

RESOLUTION 12-2008
INDUCEMENT RESOLUTION OF THE
INDIANAPOLIS AIRPORT AUTHORITY

WHEREAS, the Indianapolis Airport Authority (the "Authority") approved a Land and Special Facilities Lease Agreement (the "Lease") with Hawker Beechcraft Services, Inc. ("Hawker") at its meeting on February 15, 2008, and such Lease provides for the lease of certain premises including real estate, buildings, hangars, parking lot space, apron area improvements and equipment and the construction and equipping of additional similar airport facilities (the "Special Facilities") at the Indianapolis International Airport (the "Airport") located in Marion and Hendricks Counties, Indiana; and

WHEREAS, the Lease provides that upon the request of Hawker the Authority may issue bonds to provide funds for paying the costs of designing, constructing and equipping the Special Facilities and related costs of issuance of and capitalized interest on such bonds; and

WHEREAS, the Authority has the power to incur debt for the purpose of financing the cost of design, construction and/or equipping of the Special Facilities; and

WHEREAS, in planning for the design, construction and/or equipping of the Special Facilities, the Authority and its staff and Hawker have contemplated that the cost of the design, construction and/or equipping of the Special Facilities would be financed in whole or in part by the issuance of one or more series of fixed and/or variable rate bonds or other obligations ("Special Facility Revenue Bonds") for the Special Facilities; and

WHEREAS, Hawker may initially pay the costs of designing, constructing and/or equipping the Special Facilities from funds on hand or interim borrowing; and

WHEREAS, Hawker intends to reimburse the costs of designing, constructing and/or equipping the Special Facilities with proceeds borrowed from the Authority derived from tax-exempt Special Facility Revenue Bonds issued by the Authority and the Authority and Hawker desire to assure that Hawker will be reimbursed from the proceeds of such Special Facility Revenue Bonds for any and all original expenditures for capital improvements and related costs and expenses made to, or for the benefit of, the Special Facilities; and

WHEREAS, Hawker intends to pay debt service on the tax-exempt Special Facility Revenue Bonds through rental payments made to the Authority pursuant to the Lease, and the Special Facility Revenue Bonds shall not create a debt of the Authority or pledge the full faith and credit of the Authority as a separate municipal corporation; and

WHEREAS, the design, construction and/or equipping of the Special Facilities will be of public benefit to the Authority, the City of Indianapolis, and the State of Indiana.

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANAPOLIS AIRPORT AUTHORITY AS FOLLOWS:

1. The Authority hereby finds, confirms, ratifies and determines that the design, construction and/or equipping of the Special Facilities and the issuance of Special Facility Revenue Bonds for the financing, in whole or in part, of the Special Facilities is of benefit to the Authority, the City of Indianapolis, and the State of Indiana.

2. The Authority hereby finds, confirms, ratifies and determines that the issuance and sale of one or more series of Special Facility Revenue Bonds of the Authority in an aggregate amount not to exceed \$14,000,000 for the purpose of financing, in whole or in part, the costs of design, construction and/or equipping of the Special Facilities, including related planning and engineering costs and any other costs permitted under Indiana law, will serve the purposes referred to above in accordance with the provisions of Indiana law.

3. All costs of the Project incurred after the date which is 60 days prior to the date of adoption of this inducement resolution, including reimbursement or repayment to the Authority and/or Hawker of moneys expended by the Authority and/or Hawker for planning, engineering, a portion of the interest paid during construction, renovation and improvement, underwriting expenses, attorney and bond counsel fees, construction, renovation, improvement and equipping of the Project will be permitted to be included as part of the bond issue to finance the Project. Also, certain indirect expenses, including but not limited to, planning, architectural work and engineering incurred prior to this inducement resolution will be permitted to be included as part of the bond issue to finance the Project.

Adopted this ____ day of _____, 2008.

INDIANAPOLIS AIRPORT AUTHORITY

Randall L. Tobias, President

Lacy M. Johnson, Vice-President

Alfred R. Bennett, Secretary

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