comments
108 th Aviation Regiment	\$130	31-60	Hangar rental
Fort Riley, 1 st ID	\$5,110	61-90	Hangar, GSE rental
Fairway Electric Services	\$20	31-60	Finance charge
Max Gebhardt	\$20	31-60	Finance charge

Short-term Leasing Activity

On October 5, 2021, the SAA entered into a 2-week lease with Blue Air Training, Las Vegas, NV, for the leasing of 18,550 sq. ft. of hangar bay space, one small office, and ground support equipment in support of Canadian Joint Terminal Attack Controller course training flights at Smoky Hill Weapons Range. This short-term agreement will generate \$9,730 in rental in October. Blue Air Training is a new SAA customer.

Agenda Item #6 – Review of the SAA’s January through September 2021 (Q3) 10-year trend analysis report. (Swanson)

Enclosed you will find the (Q3) 10-year trend analysis report. At the meeting, Swanson will highlight significant trends.

Agenda Item #7 – Presentation of bids received for the sale of Salina Airport Authority taxable general obligation temporary notes in the amount of \$3,500,000. (Swanson)

On October 19, 2021, the SAA will receive bids for the 2021-1 General Obligation Temporary Notes (GOTN) and the results of the sale will be presented at the meeting. In preparation for the sale, the SAA shared updated financial information and trends with Moody’s which resulted in Moody’s assigning a Aa3 rating to this GOTN. The rating action report is enclosed. The SAA’s financial advisor, David Arteberry with Stifel, will be in attendance to review the results of the sale.

Agenda Item #8 – Consideration of Resolution 21-10 directing the issuance, sale and delivery of SAA taxable general obligation temporary notes, Series 2021-1. (Swanson).

At the Board’s August 18, 2021 meeting, the following projects were approved and staff was directed to

proceed with the issuance of taxable General Obligation Temporary Notes to fund the projects.

USE OF FUNDS						SOURCE OF FUNDS		
						2021-1 GO Temp Notes	SAA Cash	Total Project Cost
General Aviation Box Hangars and Public Restroom						\$ 570,000	\$ 600,000	\$ 1,170,000
MJ Kennedy Air Terminal Concourse Expansion & Remodel						\$ 1,181,000		\$ 1,181,000
Bldg. 595 Remodel						\$ 1,749,000		\$ 1,749,000
TOTAL PROJECT COST =						\$ 3,500,000	\$ 600,000	\$ 4,100,000

On September 13, the Salina City Commission approved on second reading the SAA’s issuance of the 2021-1 GOTN in an amount not to exceed \$3,500,000 net of bond issuance and interest costs. By statute, the Salina City Commission must approve any new general obligation debt of the Authority. And, on September 15, 2021, the SAA board approved the 2021-1 GOTN sale resolution authorizing the sale of the notes which prepared us to received bids on Oct. 19 as mentioned above.

Finally, enclosed you will find draft Resolution No. 20-10, which will authorize the issuance, sale and delivery of the taxable 2021-1 GOTN and provide for the levy and collection of an annual tax, if necessary, for the purpose of paying the principal and interest on notes as they become due and authorizing staff to take the steps necessary to finalize the temporary notes. After the sale on Tuesday, Oct. 19, staff will update the draft resolution with the final numbers.

Recommendation: Approval of Resolution No. 21-10 authorizing and directing the issuance, sale and delivery of taxable General Obligation Temporary Notes, Series 2021-1.

Agenda Item #9 – Review of the Salina Airport Authority’s 2022 operating revenue and operating expense forecast. (Rogers and Swanson)

At the meeting, staff will provide the first look at the Authority’s projected 2022 operating revenue and expense forecasts.

Agenda Item #10 – Consideration of a land lease with Triplett Self-Storage, LLC. (Swanson)

Since 1984, Mark Augustine’s company, Citywide Self-Storage, has operated at 2435 Centennial Road at the Airport Industrial Center. In late 2020, Mark reached out to the SAA regarding the possibility of expanding the self-storage facility on towards the south and on ground owned by the SAA. During 2021, SAA staff has been working with Mark on the potential development of this site for expanded self-storage which has resulted in the lease agreement presented in the packet and according to the following agreed upon terms.

- Property:** 3.74 Acres – Portion of Lot 4, Block 1, Schilling Subdivision No. 7
- Term:** Five years with 7 five-year options to renew
- Rental:** \$800/month or \$.06/SF/Year
Lease provides for a graduated rental rate during first year as Lessee is developing site and constructing units.
- Rate adjustment:** Every 24-months during term and renewal options
- Effective date:** Commencing on the issuance of a City of Salina building permit for any component of the project.
- Lessee:** Lessee will be responsible for all site development including fencing upgrades, utilities, paving and storage unit construction.

SAA: SAA will work with AT&T to relocate a telephone line currently on the site, will fill in a cut-out of an earthen berm to the south of the premises, will relocate or abandon a septic system encroaching from the premises from the south, and will assist in modifying a fence as necessary between the Triplett and Winfield United leaseholds.

Recommendation: Approval of the Lease Agreement with Triplett Self Storage, LLC for the leasing of 3.74 acres of land located on a portion of Lot 4, Block 1, Schilling Subdivision No. 7.

Agenda Item #11 – Consideration of a bids received for the replacement of the Building 520 (Salina Development Center) exterior marquee and rental unit signage. (Swanson)

The multi-tenant facility known as the Salina Development Center, Bldg. 520, was constructed in the early 1990's as a facility that would attract start-up businesses and offer an "incubator" style property to provide new businesses to the city and airport industrial center warehouse, small manufacturing and office space ranging in size from 2,730 – 5,388 sq. ft. Presently, the facility is home to GeoCore, One Office Solution, and Pomp's Tire Center and only one unit is currently available for lease.

The marquee and signage has not been upgraded since the facility was built and this summer staff identified the need to replace and upgrade the signage. This new signage along with the repainting of the facility previously authorized, will bring a much-needed improvement to the curb appeal.

Staff sought proposals from two local sign companies to replace the marquee with a new illuminated sign and removal and replacement of the individual tenant signs above their respective entry ways. Luminous Neon and Gleason Sign Company both submitted proposals and the bid tabulation is enclosed.

Recommendation: Approval of the bid submitted by Luminous Neon in the amount of \$32,042.90.

Agenda Item #12 – Presentation and Discussion of Rankings for the Selection of Airport Engineering and Consulting Firms (Rogers)

Five (5) airport engineering and consulting firms were interviewed for selection by the Airport Authority for multiple airport improvement projects to be completed over a five-year period, 2022 – 2026. The firms interviewed were:

- The Aviation Planning Group (Group 1 Projects)
- Garver (Group 1 Projects)
- Lochner (Group 1 Projects)
- Benesh (Group 2 Projects)
- Jviation (Group 1 and 2 Projects)

The airport improvement projects were:

- Terminal building expansion design and construction (Group 2 Projects)
- Runway 12/30 rehabilitation design and construction (Group 1 Projects)
- Acquisition of airfield snow removal equipment (Group 1 Projects)
- Terminal building parking lot rehabilitation and expansion (Group 1 Projects)
- SLN fuel farm rehabilitation (Group 1 Projects)
- Taxiway Alpha (A) rehabilitation (Group 1 Projects)
- Runway and taxiway lighting system rehabilitation (Group 1 Projects)

The scoring results by the interview panel members was quite close. Based on interview scores, the top ranked firms for the projects listed above are:

- Terminal building expansion design and construction - **Jviation**
- Runway 12/30 rehabilitation design and construction - **Jviation**
- Acquisition of airfield snow removal equipment - **Garver**
- Terminal building parking lot rehabilitation and expansion - **Lochner**
- SLN fuel farm rehabilitation - **Jviation**
- Taxiway Alpha (A) rehabilitation - **Jviation**
- Runway and taxiway lighting system rehabilitation - **Jviation**

Recommendation: SAA board approval to proceed with scope of work and fee negotiations with the top ranked engineering and consulting firms.

Agenda Item #13 – Runway 12/30 Pavement Investigation (Rogers)

The first step in the process of determining whether to rehabilitate Runway 12/30 or reconstruct the runway is to fully understand the condition of runway’s pavement. SAA staff, the FAA and airport consulting engineers can inspect the surface visually. Subsurface inspection requires pavement and soil borings in addition to nondestructive testing. Pavement and subsurface cores and the results of nondestructive testing are used to determine pavement strength and overall condition.

The SAA’s airport engineering firm Jviation can complete a Runway 12/30 pavement investigation by November 30. The field work would be completed late October and the results will be available to share with KDOT and the FAA by November 30. The total cost for the field work is \$75,000.

Completion of a Runway 12/30 pavement investigation report will enable the SAA and Jviation to initiate discussions with the FAA on the scope of work (rehabilitation and/or reconstruction) needed to keep the runway in good repair and operational.

An expenditure of \$75,000 for a Runway 12/30 pavement investigation would be funded by federal and state grant matching funds that are on deposit.

Recommendation: Approval of a not-to-exceed amount of \$75,000 for completion of a Runway 12/30 Pavement Investigation Report.

Please contact us if you have any questions or comments.

SALINA AIRPORT AUTHORITY REGULAR BOARD MEETING
Hangar H600, First Floor Conference Room
2720 Arnold Court
Or
Online Via GoToMeeting

October 20, 2021 – 8:00 AM

AGENDA

Action Items (Gunn)

1. Call to order and determine that a quorum is present and confirm that the meeting notice has been published. (Gunn)
2. Recognition of guests. (Gunn)
3. Additions to the agenda and agenda overview. (Rogers)
4. Approval of the minutes of the September 15, 2021, regular board meeting. (Gunn)
5. Review of airport activity and financial reports for the month ending September 30, 2021. (Rogers and Swanson)
6. Review of the SAA's January through September 2021 (Q3) 10-year trend analysis. (Swanson)
7. Presentation of bids received for the sale of Salina Airport Authority taxable general obligation temporary notes in the amount of \$3,500,000. (Swanson)
8. Approval of SAA Resolution 21-10 directing the issuance, sale and delivery of SAA taxable general obligation temporary notes, Series 2021-1. (Swanson)
9. Review of the Salina Airport Authority's 2022 operating revenue and operating expense forecast. (Rogers and Swanson)
10. Consideration of a land lease with Triplett Self-Storage, LLC for a portion of Lot 4, Block 1, Schilling Subdivision No. 7 consisting of 3.73 acres. (Swanson and Bieker)
11. Consideration of bids received for the replacement of the Building B520 (Salina Development Center) exterior marquee and rental unit signage. (Swanson and Bieker)
12. Presentation of airport engineering and consulting firm interview rankings. (Rogers)
13. Consideration of a proposal submitted by Jviation for the completion of a Runway 12/30 pavement investigation. (Rogers)



Directors' Forum (Gunn)

Visitor's Questions and Comments (Gunn)

Staff Reports (Rogers)

Announcements (Windhorst)

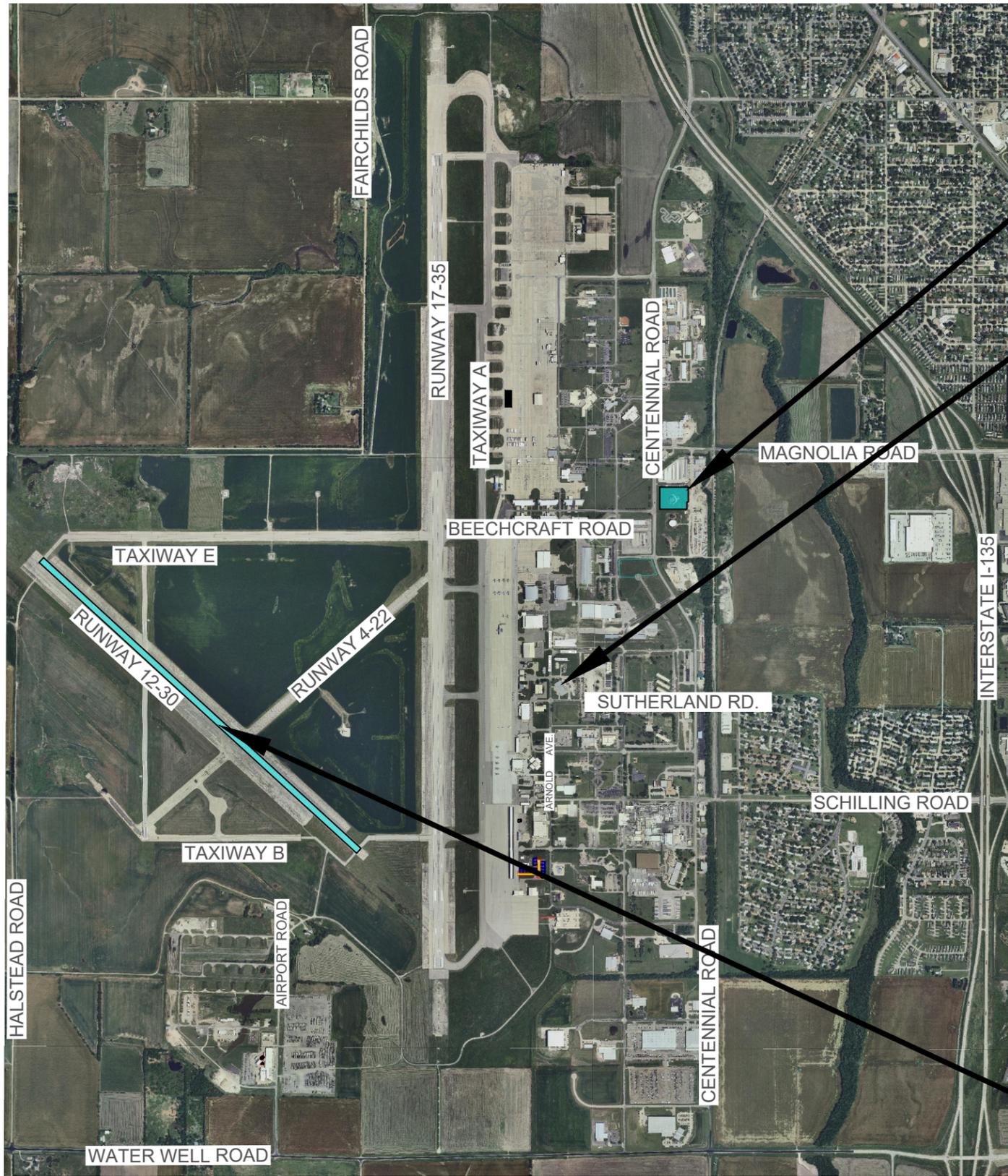
Executive Session (Gunn)

14. An executive session of the board of directors to discuss trade secrets of a corporation. (Gunn)

I move that the Airport Authority board of directors recess into an executive session for twenty (20) minutes to discuss the subject of a specific economic development project based upon the need to discuss data relating to the financial affairs or traded secrets of corporations, partnerships, trusts and individual proprietorships pursuant to K.S.A. 75-4319(b)(4). The open meeting will resume in this room at ____ AM.

