

**SALINA COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION, INC.
MEMBERS AGREEMENT**

among

**CITY OF SALINA, KANSAS;
BOARD OF COUNTY COMMISSIONERS OF SALINE COUNTY, KANSAS;
SALINA AIRPORT AUTHORITY;
and
SALINA AREA CHAMBER OF COMMERCE**

for

Forming and Maintaining an Economic Development Organization

This Members Agreement ("this Agreement") dated effective November 17, 2015, is entered into among the City of Salina, Kansas, a Kansas municipal corporation ("City"); the Board of County Commissioners of Saline County, Kansas ("County"); the Salina Airport Authority, a public corporation established pursuant to K.S.A. 27-317, *et seq.* ("Authority"); and the Salina Area Chamber of Commerce, a Kansas not-for-profit corporation ("Chamber"); collectively referred to as the "Members."

Recitals

A. The Members acknowledge that local economic vitality and the resulting quality employment opportunities are critical to the health, safety, and welfare of the Salina area community.

B. The Members also acknowledge the mutually reliant roles of the public and private sectors in enhancing the prospects for sustained economic growth and development.

C. The community, through the work of the Economic Development Organization Working Group appointed by the Salina City Commission (the "EDO Working Group"), has identified certain economic development functions best served through the formation and maintenance by the Members of an economic development organization.

D. The Members intend, through this Agreement, to provide for the formation and maintenance of an economic development organization in the form of a Kansas not-for-profit corporation to be known as Salina Community Economic Development Organization, Inc.

THE MEMBERS, therefore, agree and covenant:

1. Roles and Responsibilities to be Served. Based upon the work and conclusions of the EDO Working Group, the following economic development roles and responsibilities can be best performed by an economic development organization formed by the Members:

1.1. Business Recruitment. To recruit industrial, retail, and other businesses to Saline County, Kansas;

1.2. Entrepreneurship. To encourage and support entrepreneurship and business development in Saline County, Kansas;

1.3. Metrics. To create and utilize economic development metrics and indicators;

1.4. Research. To perform economic development research; and

1.5. Marketing. To conduct marketing and foster communication with targeted businesses and industries.

2. Precondition and Duration. The respective obligations of each of the Members under this Agreement are preconditioned upon and shall commence effective upon execution of this Agreement by all of the Members. This Agreement shall remain in effect for so long as the economic development organization to be formed pursuant to this Agreement continues to exist and to function as anticipated by this Agreement, subject to amendment under Section 23 or termination under Section 24 below.

3. Formation of Kansas not-for-profit corporation. The economic development roles and responsibilities outlined above can be best served by forming and maintaining a not-for-profit Kansas corporation to be known as Salina Community Economic Development Organization, Inc. (the "Corporation"). The Members approve the Articles of Incorporation attached and incorporated as Exhibit A and the Bylaws attached and incorporated as Exhibit B. The Members authorize and direct their respective board chairs (a) to execute the Articles of Incorporation and cause them to be filed with the office of the Kansas secretary of state, and (b) to execute the Bylaws.

4. Appointment of Board of Directors. Upon formation of the Corporation and approval of the Bylaws by the Members, each Member, by the process of its choice, shall promptly appoint its respective number of directors to serve on the board of directors of the Corporation (the "Board"), as governed by Article 6 of the Bylaws.

5. Staggered Terms. In order to commence the staggered terms called for in Section 6.4 of the Bylaws, the City shall make initial board appointments of one (1), two (2) and three (3) year terms. Among those Members making two (2) board appointments, one Member shall make initial appointments of two (2) and three (3) year terms; one Member shall make

initial appointments of one (1) and three (3) year terms; and one Member shall make initial appointments of one (1) and (2) year terms. Those Members making two appointments will draw lots to determine the order of selection of each Member's preferred combination of initial terms.

6. **Organizational Meeting of the Board.** Each Member shall appoint and qualify its appointees to the Board by December 15, 2015, to allow for scheduling the organizational meeting of the Board within 30 days thereafter, at which time the Board shall elect officers and determine its regular meeting schedule.

7. **Resolution of Concurrence by Corporation.** In consideration for Member support of the work of the Corporation and as a precondition of the Members' further obligation to the Corporation, the Board shall also adopt at its organizational meeting a resolution of concurrence and ratification of the obligations of the Corporation under this Agreement in the form attached and incorporated as Exhibit C.

8. **Members' Initial Charge to the Board – Executive Director Search.** The Members charge the Board with the initial tasks of preparing a job description, profiling the desired candidate qualifications, and conducting a comprehensive executive search for the purpose of hiring an executive director for the Corporation (the "Executive Director"). Before incurring any expenses associated with the executive search, the Board will develop a proposed budget for any 2015 expenditures required in conducting the executive search for presentation to and consideration by the Members. Members' staffs will be available to support the work of the Board in planning and executing the executive search.

9. **Corporate Offices.** The location of the offices of the Corporation shall be at the discretion of the Board and will be initially be 120 W. Ash St., Suite B, Salina, KS 67401. Office space, furnishings, and certain support staff will be available to the Corporation as in-kind support by the Chamber on the basis described in the attached and incorporated Exhibit D. The Board shall review the matter of the location of the offices of the Corporation not less than six months prior to the end of its second full year of operation.

10. **Condition of Membership and Three-Year Funding Model.** Membership shall be conditioned upon ongoing financial support of the Corporation through funding, in-kind contributions, or a combination of both, as agreed by the Members. Member funding of the Corporation shall be based upon a three (3) year funding model.

10.1. **Member Contributions for 2016-2018.** The funding and in-kind contribution commitments for Member financial support of the 2016-2018 work of the Corporation are set forth in Exhibit D.

10.2. **Three-Year Member Funding Agreements.** On or before May 15, 2018, the Corporation shall present to the Members a proposed program of work and budget consistent with the Strategic Plan (the "Three-Year Proposed Program of Work and Budget") for the 2019-2021 three-year funding cycle. On or before August 1, 2018, the Members shall enter into an agreement addressing their respective and collective

contributions to the financial support of the Corporation for the 2019-2021 three-year funding cycle (the "Three-Year Member Funding Agreement"). The Corporation and the Members agree to repeat that process for every subsequent three-year funding cycle.

10.3. Quarterly Payments. Member funding contributions for each calendar year under the applicable Three-Year Member Funding Agreement shall be paid to the Corporation in approximately equal quarterly installments payable during the first month of each quarter of the applicable calendar year.

