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ORDINANCE NO. 47-139

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS TO ISSUE ITS INDUSTRIAL REVENUE BONDS (TAXABLE UNDER FEDERAL LAW), SERIES II, 2006 (KSDD PROPERTIES, LLC) IN THE AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING A COMMERCIAL FACILITY; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the City of Wichita, Kansas (the "Issuer"), is authorized by K.S.A. 12-1740 *et seq.*, as amended (the "Act"), to acquire, construct, improve and equip certain facilities (as defined in the Act) for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for such facilities, and to issue revenue bonds for the purpose of paying the costs of such facilities; and

WHEREAS, the Issuer has found and does find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue its industrial revenue bonds, Series II, 2006, in the aggregate principal amount of \$9,000,000 (the "2006 Bonds"), for the purpose of paying the costs of acquiring, constructing and equipping a certain commercial facility (the "Project") as more fully described in the Indenture and in the Lease hereinafter authorized for lease by the Issuer to KSDD Properties, LLC, a Kansas limited liability company (the "Tenant"); and

WHEREAS, the 2006 Bonds and the interest thereon shall not be a general obligation of the Issuer, shall not be payable in any manner by taxation and shall be payable solely from the trust estate established under the Indenture, including revenues from the Lease of the Project; and

WHEREAS, the Issuer further finds and determines that it is necessary and desirable in connection with the issuance of the 2006 Bonds to execute and deliver (i) a Trust Indenture dated as of October 1, 2006 (the "Indenture"), with Central Bank and Trust Company, Wichita, Kansas, as Trustee (the "Trustee"), prescribing the terms and conditions of issuing and securing the 2006 Bonds; (ii) a Lease dated as of October 1, 2006 (the "Lease"), with the Tenant in consideration of payments of Basic Rent and other payments provided for therein, and (iii) a Bond Placement Agreement providing for the sale of the 2006 Bonds by the Issuer to U.S. Bank National Association (collectively, the "Bond Documents"); and

WHEREAS, Delta Dental of Kansas, Inc. (the "Subtenant"), a Kansas corporation, the managing member and the sole owner of the Tenant will sublease the Project from the Tenant and enter into a Guaranty Agreement dated as of October 1, 2006 (the "Guaranty"), with the Trustee guaranteeing the payment of the principal of and interest on the 2006 Bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AS FOLLOWS:

Section 1. Authority to Cause the Project to be Acquired, Constructed and Equipped. The Governing Body of the issuer hereby declares that the Project, if in being, would promote the welfare of the City of Wichita, Kansas and the Issuer is hereby authorized to cause the Project to be acquired, constructed and equipped all in the manner and as more particularly described in the Indenture and the Lease hereinafter authorized.

Section 2. Authorization of and Security for the 2006 Bonds. The Issuer is hereby authorized and directed to issue the 2006 Bonds, to be designated "City of Wichita, Kansas, Industrial Revenue Bonds (Taxable Under Federal Law), Series II, 2006 (KSDD Properties, LLC)" in the aggregate principal amount of \$9,000,000. The 2006 Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Indenture. The 2006 Bonds shall be special limited obligations of the Issuer payable solely from the trust estate established under the Indenture, including revenues from the Lease of the Project. The 2006 Bonds shall not be general obligations of the Issuer, nor constitute a pledge of the full faith and credit of the Issuer and shall not be payable in any manner by taxation.

Section 3. Lease of the Project. The Issuer shall cause the Project to be leased to the Tenant pursuant to and in accordance with the provisions of the Lease in the form approved herein.

Section 4. Execution of 2006 Bonds and Bond Documents. The Mayor of the Issuer is hereby authorized and directed to execute the 2006 Bonds and deliver them to the Trustee for authentication on behalf of, and as the act and deed of the Issuer in the manner provided in the Indenture. The Mayor is further authorized and directed to execute and deliver the Bond Documents on behalf of, and as the act and deed of the Issuer in substantially the forms presented for review prior to final passage of this Ordinance, with such minor corrections or amendments thereto as the Mayor may approve, which approval shall be evidenced by his execution thereof, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance and the Bond Documents. The City Clerk or any Deputy City Clerk of the Issuer is hereby authorized and directed to attest the execution of the 2006 Bonds, the Bond Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out the intent of this Ordinance under the Issuer's official seal.

Section 5. Approval of the Guaranty Agreement. The form of the Guaranty in substantially the form presented for review prior to final passage of this Ordinance is hereby approved.

Section 6. Pledge of the Project and Net Revenues. The Issuer hereby pledges the Project and the net revenues generated under the Lease to the payment of the 2006 Bonds in

accordance with K.S.A. 12-1744. The lien created by such pledge shall be discharged when all of the 2006 Bonds shall be deemed to have been paid within the meaning of the Indenture.

Section 7. Further Authority. The officers, agents and employees of the Issuer are hereby authorized and directed to take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out the provisions of this Ordinance and to carry out and perform the duties of the Issuer with respect to the 2006 Bonds and the Bond Documents as necessary to give effect to the transactions contemplated in this Ordinance and in the Bond Documents.

Section 8. Effective Date. This Ordinance shall take effect from and after its final passage by the Governing Body of the Issuer, signature by the Mayor and publication once in the official newspaper of the Issuer.

PASSED by the Governing Body of the City of Wichita, Kansas, and approved by the Mayor on October 17, 2006.

CITY OF WICHITA, KANSAS

(Seal)

By: _____
Carlos Mayans, Mayor

Attest:

By: _____
Karen Sublett, City Clerk

Approved as to form:

By: _____
Gary E. Rebenstorf, City Attorney