Adjournment (Gunn)





Lot 4, Block 1
Schilling
Subdivision No. 7



Building 520



Runway 12-30

Drawing Number 3003-10-21



3237 ARNOLD, SALINA, KS 67401
(785-827-3914 FAX: 785-827-2221)
None : REVISIONS
KRB : DESIGNED BY
KRB : DRAWN BY
1" = 2000' : SCALE
10/20/21, 12:19 : DATE



**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE SALINA AIRPORT AUTHORITY
SEPTEMBER 15, 2021
HANGAR 600, ROOM 100**

Call to Order

The meeting was called to order at 8:00 AM by Chair Kristin Gunn. Chair Gunn confirmed that a quorum was present. Business and Communications Manager, Kasey Windhorst noted the board meeting notice was published on Friday, September 10, 2021, and the board packet was distributed on Monday, September 13, 2021.

Attendance

Attendance was taken. Chair Gunn, Directors Buer (via VTC), Eichelberger, Roberg, and Weisel were present. Executive Director Tim Rogers; Director of Administration and Finance Shelli Swanson; Director of Facilities and Construction Kenny Bieker; Business and Communications Manager Kasey Windhorst; Airport Administration Specialist Jazstyn Moyer; and Attorney Greg Bengtson was in attendance. Mitch Robinson, Salina Community Economic Development Organization; Trent Davis, Salina City Commissioner; Eric Brown, Salina Area Chamber of Commerce; David Arteberry, Stifel, Nicolaus & Company, Inc.; Gina Reikhof, Gilmore & Bell; and Bob Vidrickson, Saline County Commissioner were in attendance as guests.

Additions to the Agenda

Chair Gunn asked if there were any additions to the agenda. Executive Director Rogers stated there were no additions to the agenda.

Minutes

Chair Gunn asked if the board members had additions or corrections to the minutes of the August 18, 2021, regular board meeting. Director Weisel moved, seconded by Director Buer, to approve the minutes of the August 18, 2021, regular board meeting. Motion passed unanimously.

Salina Area Chamber of Commerce Workforce Recruitment Update

Salina Area Chamber of Commerce president and CEO, Eric Brown, reviewed the Imagine Salina campaign, data trends from the second quarter of 2021, county median wage comparison, labor basin, commuter data, marketing campaign, housing, and childcare. The Chamber is assisting the Airport and Airport Industrial Center employers with workforce recruitment and training needs.

Airport Activity and Financial Reports

Executive Director Rogers reported that the Salina Air Traffic Control Tower (ATCT) recorded 6,181 operations during August 2021, which was a 15% decrease compared to the August 2020 total of 7,318. For year-to-date a total of 53,535 operations have occurred at the airport which is 53% more than the August 2020 year-to-date total of 35,019. August fuel flowage came in at 226,367 gallons which was a 67% decrease compared to August 2020 total of 629,614 gallons. For year-to-date, a total of 1,394,313 gallons has been delivered to the Airport which is 17% less than the 2020 year-to-date total of 1,672,456 gallons. United/SkyWest flights enplaned 1,859

passengers, which was a 290% increase as compared to the August 2020 total of 476 enplaned passengers.

Director of Administration and Finance Swanson reported on the financials for the month of August 2021. Total administrative expenses arrived 3% over budget while total maintenance expenses ended the month 18% over budget bringing total operating expenses to 8% over budget year-to-date. Net operating income before depreciation for August reached \$159,291 which is ahead of budget by \$128,542. Total capital contributed in grant funding for YTD equaled \$1,041,311. Total fixed asset additions YTD arrived at \$1,687,404 or 28% of the annual budget. Short-term leasing activity continues a positive trend. During the month of August, the SAA entered a one-year lease with Enel Green Power North America, Inc. for a small 1,955 sq. ft. area in Bldg. 808 for the storage of damaged wind turbine nacelle. This agreement will generate \$4,320 per year. SAA executed a one-year lease with RMA Engineering, LLC for short-term hangar storage in Hangar 506-2. This agreement will generate \$1,350 per month. A 4-day agreement was executed with Dynamic Aviation for flight test work. The agreement entails one small office, ramp space, and ground support equipment which will generate approximately \$2,040. In addition, the SAA executed a seasonal aerial applicator use agreement on September 9 with Tyree Ag. This agreement will generate \$750 per year plus the current fuel flowage fee for all fuel not purchased through AvFlight.

SAA Resolution 21-09 authorizing for sale of Taxable General Obligation Temporary Notes, Series 2021-1

Swanson reviewed the next steps in the process of financing portions of the general aviation box hangars, public restroom, M.J. Kennedy Air Terminal Bldg. improvements, and the renovation of Bldg. 595. SAA Resolution No. 21-09 would authorize the offering for sale of the taxable general obligation temporary notes in the amount not to exceed \$3,500,000, exclusive of bond issue costs. David Arteberry noted that the bond sale is scheduled for October 19th and results will be in by October 20th. Director Eichelberger moved to approve SAA Resolution 21-09 Authorizing for Sale Taxable General Obligation Temporary Notes, Series 2021-1 and authorize Chair Gunn to sign. Director Weisel seconded the motion. Motion passed unanimously.

Salina Airport Authority's 2022 to 2028 Airport Capital Improvement Program (ACIP)

Rogers updated the board on the five-year FAA CIP detailed project list and presented the board with a state and federal grand funding summary. The 2022-2028 estimated total cost will be \$36 million to complete needed capital improvement projects at the Salina Regional Airport. Potential federal and state grant funding is estimated to be \$32M. Local matching funds in the amount of \$4M will be needed over the next seven years. The SLN ACIP anticipates that availability of FAA grant funding from the following "buckets" of money:

1. Passenger Enplanement Entitlement
2. Military Airport Program
3. Airport Infrastructure Program
4. Airport Terminal Program
5. Kansas Department of Transportation
6. Economic Development Administration (EDA)

Kansas Erosion Products Lease Agreement (B1021, 3600 Airport Rd.)

Rogers provided a company overview of Kansas Erosion Products and Swanson reviewed the current lease terms. The existing lease terms will be terminated and replaced by the following new lease terms.

Renewal:	Option to renew for two 3-year options (at the sole option of the Lessee)
Base Term:	3 years effective October 1, 2021
Rental:	\$19,725/month; \$236,700/year; \$3.24/SF/year
CPI Adjustments:	Biennially
Other:	Property taxes, insurance, utilities

Director Roberg moved to approve the lease agreement with Kansas Erosion Products for Bldg. 1021 and authorize Chair Gunn to sign. Motion was seconded by Director Eichelberger. Motion passed unanimously.

Building B1021 Office and Warehouse Improvements

Swanson reviewed the proposed building improvements for B1021 to include, new wall and floor coverings, removal and replacement of several interior doors, new acoustical ceiling tile, restroom and breakroom improvements. The on-call architect, Hutton, has estimated construction cost for these improvements to be \$139,170. A second loading dock would also be added for an estimated construction cost of \$35,000. Director Wiesel moved to authorize a budget of \$175,000 for the Bldg. 1021 office renovation and the addition of a loading dock. Seconded by Director Roberg. Motion passed unanimously.

Buildings B412, B520, and B700 Exterior Wall Repairs and Painting

Rogers reviewed the plans for exterior wall repairs and painting to be done on buildings B412, B520, and B700. Bids were received from Brace Integrated Services, Wichita, KS and Painting, Inc., Overland Park, KS. These were the most responsive to the SAA's requirements for exterior wall repair (masonry block and stucco) and ability to complete the work during Fall 2021.

- Brace Integrated Services - \$92, 986.64
- Painting, Inc. - \$84,012.64

Director Roberg moved to approve the low bid received from Painting, Inc. for exterior wall repairs and painting for buildings B412, B520, and B700. Seconded by Director Wiesel. Motion passed unanimously.

Staff Reports

GA Hangar Update

Rogers updated the board on the status of the GA hangar project. The FAA is reviewing the GA box hangar project and Hutton will prepare an updated price estimate for 50x50 box units.

North Ramp Development

Rogers discussed prospect activity and presented possible locations for maintenance, repair, overhaul (MRO) development located on the north ramp.

Upon a motion duly made, the meeting adjourned at 9:44 A.M.

Minutes approved at the October 20, 2021, Board Meeting.

Secretary

(SEAL)

**SALINA AIRPORT AUTHORITY
AIRPORT ACTIVITY REPORT
2021**

AIR TRAFFIC/ATCT

September, 2021	7,206 Operations 770 Instrument Operations 408 Peak Day
September, 2020	7,550 Operations 875 Instrument Operations 520 Peak Day
January 2021 - September 2021	60,741 Operations
January 2020 - September 2020	42,569 Operations
January 2019 - September 2019	58,654 Operations

FUEL FLOWAGE

September, 2021	171,259 Gallons
September, 2020	128,710 Gallons
January 2021 - September 2021	1,565,572 Gallons
January 2020 - September 2020	1,801,166 Gallons
January 2019 - September 2019	1,859,571 Gallons

KSU-S	Avflight Salina	Avflight	
		Military/Gov't Portion	Self-fuel Station Portion
13,409	157,850	27,722	548
15,600	113,110	36,718	314
97,410	1,468,162	331,348	4,113
63,732	1,737,434	773,824	2,443
78,927	1,780,644	884,465	4,426

SkyWest Airlines

September, 2021	1,900 Passengers
September, 2020	552 Passengers
January 2021 - September 2021	12,405 Passengers
January 2020 - September 2020	6,023 Passengers
January 2019 - September 2019	14,390 Passengers

ENPLANEMENTS

DEPLANEMENTS

TOTAL

1,838 Passengers	3,738
541 Passengers	1,093

ENPLANEMENTS - Charter Flights

September, 2021	150 Passengers
September, 2020	0 Passengers
January 2021 - September 2021	1,012 Passengers
January 2020 - September 2020	5,288 Passengers
January 2019 - September 2019	1,264 Passengers

TOTAL ENPLANEMENTS - Scheduled Flights & Charter Flights

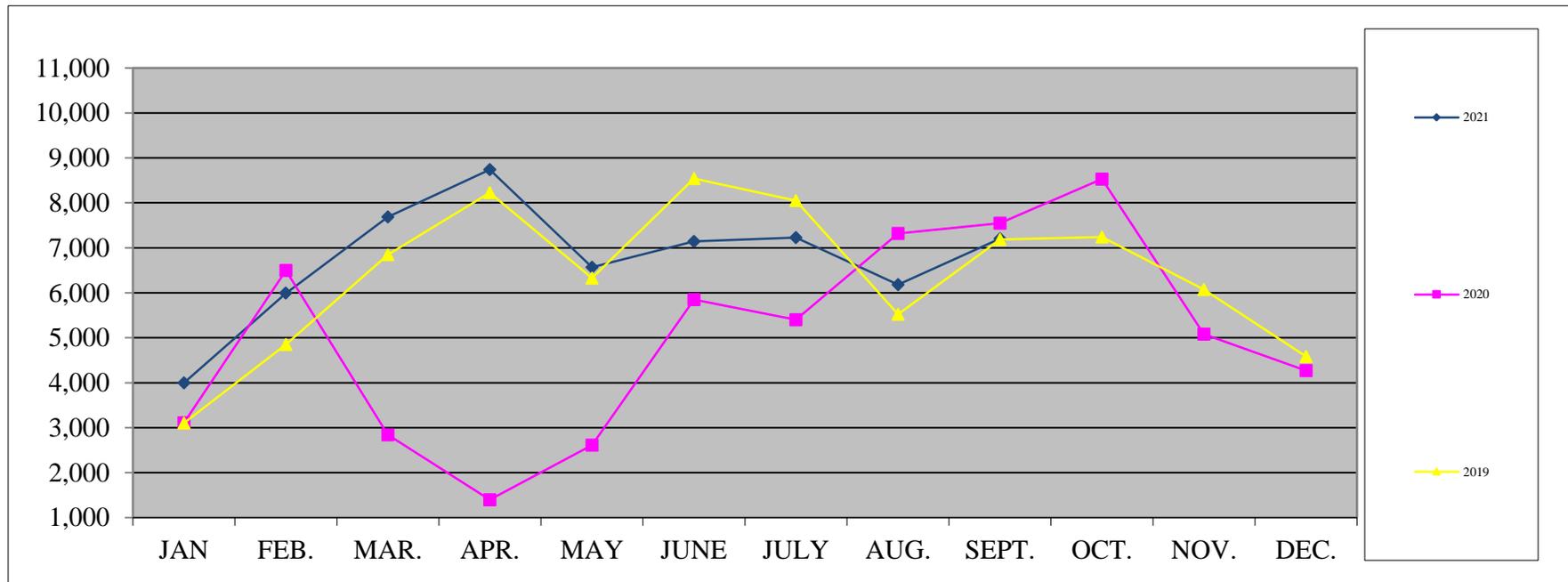
September, 2021	2,050 Passengers
September, 2020	552 Passengers
January 2021 - September 2021	13,417 Passengers
January 2020 - September 2020	11,311 Passengers
January 2019 - September 2019	15,654 Passengers