10.4. Failure to Provide Financial Support. If a Member does not budget and appropriate the funds necessary to fulfill any of its commitments under any Three-Year Member Funding Agreement or fails to timely pay or deliver to the Corporation its agreed upon contribution to the financial support of the Corporation pursuant to the Three-Year Funding Agreement (the "Defaulting Member"):

(A) The Corporation shall provide the Defaulting Member with written notice specifying the Defaulting Member's unmet commitment under the applicable Three-Year Funding Agreement. The Defaulting Member shall have thirty (30) days from receipt of the written notice to fulfill its commitment and, thereby, sustain its status as a Member; or

(B) If the Defaulting Member fails to fulfill its unmet commitment under the applicable Three-Year Funding Agreement within the thirty (30) days allowed:

(1) The Defaulting Member's status as a member of the Corporation shall cease and the remaining Members shall amend this Agreement and the Articles and Bylaws of the Corporation to eliminate from the Board those board positions appointed by the Defaulting Member; and

(2) One or more of the remaining Members shall be entitled to advance to the Corporation any part or all of the Defaulting Member's unmet obligation to the Corporation under the Three-Year Funding Agreement (the "Contributing Member(s)"), in which event the Contributing Member(s) shall immediately be entitled to contribution and indemnification from and to be reimbursed by the Defaulting Member for the full amount so advanced. Such payment shall be due and owing to the Contributing Member(s) within ten (10) days after the Defaulting Member's receipt of written notice of the Contributing Member(s)' right to such payment and shall bear interest at a rate of three percent (3) per year or the highest rate permitted by law. The Contributing Member(s) shall also be entitled to recover any expenses, including reasonable attorney fees, incurred in the enforcement of this provision.

11. Annual Budget. Promptly following commencement of active employment of the Executive Director, the Executive Director shall prepare and submit for Board consideration a detailed budget for use of the 2016 Member-contributed funding of the Corporation. Upon Board approval of the 2016 budget, a copy will be distributed to each of the Members. For

subsequent calendar years, the Corporation will cause a budget for use of funds not to exceed Member-contributed funding plus any funding from other sources (the "Annual Budget") to be prepared, approved and distributed to the Members no later than October 1st preceding the applicable calendar budget year.

12. Strategic Plan. Upon commencement of active employment of the Executive Director, the Members charge the Board with responsibility for consideration and adoption of a three-year strategic plan and annual report (the "Strategic Plan") as prepared and recommended by the Executive Director. The Strategic Plan shall provide:

12.1. Term. The Strategic Plan shall address a minimum of three years hence and shall be reviewed, updated, and reported out to the Members no less than annually.

12.2. Content. The Strategic Plan shall (a) be based upon and provide a survey and review of local economic conditions; (b) list all goals, desired outcomes, initiatives, strategies, and related benchmarks and measurable metrics associated with each; (c) list all anticipated operational and capital needs and those fulfilled in the prior year; and (d) include any additional information deemed relevant by the Board.

12.3. Private Funding. The Strategic Plan shall address the manner in which the Corporation shall promote private funding of its economic development roles and responsibilities.

12.4. Reporting. The initial Strategic Plan shall be delivered to the Members as reasonably soon as it can be prepared by the Executive Director and approved by the Board. Thereafter, the Strategic Plan for the upcoming year shall be delivered to the Members by the end of the prior year.

13. Annual Financial Report. The Corporation shall submit to the Members on or before March 1st of each year an annual financial report for the preceding calendar fiscal year ("Annual Financial Report"). The Annual Financial Report shall contain (a) statistics on programming and services provided; (b) year-end financial statements for the prior year audited as provided in Section 14.3 below (if the audit is not completed by March 1st, the Corporation shall submit with the report the unaudited financial statements to be supplemented by the audited financial statements on or before June 30th of the same year); and (c) any additional information relevant to the financial status of the Corporation.

14. Records, Financial Controls and Fiscal Audit.

14.1. Accounting systems. The Corporation shall adopt financial policies and maintain all necessary books, records and financial controls in accordance with generally accepted accounting principles.

14.2. Records Inspection. Upon reasonable request from a Member, the Corporation shall, at any time during normal business hours, make available its financial records for inspection or audit by authorized representatives of the Member.

14.3. **Audit.** The Corporation shall annually have prepared and submit to the Members, at a minimum, a cash and transaction audit by a certified public accountant.

14.4 **Cash Reserves.** The Corporation shall identify and maintain prudently targeted reserve fund balances.

15. **Expenditure of Funds.** The Corporation shall spend funds received from the Members solely for the purposes and in such amounts as are listed in the Annual Budget. Funds not expended in the year covered by the Annual Budget must be carried over into succeeding years and reflected in the Corporation's Annual Financial Report.

16. **Summary of Reports.** The following summarizes the reports to be submitted by the Corporation to the Members, along with the corresponding deadlines, under the designated sections of this Agreement:

<u>Report</u>	<u>Date (on or before)</u>	<u>Section</u>
Annual Financial Report	March 1 st	13
Three-Year Proposed Program of Work and Budget	May 15 th (every third year)	10
Annual Budget	October 1 st	11
Strategic Plan and Report	December 31 st	12

17. **Indemnification.** The Corporation shall indemnify, defend and hold harmless the Members, their officers, agents, employees and volunteers from and against any and all claims, suits, actions, causes of action, losses, damage or liabilities of any kind, nature or description, including payment of litigation costs and attorneys' fees, brought by any person or persons for or on account of any loss, damage or injury to person, property or any other interest, tangible or intangible, sustained by or accruing to any person or persons, howsoever the same may be caused, directly or indirectly arising or resulting from any alleged acts or omission of the Corporation, its officers, agents, employees, volunteers or subcontractors arising out of or resulting from the performance of this Agreement.

18. **Insurance.**

18.1 **Types and Amount of Coverage.** The Corporation shall obtain insurance coverage as specified in Exhibit E, attached hereto, and shall not make any material modification or change from these specifications without the prior approval of the Members. If the Corporation subcontracts any of its obligations under this Agreement, the Corporation shall require each such subcontractor to obtain insurance coverage as specified in Exhibit E. Failure of the Corporation or its subcontractors to comply with these requirements shall not be construed as a waiver of these requirements or provisions and shall not relieve the Corporation of liability.

18.2 **Rating.** All insurance policies shall be issued by insurance companies rated no less than A- VII in the most recent "Bests" insurance guide and admitted in the State of Kansas. Except as otherwise specified in Exhibit E, all such policies shall be in

such form and contain such provisions as are generally considered standard for the type of insurance involved.

18.3. Certificate of Insurance. The Corporation shall provide each Member with a certificate of insurance listing the Member as the Certificate Holder and evidencing compliance with the insurance requirements in this Agreement. The Members reserve the right to require complete certified copies of all insurance policies procured by the Corporation pursuant to this Agreement, including any and all endorsements affecting the coverage required hereunder.

