

**ORDINANCE NO. 50-254**

**OF THE  
CITY OF WICHITA, KANSAS**

**AUTHORIZING THE ISSUANCE OF**

**NOT TO EXCEED \$2,614,000  
INDUSTRIAL REVENUE BONDS  
SERIES III-A, 2016  
(J.R. CUSTOM METAL PRODUCTS, INC.  
PROJECT)**

**NOT TO EXCEED \$2,686,000  
INDUSTRIAL REVENUE BONDS  
SERIES III-B, 2016  
(J.R. CUSTOM METAL PRODUCTS, INC.  
PROJECT)**

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(Published in *The Wichita Eagle*, May 24, 2016)

**ORDINANCE NO. 50-254**

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS TO ISSUE ITS INDUSTRIAL REVENUE BONDS, SERIES III-A, 2016 AND SERIES III-B, 2016 (J.R. CUSTOM METAL PRODUCTS, INC. PROJECT) FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF AN ADDITION TO AN EXISTING MANUFACTURING FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

**THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS HAS FOUND AND DETERMINED:**

**A.** The City of Wichita, Kansas (the "Issuer") is authorized by K.S.A. 12-1740 *et seq.*, and K.S.A. 10-116a (the "Act"), to acquire, construct, improve and equip certain facilities (as defined in the Act) for commercial, industrial and manufacturing purposes, and to enter into leases and lease-purchase agreements with any person, firm or corporation for said facilities, to issue revenue bonds for the purpose of paying the cost of any such facilities, and to issue refunding bonds to refund such revenue bonds issued for such purposes.

**B.** Pursuant to the Act and Ordinance No. 44-112 of the Issuer, the Issuer has previously issued its Industrial Revenue Bonds, Series XVIII, 1998 (J.R. Custom Metal Products, Inc. Project) in the original principal amount of \$3,500,000 (the "Series 1998 Bonds") for the purpose of paying the costs of acquiring, constructing and equipping a certain manufacturing facility (the "Original Project") located in the City of Wichita, Kansas.

**C.** Pursuant to the Act and the Ordinance No. 49-390, the Issuer has previously issued its Industrial Refunding and Improvement Revenue Bonds, Series V, 2012 (J.R. Custom Metal Products, Inc. Project) in the original principal amount of \$4,400,000 (the "Series 2012 Bonds") for the purpose of refunding the Series 1998 Bonds and paying the costs of acquiring, constructing and equipping an expansion to the Original Project (the "2012 Project").

**D.** The Issuer has leased the Original Project and the 2012 Project to Hijos, LLC, a Kansas limited liability company (the "Tenant") pursuant to a Lease dated as of December 1, 2012 (the "Original Lease").

**E.** The Issuer's governing body hereby finds and determines it necessary and advisable to issue its Industrial Revenue Bonds, Series III-A, 2016 and Series III-B, 2016 (J.R. Custom Metal Products, Inc. Project), in the aggregate principal amount of not to exceed \$5,300,000 (collectively, the "Series 2016 Bonds"), for the purpose of providing funds for the acquisition, construction and equipping of a second expansion to the Original Project (the "2016 Project").

**F.** The Issuer's governing body finds that it is necessary and desirable in connection with the issuance of the Series 2016 Bonds to execute and deliver the following documents (collectively, the "Bond Documents"):

- (i) a First Supplemental Trust Indenture (the "First Supplemental Indenture"), amending and supplementing the Trust Indenture dated as of December 1, 2012 (as supplemented and amended, the "Indenture"), with UMB Bank, n.a., as Trustee (the "Trustee"), prescribing the terms and conditions of issuing and securing the Series 2016 Bonds;

(ii) a First Supplemental Lease (the "First Supplemental Lease") amending and supplementing the Original Lease (as supplemented and amended, the "Lease"), with the Tenant, under which the Issuer will acquire, construct and equip the 2016 Project and lease it to the Tenant in consideration of Basic Rent and other payments; and

(iii) a Bond Purchase Agreement (the "Bond Purchase Agreement") providing for the sale of the Series 2016 Bonds by the Issuer to Kansas City Financial Corporation, Overland Park, Kansas (the "Purchaser"), and

(iv) a Tax Compliance Agreement among the Issuer, the Tenant and the Trustee.