**AIRPORT TRAFFIC RECORD
2020 - 2021**

	ITINERANT					LOCAL			Total Operations
	AC	AT	GA	MI	Total Itinerant	Civil	Military	Total Local	
2021									
January, 21	131	1,074	540	161	1,906	1,968	122	2,090	3,996
February, 21	109	1,966	533	218	2,826	2,863	300	3,163	5,989
March, 21	113	2,286	743	340	3,482	3,804	402	4,206	7,688
April, 21	120	2,534	743	196	3,593	4,966	180	5,146	8,739
May, 21	132	1,767	847	272	3,018	3,274	278	3,552	6,570
June, 21	141	2,327	876	154	3,498	3,522	122	3,644	7,142
July, 21	129	2,063	845	189	3,226	3,874	130	4,004	7,230
August, 21	132	1,694	898	193	2,917	3,120	144	3,264	6,181
September, 21	130	2,528	1,859	164	4,681	2,467	58	2,525	7,206
October, 21									
November, 21									
December, 21									
Totals January - September	1,137	18,239	7,884	1,887	29,147	29,858	1,736	31,594	60,741
2020									
January, 20	134	675	488	252	1,549	1,192	368	1,560	3,109
February, 20	125	2,095	594	222	3,036	3,196	262	3,458	6,494
March, 20	121	642	531	183	1,477	1,140	224	1,364	2,841
April, 20	131	52	410	139	732	378	288	666	1,398
May, 20	78	436	534	270	1,318	868	428	1,296	2,614
June, 20	72	1,675	751	294	2,792	2,782	272	3,054	5,846
July, 20	112	1,589	751	331	2,783	2,458	158	2,616	5,399
August, 20	153	2,047	794	1,232	4,226	2,830	262	3,092	7,318
September, 20	112	2,539	641	313	3,605	3,635	310	3,945	7,550
October, 20									
November, 20									
December, 20									
Totals January - September	1,038	11,750	5,494	3,236	21,518	18,479	2,572	21,051	42,569
Difference	99	6,489	2,390	-1,349	7,629	11,379	-836	10,543	18,172
YTD % Change	10%	55%	44%	-42%	35%	62%	-33%	50%	43%
Legend:	AC: Air Carrier			AT: Air Taxi					
	GA: General Aviation			MI: Military					

AIR TRAFFIC

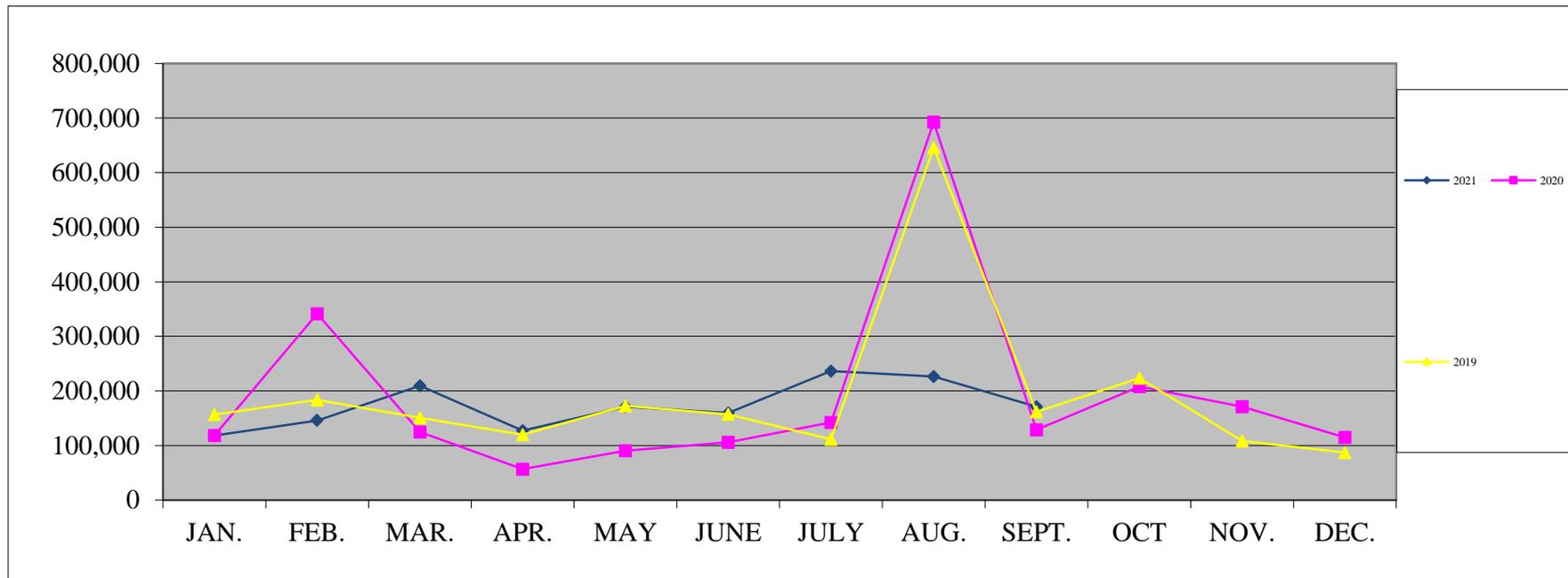
	<u>JAN</u>	<u>FEB.</u>	<u>MAR.</u>	<u>APR.</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>TOTAL</u>
2021	3,996	5,989	7,688	8,739	6,570	7,142	7,230	6,181	7,206	8,532	5,078	4,269	60,741
2020	3,109	6,494	2,841	1,398	2,614	5,846	5,399	7,318	7,550	8,532	5,078	4,269	60,448
2019	3,102	4,852	6,848	8,225	6,328	8,541	8,051	5,520	7,187	7,240	6,072	4,587	76,553
2018	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
2017	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
2016	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
2015	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
2014	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
2013	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
2012	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
2011	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



FUEL FLOWAGE

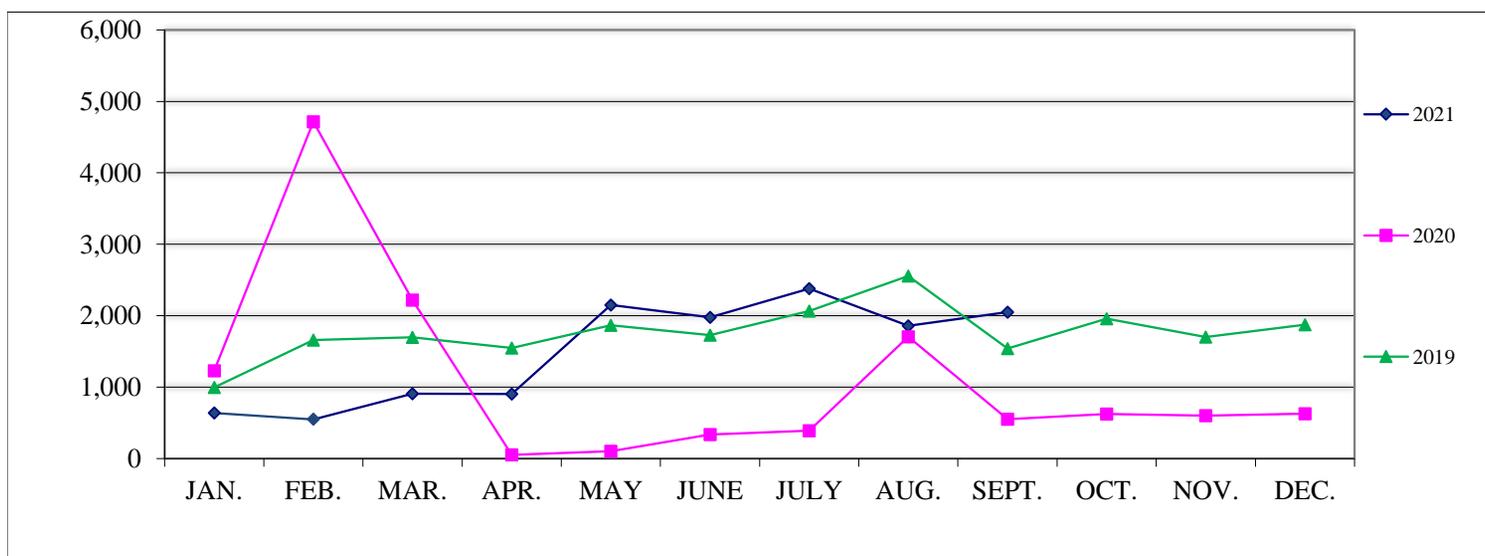
Gallons of Fuel Sold at SLN

	<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>
2021	118,269	145,726	209,376	127,107	171,289	159,725	236,452	226,367	171,259				1,565,572
2020	118,337	341,329	124,865	56,765	90,326	105,987	142,234	692,613	128,710	208,081	170,893	114,869	2,295,009
2019	156,531	183,334	150,881	119,745	172,835	157,376	111,147	645,834	161,888	223,382	108,525	87,182	2,278,659
2018	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
2017	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
2016	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
2015	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
2014	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
2013	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
2012	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
2011	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



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>TOTAL</u>
2021	638	548	909	904	2,151	1,979	2,379	1,859	2,050	624	602	628	13,417
2020	1,232	4,716	2,219	52	105	338	392	1,705	552	624	602	628	13,165
2019	996	1,659	1,698	1,548	1,865	1,727	2,065	2,556	1,540	1,958	1,703	1,874	21,189
2018	414	715	370	783	1,387	1,751	1,623	5,553	2,095	2,230	1,756	1,622	20,299
2017	720	1,344	731	756	761	852	793	746	3,874	946	1,229	1,207	13,959
2016	36	0	0	0	0	104	372	910	637	558	574	692	3,883
2015	528	107	4,550	531	122	88	77	79	61	3,574	592	80	10,389
2014	145	109	140	135	175	403	282	223	178	431	157	178	2,556
2013	166	191	205	214	243	218	202	205	161	178	212	243	2,438
2012	237	249	247	216	287	213	174	198	151	187	229	335	2,723
2011	146	156	205	181	254	258	261	234	225	287	264	234	2,705



****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 September 30, 2021

10/18/2021

	Sep 30, 21	Aug 31, 21	\$ Change	Sep 30, 20	\$ Change	% Change
ASSETS						
Current Assets						
Checking/Savings						
Cash in Bank-Bond Funds	51,623	51,623	0	230,600	-178,977	-78%
Cash in bank-Operating Funds	1,463,045	1,550,539	-87,494	1,104,125	358,920	33%
Cash in Bank - Mill Levy	768,231	586,126	182,105	519,500	248,731	48%
LPA - B824 Project Fund	0	0	0	329,408	-329,408	-100%
Total Checking/Savings	1 2,282,899	2,188,288	94,611	2,183,633	99,266	5%
Accounts Receivable						
Accounts Receivable	2 244,629	181,245	63,384	337,582	-92,953	-28%
Total Accounts Receivable	244,629	181,245	63,384	337,582	-92,953	-28%
Other Current Assets						
Agri Land Receivable	0	66,760	-66,760	0	0	0%
Mill Levy receivable	14,395	196,494	-182,099	74,942	-60,547	-81%
Other current assets	146,383	153,088	-6,705	142,962	3,421	2%
Undeposited Funds	27,875	53,934	-26,059	45,096	-17,221	-38%
Total Other Current Assets	188,653	470,276	-281,623	263,000	-74,347	-28%
Total Current Assets	2,716,181	2,839,809	-123,628	2,784,215	-68,034	-2%
Fixed Assets						
Fixed assets at cost	94,612,579	94,396,713	215,866	92,287,518	2,325,061	3%
Less accumulated depreciation	-52,580,364	-52,343,023	-237,341	-49,522,213	-3,058,151	-6%
Total Fixed Assets	42,032,215	42,053,690	-21,475	42,765,305	-733,090	-2%
Other Assets						
Deferred Outflow of Resources	1,232,712	1,232,712	0	1,276,204	-43,492	-3%
Total Other Assets	1,232,712	1,232,712	0	1,276,204	-43,492	-3%
TOTAL ASSETS	45,981,108	46,126,211	-145,103	46,825,724	-844,616	-2%
LIABILITIES & EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts payable	3 283,209	176,621	106,588	355,436	-72,227	-20%
Total Accounts Payable	283,209	176,621	106,588	355,436	-72,227	-20%
Total Credit Cards	-20	5,436	-5,456	3,461	-3,481	-101%
Other Current Liabilities						
Accrued debt interest payable	63,384	9,779	53,605	42,123	21,261	50%
Debt, current portion	1,670,000	1,670,000	0	1,427,350	242,650	17%
Deferred Agri Land Revenue	0	22,253	-22,253	0	0	0%
Deferred Mill Levy revenue	633,667	844,890	-211,223	666,877	-33,210	-5%
Other current liabilities	270,978	265,491	5,487	250,779	20,199	8%
Total Other Current Liabilities	2,638,029	2,812,413	-174,384	2,387,129	250,900	11%
Total Current Liabilities	2,921,218	2,994,470	-73,252	2,746,026	175,192	6%
Long Term Liabilities						
Debt - Long Term	22,100,188	22,100,188	0	23,547,102	-1,446,914	-6%
Deferred Inflows of Resources	66,426	66,426	0	41,412	25,014	60%
Less current portion	-1,670,000	-1,670,000	0	-1,427,350	-242,650	-17%
Net OPEB Liability (KPEERS)	13,924	13,924	0	13,338	586	4%
Net Pension Liability	715,670	715,670	0	632,856	82,814	13%
Security Deposits Returnable	92,501	92,501	0	75,449	17,052	23%
Total Long Term Liabilities	21,318,709	21,318,709	0	22,882,807	-1,564,098	-7%
Total Liabilities	24,239,927	24,313,179	-73,252	25,628,833	-1,388,906	-5%
Equity						
Invested in Capital Assets net	19,908,731	18,568,472	1,340,259	19,186,948	721,783	4%
Net assets, Designated	90,000	90,000	0	90,000	0	0%
Net assets, Unrestricted	1,198,452	2,538,711	-1,340,259	3,225,837	-2,027,385	-63%
Net Income	543,999	615,849	-71,850	-1,305,894	1,849,893	142%
Total Equity	21,741,182	21,813,032	-71,850	21,196,891	544,291	3%
TOTAL LIABILITIES & EQUITY	4 45,981,109	46,126,211	-145,102	46,825,724	-844,615	-2%

