

GENERAL ORDINANCE NO. 8-2008

INDIANAPOLIS AIRPORT AUTHORITY

ADOPTED NOVEMBER 7, 2008

**INDIANAPOLIS AIRPORT AUTHORITY
SPECIAL FACILITIES REVENUE BONDS, SERIES 2008
(HAWKER BEECHCRAFT SERVICES, INC. PROJECT)**

**ORDINANCE NO. 8-2008
OF THE INDIANAPOLIS AIRPORT AUTHORITY
CONCERNING THE ISSUANCE OF THE INDIANAPOLIS AIRPORT AUTHORITY
SPECIAL FACILITIES REVENUE BONDS, SERIES 2008
(HAWKER BEECHCRAFT SERVICES, INC. PROJECT)**

WHEREAS, the Indianapolis Airport Authority (the "Authority") owns and operates a public airport known as the Indianapolis International Airport (such Airport, together with such additions thereto as may be made from time to time, the "Airport"); and

WHEREAS, the Authority is empowered under the Constitution and laws of the State of Indiana, particularly I.C. 8-22-3 as the same may be amended from time to time (herein called the "Act"), to undertake the obligations and commitments on its part herein set forth; and

WHEREAS, certain structures, equipment, improvements and land (the "Leased Premises") are leased by the Authority to Hawker Beechcraft Services, Inc. ("Hawker") pursuant to a Land and Special Facilities Lease Agreement dated February 15, 2008 (the "Lease") and certain of those Leased Premises were subsequently subleased by Hawker to Signature Flight Support Corporation ("Signature"), as sublessee, pursuant to a Sublease Agreement dated July 24, 2008 (the "Sublease") whereby Signature assumed a portion of the rights and obligations of Hawker under the Lease; and

WHEREAS, Hawker has requested that the Authority construct certain airport facilities, which may include buildings, hangars, parking lot, and apron area (the "Special Facilities"), as described in Exhibit A hereto and the Authority has decided to finance such construction through the issuance of the Indianapolis Airport Authority Special Facility Revenue Bonds, Series 2008 (Hawker Beechcraft Services, Inc. Project) in the aggregate principal amount of up to \$15,000,000 (the "Bonds"); and

WHEREAS, the Authority has determined to issue the Bonds in an aggregate principal amount not to exceed \$15,000,000 pursuant to this Ordinance and such Bonds shall be payable solely from certain rentals paid by Hawker pursuant to the Lease and the Loan Agreement; and

WHEREAS, the following substantially final documents have been presented to the Board of the Authority (the "Board") and are on file with the Secretary of the Board:

- (a) The Lease;
- (b) A proposed form of the Loan Agreement;
- (c) A proposed form of Escrow Agreement;
- (d) A proposed form of the Guaranty and Negative Pledge Agreement;
- (e) A proposed form of Disbursement Agreement;
- (f) A proposed form of Bond; and

- (g) A proposed form of Estoppel Certificate and Consent.

WHEREAS, a public hearing was held on October 17, 2008, with proper notice given at least fourteen (14) days prior to such hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code"), and pursuant to the Act, at which time all parties were provided with the opportunity to give testimony, evidence, or argument for or against this Ordinance in person or by counsel, and to express their views with respect to the proposal to issue the Bonds;

NOW, THEREFORE, BE IT ORDAINED by the Board of the Indianapolis Airport Authority that:

1. The issuance and sale of the Bonds in an aggregate principal amount not to exceed \$15,000,000, is hereby authorized and approved at a price not less than ninety-five percent (95%) of the par amount of the Bonds and a price not to exceed one and one-half percent (1.5%) of the par amount of the Bonds and at a per annum interest rate not to exceed seven and one half percent (7.5%) for fixed rate Bonds. The Bonds shall constitute special obligations of the Authority payable solely from and secured by certain rentals derived by the Authority pursuant to the Lease, and the Board is under no obligation to pay the Bonds from its own funds. The Bonds, and interest on the Bonds, are not a debt of the Authority, the Board, the State, or any county, municipality, or political subdivision of the State within the meaning of any provision or limitation of the constitution or statutes of the State, including the Act, and the Bonds shall not constitute a charge, a lien, or an encumbrance, legal or equitable, upon the property of the Board, or upon any income, receipts, or revenues of the Board. All Bonds shall be equally and ratably secured, without priority, by reason of number, date of bonds, sale, execution, or delivery, including payments made pursuant to the Guaranty. Each Bond shall contain a recital to the effect that the Bond is issued under the Act and that the Bond, including interest, is payable solely from the Lease revenues, and that the Board is under no obligation to pay the Bond except from payments made by Hawker pursuant to the Lease and the Loan Agreement.