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

Section 1. **Definition of Terms.** All terms and phrases not otherwise defined in this Ordinance will have the meanings set forth in the Indenture and the Lease.

Section 2. **Authority to Cause the 2016 Project to Be Purchased and Constructed.** The Issuer is authorized to cause the 2016 Project to be acquired, constructed and equipped in the manner described in the Indenture and the Lease.

Section 3. **Authorization of and Security for the Bonds.** The Issuer is authorized and directed to issue the Series 2016 Bonds, to be designated "City of Wichita, Kansas Industrial Revenue Bonds, Series III-A, 2016 (J.R. Custom Metal Products, Inc. Products)" in the aggregate principal amount of not to exceed \$2,614,000 and "City of Wichita, Kansas Industrial Revenue Bonds, Series III-B, 2016 (J.R. Custom Metal Products, Inc. Products)" in the aggregate principal amount of not to exceed \$2,686,000, for the purpose of providing funds to pay the costs of the acquisition, construction and equipping of the 2016 Project. The Series 2016 Bonds will be in such principal amounts, will be dated and bear interest, will mature and be payable at such times, will be in such forms, will be subject to redemption and payment prior to maturity, and will be issued according to the provisions, covenants and agreements in the Indenture. The Series 2016 Bonds will be special limited obligations of the Issuer payable solely from the Trust Estate under the Indenture, including revenues derived from the Lease of the Project. The Series 2016 Bonds will not be general obligations of the Issuer, nor constitute a pledge of the faith and credit of the Issuer, and will not be payable in any manner by taxation.

Section 4. **Authorization of First Supplemental Indenture.** The Issuer is authorized to enter into the First Supplemental Indenture with the Trustee in the form approved in this Ordinance. The Issuer will pledge the Trust Estate described in the Indenture to the Trustee for the benefit of the owners of the Series 2016 Bonds on the terms and conditions in the Indenture.

Section 5. **Lease of the Project.** The Issuer will extend, improve and further equip the Original Project with the 2016 Project, and continue to lease it to the Tenant according to the provisions of the Original Lease, as amended and supplemented by the First Supplemental Lease in the form approved in this Ordinance. The continued sublease of the Project to J.R. Custom Metal Products, Inc., a Kansas corporation (the "Subtenant") is approved by the Issuer.

Section 6. **Approval of the Guaranty Agreement.** The form of the Guaranty Agreement among the Tenant, the Subtenant and the individual guarantors named therein, and the Trustee, for the benefit of the owners of the Series 2016 Bonds is approved.

Section 7. **Authorization of Bond Purchase Agreement.** The Issuer is authorized to sell the Series 2016 Bonds to the Purchaser, according to the terms and provisions of the Bond Purchase Agreement, in the form approved in this Ordinance.

Section 8. **Execution of Bonds and Bond Documents.** The Mayor of the Issuer is authorized and directed to execute the Series 2016 Bonds and deliver them to the Trustee for authentication on behalf of the Issuer in the manner provided by the Act and in the Indenture. The Mayor or member of the Issuer's governing body authorized by law to exercise the powers and duties of the Mayor in the Mayor's absence is further authorized and directed to execute and deliver the Bond Documents on behalf of the Issuer in substantially the forms presented for review prior to final passage of this Ordinance, with such corrections or amendments as the Mayor or other person lawfully acting in the absence of the Mayor may approve, which approval shall be evidenced by his or her signature. The authorized signatory may sign and deliver all other documents, certificates or instruments as may be necessary or desirable to carry out the purposes and intent of this Ordinance and the Bond Documents. The City Clerk or the Deputy City Clerk of the Issuer is hereby authorized and directed to attest the execution of the Series 2016 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 corporate seal.

Section 9. **Pledge of the Project and Net Lease Rentals.** The Issuer hereby pledges the Project, including the 2016 Project, and the net rentals generated under the Lease to the payment of the Series 2016 Bonds in accordance with K.S.A. 12-1744. The lien created by the pledge will be discharged when all of the Series 2016 Bonds are paid or deemed to have been paid under the Indenture.

Section 10. **Authority To Correct Errors, Etc.** The Mayor or member of the Issuer's governing body authorized to exercise the powers and duties of the Mayor in the Mayor's absence, the City Clerk and any Deputy City Clerk are hereby authorized and directed to make any alterations, changes or additions in the instruments herein approved, authorized and confirmed which may be necessary to correct errors or omissions therein or to conform the same to the other provisions of said instruments or to the provisions of this Ordinance.