Salina Airport Authority
Profit & Loss Budget Performance
September 2021

7:11 AM
10/18/2021
Accrual Basis

	Sep 21	Jan - Sep 21	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense						
Income						
Airfield revenue						
Fuel Flowage Fees	13,958	132,969	138,750	-5,781	96%	185,000
Hangar rent	64,375	626,571	495,000	131,571	127%	660,000
Landing fees	3,132	22,401	22,500	-99	100%	30,000
Ramp rent	5,373	48,037	43,001	5,036	112%	57,335
Total Airfield revenue	86,838	829,978	699,251	130,727	119%	932,335
Building and land rent						
Agri land rent	22,956	67,463	50,070	17,393	135%	66,760
Building rents - Long Term						
Short-term leasing	30,795	302,000	228,150	73,850	132%	304,200
Building rents - Long Term - Other	80,196	700,134	613,163	86,971	114%	817,550
Total Building rents - Long Term	110,991	1,002,134	841,313	160,821	119%	1,121,750
Land rent						
Basic Land Rent	15,143	123,973	96,440	27,533	129%	128,586
Property tax - tenant share	9,452	85,068	85,068	0	100%	113,424
Total Land rent	24,595	209,041	181,508	27,533	115%	242,010
Tank rent	1,167	10,503	10,125	378	104%	13,500
Total Building and land rent	159,709	1,289,141	1,083,016	206,125	119%	1,444,020
Other revenue						
Airport Marketing	0	0	18,750	-18,750	0%	25,000
ARFF Training	2,460	2,460	1	2,459	246,000%	1
Commissions	2,439	14,246	15,795	-1,549	90%	21,060
Other income	3,186	55,071	57,750	-2,679	95%	77,000
Total Other revenue	8,085	71,777	92,296	-20,519	78%	123,061
Total Income	254,632	2,190,896	1,874,563	316,333	117%	2,499,416
Gross Income	5 254,632	2,190,896	1,874,563	316,333	117%	2,499,416
Expense						
Administrative expenses						
A/E, consultants, brokers	0	24,967	24,000	967	104%	32,000
Airport promotion	15,377	162,825	75,000	87,825	217%	100,000
Bad Debt Expense	0	107	3,750	-3,643	3%	5,000
Computer/Network Admin.	2,939	20,679	22,500	-1,821	92%	30,000
Dues and subscriptions	1,790	19,724	18,750	974	105%	25,000
Employee retirement	7,088	58,835	64,009	-5,174	92%	85,345
FICA and medicare tax expense	9,264	49,256	49,380	-124	100%	65,840
Industrial development	2,375	21,375	32,625	-11,250	66%	43,500
Insurance , property	17,083	153,750	161,250	-7,500	95%	215,000
Insurance, medical	16,122	149,447	153,750	-4,303	97%	205,000
Kansas unemployment tax	2,145	6,365	750	5,615	849%	1,000
Legal and accounting	1,026	51,185	27,750	23,435	184%	37,000
Office salaries	72,698	393,892	387,047	6,845	102%	516,062
Office Supplies	1,512	5,982	4,875	1,107	123%	6,500
Other administrative expense	732	13,252	11,250	2,002	118%	15,000
Postage	0	1,064	1,875	-811	57%	2,500
Property tax expense	14,238	128,140	128,141	-1	100%	170,854
Special Events	0	0	750	-750	0%	1,000
Telephone	2,381	18,407	12,000	6,407	153%	16,000
Training	0	335	3,750	-3,415	9%	5,000
Travel and meetings	815	7,332	7,500	-168	98%	10,000
Total Administrative expenses	167,585	1,286,919	1,190,702	96,217	108%	1,587,601

	Sep 21	Jan - Sep 21	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Maintenance expenses						
Airfield maintenance	3,700	35,058	37,500	-2,442	93%	50,000
Airport Security	1,867	5,836	1,875	3,961	311%	2,500
Building maintenance	17,433	116,803	56,250	60,553	208%	75,000
Equipment fuel and repairs	4,542	66,278	45,000	21,278	147%	60,000
Fire Services	10,245	23,394	19,125	4,269	122%	25,500
Grounds maintenance	0	10,040	5,625	4,415	178%	7,500
Maintenance salaries	27,007	248,356	285,140	-36,784	87%	380,187
Other maintenance expenses	1,137	13,435	18,750	-5,315	72%	25,000
Snow removal expense	0	2,685	15,000	-12,315	18%	20,000
Utilities	13,115	240,486	165,000	75,486	146%	220,000
Total Maintenance expenses	79,046	762,371	649,265	113,106	117%	865,687
Total Expense	246,631	2,049,290	1,839,967	209,323	111%	2,453,288
Net Ordinary Income	6	8,001	34,596	107,010	409%	46,128
Other Income/Expense						
Other Income						
Capital contributed	0	1,041,312	393,750	647,562	264%	525,000
Gain on sale of assets	0	193,240	15,000	178,240	1,288%	20,000
Interest income						
Interest income on deposits	8	712	1,125	-413	63%	1,500
Total Interest income	8	712	1,125	-413	63%	1,500
Mill levy income	211,222	1,901,002	1,901,002	0	100%	2,534,669
Total Other Income	211,230	3,136,266	2,310,877	825,389	136%	3,081,169
Other Expense						
Debt interest expense net						
Bond issue cost	137	46,969	33,750	13,219	139%	45,000
Interest Expense on Debt	53,605	482,445	482,438	7	100%	643,250
Total Debt interest expense net	53,742	529,414	516,188	13,226	103%	688,250
Depreciation expense	237,340	2,136,062	2,136,062	0	100%	2,848,082
Other Non-Operating Expenses	0	68,394	1	68,393	6,839,400%	1
Total Other Expense	291,082	2,733,870	2,652,251	81,619	103%	3,536,333
Net Other Income	-79,852	402,396	-341,374	743,770	-118%	-455,164
Net Income	-71,851	544,002	-306,778	850,780	-177%	-409,036

Salina Airport Authority
Profit & Loss Prev Year Comparison
 January through September 2021

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 10/18/2021
 Accrual Basis

	Jan - Sep 21	Jan - Sep 20	\$ Change	% Change
Ordinary Income/Expense				
Income				
Airfield revenue				
Fuel Flowage Fees	132,969	149,136	-16,167	-11%
Hangar rent	626,571	496,591	129,980	26%
Landing fees	22,401	37,396	-14,995	-40%
Ramp rent	48,037	45,290	2,747	6%
Total Airfield revenue	829,978	728,413	101,565	14%
Building and land rent				
Agri land rent	67,463	67,683	-220	-0%
Building rents - Long Term				
Short-term leasing	302,000	252,141	49,859	20%
Building rents - Long Term - Other	700,134	650,992	49,142	8%
Total Building rents - Long Term	1,002,134	903,133	99,001	11%
Land rent				
Basic Land Rent	123,973	96,381	27,592	29%
Property tax - tenant share	85,068	92,924	-7,856	-8%
Total Land rent	209,041	189,305	19,736	10%
Tank rent	10,503	10,473	30	0%
Total Building and land rent	1,289,141	1,170,594	118,547	10%
Other revenue				
Airport Marketing	0	60,420	-60,420	-100%
ARFF Training	2,460	0	2,460	100%
Commissions	14,246	11,957	2,289	19%
Other income	55,071	76,089	-21,018	-28%
Total Other revenue	71,777	148,466	-76,689	-52%
Uncategorized Income	0	0	0	0%
Total Income	2,190,896	2,047,473	143,423	7%
Gross Profit	2,190,896	2,047,473	143,423	7%
Expense				
Administrative expenses				
A/E, consultants, brokers	24,967	3,500	21,467	613%
Airport promotion				
Air Serv. Mktg - City	0	3,411	-3,411	-100%
Air Serv. Mktg - County	0	50,000	-50,000	-100%
Air Serv. Mktg - SAA	159,216	101,431	57,785	57%
Airport promotion - Other	3,609	3,787	-178	-5%
Total Airport promotion	162,825	158,629	4,196	3%
Bad Debt Expense	107	264	-157	-59%
Computer/Network Admin.	20,679	31,394	-10,715	-34%
Dues and subscriptions	19,724	19,500	224	1%
Employee retirement	58,835	51,192	7,643	15%
FICA and medicare tax expense	49,256	41,732	7,524	18%
Industrial development	21,375	21,000	375	2%
Insurance , property	153,750	129,799	23,951	18%
Insurance, medical	149,447	125,077	24,370	19%
Kansas unemployment tax	6,365	537	5,828	1,085%
Legal and accounting	51,185	29,544	21,641	73%
Office salaries				
Covid-19 Compensation	0	240	-240	-100%
Office salaries - Other	393,892	367,191	26,701	7%
Total Office salaries	393,892	367,431	26,461	7%
Office Supplies	5,982	4,681	1,301	28%
Other administrative expense				
Merchant Processing Fees	8,120	7,187	933	13%
Other administrative expense - Other	5,132	3,592	1,540	43%
Total Other administrative expense	13,252	10,779	2,473	23%
Payroll expenses	0	0	0	0%
Postage	1,064	1,505	-441	-29%
Property tax expense	128,140	124,409	3,731	3%
Special Events	0	0	0	0%
Telephone	18,407	10,577	7,830	74%
Training	335	4,405	-4,070	-92%
Travel and meetings	7,332	7,712	-380	-5%
Total Administrative expenses	1,286,919	1,143,667	143,252	13%

	<u>Jan - Sep 21</u>	<u>Jan - Sep 20</u>	<u>\$ Change</u>	<u>% Change</u>
Maintenance expenses				
Airfield maintenance	35,058	64,876	-29,818	-46%
Airport Security	5,836	472	5,364	1,136%
Building maintenance	116,803	75,877	40,926	54%
Equipment fuel and repairs	66,278	51,700	14,578	28%
Fire Services	23,394	6,036	17,358	288%
Grounds maintenance	10,040	7,567	2,473	33%
Maintenance salaries				
COVID-19 Compensation	343	1,188	-845	-71%
Maintenance salaries - Other	248,013	203,365	44,648	22%
Total Maintenance salaries	248,356	204,553	43,803	21%
Other maintenance expenses	13,435	18,267	-4,832	-26%
Snow removal expense	2,685	2,413	272	11%
Utilities	240,486	161,938	78,548	49%
Total Maintenance expenses	762,371	593,699	168,672	28%
Uncategorized Expenses	0	0	0	0%
Total Expense	2,049,290	1,737,366	311,924	18%
Net Ordinary Income	141,606	310,107	-168,501	-54%
Other Income/Expense				
Other Income				
Capital contributed				
CARES Grant No. 41 - Operating	183,670	964,873	-781,203	-81%
CRRSAA Grant No. 43 - Equipment	270,403	0	270,403	100%
CRRSAA Grant No. 43 - Operating	512,129	0	512,129	100%
Capital contributed - Other	75,110	427,470	-352,360	-82%
Total Capital contributed	1,041,312	1,392,343	-351,031	-25%
Gain on sale of assets	193,240	-2,395,710	2,588,950	108%
Interest income				
Interest income on deposits	712	1,616	-904	-56%
Total Interest income	712	1,616	-904	-56%
Mill levy income	1,901,002	2,001,920	-100,918	-5%
Total Other Income	3,136,266	1,000,169	2,136,097	214%
Other Expense				
Debt interest expense net				
Bond issue cost	46,969	44,885	2,084	5%
Interest Expense on Debt	482,445	477,106	5,339	1%
Total Debt interest expense net	529,414	521,991	7,423	1%
Depreciation expense	2,136,062	2,094,178	41,884	2%
Other Non-Operating Expenses	68,394	0	68,394	100%
Total Other Expense	2,733,870	2,616,169	117,701	4%
Net Other Income	402,396	-1,616,000	2,018,396	125%
Net Income	544,002	-1,305,893	1,849,895	142%

Salina Airport Authority
Capital Additions Budget vs. Actual
As of September 30, 2021