2. The issuance of the Bonds and the use of the proceeds therefrom to finance all or a portion of the costs of the Special Facilities, and to pay all or a portion of the costs of issuance of the Bonds are hereby determined to be consistent with the public purposes set forth in the Act.

3. The Board hereby determines that Hawker has the character, experience and financial responsibility satisfactory to the Authority in order to lease the Leased Premises (as defined in the Lease) for more than twenty years.

4. Subject to and in accordance with the provisions of Section 8 of this Ordinance, the Loan Agreement, Escrow Agreement and Estoppel Certificate and Consent are hereby approved substantially in the form submitted to this meeting, with a copy of such documents to be maintained in the records of the Treasurer of the Authority. The Loan Agreement includes the form of Bond.

5. The form of the Loan Agreement, Bond, Escrow Agreement, Estoppel Certificate and Consent and Disbursement Agreement attached hereto or described herein and approved and adopted hereby are substantially final forms, and the Authority hereby authorizes the President, Vice President or Treasurer to approve such changes in form or substance to such instruments and documents as are permitted by the Act and as may be necessary or appropriate for the Bonds and to accomplish the purposes of this Ordinance and the issuance of the Bonds, with any such approval, necessity and appropriateness to be conclusively evidenced by such authorized execution of such instruments or documents.

6. The President and Secretary are each authorized to execute and deliver the Bonds by manual or facsimile signature.

7. On behalf of the Authority, the President, Vice President, Secretary or Treasurer are authorized to execute and deliver the Loan Agreement, Escrow Agreement, Disbursement Agreement and Estoppel Certificate and Consent each in substantially the form presented to this meeting, with such changes in form or substance as may be necessary or appropriate and as are approved by the executing officer as provided in Section 8 of this Ordinance and the final form of each of these documents as executed is hereby incorporated herein by reference.

8. The President, Vice President, Secretary, Assistant Secretary, Treasurer and Assistant Treasurer, together and/or individually, are hereby authorized and directed to execute and/or attest, respectively, such documents and instruments as may be necessary or appropriate for the issuance of the Bonds.

9. The Treasurer and such other staff members, service providers, and firms as the Treasurer may direct are hereby authorized and directed to take any and all other actions on behalf of the Authority as may be necessary or appropriate to carry out the purposes of this Ordinance and the issuance and sale of the Bonds in accordance with the Loan Agreement.

10. In consideration of the purchase and acceptance of the Bonds by the holders of the Bonds from time to time, this Ordinance shall constitute an irrevocable contract between the Authority and the owners of the Bonds, and shall not be subject to repeal until such Bonds shall be fully paid, cancelled, and discharged, except as provided in the Loan Agreement.

11. If any provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any of the remaining provisions of this Ordinance.

12. All action (not inconsistent with the provisions of this Ordinance) heretofore taken by the Board and the officers of the Authority directed toward the financing and/or refinancing of the Project and the issuance and sale of the Bonds therefor is hereby ratified, approved, and confirmed.

13. This Ordinance shall take effect immediately upon passage.

Approved and adopted this _____ day of _____, 2008.

INDIANAPOLIS AIRPORT AUTHORITY

Randall L. Tobias, President

Lacy M. Johnson, Vice-President

Alfred R. Bennett, Secretary

N. Stuart Grauel, Treasurer

Kelly J. Flynn, Member

Shirley M. Haflich, Member

Michael B. Stayton, Member

Robert H. Voorhies, Member

Exhibit A
Special Facilities