ORDINANCE NO. 964

AN ORDINANCE AUTHORIZING THE CITY OF EDWARDSVILLE, KANSAS, TO ISSUE INDUSTRIAL REVENUE BONDS (HERFF JONES, LLC EXPANSION PROJECT), SERIES 2016, IN AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED $6,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COST OF ACQUIRING, CONSTRUCTING AND EQUIPPING A COMMERCIAL PROJECT, CONSISTING OF AN APPROXIMATELY 48,000 SQ. FT. EXPANSION TO THE EXISTING HERFF JONES, LLC PRODUCTION PLANT; AUTHORIZING THE CITY TO ENTER INTO A TRUST INDENTURE WITH SECURITY BANK OF KANSAS CITY; AUTHORIZING THE CITY TO ENTER INTO A BASE LEASE AND A LEASE AGREEMENT WITH HERFF JONES, LLC; AUTHORIZING THE CITY TO ENTER INTO A BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH BONDS, AND AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS AND THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

WHEREAS, the City of Edwardsville, Kansas (the "City"), is authorized pursuant to the provisions of K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the "Act"), to acquire, purchase, construct, install and equip certain commercial and industrial facilities, and to issue industrial revenue bonds for the purpose of paying the cost of such facilities, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, the Governing Body of the City has heretofore and does now find and determine that it is desirable, in order to promote, stimulate and develop the general economic welfare and prosperity of the City and the State of Kansas, that the City issue its Industrial Revenue Bonds (Herff Jones, LLC Expansion Project), Series 2016, in an aggregate maximum principal amount not to exceed $6,000,000, for the purpose of acquiring, constructing and equipping a commercial project, consisting of an approximately 48,000 sq. ft. expansion to the existing Herff Jones, LLC production plant located at 2525 Midpoint Drive, Edwardsville, Kansas, including buildings, structures, improvements, fixtures, machinery and equipment (the "Project"), and that the City lease the Project to Herff Jones, LLC, an Indiana limited liability company (the "Company"); and

WHEREAS, the Governing Body of the City further finds and determines that it is necessary and desirable in connection with the issuance of these 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 COUNCIL OF THE CITY OF EDWARDSVILLE, KANSAS, AS FOLLOWS:

Section 1. Authorization for the Acquisition, Purchase, Construction, Installation and Equipping of the Project. The City is hereby authorized to provide for the acquisition, purchase, construction, installation and equipping of the Project, 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 Bonds. The City is hereby authorized to issue and sell its Industrial Revenue Bonds (Herff Jones, LLC Expansion Project), Series 2016, in an aggregate maximum principal amount not to exceed $6,000,000 (the "Bonds"), for the purpose of providing funds to pay the cost of acquiring, purchasing, constructing, installing and equipping the Project. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rates, shall be in such form, shall be subject to redemption and other terms and conditions, and shall be issued in such manner, subject to such provisions, covenants and agreements, as are set forth in the hereafter defined Indenture. The Bonds shall be payable solely out of the rents, revenues and receipts derived by the City from the Project, and the Project and the net earnings derived by the City from the Project shall be pledged and assigned to the hereafter defined Trustee as security for payment of the Bonds as provided in the Indenture.

Section 3. Authorization of Documents. The City is hereby authorized to enter into the following documents, in substantially the forms presented to and reviewed by the Council of the City (copies of which documents, upon execution thereof, shall be filed in the office of the City Clerk), with such changes therein as shall be approved by the officers of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture dated the date set forth therein (the "Indenture"), between the City and Security Bank of Kansas City (the "Trustee"), pursuant to which the Bonds shall be issued and the City shall pledge the Project and assign the rents, revenues and receipts received pursuant to the hereafter defined Lease to the Trustee for the benefit of and security of the holder of the Bonds upon the terms and conditions as set forth in said form of Indenture;

(b) Base Lease Agreement dated the date set forth therein (the "Base Lease"), between the Company and the City, under which the City will lease the project site from the Company;

(c) Lease Agreement dated the date set forth therein (the "Lease"), between the City and the Company, under which the City will agree to use the proceeds derived from the sale of the Bonds for the purpose of acquiring, purchasing, constructing, installing and equipping the Project and to lease the Project to the Company, and the Company will agree to make payments in amounts sufficient to provide for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same become due;

(d) Bond Purchase Agreement dated the date set forth therein (the "Bond Purchase Agreement"), between the City and the Company, as Purchaser; and

(e) Performance Agreement dated the date set forth therein (the "Performance Agreement"), between the City and the Company.

Section 4. 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 Indenture. The Mayor of the City is hereby authorized and directed to execute the Indenture, the Base Lease, the Lease, the Bond Purchase Agreement, the Performance Agreement 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 of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds, the Indenture, the Base Lease, the Lease, the Bond Purchase Agreement, the Performance Agreement and such other documents, certificates and instruments as may be necessary.

Section 5. 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, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds, the Indenture, the Base Lease, the Lease, the Performance Agreement and the Bond Purchase Agreement.

Section 6. Effective Date. This Ordinance shall take effect and be in force from and after its passage, approval and publication in the official City newspaper.

Passed and approved by the city council of the city of Edwardsville, Kansas, on this 13th day of June, 2016.

John McTaggart, Mayor

ATTEST:

Zachary Daniel, City Clerk

APPROVED AS TO FORM:

David K. Duckers, City Attorney