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10/17/2021
Accrual Basis

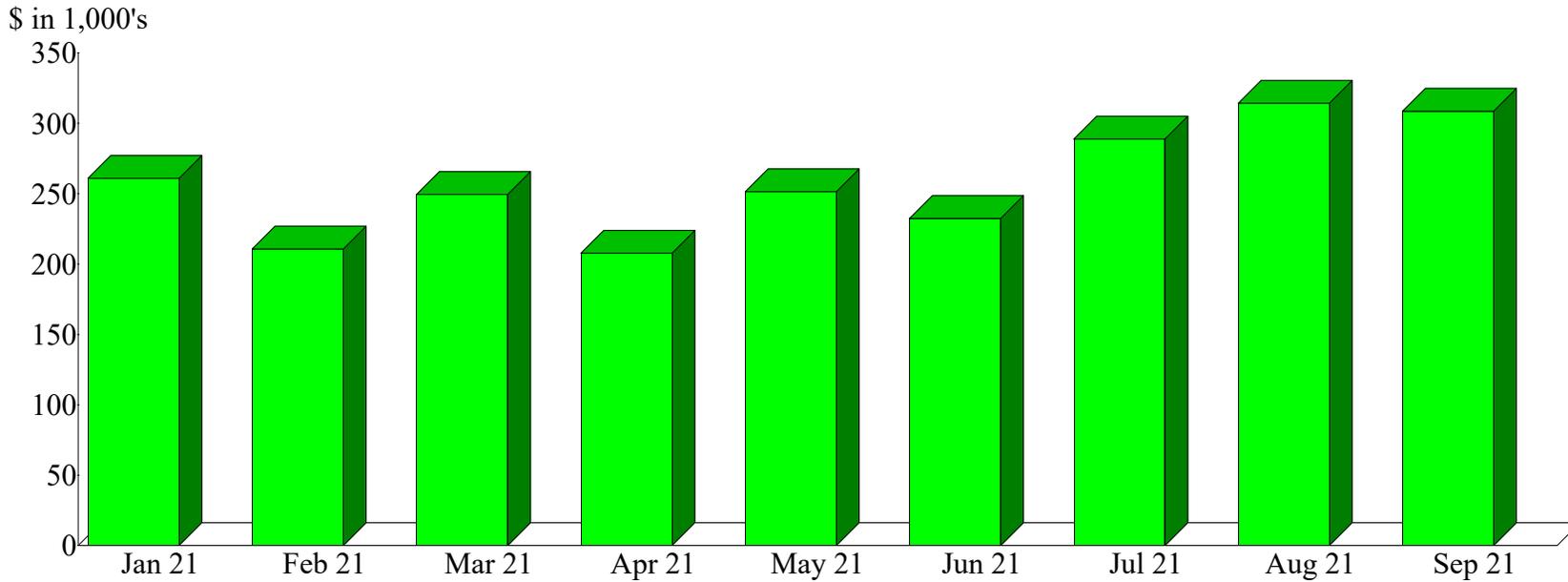
	Sep 21	Jan - Sep 21	Annual Budget	+/- Annual Budget	% of Annual Budget
ASSETS					
Fixed Assets					
Fixed assets at cost					
Airfield					
AIP-42 Rwy 17/35 Rehab		232,240	470,000	-237,760	49%
Airfield Improvements	7,463	158,875	145,000	13,875	110%
GA Hangar Construction		0	943,307	-943,307	0%
GA Hangar Restroom Construction		137,502	156,693	-19,191	88%
GA Hangar Restroom Design		6,455	8,217	-1,762	79%
GA Hangars Design		42,089	61,783	-19,694	68%
Total Airfield	7,463	577,161	1,785,000	-1,207,839	32%
Buildings & Improvements					
Building improvements					
Bldg. #1021 Facility Imps.					
Bldg. #1021 Facility Imps. A/E		0	35,000	-35,000	0%
Bldg. #1021 Imp. Construction		0	139,170	-139,170	0%
Total Bldg. #1021 Facility Imps.		0	174,170	-174,170	0%
Bldg. #614 Imps.		0	25,000	-25,000	0%
Bldg. 412 Imps.		0	24,301	-24,301	0%
Bldg. 520 Imps.		0	36,381	-36,381	0%
Bldg. 595 Improvements		47,749	1,749,000	-1,701,251	3%
Bldg. 724 Renovation		18,935	20,000	-1,065	95%
Bldg. 824 Imps.		19,583	16,058	3,525	122%
Bldg. Imps. Other	21,692	268,984	77,500	191,484	347%
Hangar 606 Mechanical Additions		4,787	1	4,786	478,700%
Hangar 606 Rehabilitation		15,171	20,000	-4,829	76%
Hangar 959 Rehabilitation		61,424	85,000	-23,576	72%
Total Building improvements	21,692	436,633	2,227,411	-1,790,778	20%
FBO Improvements					
Avflight North		0	45,831	-45,831	0%
Total FBO Improvements		0	45,831	-45,831	0%
Terminal building improvements					
Concourse Imps.	144,322	200,599	1,181,000	-980,401	17%
Total Terminal building improvements	144,322	200,599	1,181,000	-980,401	17%
Total Buildings & Improvements	166,014	637,232	3,454,242	-2,817,010	18%
Equipment					
Airfield Equipment		20,340	105,000	-84,660	19%
ARFF equipment	22,022	75,546	52,726	22,820	143%
Communications equipment		76,874	85,946	-9,072	89%
Computer equipment		2,492	15,000	-12,508	17%
Office equipment		18,517	20,000	-1,483	93%
Other Equipment		0	10,000	-10,000	0%
Shop equipment	20,368	166,614	563,126	-396,512	30%
Terminal bldg equipment		7,025	7,500	-475	94%
Vehicles		252,172	258,887	-6,715	97%
Total Equipment	42,390	619,580	1,118,185	-498,605	55%
Land					
Airport Indust. Cent. Imps.		0	15,000	-15,000	0%
Rail Spur Imps.		46,198	10,000	36,198	462%
Total Land	0	46,198	25,000	21,198	185%
Total Fixed assets at cost	215,867	1,880,171	6,382,427	-4,502,256	29%

Salina Airport Authority
Significant Capital Expenditures Detail
September 2021

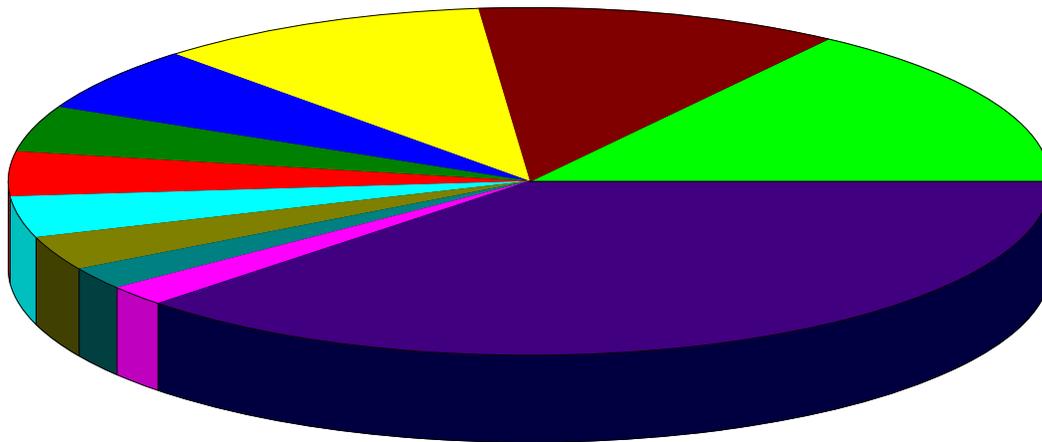
Type	Date	Name	Memo	Amount	Balance
Fixed assets at cost					
Airfield					
Airfield Improvements					
Bill	09/06/2021	APAC-Kansas, Inc., Shears Div.	Heave repairs	7,462.91	7,462.91
Total Airfield Improvements				7,462.91	7,462.91
Total Airfield				7,462.91	7,462.91
Buildings & Improvements					
Building improvements					
Bldg. Imps. Other					
Bill	09/02/2021	Accurate Electric, LLC	ARFF station - electrical repairs	7,200.00	7,200.00
Bill	09/03/2021	Ryan Roofing, Inc.	Bldg. 820 Roof	13,217.50	20,417.50
Bill	09/06/2021	Manley Structural Engineers P.A.	Structural engineering services - ARFF station	980.00	21,397.50
Bill	09/21/2021	One Office Solution, LLC	Support Beam (H600 Board Room Furniture)	294.00	21,691.50
Total Bldg. Imps. Other				21,691.50	21,691.50
Total Building improvements				21,691.50	21,691.50
Terminal building improvements					
Concourse Imps.					
Bill	09/30/2021	Hutton Corporation	Concourse Remodel project - Progress payment no. 2	144,322.27	144,322.27
Total Concourse Imps.				144,322.27	144,322.27
Total Terminal building improvements				144,322.27	144,322.27
Total Buildings & Improvements				166,013.77	166,013.77
Equipment					
ARFF equipment					
Bill	09/15/2021	Weis Fire & Safety Equip. Co., Inc.	New LED lights, windshield, TFT mount - ARFF #2 (storm damage re...	19,223.21	19,223.21
Bill	09/16/2021	Weis Fire & Safety Equip. Co., Inc.	New LED brow light and install - ARFF 3	2,799.17	22,022.38
Total ARFF equipment				22,022.38	22,022.38
Equipment - Other					
Bill	09/27/2021	United Rentals (North America),	scissor lift	20,367.73	20,367.73
Total Equipment - Other				20,367.73	20,367.73
Total Equipment				42,390.11	42,390.11
Total Fixed assets at cost				215,866.79	215,866.79
TOTAL				215,866.79	215,866.79

Sales by Month
January through September 2021

Dollar Sales



Sales Summary
January through September 2021

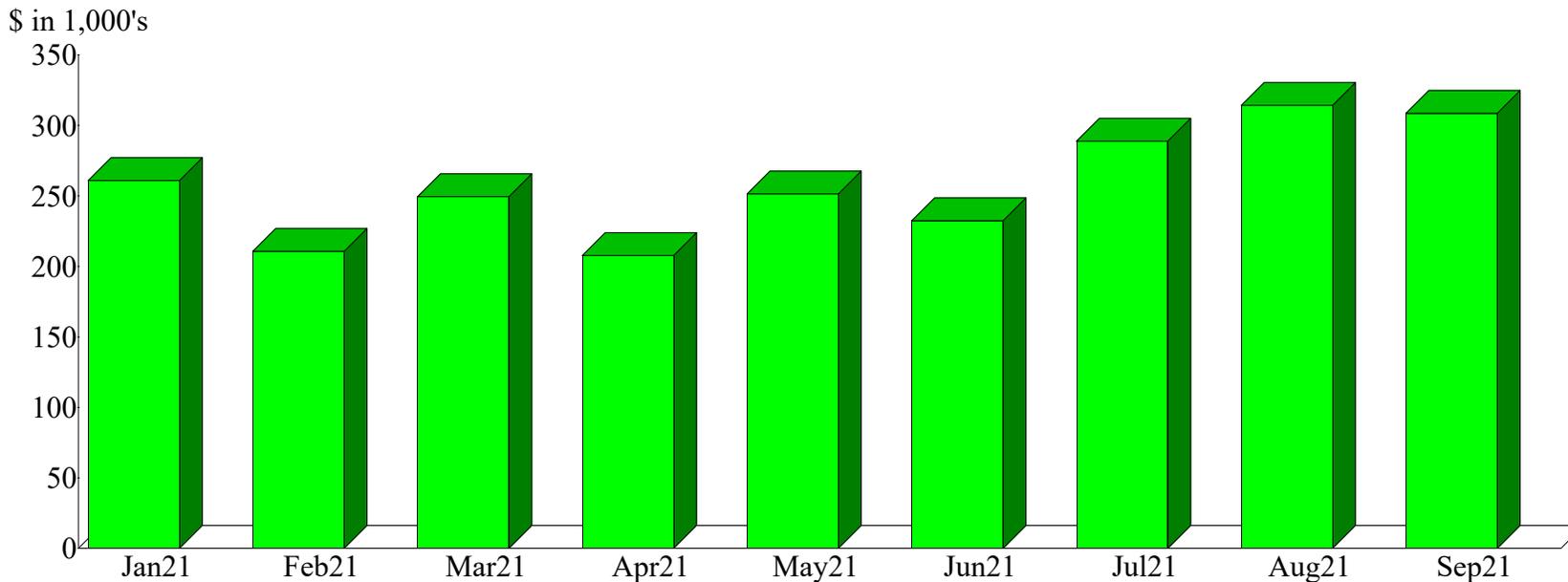


Kansas Erosion Products, LLC.	15.36%
1 Vision Aviation, PLLC	11.35
Avflight Salina	10.42
SFC Global Supply Chain	6.10
Stryten Salina, LLC	4.44
NASA	4.17
Universal Forest Products (UFP)	3.95
Kansas State Polytechnic - Salina	3.29
Durham School Service, L.P.	2.08
Sierra Nevada Corporation	2.00
Other	36.82
Total	\$2,324,329.68

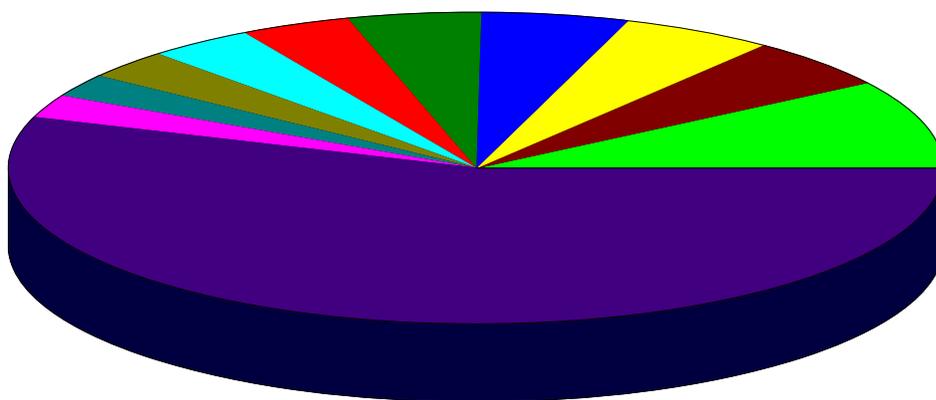
By Customer

Sales by Month
January through September 2021

Dollar Sales



Sales Summary
January through September 2021



H-00959-1 (Hangar Facility H959 - 2044 S	9.24%
Utility Reimbursement (Utility Reimburse	5.35
B-01021 (Building #1021 located at 3600	5.34
FFF-Avflight Salina (Fuel Flowage Fee @	5.15
H-0606-1 (Hangar 606 - 2630 Arnold Ct.	4.75
B-00655-3 (Bldg. #655 (56,961 SF) - 2656	3.86
B-00620-1 (Building #620 (30,000 SF) an	3.70
B-00626-1 (Manufacturing facility #626 (3.13
B-00655-4 (Bldg. #655 (33,992 SF) - 2656	2.52
H-0600-4 (Hangar 600 - 2720 Arnold Court	2.49
Other	54.46
Total	\$2,324,329.68