19. Non-discrimination in Employment and Service. In conformity with the Kansas act against discrimination and Chapter 13 of the Salina Code, the Corporation and its subcontractors, shall not unlawfully discriminate against any person in employment or in providing services under this Agreement.

19.1. Services. The Corporation 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 performance of work under this Agreement because of race, sex, religion, age, color, national origin, ancestry or disability.

19.2. Advertisements. The Corporation 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 community relations director;

19.3. Employment. The Corporation shall not discriminate against any employee or applicant for employment in the performance of this Agreement because of race, sex, religion, age, color, national origin, ancestry or disability; and

19.4. Subcontracts. The Corporation shall include similar provisions in any subcontract under this Agreement.

20. Separate Entity. It is understood and agreed that the Corporation is a corporate entity separate from the Members and that no relationship of principal/agent or employer/employee exists between the Corporation and the Members. Persons employed by the Corporation shall be entirely and exclusively under the control, direction and supervision of the Corporation. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment shall be determined by the Corporation.

21. Assignment. The Members acknowledge that participation under this Agreement is based upon the unique nature and role of each of the Members. Consequently, neither this Agreement nor any interest in it shall be assigned or transferred by a Member.

22. Member Withdrawal. Any Member may withdraw from membership in the Corporation and from this Agreement effective as of December 31st of the end of any three-year funding cycle by providing the secretary of the Corporation and each of the other Members with written notice on or before the preceding April 1st of the withdrawing Member's intent to withdraw effective as of the following December 31st. Between the time of receipt of the

written notice of withdrawal and the December 31st effective date of the withdrawal, the Board and the Members shall amend this Agreement and the Articles and Bylaws of the Corporation to eliminate from the Board those board positions appointed by the withdrawing Member, effective as of the December 31st effective date of the Member withdrawal.

23. **Amendment.** This Agreement may be amended from time to time upon the unanimous approval of all of the Members documented by a writing specifically stating the amended terms and signed by an authorized representative of each of the Members.

24. **Termination.** This Agreement shall terminate in the event of dissolution of the Corporation, effective upon completion of the dissolution process and complete disposition of the assets of the Corporation in compliance with applicable law.

25. **General Provisions.**

25.1 **Time.** Time is of the essence in this Agreement and for the performance of all covenants and conditions of this Agreement.

25.2 **Non-appropriation.** The parties acknowledge that the City, the County, and the Authority are subject to Kansas cash basis laws, and that payment of the obligations of the City, the County, and the Authority under this Agreement can only be paid from appropriated funds legally available for such purpose.

25.3. **Entire agreement.** This Agreement constitutes the entire agreement among the Members and supersedes all prior agreements and understandings pertaining thereto, whether written or oral. No covenant, representation or condition not expressed in this Agreement shall affect or be deemed to interpret, change or restrict the express provisions of this Agreement.

25.4. **Feminine-Masculine, Singular-Plural.** Wherever used, singular shall include the plural, plural the singular, and use of any gender shall include all genders.

25.5. **Kansas Law - Interpretation.** This Agreement and its validity, construction, and performance shall be governed by the laws of Kansas. This Agreement shall be interpreted according to its fair meaning, and not in favor of or against any party.

25.6. **Notices.** All notices required or permitted to be given pursuant to this Agreement shall be in writing and delivered personally or sent by registered or certified mail, return receipt requested, or by generally recognized, prepaid, commercial courier or overnight air courier service. Notices shall be addressed as appears below for each party:

City of Salina, Kansas:

City Clerk
300 W. Ash St.
P.O. Box 736
Salina, KS 67402-0736

Saline County:

County Clerk
300 W. Ash St.
P.O. Box 5040
Salina, KS 67402-5040

Salina Airport Authority:

Executive Director
3237 Arnold Ave.
Salina, KS 67401

Salina Area Chamber of Commerce:

President and CEO
120 W. Ash St.
P.O. Box 586
Salina, KS 67401-0586

25.7. Invalidity in part. In the event that any condition, covenant or other provision contained in this Agreement is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect any other condition, covenant, or provision herein contained. In the event a provision is deemed invalid, the Members agree to amend this Agreement to include a new condition, covenant, or other provision that replicates as closely as is legally possible under Kansas law the intent of the severed provision.

25.8. Authorized signatories. Each signatory executing this Agreement does thereby represent and warrant to the other parties that the signatory has been duly authorized to deliver this Agreement in the capacity and for the entity for which the signatory acts.

25.9. Headings. The headings of the sections of this Agreement are included for the purposes of convenience only and shall not affect the interpretation of any provision of this Agreement.

25.10. Venue. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be in the District Court of Saline County, Kansas.

25.11. Parties Bound. This Agreement shall extend to and bind the parties and their successors.

25.12. Waiver. No failure or delay by a party hereto to insist on the strict performance of any term of this Agreement, or to exercise any right or remedy consequent to a breach thereof, shall constitute a waiver of any breach or any subsequent breach of such term.

25.13. No Third Party Beneficiaries. Solely the parties to this Agreement shall have rights and may make claims under this Agreement. There are no intended third party

beneficiaries under this Agreement, and no third parties shall have any rights or make any claims hereunder.

IN WITNESS WHEREOF, each of the Members, by its duly authorized representative, has executed this Agreement on the date shown below the representative's signature.

CITY OF SALINA, KANSAS



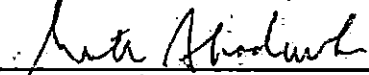
Jon R. Blanchard, Mayor
Date: November 17, 2015

Attest:



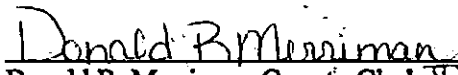
Shandi Wicks, CMC, City Clerk

**BOARD OF COUNTY COMMISSIONERS
OF SALINE COUNTY, KANSAS**



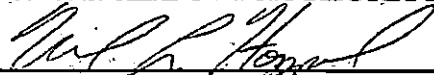
Monte Shadwick, Chairman
Date: November 19, 2015

Attest:




Donald R. Merriman, County Clerk

SALINA AIRPORT AUTHORITY



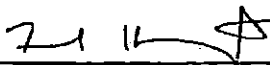
Michael L. Hoppock, Board Chairman
Date: November 18, 2015

Attest:



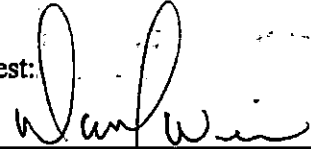
Troy Vancil, Board Secretary

SALINA AREA CHAMBER OF COMMERCE



Frank R. Hampton, Chairman
Date: November 20, 2015

Attest:



Don L. Weiser, Board Secretary

**EXHIBIT A
TO
SALINA COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION, INC.
MEMBERS AGREEMENT**

ARTICLES OF INCORPORATION

**ARTICLES OF INCORPORATION
OF
SALINA COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION, INC.**

**ARTICLE 1
CORPORATE NAME**

The name of this corporation is Salina Community Economic Development Organization, Inc. ("the Corporation").

