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ORDINANCE NO. S-3112

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF JUNCTION CITY, KANSAS, AUTHORIZING THE ISSUANCE OF ITS SPECIAL OBLIGATION REVENUE BONDS (DICK EDWARDS AUTO PLAZA PROJECT), SERIES 2012 FOR THE PURPOSE OF FINANCING CERTAIN COSTS RELATING TO THE DICK EDWARDS AUTO PLAZA PROJECT PLAN; AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS

WHEREAS, the City of Junction City, Kansas (the "City") is a municipal corporation duly organized and validly existing under the laws of the State of Kansas as a city of the first class; and

WHEREAS, pursuant to the provisions of K.S.A. 12-1770 *et seq.*, as amended (the "Act"), and Ordinance No. S-3026 of the City, passed on September 30, 2008, as amended by Ordinance No. S-3103, passed on February 21, 2012, and in order to promote, stimulate and develop the general and economic welfare of the City, the governing body of the City has established the Dick Edwards Auto Plaza Redevelopment District ("Redevelopment District") in the City; and

WHEREAS, pursuant to the provisions of the Act and Ordinance No. S-3106, passed on May 15, 2012 and published on June 29, 2012, the City approved the Dick Edwards Auto Plaza Project Plan (the "Redevelopment Plan") for the specified Project Area within the Redevelopment District; and

WHEREAS, pursuant to the provisions of the Act, the City desires to authorize the issuance of its Special Obligation Revenue Bonds (Dick Edwards Auto Plaza Project), Series 2012 (the "Bonds"), upon the terms and conditions set forth in the hereinafter described Bond Indenture, for the purpose of financing eligible costs of the Redevelopment Project described in the Redevelopment Plan; and

WHEREAS, the governing body of the City hereby finds and determines that the financing of the Redevelopment Project by the City in the manner provided in the Act and pursuant to the provisions of the Bond Indenture, will serve one or more of the public purposes set forth in the Act and will promote, stimulate and develop the general and economic welfare of the City; and

WHEREAS, the governing body of the City further finds and determines that it is necessary and desirable in connection with the issuance of the Bonds that the City enter into certain agreements, and that the City take certain other actions and approve the execution of certain other documents as herein provided.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF JUNCTION CITY, KANSAS:

Section 1. Authorization of the Bonds. The City is hereby authorized to issue and sell the Bonds in an aggregate principal amount not to exceed \$3,665,213, the proceeds of which will be used to (a) pay eligible costs of the Redevelopment Project described in the Redevelopment Plan, (b) pay certain costs related to the issuance of the Bonds, and (c) pay capitalized interest on the Bonds. The Bonds shall be issued and secured pursuant to the herein authorized Bond Indenture in such principal amounts, shall be in such denominations, shall be in such forms, shall mature on the dates and in the principal amounts, shall bear interest at a fixed rate which shall not exceed amount set forth in K.S.A. 10-1009 and shall be subject to redemption on the dates and in the principal amounts as provided in the Bond Indenture, and shall have such other terms and provisions, shall be issued, executed, authenticated and delivered in such manner and shall be subject to such provisions, covenants and agreements, as are set forth in the Bond Indenture.

The Bonds, together with interest thereon, are not general obligations of the City but are limited obligations payable solely from the Trust Estate (as defined in the Bond Indenture) pledged to the payment thereof under the Bond Indenture and shall be a valid claim of the respective holders thereof only against the Trust Estate and other moneys held by the Trustee (as defined in the Bond Indenture) and the revenues so pledged as aforesaid. In no event shall the Bonds be payable out of any funds or properties other than those pledged or acquired under the Bond Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the City, the State of Kansas (the "State") or of any political subdivision thereof and the issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City, the State or any political subdivision thereof to levy any form of general taxation (other than Incremental Tax Revenues pledged as part of the Trust Estate) therefor. Nothing in the Bonds, the Bond Indenture, the proceedings of the City authorizing the Bonds or the Act shall be construed to be a debt or loan of credit of the City, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 2. Authorization and Approval of Documents. The following documents are hereby approved in substantially the forms presented to and reviewed by the City at this meeting (copies of which documents shall be filed in the records of the City), and the City is hereby authorized to execute and deliver each of such documents to which the City is a party (the "City Documents") with such changes therein as shall be approved by the officer or officers of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the City's ratification or approval thereof:

- (a) Bond Trust Indenture dated as of the date stated therein (the "Bond Indenture"), between the City and Security Bank of Kansas City, as trustee (the "Trustee"); and
- (b) Bond Purchase Agreement dated as of the date stated therein between the City and Farmers & Merchants Bank of Colby, Colby, Kansas, as purchaser of the Bonds; and
- (c) Tax Compliance Agreement dated as of the date stated therein relating to the Bonds.

Section 3. Execution of Bonds and Documents. The Mayor of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Bond Indenture. The Mayor of the City is hereby authorized and directed to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the

intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk is hereby authorized and directed to attest to and affix the seal of the City to the Bonds, the City Documents and such other documents, certificates and instruments as may be necessary.

Section 4. Further Authority. The City shall, and the officers, employees and agents of the City are hereby authorized and directed to, take such action, expend such funds and execute such other documents, deeds, agreements, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and the transactions contemplated therein and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents, including, but not limited to, agreements with respect to the investment of any funds held under the Bond Indenture. Columbia Capital Management, LLC, the City's financial advisor and Gilmore & Bell, P.C., the City's bond counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the intent of this Ordinance.

Section 5. Effective Date. This Ordinance shall be effective upon its passage by the City Commission of the City of Junction City, Kansas and publication one time in the official City newspaper.

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PASSED by the City Commission of Junction City, Kansas on

August 21, 2012



[Handwritten signature]

Mayor

[Handwritten signature]
City Clerk

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the original Ordinance No. S-312 (the "Ordinance") of the City of Junction City, Kansas (the "City"); that said Ordinance was passed by the City Commission on Aug. 21, 2012, that the record of the final vote on its passage is found on page ___ of journal ___; that it was published in the official newspaper of the City on Aug. 25, 2012; and that the Ordinance has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: August 27, 2012.

[Handwritten signature]
City Clerk