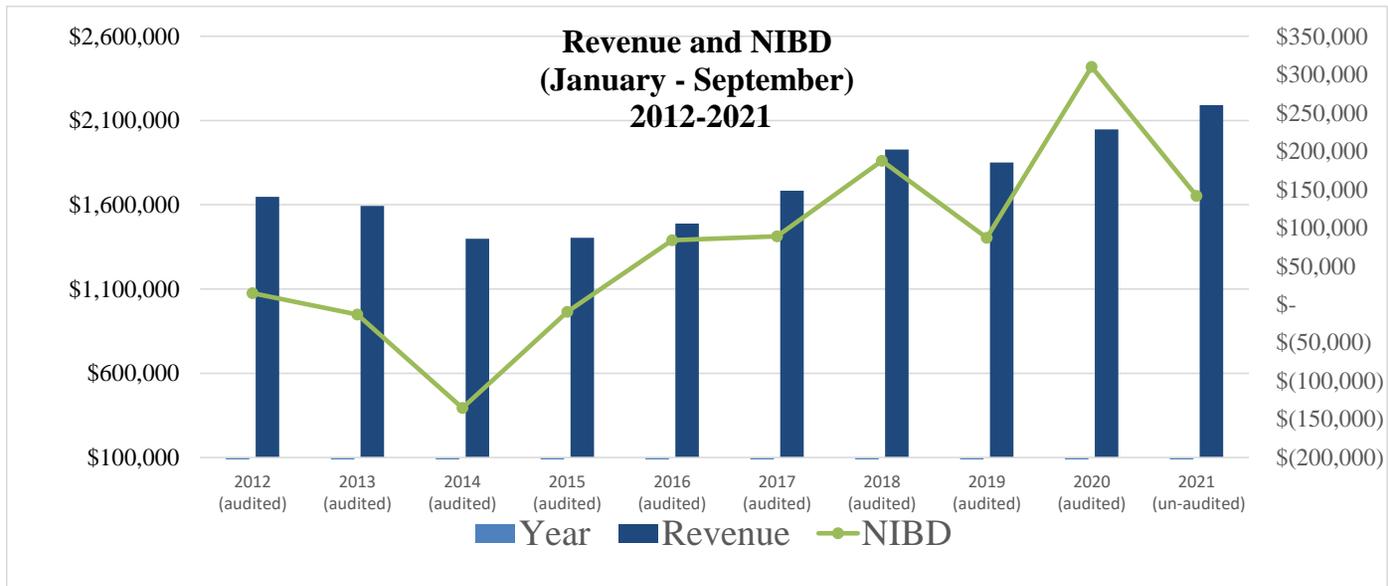
By Item

10-Year Operating Revenue and Expense Analysis

January - September

2012-2021

	2012 (audited)	2013 (audited)	2014 (audited)	2015 (audited)	2016 (audited)	2017 (audited)	2018 (audited)	2019 (audited)	2020 (audited)	2021 (un-audited)
TOTAL REVENUES										
OPERATING REVENUES										
Airfield	\$ 420,167	\$ 327,248	\$ 388,353	\$ 396,194	\$ 435,091	\$ 388,023	\$ 437,089	\$ 568,385	\$ 579,277	\$ 697,009
Fuel flowage fees	139,492	97,983	85,808	115,915	113,033	163,501	162,608	148,738	149,136	132,969
Building and land rent	1,044,850	1,122,137	895,024	822,297	879,289	1,004,581	1,047,811	1,024,780	1,170,594	1,289,141
Other revenue	43,304	45,790	29,744	69,904	61,203	126,919	280,492	109,639	148,466	71,777
TOTAL OPERATING REVENUES	1,647,812	1,593,159	1,398,928	1,404,310	1,488,616	1,683,024	1,928,000	1,851,542	2,047,473	2,190,896
TOTAL EXPENSES										
OPERATING EXPENSES										
Administrative	973,085	918,078	885,838	883,408	913,010	947,584	1,141,922	1,134,432	1,143,667	1,286,919
Maintenance	660,305	688,460	648,395	530,706	491,809	646,560	598,724	630,304	593,699	762,371
TOTAL OPERATING EXPENSES	1,633,390	1,606,538	1,534,232	1,414,114	1,404,820	1,594,144	1,740,646	1,764,736	1,737,366	2,049,290
OPERATING INCOME BEFORE DEPRECIATION	\$ 14,422	\$ (13,379)	\$ (135,304)	\$ (9,803)	\$ 83,796	\$ 88,880	\$ 187,354	\$ 86,806	\$ 310,107	\$ 141,606



Rating Action: Moody's assigns Aa3 to Salina Airport Auth., KS's GOULT Temp. Notes, Ser. 2021-1

08 Oct 2021

New York, October 08, 2021 -- Moody's Investors Service has assigned a Aa3 rating to Salina Airport Authority, KS' \$3.6 million Taxable General Obligation Temporary Notes, Series 2021-1. Moody's maintains the Aa3 rating on the authority's outstanding general obligation unlimited tax (GOULT) debt. The authority's total GOULT debt outstanding will be \$25.3 million post-sale.

RATINGS RATIONALE

The Aa3 rating incorporates a moderately sized and modestly growing tax base that is coterminous with the City of Salina (Aa3), below average income levels of the city's residents, which is partially offset by the low cost of living, and the airport's regional importance and positioning as a major refuel stop in the aviation industry. The rating also reflects an improving financial position though liquidity has historically been volatile and narrow, and manageable debt and pension burdens.

RATING OUTLOOK

Outlooks are usually not assigned to local government credits with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Substantial growth in the tax base
- Significant growth in unrestricted fund balance and liquidity

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Contraction in the tax base
- Weakening of fund balance or liquidity
- Significant increase in leverage

LEGAL SECURITY

The notes are general obligations of the authority and are payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable tangible property, real and personal, within the territorial limits of the City of Salina.

USE OF PROCEEDS

Proceeds will provide temporary financing for improvements to an air terminal, construction of aviation hangars, and remodeling of commercial and industrial buildings.

PROFILE

The Salina Airport Authority was created for the purpose of accepting as surplus property portions of the former Schilling Air Force Base, which was closed by the United States Department of Defense in 1965. The authority operates and develops the Salina Regional Airport and the Salina Airport Industrial Center. The authority is coterminous with the City of Salina, the county seat of Saline County (Aa2). The city is the seventh largest city in Kansas (Aa2 stable), with a 2019 estimated population of 47,000.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2021 and available at <https://www.moody.com/researchdocumentcontentpage.aspx?>

[docid=PBM_1260094](#). Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1288435.

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

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
SALINA AIRPORT AUTHORITY (SALINA, KANSAS)
HELD ON OCTOBER 20, 2021**

The governing body met in special session at the usual meeting place of the Authority, at 8:00 a.m., the following members being present and participating, to-wit:

Present:

Absent:

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

* * * * *

(Other Proceedings)

The Director of Finance and Administration reported that pursuant to the Notice of Note Sale heretofore duly given, bids for the purchase of Taxable General Obligation Temporary Notes, Series 2021-1, dated November 10, 2021, of the Authority had been received. A tabulation of the bids is set forth as *Exhibit A* hereto.

The governing body reviewed and considered the bids and it was found and determined that the bid of [PURCHASER], [PURCHASER CITY, STATE], was the best bid for the Notes, a copy of which is attached hereto as *Exhibit B*.

Thereupon, there was presented a Resolution entitled:

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF TAXABLE GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2021-1, OF THE SALINA AIRPORT AUTHORITY (SALINA, KANSAS); PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX, IF NECESSARY, FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID NOTES AS THEY BECOME DUE; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

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

Yea:

Nay:

Abstained:

Thereupon, the Chair declared the Resolution duly adopted and the Resolution was then duly numbered Resolution No. 21-__, and was signed by the Chair and attested by the Secretary.

* * * * *

(Other Proceedings)

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

CERTIFICATE

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

(SEAL)

Secretary

EXHIBIT A
BID TABULATION

\$3,550,000 SALINA AIRPORT AUTHORITY (SALINA, KANSAS)
TAXABLE GENERAL OBLIGATION TEMPORARY NOTES

Dated: November 10, 2021
Series 2021-1
Good Faith Deposit: \$71,000

Sale Date: October 19, 2021
10:30 A.M., Central Time
Max Interest Rate: _____%

BIDDERS

EXHIBIT B

(BID OF PURCHASER)

RESOLUTION NO. 21-__

OF

THE SALINA AIRPORT AUTHORITY (SALINA, KANSAS)

ADOPTED

OCTOBER 20, 2021

**TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2021-1**

RESOLUTION

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RESOLUTION NO. 21-__

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF TAXABLE GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2021-1, OF THE SALINA AIRPORT AUTHORITY (SALINA, KANSAS); PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX, IF NECESSARY, FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID NOTES AS THEY BECOME DUE; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

WHEREAS, 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 of Kansas, including specifically K.S.A. 27-315 *et seq.*; and

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

<u>Project Description</u>	<u>Resolution No.</u>	<u>Authority</u>	<u>Amount</u>
General Aviation Hangars and related improvements; M.J. Kennedy Air Terminal concourse and gate improvements; and Building 595 Remodel	21-08	K.S.A. 27-315 to 27-326 inclusive	\$3,500,000*

* Plus costs of issuance and interest on temporary financing.

; and

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY 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 Note Resolution shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

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

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

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

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

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

“**Business Day**” means a day other than a Saturday, Sunday or 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.

“**Cede & Co.**” means Cede & Co., as nominee of DTC and any successor nominee of DTC.

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

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

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

“**Dated Date**” means November 10, 2021.

“**Debt Service Account**” means the Debt Service Account for Taxable General Obligation Temporary Notes, Series 2021-1 (within the Bond and Interest Fund) created pursuant to *Section 501* hereof.

“Debt Service Requirements” means the aggregate principal payments and interest payments on the Notes for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

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

“Defeasance Obligations” means any of the following obligations:

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

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

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

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

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

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

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

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

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

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

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

“DTC Representation Letter” means the Blanket Letter of Representation from the Issuer and the Paying Agent to DTC which provides for a book-entry system, or any agreement between the Issuer and Paying Agent and a successor securities depository duly appointed.

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

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

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

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

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

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

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

“Improvement Fund” means the Improvement Fund for Taxable General Obligation Temporary Notes, Series 2021-1 created pursuant to *Section 501* hereof.

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

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

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

“Issue Date” means the date when the Issuer delivers the Notes 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 Note means the date on which the principal of such Note becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

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

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

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

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

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

“Notes” means the Taxable General Obligation Temporary Notes, Series 2021-1, authorized and issued by the Issuer pursuant to this Note Resolution.

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

(a) To the Issuer at:

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

(b) To the Paying Agent at:

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

(c) To the Purchaser:

[Name of Purchaser]

[Purchaser City, State] _____
Attn: _____
Fax: () ____ - ____

“Notice Representative” means:

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

- (b) With respect to the Note Registrar and Paying Agent, the Director of Note Services.
- (c) With respect to the Purchaser, its Chief Financial Officer.

“Official Statement” means Issuer’s Official Statement relating to the Notes.

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

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

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

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

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

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

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

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

“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 Note to be redeemed, the date fixed for the redemption of such Note pursuant to the terms of this Note Resolution.

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

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

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

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Securities Depository” means, initially, DTC, and its successors and assigns.

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

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

“State” means the state of Kansas.

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

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

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

“Treasurer” means the duly appointed and/or elected Treasurer 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 NOTES

Section 201. **Authorization of the Notes.** There shall be issued and hereby are authorized and directed to be issued the Taxable General Obligation Temporary Notes, Series 2021-1, of the Issuer in the principal amount of \$[PRINCIPAL AMOUNT], for the purpose of providing funds to: (a) pay a portion of the costs of the Improvements; and (b) pay Costs of Issuance.

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

<p>Stated Maturity <u>September 1</u> 2023</p>	<p>Principal <u>Amount</u> \$[PRINCIPAL AMOUNT]</p>	<p>Annual Rate <u>of Interest</u> ____%</p>
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The Notes shall bear interest at the above specified rate (computed on the basis of a 360-day year of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in *Section 204* hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 209. **Cancellation and Destruction of Notes Upon Payment.** All Notes that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Notes so cancelled and destroyed and shall file an executed counterpart of such certificate with the Issuer.

Section 210. **Book-Entry Notes; Securities Depository.** The Issuer and Paying Agent have entered into a DTC Representation Letter with DTC. The Notes shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Notes, except in the event the Note Registrar issues Replacement Notes as provided in this Section. It is anticipated that during the term of the Notes, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Notes to the Participants until and unless the Note Registrar authenticates and delivers Replacement Notes to the Beneficial Owners as described in the following paragraph.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Notes being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes; or

(b) if the Note Registrar receives written notice from Participants having interests in not less than 50% of the Notes Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Notes being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes, then the Note Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Note Registrar shall register in the name of and authenticate and deliver Replacement Notes to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Note Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Note. Upon the issuance of Replacement Notes, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Note Registrar, to the extent applicable with respect to such Replacement Notes. If the Securities Depository resigns and the Issuer, the Note Registrar or Owners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Note Registrar shall authenticate and cause delivery of Replacement Notes to Owners, as provided herein. The Note Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Notes. The cost of printing, registration, authentication, and delivery of Replacement Notes shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Note Registrar receives written evidence satisfactory to the Note Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities

depository upon reasonable and customary terms. The Note Registrar upon its receipt of a Note or Notes for cancellation shall cause the delivery of Notes to the successor Securities Depository in an Authorized Denominations and form as provided herein.

Section 211. **Nonpresentment of Notes.** If any Note is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Note have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Note Resolution or on, or with respect to, said Note. If any Note is not presented for payment within four (4) years following the date when such Note becomes due at Maturity, the Paying Agent shall repay, without liability for interest thereon, to the Issuer the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 212. **Preliminary and Final Official Statement.** For the purpose of enabling the Purchaser to comply with the requirements of Section (b)(1) of the SEC Rule, the Issuer hereby deems the information regarding the Issuer contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Section (b)(1) of the SEC Rule. The Official Statement is hereby authorized to be prepared by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Chair or chief financial officer of the Issuer are hereby authorized to execute the Official Statement as so supplemented, amended and completed, and the use and public distribution of the Official Statement by the Purchaser in connection with the reoffering of the Notes is hereby authorized. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the Issue Date.