**ARTICLE 2
REGISTERED OFFICE AND RESIDENT AGENT**

The location of the registered office of the Corporation in this state shall be 120 W. Ash St., Suite B, Salina, Saline County, Kansas 67401. The resident agent at that address shall be Salina Community Economic Development Organization, Inc.

**ARTICLE 3
ORGANIZED NOT FOR PROFIT**

This Corporation is organized NOT FOR PROFIT and shall have no authority to issue capital stock.

**ARTICLE 4
PURPOSES OF THE CORPORATION**

4.1 General Powers and Purposes. The Corporation is organized to promote and support economic development for the benefit of all citizens of Saline County, Kansas, which is to be considered as a tax-exempt purpose pursuant to Section 501(c)(6) of the Internal Revenue Code of 1986, as amended from time to time ("Code"). This Corporation shall and may exercise all the powers conferred by the laws of the State of Kansas upon corporations formed under the laws pursuant to and under which this Corporation is formed, as such laws are now in effect or may at any time hereafter be amended.

4.2 Specific Purposes. The Corporation is organized and it operates for the following purposes:

4.2.1 To recruit industrial, retail, and other businesses to Saline County, Kansas;

4.2.2 To encourage and support entrepreneurship and business development in Saline County, Kansas;

4.2.3 To create and utilize economic development metrics and indicators;

4.2.4 To conduct related economic development research; and

4.2.5 To conduct marketing and foster communication with targeted businesses and industries;

which qualify as exempt activities under Code Section 501(c)(6).

ARTICLE 5

RESTRICTIONS ON POWERS

5.1 **Not-for-Profit Restriction.** Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a Corporation exempt from federal income tax under Code Section 501(c)(6). The Corporation shall never be operated for the primary purpose of carrying on a trade or business for profit.

5.2 **No Compensation to Directors.** No compensation or payment shall ever be paid or made to any member, officer, creator, or organizer of this Corporation, or substantial contributor to it (except as payment for actual services rendered to or for the benefit of this Corporation). Neither the whole nor any portion of the assets or net earnings current or accumulated of this Corporation shall ever be distributed to or divided among any such persons, and neither the whole nor any part or portion of such assets or net earnings shall ever be used for, accrue to, or inure to the benefit of any member or private individual within the meaning of Code Section 501(c)(6).

5.3 **Political Activities Prohibited.** No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

5.4 **Assets Upon Dissolution.** Upon dissolution of the Corporation, the Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for such purposes as shall at the time qualify as an exempt organization or organizations under Code Section 501(c)(6), as the governing board shall determine. Any assets not so disposed of shall be disposed of by the District Court of Saline County, Kansas, exclusively for such purposes or to such organization or organizations, as the Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE 6

MEMBERSHIP OF CORPORATION AND VOTING RIGHTS OF MEMBERS

6.1 **Membership of Corporation.** This Corporation shall be composed of members rather than stockholders and the rights and other privileges of the classes of members are as set forth below and as may be fixed by the Bylaws, provided the Bylaws are not inconsistent with these Articles of Incorporation.

6.2 **Members.** The Corporation shall have four single-purpose members which shall be the City of Salina, Kansas; Saline County, Kansas; the Salina Airport Authority; and the Salina Area Chamber of Commerce, Inc. (the "Members"). Such Members shall have only reserved

powers to select and remove their respective appointees to the Board of Directors of the Corporation.

6.3 Voting Members. Subject to the right of the Members to select and remove their respective appointees to the Board of Directors, all voting rights of the Corporation shall be vested in the Board of Directors, which will be the voting members of the Corporation.

ARTICLE 7
NAMES AND ADDRESSES OF INCORPORATORS

The names and addresses of the incorporators are as follows:

City of Salina, Kansas
300 W. Ash Street, Room 202
Salina, KS 67401

Saline County, Kansas
300 W. Ash, Room 217
Salina, KS 67401

Salina Airport Authority
3237 Arnold Ave.
Salina, KS 67401

Salina Area Chamber of Commerce, Inc.
120 W. Ash
Salina, KS 67401

ARTICLE 8
DIRECTORS

8.1 Governing Authority. Management of the business and affairs of the Corporation shall be vested in and conducted by its Board of Directors and its officers.

8.2 Number. Management of the Corporation shall be vested in a Board of Directors consisting of nine persons.

8.3 Eligibility, Election, and Rules Governing Directors. The conditions of eligibility for members of the Board of Directors and the procedures for electing and governing them shall be as set forth in the Bylaws of the Corporation.

ARTICLE 9
MEMBERS OF BOARD OF DIRECTORS

The Board of Directors shall be selected by the Members. The City of Salina, Kansas shall select three Directors for the Board of Directors of the Corporation. Saline County, Kansas, the Salina Airport Authority, and the Salina Area Chamber of Commerce, Inc. shall each select two Directors for the Board of Directors of the Corporation.

ARTICLE 10
TERM

The term for which this Corporation is to exist is perpetual.

ARTICLE 11
IMMUNITIES AND LIMITATIONS OF LIABILITY

Except as specifically prohibited or limited by law and to the fullest extent permitted by law: (1) the Members, officers, Board of Directors, and employees of this Corporation shall not be personally liable for the debts, liabilities, or obligations of the Corporation; (2) as to third parties, all volunteers serving this Corporation, including but not limited to officers and Directors, shall have immunity from liability for their actions or inactions in connection with service to this Corporation; (3) no member of the Board of Directors of this Corporation shall be personally liable to the Corporation or its Members for breach of fiduciary duties as a member of the Board of Directors; and (4) all officers, trustees, and employees of this Corporation shall have immunity from liability for their actions undertaken in good faith and without actual malice. Nothing herein shall be construed to otherwise limit or restrict the privileges, immunities or limitations of liability available to the Corporation itself which are specifically reserved under the law.

ARTICLE 12
CHANGES IN LAW

Any reference in these Articles to a statute of either the United States or a state shall be interpreted to include a reference to the corresponding provision of any applicable statute of such entity.

