

ORDINANCE NO. 5308

OF

THE CITY OF LINDBORG, KANSAS

**AUTHORIZING THE ISSUANCE OF
NOT TO EXCEED \$3,100,000
INDUSTRIAL REVENUE BONDS
SERIES 2021
(SPROUT HOUSE LEARNING CENTER, INC. PROJECT)**

ORDINANCE NO. 5308

AN ORDINANCE AUTHORIZING THE CITY OF LINDSBORG, KANSAS TO ISSUE ITS INDUSTRIAL REVENUE BONDS, SERIES 2021 (SPROUT HOUSE LEARNING CENTER, INC. PROJECT) FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF A CHILDCARE FACILITY; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

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

A. The City of Lindsborg, 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.

B. Pursuant to Resolution No. 07-2021, the Issuer’s governing body declared an intent to issue revenue bonds in a principal amount not to exceed \$2,600,000 to pay the costs of the acquisition, construction, furnishing and equipping of a certain childcare facility (the “Project”) as more fully described in the Indenture and in the Lease authorized in this Ordinance, for lease to Sprout House Learning Center, Inc., a Kansas not for profit corporation (the “Tenant”).

C. Costs of the Project have increased and the Issuer’s governing body has determined 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 2021 (Sprout House Learning Center, Inc. Project) in the aggregate principal amount of not to exceed \$3,100,000 (the “Series 2021 Bonds”), for the purpose of paying the costs of the Project.

D. The Issuer’s governing body has conducted a public hearing regarding the issuance of the Series 2021 Bonds as tax-exempt qualified 501(c)(3) bonds as required by the Internal Revenue Code of 1986, as amended.

E. The Issuer’s governing body finds that it is necessary and desirable in connection with the issuance of the Series 2021 Bonds to execute and deliver the following documents (collectively, the “Bond Documents”):

- (i) a Trust Indenture (the “Indenture”), with Peoples Bank and Trust, Lindsborg, Kansas, as Trustee (the “Trustee”), prescribing the terms and conditions of issuing and securing the Series 2021 Bonds; and
- (ii) a Site Lease (the “Site Lease”) with the Tenant, under which the Tenant will lease to the Issuer the real property on which the Project is to be located; and
- (iii) a Lease (the “Lease”), with the Tenant, under which the Issuer will acquire, construct and equip the Project and lease it to the Tenant in consideration of Basic Rent and other payments; and
- (iv) a Bond Purchase Agreement (the “Bond Purchase Agreement”) providing for the sale of the Series 2021 Bonds by the Issuer to Peoples Bank and Trust, Lindsborg, Kansas (the “Purchaser”); and

(v) 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 LINDSBORG, 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 Project to Be Purchased and Constructed. The Issuer is authorized to cause the 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 2021 Bonds, to be designated "City of Lindsborg Kansas Industrial Revenue Bonds, Series 2021 (Sprout House Learning Center, Inc. Project)" in the aggregate principal amount of not to exceed \$3,100,000, for the purpose of providing funds to pay the costs of the acquisition, construction, furnishing and equipping of the Project. The Series 2021 Bonds will be in such principal amount, 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 2021 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 2021 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 Indenture. The Issuer is authorized to enter into the 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 2021 Bonds on the terms and conditions in the Indenture.

Section 5. Authorization of Site Lease. The Issuer is authorized to enter into the Site Lease with the Tenant providing for the conveyance of a leasehold interest in the real property on which the Project will be located to the Issuer upon the terms and subject to the conditions set forth in such agreement, in the form approved in this Ordinance.

Section 6. Lease of the Project. The Issuer will acquire, construct and equip the Project and lease it to the Tenant according to the provisions of the Lease in the form approved in this Ordinance.

Section 7. Approval of the Guaranty Agreement. The form of the Guaranty Agreement between the Tenant and the Trustee, for the benefit of the owners of the Series 2021 Bonds is approved.

Section 8. Authorization of Bond Purchase Agreement. The Issuer is authorized to sell the Series 2021 Bonds to the Purchaser, according to the terms and provisions of the Bond Purchase Agreement, in the form approved in this Ordinance.

Section 9. Execution of Bonds and Bond Documents. The Mayor of the Issuer is authorized and directed to execute the Series 2021 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 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 Clerk or the Deputy Clerk of the Issuer is hereby authorized and directed to attest the execution of the Series 2021 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 10. Pledge of the Project and Net Lease Rentals. The Issuer hereby pledges the Project and the net rentals generated under the Lease to the payment of the Series 2021 Bonds in accordance with K.S.A. 12-1744. The lien created by the pledge will be discharged when all of the Series 2021 Bonds are paid or deemed to have been paid under the Indenture.

Section 11. 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 Clerk and any Deputy 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 12. 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 2021 Bonds and the Bond Documents.

Section 13. Effective Date. This Ordinance shall take effect after its passage by the governing body of the Issuer, signature by the Mayor and publication once in the Issuer's official newspaper.

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PASSED by the governing body of the Issuer on July 6, 2021 and **SIGNED** by the Mayor.

(SEAL)

Becky Anderson, Mayor

ATTEST:

Roxie Sjogren, Clerk

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CERTIFICATE

I hereby certify that the attached copy is a true and correct copy of Ordinance No. 5308 of the City of Lindsborg, Kansas duly passed by the governing body, signed by the Mayor and published in the official City newspaper on July 6, 2021, and that the signed original of such Ordinance is on file in my office.

[SEAL]

Roxie Sjogren, Clerk

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**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF LINDSBORG, KANSAS
HELD ON JULY 6, 2021**

The governing body of the City of Lindsborg, Kansas met in regular session at the usual meeting place in the City, at 6:30 p.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)

There was presented an Ordinance entitled:

**AN ORDINANCE AUTHORIZING THE CITY OF LINDSBORG, KANSAS TO
ISSUE ITS INDUSTRIAL REVENUE BONDS, SERIES 2021 (SPROUT HOUSE
LEARNING CENTER, INC. PROJECT) FOR THE PURPOSE OF THE
ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF A
CHILDCARE FACILITY; AND AUTHORIZING CERTAIN OTHER
DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.**

Councilmember _____ moved that the Ordinance be passed. The motion was seconded by Councilmember _____. The Ordinance was duly read and considered, and upon being put, the motion for the passage of the Ordinance was carried by the vote of the governing body as follows:

Aye:

Nay:

Thereupon, the Mayor declared the Ordinance duly passed and the Ordinance was then duly numbered Ordinance No. 5308 and was signed by the Mayor and the signature attested by the Clerk.

* * * * *

(Other Proceedings)

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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 Lindsborg, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

[SEAL]

Clerk