The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Notes sufficient copies of the Official Statement to enable the Purchaser to comply with the requirements of the SEC Rule and Rule G-32 of the Municipal Securities Rulemaking Board.

Section 213. **Sale of the Notes.** The Chair and Secretary are hereby authorized to execute the official bid form submitted by the Purchaser. Delivery of the Notes shall be made to the Purchaser on the Issue Date (which shall be as soon as practicable after the adoption of this Note Resolution), upon payment of the Purchase Price.

ARTICLE III

REDEMPTION OF NOTES

Section 301. **Redemption by Issuer.**

Optional Redemption. At the option of the Issuer, the Notes will be subject to redemption and payment prior to maturity, as a whole or in part (selection of the amount of Notes to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time on or after September 1, 2022, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

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

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

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

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

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

- (a) the Redemption Date;

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

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

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

For so long as the Securities Depository is effecting book-entry transfers of the Notes, the Note Registrar shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Note (having been mailed notice from the Note Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Note so affected, shall not affect the validity of the redemption of such Note.

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

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

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

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Owners by first class, registered or certified mail or overnight delivery, as determined by the Note

Registrar, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Notes and to one or more national information services that disseminate notices of redemption of obligations such as the Notes.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Notes being redeemed shall bear or have enclosed the CUSIP number of the Notes 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 Note.

ARTICLE IV

SECURITY FOR NOTES

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

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

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

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

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS DEPOSIT AND APPLICATION OF NOTE PROCEEDS

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

- (a) Improvement Fund for Taxable General Obligation Temporary Notes, Series 2021-1.
- (b) Debt Service Account for Taxable General Obligation Temporary Notes, Series 2021-1.

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

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

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

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

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

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

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

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

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

Section 506. **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.

All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may be credited to the Debt Service Account.

ARTICLE VI

DEFAULT AND REMEDIES

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

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

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

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

Section 602. **Limitation on Rights of Owners.** The covenants and agreements of the Issuer contained herein and in the Notes shall be for the equal benefit, protection, and security of the Owners of any or all of the Notes, all of which Notes shall be of equal rank and without preference or priority of one Note over any other Note in the application of the funds herein pledged to the payment of the principal of and the interest on the Notes, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Note Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Outstanding Notes.

Section 603. **Remedies Cumulative.** No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner of any Note shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners of the Notes by this Note Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Owner, then, and in every such case, the Issuer and the Owners of the Notes shall, 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 Notes, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Note Resolution and the pledge of the Issuer's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Notes or scheduled interest payments thereon so paid and discharged. Notes, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Note Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Notes or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of or Redemption Price of said Notes and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Notes, no such satisfaction shall

occur until (a) the Issuer has elected to redeem such Notes, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Note Registrar to give such notice of redemption in compliance with *Article III*. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the Issuer, for the purpose of paying and discharging any of the Notes, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Owners of the Notes, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Note Resolution.

ARTICLE VIII

CONTINUING DISCLOSURE REQUIREMENTS

Section 801. **Disclosure Requirements.** The Issuer hereby covenants with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking, the provisions of which are incorporated herein by reference. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Section 802. **Failure to Comply with Continuing Disclosure Requirements.** In the event the Issuer fails to comply in a timely manner with its covenants contained in the preceding section, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement contained in the preceding section or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section.

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 Notes, or by anyone acting for or on behalf of such taxpayer or Owner. Upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Owner or prospective Owner. As soon as possible after the completion of the annual audit, the governing body of the Issuer shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Note Resolution, the Issuer shall promptly cure such deficiency.

Section 902. **Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Notes or of this Note Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Notes then Outstanding, such consent to be evidenced by an instrument or

instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Secretary, but no such modification or alteration shall:

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

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

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

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

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

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

Section 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 Notes, if made in the following manner, shall be sufficient for any of the purposes of this Note Resolution, and shall be conclusive in favor of the Issuer and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

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

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

Section 904. **Notices.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Note Resolution shall be in writing, given to the Notice Representative at the Notice Address and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

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

Section 905. **Electronic Transactions.** The transactions described in this Note Resolution may be conducted, and documents related to the Notes may be sent, received, executed, and stored, by electronic means or transmissions. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic means or transmissions) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.'

Section 906. **Further Authority.** The officers and officials of the Issuer, including the Chair, Secretary, Treasurer and Director of Administration and Finance are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Note Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 907. **Severability.** If any section or other part of this Note Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Note Resolution.

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

Section 909. **Effective Date.** This Note Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.

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ADOPTED by the governing body of the Issuer on October 20, 2021.

(SEAL)

Chair

ATTEST:

Secretary

EXHIBIT A
(FORM OF NOTES)

REGISTERED
NUMBER _____

REGISTERED
\$ _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF KANSAS
COUNTY OF SALINE
SALINA AIRPORT AUTHORITY (SALINA, KANSAS)
TAXABLE GENERAL OBLIGATION TEMPORARY NOTE
SERIES 2021-1

Interest
Rate: _____%

Maturity
Date: September 1, 2023

Dated
Date: November 10, 2021

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, 2022 (the “Interest Payment Dates”), until the Principal Amount has been paid.

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

as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Notes, by electronic transfer to such Owner upon written notice given to the Note Registrar by such 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 Notes 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 Note Resolution.

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

Authorization of Notes. This Note is one of an authorized series of Notes of the Issuer designated “Taxable General Obligation Temporary Notes, Series 2021-1,” aggregating the principal amount of \$[PRINCIPAL AMOUNT] (the “Notes”) issued for the purposes set forth in the Resolution of the Issuer authorizing the issuance of the Notes (the “Note Resolution”). The Notes are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Kansas, including K.S.A. 10-101 to 10-125, inclusive, specifically including K.S.A. 10-123, K.S.A. 10-620 *et seq.*, and K.S.A. 27-315 to 27-326, as amended, and all other provisions of the laws of the State of Kansas applicable thereto.

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

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

Book-Entry System. The Notes are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Note Resolution. One Note certificate with respect to each date on which the Notes are stated to mature or with respect to each form of Notes, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Notes by the Securities Depository’s participants, beneficial ownership of the Notes in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Note Registrar will recognize the Securities Depository nominee, while the Registered Owner of this Note, as the owner of this Note for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Note, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Notes by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer and the Note Registrar will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Note, notwithstanding the provision hereinabove contained,

payments of principal of, redemption premium, if any, and interest on this Note shall be made in accordance with existing arrangements among the Issuer, the Note Registrar and the Securities Depository.

Transfer and Exchange. EXCEPT AS OTHERWISE PROVIDED IN THE NOTE RESOLUTION, THIS GLOBAL NOTE MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Note may be transferred or exchanged, as provided in the Note Resolution, only on the Note Register kept for that purpose at the principal office of the Note Registrar, upon surrender of this Note together with a written instrument of transfer or authorization for exchange satisfactory to the Note Registrar duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Note or Notes in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Note Resolution and upon payment of the charges therein prescribed. The Issuer shall pay all costs incurred in connection with the issuance, payment and initial registration of the Notes and the cost of a reasonable supply of note blanks. The Issuer and the Paying Agent may deem and treat the person in whose name this Note is registered on the Note Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Notes are issued in fully registered form in Authorized Denominations.

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

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

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

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

(Facsimile Seal)

By: _____ (manual or facsimile)
Chair

ATTEST:

By: _____ (manual or facsimile)
Secretary

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

(Facsimile Seal)

_____ (manual)
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of a series of General Obligation Temporary Notes, Series 2021-1, of the Salina Airport Authority (Salina, Kansas), described in the within-mentioned Note Resolution.

Registration Date: _____

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

By: _____

Registration Number: _____

CERTIFICATE OF SECRETARY

STATE OF KANSAS)
) SS.
COUNTY OF SALINE)

The undersigned, Secretary of the Salina Airport Authority (Salina, Kansas), does hereby certify that the within Note has been duly registered in my office according to law as of November 10, 2021.

WITNESS my hand and official seal.

(Facsimile Seal)

(facsimile)
Secretary

CERTIFICATE OF COUNTY CLERK

STATE OF KANSAS)
) SS.
COUNTY OF SALINE)

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

WITNESS my hand and official seal.

(Facsimile Seal)

(facsimile)
County Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

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

WITNESS my hand and official seal.

(Facsimile Seal)

By: _____
(facsimile)
Treasurer of the State of Kansas

NOTE ASSIGNMENT

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

(Name and Address)

(Social Security or Taxpayer Identification No.)

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

Dated _____

Name

Social Security or
Taxpayer Identification No.

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

Signature guarantee:

By _____

LEGAL OPINION

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

GILMORE & BELL, P.C.
Attorneys at Law
2405 Grand Boulevard
Suite 1100
Kansas City, Missouri 64108

(PRINTED LEGAL OPINION)

LEASE AGREEMENT

This Lease Agreement (the "Lease"), made and entered into this ____ day of October, 2021, by and between the **SALINA AIRPORT AUTHORITY, a Kansas public corporation**, of Salina, Saline County, Kansas, (the "Authority"), and **TRIPLETT SELF STORAGE, LLC**, a Kansas Limited Liability Company, with principal offices located at 440 N. Ohio, Salina, Kansas ("Lessee"), WITNESSETH:

Recitals

A. Lessee desires to expand its self-storage facilities currently located at 2435 Centennial Road at the Salina Airport Industrial Center.

B. The Authority has available a tract of ground suitable to lease to Lessee for the purposes of providing a site for Lessee to construct and own additional self-storage units (the "New Units") adjacent to Lessee's facility at 2435 Centennial Rd.

The parties covenant and agree:

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 premises:

A tract of land being a portion of lot 4 block 1 Schilling Subdivision No. 7 and further described as follows: Beginning at the NW corner of lot 4 block 1 of Schilling Subdivision No. 7; Thence N 88° 33' 39" E along the north property line of said lot 4 a distance of four hundred forty eight & seventy eight hundredths feet (448.78') to a point being both a corner of said lot 4 and lying on the west line of an access easement; Thence S 0° 32' 35" E along the west line of an access easement a distance of three hundred sixty six & eighty four hundredths feet (366.84') to a point on said west easement line; Thence S 89° 54' 55" W a distance of four hundred fifty one & sixty nine hundredths feet (451.69') to a point on the west property line of said lot 4; Thence N 0° 4' 7" W along the west property line of said lot 4 a distance of three hundred fifty six & twenty one hundredths (356.21') to the Point of Beginning; Said tract containing 162,734.16 square feet or 3.7359 acres more or less.

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

2. Term, Preconstruction, Effective Date and Holdover.

2.1. This Lease shall be for a term of five years (5) years, as follows:

2.2. Preconstruction Activities. Upon full execution of this Lease, Lessee shall be entitled to perform preconstruction activities of the nature of soil studies or survey work on the Premises, subject to the terms and conditions of this Lease, except for the payment of rent.

2.3. Effective Date. This Lease shall commence on the date of issuance by the City of Salina of a building permit for any component of construction of the New Units on the basis of construction and site plans approved by Authority (the “Effective Date”) and shall end at midnight on the fifth anniversary of the Effective Date. Lessee and the Authority shall enter into a supplement to this Lease for the purpose of documenting the Effective Date.

2.4. Commencement Deadline. If the Effective Date has not occurred by July 11, 2022, Lessee’s right to access the Premises for preconstruction activities shall terminate and this Lease shall be terminated.

2.5. Election not to Commence. Following full execution of this Lease, if Lessee determines in its judgment that development of the New Units is not feasible, Lessee may elect to terminate this Lease prior to the Effective Date by written notice to the Authority.

2.6. 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 4.1 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 seven (7) additional terms of five (5) years each at the expiration of the Primary Term. This Lease shall automatically renew unless the Lessee notifies the Authority in writing not less than ninety (90) days prior to the expiration of the then current term, of the Lessee's intent to terminate the Lease. 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.

4. Rentals.

4.1. Basic Rental. Lessee agrees to pay the Authority a basic rental for the leasing of the Premises according to the following schedule commencing with the Effective Date of the Lease with the exception that the \$800 per month rental rate shall commence upon the earlier of the receipt of a City of Salina certificate of occupancy or month 13 as specified below.

Months	Monthly Rental
1-3	\$0.00
4-6	\$200.00
7-9	\$400.00
10-12	\$600.00
13-24	\$800.00

4.1.1. On the second (2nd) anniversary date after the Effective Date and every two (2) years thereafter during the Primary Term and any extensions or renewals thereof, the Basic Rent shall be determined by increasing the basic rental 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 rental for the option period shall remain the same as the basic rental 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 rental will remain the same as the prior 24-month period, as provided above. In no event shall any biennial rate adjustment exceed 3.5%.

4.2. Additional Rental. In addition to the basic rental provided for in paragraph 4.1 of this Lease, Lessee covenants and agrees that it will be responsible for:

4.2.1. Taxes. Lessee agrees to pay all current and future real estate taxes, which may be levied against the Premises after the effective date of this Lease. 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 and no later than May 5 for taxes or assessments due May 10 and no later than December 15 for taxes due December 20.

4.2.2. Late Charge. If the rental 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 agreement, 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 second month's Basic Rental (\$800). The Security Deposit shall be held by the Authority without liability for interest and 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 rental or a measure of 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.~~

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 operation;

5.1.2. Claims for damages because of bodily injury, occupational sickness or disease, or death of the 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 to the Premises, 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, death of a person or property arising out of 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 16.1 of this lease agreement.

5.2. The insurance required by Section 5.1 and Section 5.2 shall be written for not less than 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 agreement. 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) or an insurer approved by the Authority.

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)
\$ 25,000	Medical Expense (Any one person)

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

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. Aviation/Aircraft Liability. Not applicable

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 additional insured on independent contractors' policies, and Lessee will provide the Authority, upon request, with copies of 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 agreement.