Section 11. **Further Authority.** The officials, officers, agents and employees of the Issuer are authorized and directed to take whatever action and execute whatever other documents or certificates 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 Series 2016 Bonds and the Bond Documents.

Section 12. **Effective Date.** This Ordinance shall take effect after its final passage by the governing body of the Issuer and publication once in the Issuer's official newspaper.

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**PASSED** by the governing body of the Issuer on May 24, 2016 and **SIGNED** by the Mayor.

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM ONLY.

\_\_\_\_\_  
Jennifer Magaña, Director of Law and  
City Attorney

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**CERTIFICATE**

I hereby certify that the attached copy is a true and correct copy of Ordinance No. \_\_\_\_ of the City of Wichita, Kansas duly passed by the governing body, signed by the Mayor and published in the official City newspaper on the respective dates stated in this ordinance, and that the signed original of such Ordinance is on file in my office.

[SEAL]

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City Clerk

**EXCERPT OF MINUTES OF A MEETING  
OF THE GOVERNING BODY OF  
THE CITY OF WICHITA, KANSAS  
HELD ON MAY 17, 2016**

The governing body of the City of Wichita, Kansas met in regular session at the usual meeting place in the City, at 9:00 a.m., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

\* \* \* \* \*

(Other Proceedings)

Among other business, in accordance with notice published on May 9, 2016, in the *Wichita Eagle*, a public hearing was held by the governing body relating to the proposed issuance of not to exceed \$5,300,000 principal amount of Industrial Revenue Bonds, Series III-A, 2016 and Series III-B, 2016 (J.R. Custom Metal Products, Inc., Project). All interested persons were afforded an opportunity to present their views on the issuance of the Bonds and the location and nature of the Project to be financed with the proceeds of the Bonds. Thereupon, the public hearing was closed.

Thereupon, there was presented for first reading an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS TO ISSUE ITS INDUSTRIAL REVENUE BONDS, SERIES III-A, 2016 AND SERIES III-B, 2016 (J.R. CUSTOM METAL PRODUCTS, INC. PROJECT) FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF AN ADDITION TO AN EXISTING MANUFACTURING FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

Thereupon, Councilmember \_\_\_\_\_ moved that said Ordinance be passed. The motion was seconded by Councilmember \_\_\_\_\_. Said Ordinance was duly read and considered, and upon being put, the motion for the passage upon first reading of said Ordinance was carried by the vote of the governing body, the vote being as follows:

Aye:

Nay:

\* \* \* \* \*

(Other Proceedings)

\* \* \* \* \*

**CERTIFICATE**

I certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Wichita, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

[SEAL]

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Karen Sublett, City Clerk

**EXCERPT OF MINUTES OF A MEETING  
OF THE GOVERNING BODY OF  
THE CITY OF WICHITA, KANSAS  
HELD ON MAY 24, 2016**

The governing body of the City of Wichita, Kansas met in regular session at the usual meeting place in the City, at 9:30 a.m., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

\* \* \* \* \*

(Other Proceedings)

Thereupon, there was presented for second reading on the governing body's consent agenda an Ordinance entitled:

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS TO ISSUE ITS INDUSTRIAL REVENUE BONDS, SERIES III-A, 2016 AND SERIES III-B, 2016 (J.R. CUSTOM METAL PRODUCTS, INC. PROJECT) FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF AN ADDITION TO AN EXISTING MANUFACTURING FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

Thereupon, Councilmember \_\_\_\_\_ moved that the consent agenda be passed. The motion was seconded by Councilmember \_\_\_\_\_. The motion that the consent agenda be passed, including final passage of said Ordinance, was carried by the vote of the governing body, the vote being as follows:

Aye:

Nay:

Thereupon, the Ordinance was then duly numbered Ordinance No. 50-[\_\_\_\_], was signed by the Mayor and attested by the Clerk, and the Ordinance was directed to be published one time in the official newspaper of the City.

(Other Proceedings)

\* \* \* \* \*

**CERTIFICATE**

I certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Wichita, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

[SEAL]

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Karen Sublett, City Clerk