ARTICLE 13
AMENDMENTS TO ARTICLES OF INCORPORATION AND BYLAWS

The Articles of Incorporation or the Bylaws may be amended by: (1) the Directors meeting, considering the proposed amendment and passing a resolution declaring the advisability of the amendment, and setting a date, time and place of a membership meeting to consider the amendment; and (2) upon approval by a three-fourths affirmative vote of the Members of the Corporation represented at a meeting at which a quorum is represented, following written notice to each Member given not less than 15 nor more than 60 days before said meeting, which notice shall set forth the proposed amendment and indicate that the Board of Directors has, by appropriate resolution, declared it to be advisable to present such amendment to the Members, and which notice shall give the date, time, and place of the meeting.

Dated as of this 17th day of November, 2015.

CITY OF SALINA, KANSAS

SALINE COUNTY, KANSAS

By: _____
Jon R. Blanchard, Mayor

By: _____
Monte Shadwick, Chairman, Board
of Saline County Commissioners

SALINA AIRPORT AUTHORITY

**SALINA AREA CHAMBER OF
COMMERCE, INC.**

By: _____
Michael L. Hoppock, Chairman

By: _____
Frank R. Hampton, Chairman

ACKNOWLEDGEMENTS

STATE OF KANSAS, COUNTY OF SALINE, ss:

This instrument was acknowledged before me on November __, 2015, by Jon R. Blanchard as Mayor of the City of Salina, Kansas.

Notary Public

STATE OF KANSAS, COUNTY OF SALINE, ss:

This instrument was acknowledged before me on November __, 2015, by Monte Shadwick as Chairman of the Board of County Commissioners of Saline County, Kansas.

Notary Public

STATE OF KANSAS, COUNTY OF SALINE, ss:

This instrument was acknowledged before me on November __, 2015, by Michael L. Hoppock as Chairman of the Salina Airport Authority.

Notary Public

STATE OF KANSAS, COUNTY OF SALINE, ss:

This instrument was acknowledged before me on November __, 2015, by Frank R. Hampton as Chairman of the Salina Area Chamber of Commerce, Inc.

Notary Public

**EXHIBIT B
TO
SALINA COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION, INC.
MEMBERS AGREEMENT**

BYLAWS

**BYLAWS
OF
SALINA COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION, INC.**

**ARTICLE 1
GENERAL PROVISIONS**

1.1 **Name.** The name of the corporation is Salina Community Economic Development Organization, Inc. (the "Corporation").

1.2 **Registered Office.** The registered office of the Corporation in the State of Kansas is 120 W. Ash St., Suite B, Salina, Saline County, Kansas 67401.

1.3 **Other Offices.** The Corporation may also have offices at such other places as the Directors, from time to time, may designate.

1.4 **Resident Agent.** The name and address of the Corporation's resident agent in this state is Salina Community Economic Development Organization, Inc., 120 W. Ash St., Suite B, Salina, Saline County, Kansas 67401.

1.5 **Term.** The term for which this Corporation shall exist is perpetual.

1.6 **Fiscal Year.** The fiscal year of the Corporation shall end on December 31 of each year.

1.7 **Policy Decisions.** Decisions and determinations of policy may be compiled under the supervision of the Secretary for easy access and reference by the Directors.

1.8 **Notice.** Notice of any meeting may be given in writing by mail, facsimile, or other electronic means to the person entitled thereto at the last known address shown on the records of the Corporation within such time as directed by the President.

1.9 **Waiver.** Whenever notice is required to be given by these Bylaws, the Articles of Incorporation, or by statute, a written waiver thereof, signed by the person(s) entitled to notice, whether before or after the times stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting constitutes a waiver of notice, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

**ARTICLE 2
PURPOSES**

2.1 **Not-for-Profit Purpose.** This Corporation is organized not-for-profit and shall have no authority to issue capital stock.

2.2 **General Purpose.** The Corporation is organized to promote and support economic development for the benefit of all citizens of Saline County, Kansas, which is to be

considered as a tax-exempt purpose pursuant to Section 501(c)(6) of the Internal Revenue Code of 1986, as amended from time to time ("Code").

2.3 Specific Purpose. The Corporation is organized and it operates for the following purposes:

2.3.1 To recruit industrial, retail, and other businesses to Saline County, Kansas;

2.3.2 To encourage and support entrepreneurship and business development in Saline County, Kansas;

2.3.3 To create and utilize economic development metrics and indicators;

2.3.4 To perform economic development research; and

2.3.5 To conduct marketing and foster communication with targeted businesses and industries;

which qualify as exempt activities under Code Section 501(c)(6).

ARTICLE 3 POWERS OF THE CORPORATION

3.1 General Powers. This Corporation shall and may exercise all the powers conferred by the laws of the State of Kansas upon corporations formed under the laws pursuant to and under which this Corporation is formed, as such laws are now in effect or may at any time hereafter be amended.

3.2 Specific Powers. In addition to the foregoing general powers, this Corporation shall have the following specific powers:

3.2.1 Own Property. It may own, lease, manage, operate, maintain, mortgage and pledge real estate and personal property.

3.2.2 Make Contracts. It may make contracts.

3.2.3 Joint Operations. It may engage in joint and coordinated research, planning, development, management, operations, and services with other similarly situated entities to achieve quality, economy, and efficiency of technology.

3.2.4 Accept Gifts. It may receive and hold any property, real and personal, given, devised, bequeathed, given in trust, or in any other way made over to the Corporation.

3.2.5 Manage Gifts. It may invest and disburse all assets so received, and generally care for, manage, administer, and control all such properties so received.

3.3 Restrictions on Powers. Notwithstanding any other provision of these Bylaws, this Corporation shall have the following restrictions on its powers:

3.3.1 Not-for-Profit Restriction. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on by a Corporation exempt from federal income tax under Code Section 501(c)(6). The Corporation shall never be operated for the primary purposes of carrying on a trade or business for profit.

3.3.2 No Compensation to Directors. No compensation or payment shall ever be paid or made to any member, officer, creator, or organizer of this Corporation, or substantial contributor to it (except as payment for actual services rendered to or for the benefit of this Corporation). Neither the whole nor any portion of the assets or net earnings current or accumulated of this Corporation shall ever be distributed to or divided among any such persons, and neither the whole nor any part or portion of such assets or net earnings shall ever be used for, accrue to, or inure to the benefit of any member or private individual within the meaning of Code Section 501(c)(6).

3.3.3 Political Activities Prohibited. No substantial part of the activities of the Corporation shall be the carrying on of propoganda or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

3.4 Assets Upon Dissolution. Upon dissolution of the Corporation, the Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for such purposes as shall at the time qualify as an exempt organization or organizations under Code Section 501(c)(6), as the governing board shall determine. Any assets not so disposed of shall be disposed of by the District Court of Saline County, Kansas, exclusively for such purposes or to such organization or organizations as the Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE 4 **MEMBERSHIP**

4.1 Membership of Corporation. This Corporation shall be composed of members rather than stockholders and the rights and other privileges of the classes of members are as set forth below.