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 or its contractor shall procure and maintain builder's risk property insurance upon the entire construction project to the full insurable value of the project, including professional fees, overtime premiums and all other expenses incurred to replace or repair the insured property. The builder's risk property insurance obtained by Lessee shall include as loss payee, the interests of the Authority, and shall insure against the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, flood, earthquake, debris removal and other perils or causes of loss included in a standard "special cause of loss" property form. The property insurance shall include physical loss or damage to the work, including materials and equipment in transit, at the site or at another location. Lessee will be responsible for all

premiums, deductibles and/or self-insured retentions, including non-insured losses.

5.10.2. Lessee shall procure, and maintain for the duration of the lease term, fire and extended coverage insurance on the Premises on a full replacement cost basis in at least an amount sufficient to prevent the operation of any co-insurance clause in the policy during the term of this Lease. Lessee shall be responsible for any such insurance covering Lessee's real property, personal property or fixtures on the Premises. The Authority shall be listed as a loss payee. Lessee will be responsible for all premiums, deductibles and/or self-insured retentions, including non-insured losses.

5.10.3. Lessee waives all rights of action against the Authority for loss or damage to any owned, leased or borrowed property due to fire, theft or other hazards however caused.

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

5.10.4.1. 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.

5.10.4.2. 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.

5.10.5. Prior to the commencement of this agreement, Authority shall file with Lessee a copy of the property insurance policies that includes insurance coverages required by this Section 5.10

5.10.6. Waivers of Subrogation. The Authority and Lessee waive all rights against each other, for damages caused by fire or other causes of loss to property noted in this Section 5.10 or other property applicable to the leased Premises. Any applicable insurance 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.

6. Use of Premises. Lessee agrees to use the Premises for the sole purpose of constructing, owning, and leasing to the public, self-storage units, including outside storage pads, and the lawful activities normally associated therewith. All activities will comply with all 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.

7.1. Defined Terms. The following terms are defined in the Lease Agreement and shall mean:

7.1.1. **“Environmental Law”** means any now-existing or hereafter enacted or promulgated federal, state, local, or other law, statute, ordinance, rule, regulation or court order pertaining to (i) environmental protection, regulation, contamination or clean-up, (ii) toxic waste, (iii) underground storage tanks, (iv) asbestos or asbestos-containing materials, or (v) the handling, treatment, storage, use or disposal of Hazardous Substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act and The Resource Conservation Recovery Act, all as exist from time to time.

7.1.2. **“Hazardous Substances”** means all (i) “hazardous substances” (as defined in 42 U.S.C. §9601(14)) (ii) “chemicals” subject to regulation under Title III of the Superfund Amendments and Reauthorization Act of 1986, as amended from time to time (iii) natural gas liquids, liquefied natural gas or synthetic gas, (iv) any petroleum, petroleum-based products or crude oil or any fraction, or (v) any other hazardous or toxic substances, wastes or materials, pollutants, contaminants or any other substances or materials that are included under or regulated by any Environmental Law.

7.2. Authority’s Responsibility. The Authority is party to a settlement reached with the United States of America to complete the cleanup of environmental contamination caused by the Department of Defense at the Salina Regional Airport and Airport Industrial Center, formerly the Schilling Air Force Base. The Authority shall be responsible for the cleanup and removal of any Hazardous

Substances which are determined to have been present on the Premises prior to Effective Date of the Lease. Authority agrees to indemnify and hold Lessee harmless from and against all claims, expenses, loss or liability arising from the presence of any such contamination which occurred prior to Effective Date of the Lease.

7.2.1. The Authority shall be responsible for any contamination caused by or during the performance of Authority's work as landlord, even if it occurs after Effective Date of the Lease.

7.3. Lessee Responsibility. The Lessee shall be responsible for the cleanup and removal of any Hazardous Substances, petroleum products, and petroleum additives released on the Premises at any time Lessee occupies the Premises from and after Effective Date of the Lease. Lessee agrees to indemnify and hold the Authority harmless from and against all claims, expenses, loss, or liability arising from any such contamination which occurs at any time Lessee occupies the Premises from and after Effective Date of the Lease.

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

7.3.2. Lessee agrees that it will comply with all federal, state, and local regulations regarding the handling, storage, and dispensing of Hazardous Substances, including petroleum products, on the Premises.

7.3.3. Lessee agrees that it will immediately notify the Authority in the event of any spills or leaks of Hazardous Substances, including any liquid hydrocarbon materials, on the Premises, and to clean up the affected area in accordance with Kansas Department of Health and Environment standards.

7.4. Non-waiver. Any acknowledgement or undertaking of responsibility by either party to this Lease in relation to the other party, as set forth above, shall not be regarded as a release or waiver of any right by the responsible party to seek recovery against or contribution from any person or entity not a party to this Lease.

7.5. 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. Lessee shall construct the New Units and any future additions, alterations, or modifications thereto (the "Improvements"), as follows:

- 8.1.1. Unless specified herein, the Lessee shall be responsible for all sitework necessary for the development of the tract.
- 8.1.2. All construction shall be in a good and workmanlike manner, shall comply with all applicable building codes, and shall be constructed using only quality materials.
- 8.1.3. Prior to commencement of any construction work, Lessee shall submit construction and site plans to the Authority for review and approval, which approvals shall not be unreasonably withheld or delayed.
- ~~8.1.4. The construction contract for the Improvements shall provide for a performance bond and a payment bond in the amount of the contract naming the Authority as a dual obligee.~~
- 8.1.5. All building permits and other permits, licenses, consents, and approvals required to be obtained from the City of Salina or other regulatory agency in connection with construction of the Improvements shall be obtained as required by applicable laws, ordinances, or regulations by and at the sole cost of Lessee or its representatives. Lessee shall provide to the Authority any written communications either directed to the City of Salina by Lessee or its representatives or received from the City of Salina by Lessee or its representatives in the course of the City's regulatory role in relation to construction of the Improvements.
- 8.1.6. Lessee shall proceed diligently toward completion of construction of the New Units, shall occupy the New Units as soon as reasonably possible, and shall maintain operations during the term of this Lease.
- 8.1.7. Upon completion of the Improvements, Lessee shall deliver to the Authority one copy of an updated record set of drawings of the Improvements and an as-built survey.
- 8.1.8. The Authority shall relocate the septic system encroaching the Premises from the south.
- 8.1.9. The Authority shall cause the AT&T telephone line currently on the north and east sides of the Premises to be relocated.
- 8.1.10. The Authority shall fill in the cut-out in the earthen berm that is located on the parcel located to the south of the Premises.
- 8.1.11. The Authority will construct a fence on the northern border of the tract to the south of the Leased premises.

8.2. Ownership, Maintenance, and Repair of Improvements. The Improvements shall be the property of Lessee during the term of this Lease. Lessee shall maintain all components of the Improvements to a standard comparable to the Authority's level of maintenance of neighboring structures. Lessee shall promptly repair, replace, or reconstruct the Improvements to the same standard as original construction in the event of damage to or destruction of the Improvement.

9. Ownership and Removal 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 remove the same from the Premises upon the expiration of this Lease. ~~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. Authority's Right of First Offer. Not Applicable.

11. Default.

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

11.1.1. Fails to pay the rent 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.
- 11.3. In the event legal action must be taken because of the default of either party in relation to any agreement or obligation contained in this Lease, and a default shall be established, the prevailing party shall be entitled to recover all expenses incurred therefor, including reasonable attorney fees.
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. Utilities. Lessee shall, at its own expense, obtain and pay for all electricity, water, gas, sewer use fees, or other utilities used by it during the term of this Lease or any extensions thereof, including the cost of maintenance and operation of the heating system for the Premises.
14. Liens. 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 damages and expenses attendant thereto.
15. Assignment of Lease. 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 for any purposes other than aerospace engineering, aircraft modification, flight-test operations and the lawful activities normally associated therewith. Further, no such permitted assignment or sublease shall be allowed without the prior written consent of the Authority after reasonable inquiry and review of all relevant records and documentation requested by the Authority. Consent to one assignment or subletting for use by any other person shall not be deemed to be consent to any subsequent assignment or subletting.

16. Indemnification and Hold Harmless.

16.1. To the fullest extent permitted by law, 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 Agreement by 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 leased premises; and/or (iv) the acts, omissions, negligence or willful misconduct of any persons used or employed directly or indirectly by 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 Lessee, any independent contractor, or any other person under any insurance policy, worker’s compensation acts, disability acts or other employee benefit acts.

16.2. In claims against any person or entity indemnified under this Section 15 by an employee of Lessee, an independent contractor of Lessee’s, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 15.1 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.

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

18. Ownership at Termination. Upon expiration or earlier termination of the Lease, Lessee shall vacate the Premises, remove its personal property and fixtures therefrom and restore the Premises. All Improvements shall then become the property of the Authority, free and clear of all claims to or against them by Lessee or any third person, and Lessee shall defend and indemnify the Authority from such claims.

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

Authority Salina Airport Authority
Salina Airport Terminal Building
3237 Arnold
Salina, KS 67401

Lessee Triplett Self Storage, LLC
440 N. Ohio
Salina, KS 67401

20. General Clauses.

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

20.2. 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.

20.3. Any property of the Authority damaged or destroyed by the Lessee, incident to the Lessee's use and occupation of 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.

20.4. Lessee acknowledges that it has inspected and knows the condition of the Premises and it is understood that the same is hereby 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 thereto.

20.5. Lessee shall not use, or permit to be used, any portion of the property under its control for signs, billboards, or displays, other than those connected with its own operations thereon. 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 shall be prohibited.

20.6. All loading docks for buildings or warehouses shall be maintained on the side or rear of the buildings.

- 20.7. Lessee shall not be the agent of the Authority in making repairs or other improvements to the Premises and no mechanics liens or claims thereunder shall be valid against the Authority or against the interest of the Authority in the property.
- 20.8. All materials, supplies, or equipment stored outside of the buildings shall be done so in an orderly manner so as not to create a nuisance or fire hazard and shall be in compliance with all applicable governmental regulations.
- 20.9. The Lessee must at all times keep the Premises and buildings in a safe, clean, wholesome condition and comply in all respects to all government, health, and police requirements and the Lessee will remove at its own expense any rubbish which may accumulate on the property.
- 20.10. Open, unpaved areas shall be grassed and landscaped to present a pleasing appearance and such grass and landscaping kept reasonably mowed and trimmed.
- 20.11. 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 facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.
- 20.12. Authority reserves the right further to develop or improve the landing area and all publicly owned air navigation facilities of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance.
- 20.13. 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.
- 20.14. During time of war or national emergency 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 instrument insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.
- 20.15. It is understood and agreed that the rights granted by this agreement will not be exercised in such a way to interfere with or adversely affect the use, operation, maintenance, or development of the Airport.
- 20.16. There is hereby reserved to the Salina Airport 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 herein

conveyed, 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.

20.17. This Lease shall become 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.

20.18. Lessee agrees to comply with all applicable laws, ordinances, rules and regulations of the federal, state, county, and municipality wherein Premises are located, including compliance with future laws and regulations, i.e., those passed after the date of this agreement.

20.19. In the event that Lessee defaults in its payment of rentals 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 it with a financial statement covering its 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.

21. Equal Opportunity. In conformity with the Kansas act against discrimination and Chapter 13 of the Salina Code, the Lessee agrees that:

21.1. The Lessee shall observe the provisions of the Kansas act against discrimination and Chapter 13 of the Salina Code and in doing so shall not discriminate against any person in the course of its tenancy under this Lease because of race, sex, religion, age, color, national origin, ancestry or disability;

21.2. The Lessee shall include in all solicitations, or advertisements for employees, the phrase "equal opportunity employer," or a similar phrase to be approved by the City's human relations director;

21.3. If the Lessee fails to comply with the manner in which the Lessee reports to the Kansas human rights commission in accordance with the provisions of K.S.A. 44-1031 and amendments thereto, the Lessee shall be deemed to be in default of this Lease and it may be canceled, terminated or suspended, in whole or in part, by the Authority;

21.4. If the Lessee is found guilty of a violation of Chapter 13 of the Salina Code or the Kansas act against discrimination under a decision or order of the Salina human relations commission or the Kansas human rights commission which has become

final, the Lessee shall be deemed to have breached this Lease and it may be canceled, terminated or suspended, in whole or in part, by the Authority;

21.5. The Lessee shall not discriminate against any employee or applicant for employment in the course of its tenancy under this Lease because of race, sex, religion, age, color, national origin, ancestry or disability; and

21.6. The Lessee shall include similar provisions in any authorized sublease under this Lease.

22. Binding Effect. This agreement shall be binding upon the heirs, beneficiaries, personal representatives, successors, and assigns of the respective parties to this agreement.

IN WITNESS WHEREOF, the respective parties have hereunto caused this instrument to be executed on its behalf by its duly authorized officers all on the date and year hereinafter shown.

SALINA AIRPORT AUTHORITY

Date_____

By:_____
Kristin Gunn, Chair of Board of Directors

ATTEST

Date_____

By:_____
Brian Weisel
Secretary of the Board of Directors

TRIPLETT SELF STORAGE, LLC

Date_____

By:_____
Mark A. Augustine, Member

ATTEST

Date_____

By:_____
Rebecca L. Augustine, Member

23-Sep-21

Bldg. 520, Salina Development Center Signage (Lot Marquee Sign and Building Unit Signs)

Gleason				
Item	Description	Quantity	Unit Price	Extended Amount
1	Illuminated Lot Marquee Sign (includes removal of existing)	1	\$ 17,368.00	\$ 17,368.00
2	Building Unit Signs (includes removal of existing)	7	2,329.143	16,304.00
Total				\$ 33,672.00

Luminious Neon				
Item	Description	Quantity	Unit Price	Extended Amount
1	Illuminated Lot Marquee Sign (includes removal of existing)	1	\$ 23,966.92	\$ 23,966.92
2	Building Unit Signs (includes removal of existing)	7	1,153.71	8,075.98
Total				\$ 32,042.90