

ORDINANCE NO. 3669

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF DODGE CITY, KANSAS, AUTHORIZING THE ISSUANCE OF ITS SPECIAL OBLIGATION REVENUE BONDS (SUMMERLON PHASE V PROJECT) FOR THE PURPOSE OF FINANCING CERTAIN COSTS RELATING TO A RURAL HOUSING INCENTIVE DISTRICT; AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH ISSUANCE OF SUCH BONDS

WHEREAS, City of Dodge 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 Ordinance No. 3664 passed by the governing body of the City on June 5, 2017, and the provisions of K.S.A. 12-5241 *et seq.*, as amended (the “Act”), the City has created a Rural Housing Incentive District within the City limits (the “District”) and approved a plan for the development of housing and public facilities within the District (the “Plan”); and

WHEREAS, in connection with the Plan, the City and Summerlon Properties, LLC, a Kansas limited liability company (the “Developer”), have entered into a Development Agreement dated June 5, 2017, pursuant to which the Developer agrees to develop a multi-family residential development within the District to be known as the “Summerlon Phase V Development”; and

WHEREAS, in accordance with the provisions of the Act, the City hereby finds and determines it to be necessary and desirable to issue its Special Obligation Revenue Bonds (Summerlon Phase V Project), Series 2017 (the “Bonds”), upon the terms and conditions set forth in the hereinafter described Bond Indenture, and to apply the proceeds of such Bonds to the financing of eligible costs of the District as described in the Plan; and

WHEREAS, the governing body hereby finds and determines that the financing of certain Project Costs (as defined in the Bond Indenture herein authorized) 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 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 DODGE CITY, KANSAS:

Section 1. Authorization of the Bonds. The City is hereby authorized to issue and sell the Bonds in an aggregate principal amount of \$2,102,000 the proceeds of which will be used to (a) finance a portion of the eligible costs of the District as described in the Plan, (b) fund interest accruing on the outstanding principal of the Bonds during the construction and pre-stabilization phases of the project, and (c)

fund certain costs related to the issuance of the Bonds. The Bonds shall be issued and secured pursuant to the herein authorized Bond Indenture in such principal amounts, shall bear such dates, 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 property 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 (the "Bond Indenture"), between the City and Security Bank of Kansas City, as trustee (the "Trustee");
- (b) Real Estate and Bond Purchase Agreement (the "Purchase Agreement") among the City, Summerlon Properties, LLC, a Kansas limited liability company, as developer and purchaser of the Bonds, and Summerlon, Inc., a Kansas corporation, as seller of the real property within the District; and
- (c) Tax Compliance Agreement between the City and the Trustee, 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. Gilmore & Bell, P.C., the City's bond counsel, is hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the intent of this Ordinance. Proceeds of the Bonds may be used to reimburse the City for such expenditures made not more than 60 days prior to the date this Ordinance is adopted, and as provided by §1.150-2 of the U.S. Treasury Regulations.

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

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PASSED by the City Commission of Dodge City, Kansas on July 17, 2017.

Mayor

(Seal)

ATTEST:

City Clerk

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