4.2 Members. The Corporation shall have four single-purpose members which shall be the City of Salina, Kansas; Saline County, Kansas; the Salina Airport Authority; and the Salina Area Chamber of Commerce, Inc. (the "Members"). Such Members shall have only reserved powers to select and remove their respective appointees to the Board of Directors of the Corporation.

4.3 **Voting Members.** Subject to the right of the Members to select and remove their respective appointees to the Board of Directors, all voting rights of the Corporation shall be vested in the Board of Directors, which will be the voting members of the Corporation.

ARTICLE 5 **MANAGEMENT**

Management of the business and affairs of the Corporation shall be vested in and conducted by its Board of Directors and its officers.

ARTICLE 6 **DIRECTORS**

6.1 **Number.** Management of the Corporation shall be vested in a Board of Directors consisting of nine persons.

6.2 **Qualification.** Directors shall be selected from adult residents of Saline County, Kansas, who accept in principle the purposes of this Corporation and are deemed qualified to participate in the attainment of its objectives and the management of its business. Persons serving on the governing bodies of the Members shall not be selected as Directors. A Director shall be deemed qualified as such when an oath of office in the form set out in K.S.A. 54-106 has been administered, signed, and filed with the Secretary.

6.3 **Selection.** The Board of Directors shall be selected by the Members. The City of Salina, Kansas shall select three Directors for the Board of Directors of the Corporation. Saline County, Kansas, the Salina Airport Authority, and the Salina Area Chamber of Commerce, Inc. shall each select two Directors for the Board of Directors of the Corporation. Each Member may remove any Director that it previously selected for cause. The Board of Directors may recommend to a Member, for the Member's consideration, the removal of an appointee of the Member for cause.

6.4 **Term.** Directors shall serve terms of three years, or until successors are elected and qualified. Terms of the Board of Directors shall be staggered, so that, as nearly as possible, an equal number of Directors' terms expire each year, and the expiring terms are for Directors selected by three different Members. Any Director may serve not more than two consecutive full three-year terms, provided that he or she is duly selected by such Member at the conclusion of each term.

6.5 **Duties.** The Board of Directors shall govern and manage all affairs of the Corporation in accordance with law and its decisions in annual, regular, and special meetings.

6.6 **Resignation.** Any Director or officer of the Corporation may resign by filing written resignation with the Secretary of the Corporation, and such resignation shall become effective when so filed unless some subsequent effective date is set forth in the resignation.

6.7 **Vacancies.** If a vacancy occurs on the Board of Directors due to death, resignation, removal, or other cause, then the Member who appointed the Director for whom a vacancy was created, shall select a replacement Director. Any Director so chosen to fill a vacancy shall hold

office for the remainder of the term of the Director for whom a vacancy was created. In filling such vacancies, the Board shall comply with the requirements of this section regarding qualifications.

ARTICLE 7
MEETINGS OF THE DIRECTORS

7.1 **Kansas Open Meetings Act.** All meetings of the Directors shall be governed by the Kansas Open Meetings Act, pursuant to K.S.A. 75-4317 *et seq.*

7.2 **Place.** All meetings of the Directors shall be held at such places as may be designated by the Directors.

7.3 **Meeting Time.**

7.3.1 **Annual.** The annual meeting of the Directors of this Corporation shall be during the first calendar quarter of each year as set by resolution of the Board of Directors for the purpose of: (1) election of officers and (2) transaction of such other business as may properly be presented and come before such meeting.

7.3.2 **Regular.** Regular meetings shall be held periodically at such specified times as are deemed necessary by resolution of the Board of Directors.

7.3.3 **Special.** Special meetings of the Directors may be called by the President or by any two Directors, as deemed necessary. Business to be transacted shall be limited to matters specified by the notice given.

7.3.4 **Telephone.** Members of the Board of Directors, or any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

7.4 **Notice of Meetings.**

7.4.1 **Notice.** Notice of any meeting may be given in writing by mail, facsimile, or other electronic means to the person entitled thereto at the last known address shown on the records of the Corporation within such time as directed by the President.

7.4.2 **Waiver.** Whenever notice is required to be given by these Bylaws, the Articles of Incorporation, or by statute, a written waiver thereof, signed by the persons entitled to notice, whether before or after the times stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting constitutes a waiver of notice, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

7.5 Quorum. A majority (no fewer than five) of the total number of members of the Board of Directors (nine) shall be necessary to constitute a quorum at all meetings of the Directors for the transaction of business except as otherwise provided by law, or by these Bylaws. In the event such number is not a quorum, the members present shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until the requisite number of members of the Directors shall be present at such adjourned meeting, and any business may be transacted at the meeting as originally notified.

7.6 Procedural Rules. All meetings of the Directors and any committees thereof shall be conducted in a manner consistent with any procedural rules contained in these Bylaws. In the absence of such rules, the Board shall endeavor to follow the most recent edition of Robert's Rules of Order in the conduct of such meetings.

7.7 Voting Power. Each Director shall be entitled at every meeting of Directors to one vote in person. Voting by proxy shall not be permitted.

7.8 Voting Procedures. All elections of members of the Directors and officers, and votes upon any other question, except as otherwise provided by law or unless otherwise provided by resolution of the Directors, may be had by voice vote or by showing of hands unless the Directors determine otherwise.

ARTICLE 8 OFFICERS

8.1 Designated Officers. Officers of the Corporation shall be chosen by the Board of Directors of the Corporation and shall include a President, a Vice President, a Secretary, and a Treasurer.

8.2 Other Officers and Agents. The Corporation may have such other officers and agents as may from time to time be determined and appointed by the Board of Directors, and for such terms as the Board of Directors may determine.

8.3 Term and Qualification of Officers. The officers of the Corporation, except as provided in Section 8.2 of this Article 8, shall hold their office for one year or until the next annual meeting of the Board of Directors, or until their successors are chosen and qualified, unless their respective terms of office have been terminated by resignation in writing, duly filed in the office of the Secretary of the Corporation.

8.4 Removal of Officers. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority (no fewer than five) of all of the Directors (nine).

8.5 President. The President shall be the presiding officer of the Corporation and the Board of Directors.

8.6 Vice President. A Vice President, if there is one, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors may prescribe.

8.7 Secretary. The Secretary shall attend all sessions of the Board of Directors and record all votes and the minutes of all proceedings, including rules and regulations and policy decisions, in a book to be kept for that purpose and shall perform like duties for the standing committees. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or President.

8.8 Treasurer. The Treasurer shall have such duties as may be prescribed by the Board of Directors and shall give bond in such sum and with such sureties as may be determined from time to time by the Board of Directors. Such bond, if issued other than by a corporate surety, shall be renewed every year.

ARTICLE 9 COMMITTEES

The Directors may designate one or more committees, each committee to consist of one or more Directors of the Corporation.

ARTICLE 10 CONFLICTS OF INTEREST

10.1 Applicable Law. For the reason that three of the four Members are local government subdivisions as defined under K.S.A. 75-4301a, the matter of determining whether a Director has a conflict of interest and what must occur if a conflict of interest is determined to exist are acknowledged to be matters governed by Kansas law applicable to local government subdivisions. Kansas law requires the application of (1) the statutory ethics rules applicable to local government subdivisions (K.S.A. 75-4301a), known as the "substantial interest" test and, when those statutes are inapplicable to the facts of the situation, (2) the common law principles applicable in determining whether a conflict of interest exists, known as the "common law" test.

10.2 Substantial Interest Test. Determining whether a Director has a "substantial interest" in a business requires application of the definition of "substantial interest" found in K.S.A. 75-4301a(a)(1-5).

10.2.1 Contracts. In compliance with K.S.A. 75-4304, a Director shall not make or participate in the making of a contract with any person or business by which the Director is employed or in whose business the Director has a substantial interest. A Director does not make or participate in the making of a contract if the Director abstains from any action in regard to the contract. The prohibition against a Director making or participating in the making of a contract shall not apply to (1) contracts let after competitive bidding has been advertised for by published notice; and (2) contracts for property or services for which the price or rate is fixed by law. A violation of K.S.A. 75-4304 shall be governed by K.S.A. 75-4306(a).

10.2.2 Other Than Contract. Other than in the case of contracts as addressed above, a Director who has a substantial interest in a business shall not act upon any matter before the Board of Directors which will affect the business in which the Director has a substantial interest without first filing a written report of the nature of the substantial interest with the Saline County election officer in compliance with K.S.A 75-4305.

10.3 Common Law Test. Under the common law conflict of interest principles recognized by Kansas courts, a Director owes an undivided duty to the Members and the public, and a Director may not place himself or herself in a position that will subject the Director to conflicting duties or cause the Director to act other than for the best interests of Members and the public. While the presence of a common law conflict of interest depends on the specific facts and circumstances of each case, a common law conflict of interest generally arises when a Director has an interest that is not shared in common with, or is adverse to, the general public interest, and which interest has the likely capacity to tempt the Director to depart from the Director's duty to the Members and the public. A common law conflict of interest does not arise from a remote or speculative interest, or the mere possibility of a future conflict of interest. A Director shall abstain from any action in regard to a matter in which the Director has a common law conflict of interest.

10.4 Abstention. A Director who abstains from any action in regard to a matter shall so state immediately following introduction of the agenda item under which the matter is to be considered by the Board of Directors, shall step down until the Board of Director's consideration of the matter has been concluded, and shall abstain from debating and voting on any motions relating to the matter.

ARTICLE 11 **INDEMNIFICATION**

11.1 Indemnification. This Corporation shall indemnify any Director, officer, employee, or agent of the Corporation who was or is threatened to be made a party in any legal proceedings whether civil, criminal, administrative, or investigative if successful on the merits or otherwise in defense, or even if unsuccessful in defense, if such person acted in good faith and in the reasonable belief that his actions were in or not opposed to the best interest of the Corporation.

11.2 Insurance. The Corporation shall purchase and maintain insurance on behalf of any Director, officer, employee, or agent of the Corporation against any liability asserted against such person and incurred in such capacity whether or not the Corporation would have power to indemnify such person against such liability under the provisions of the above section.

11.3 Severance Clause. The invalidity or unenforceability of any provision of this Article shall not affect the validity or enforceability of any other provision hereof.

ARTICLE 12
AMENDMENTS

The Articles of Incorporation or the Bylaws may be amended by: (1) the Directors meeting, considering the proposed amendment, passing a resolution declaring the advisability of the amendment, and setting a date, time and place of a membership meeting to consider the amendment; and (2) upon approval by a three-fourths affirmative vote of the Members of the Corporation represented at a meeting at which a quorum is represented, following written notice to each Member given not less than 15 nor more than 60 days before said meeting, which notice shall set forth the proposed amendment and indicate that the Board of Directors has, by appropriate resolution, declared it to be advisable to present such amendment to the Members, and which notice shall give the date, time, and place of the meeting.

ARTICLE 13
BOOKS AND RECORDS

The Corporation shall keep, at the registered office of the Corporation, correct and complete books and records of account and shall also keep minutes of the proceedings of the Directors and committees having any of the authority of the Directors. The books and records of account shall at all reasonable times be open to inspection by any Director and Member. The Corporation shall provide quarterly reports to the Members of the Corporation's property and business transactions, including assets, liabilities, receipts, and disbursements.

ARTICLE 14
DISSOLUTION

Any plan and approval for voluntary dissolution or revocation of same shall be determined by the vote of a majority (no fewer than five) of all of the Directors (nine). Thereafter, the Directors shall cause such plan of dissolution to be mailed to all of the Members of the Corporation along with notice of the calling of a special meeting of the Members to consider such plan of dissolution. If three-fourths of the Members represented at such meeting approve the plan of dissolution, the Directors shall proceed with the process of dissolving the Corporation in the manner required by Kansas law.

ADOPTED by the Members as of the 17th day of November, 2015.

CITY OF SALINA, KANSAS

By: _____
Jon R. Blanchard, Mayor

SALINE COUNTY, KANSAS

By: _____
Monte Shadwick, Chairman, Board
of County Commissioners

SALINA AIRPORT AUTHORITY

By: _____
Michael L. Hoppock, Chairman

**SALINA AREA CHAMBER OF
COMMERCE, INC.**

By: _____
Frank R. Hampton, Chairman

EXHIBIT C
TO
SALINA COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION, INC.
MEMBERS AGREEMENT.

RESOLUTIONS OF THE BOARD OF DIRECTORS OF
SALINA COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION, INC.

The members of the Board of Directors (the "Board") of the SALINA COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION, INC. (the "Corporation") do hereby consent to and adopt the following resolutions by unanimous consent:

WHEREAS, the Board has reviewed and considered the Salina Community Economic Development Organization, Inc. Members Agreement dated _____, 2015; ("Members Agreement") entered into among the City of Salina, Kansas, the Board of County Commissioners of Saline County, Kansas, the Salina Airport Authority, and the Salina Area Chamber of Commerce; and

WHEREAS, the Board deems it advisable for, and in the best interest of, the Corporation to ratify the Members Agreement;

NOW, THEREFORE, BE IT RESOLVED, that the Board does hereby (a) concur with and ratify in all respects the Members Agreement, and all obligations of the Corporation contemplated within the Members Agreement; and (b) authorize, direct, and empower the officers of the Corporation to take all necessary actions to effectuate the terms of the Members Agreement.

IN WITNESS WHEREOF, these Resolutions of the Board are given as of the ____ day of _____, 2015, which shall be the effective date of this instrument.

BOARD OF DIRECTORS OF SALINA
COMMUNITY ECONOMIC DEVELOPMENT
ORGANIZATION, INC.

_____, President

Date: _____

Attest:

_____, Secretary

EXHIBIT D
TO
SALINA COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION, INC.
MEMBERS AGREEMENT

CONTRIBUTION COMMITMENTS FOR 2016-2018 MEMBER FINANCIAL SUPPORT

In-kind Support

Chamber

Office space: The offices of the Corporation shall be provided by the Chamber, rent-free, and shall include 2 offices and a clerical reception desk on the ground floor level of the Chamber's building located at 120 W. Ash St., Suite B, Salina, KS 67401; and includes janitorial services, utilities, landscaping, parking, property taxes, and property insurance.

Entrance: The separate entrance for the offices of the Corporation shall be the building entrance located on the west frontage (North Seventh Street) of the Chamber's building. The entrance shall be marked with distinguishable brand markings of the Corporation at the expense of the Corporation, and shall be consistent with existing signage already located on the Chamber property.

Furnishings: The offices of the Corporation are welcome to utilize any Chamber furnishings that are not being utilized.

Staff support: The offices of the Corporation shall be supported by backup reception staff employed by and also serving the Chamber.

Conference access: Representatives of the Corporation shall have access to the Chamber's conference rooms on a scheduled basis.

Monetary Support

	<u>2016</u>	<u>2017</u>	<u>2018</u>
City:	\$308,000	\$275,000	\$250,000
County:	\$ 20,000	\$ 20,000	\$ 20,000
Authority:	\$ 15,000	\$ 25,000	\$ 50,000

EXHIBIT E
TO
SALINA COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATION, INC.
MEMBERS AGREEMENT

INSURANCE REQUIREMENTS

Pursuant to Section 18 of the Agreement, the Corporation shall obtain, pay for, and maintain, for the duration of the Agreement, policies of insurance meeting the following requirements:

1. General Requirements.

A. Additional Insured. With the exception of the workers' compensation and Directors and Officers Liability policies to be obtained by the Corporation hereunder, all policies shall name the Member organizations, their agents, representatives, officers, officials, and employees as additional insured(s). Insurance for the additional insureds shall be as broad as the insurance for the named insured, including defense expense coverage.

B. Waiver of Subrogation. Where allowed by law, all policies will include a waiver of subrogation in favor of the member organizations, their agents, representatives, officers, officials, and employees.

C. Claims Made Policies. If coverage is written on a claims-made basis for any of the policies required by this Agreement, the Corporation must maintain the coverage for a minimum of two (2) years from the date of final completion of all work under the Agreement.

D. Premium and Deductible Expenses. The Corporation shall be responsible for all premiums and retention or deductible expense for any and all policies required by this Agreement.

2. Specific Coverage Requirements.

A. Directors and Officers Liability -- Management Liability. The Corporation shall maintain Directors and Officers liability insurance covering actual or alleged errors and omissions, neglect or breach of duty resulting from the operations and financial management of the Corporation, and include protection for the entity/Corporation, directors, officers, trustees, employees and volunteers of the Corporation, with limits of not less than \$1,000,000 each claim. Such coverage shall include defense cost in addition to the limit of liability shown above and shall be primary and non-contributory insurance before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the entity, employees, directors, officers or volunteers.

B. Employment Practices Liability. The Corporation shall maintain Employment Practices liability insurance covering actual or alleged errors and omissions, resulting from the employment wrongs, and include protection for the entity/Corporation, directors, officers, trustees,

employees and volunteers of the Corporation, with limits of not less than \$1,000,000 each claim. Such coverage shall include defense cost in addition to the limit of liability shown above and shall be primary and non-contributory insurance before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the entity, employees, directors, officers or volunteers.

Employment Practices Liability insurance may be combined in a package with Directors and Officers Liability insurance with a shared limit, so long as such combined coverage includes a general aggregate limit of no less than \$2,000,000.

C. Commercial General Liability ("CGL"). The Corporation shall maintain CGL coverage written on ISO Occurrence form CG00 01 or an industry equivalent, which shall cover liability arising from Personal Injury, Bodily Injury, Property Damage, Premises and Operations, Contractual Liability, Independent Contractors and Advertising Injury. The policy limits shall not be less than the following:

- Each occurrence \$1,000,000
- General aggregate \$2,000,000
- Products-Completed Operations Aggregate \$2,000,000
- Personal and Advertising Liability \$1,000,000
- Damages to Premises Rented \$500,000
- Medical Expense Limits \$5,000
- Employee Benefit Liability Each claim \$1,000,000
- Employee Benefit Liability Aggregate \$1,000,000
- With respect to the commercial general liability policy required hereunder, it shall be endorsed to apply as primary and non-contributory insurance before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insured(s).

D. Business Automobile Liability ("BAL"). The Corporation shall maintain BAL coverage written on ISO form CA 00 01 or an industry equivalent. Coverage shall be applicable to all autos and other vehicles subject to compulsory auto liability laws that are owned, hired, rented or used by the Corporation and include automobiles not owned by but used on behalf of the Corporation. The BAL policy limits shall not be less than the following:

- Combined single limit \$1,000,000

E. Workers' Compensation/Employer's Liability. The Corporation shall maintain workers' compensation and employer's liability coverage with policy limits not less than the following:

- Workers' Compensation (Coverage Part A)
 - Statutory
- Employer's Liability (Coverage Part B)
 - \$100,000 each accident
 - \$500,000 disease – policy limit

- o \$100,000 disease – each employee

F. Commercial Crime/Employee Dishonesty. The Corporation shall maintain commercial crime/employee dishonesty coverage written on a blanket basis and with policy limits not less than the following:

• Employee Theft/Dishonesty	\$100,000
• Computer Theft & Fund Transfer Coverage	\$100,000
• Money & Securities	\$10,000
• Money orders & Counterfeit Currency	\$10,000
• Depositors Forgery	\$10,000
• Credit Card Forgery	\$10,000

G. Property Insurance. The Corporation shall annually prepare a schedule of the physical assets of the Corporation and maintain an appropriate level of commercial property coverage to insure the assets against physical damage.