

GILMORE & BELL, P.C.  
November 13, 2023

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**ORDINANCE NO. 719**

**OF THE  
CITY OF ROSE HILL, KANSAS**

**AUTHORIZING THE ISSUANCE OF  
TAXABLE INDUSTRIAL REVENUE BONDS  
NOT TO EXCEED \$9,800,000  
SERIES 2023  
(DYNAMIC N/C PROJECT)**

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**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE AUTHORIZING THE CITY OF ROSE HILL, KANSAS TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2023 (DYNAMIC N/C PROJECT) IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$9,800,000 FOR THE PURPOSES OF ACQUIRING, CONSTRUCTING AND EQUIPPING AN ADDITION AND FURTHER IMPROVEMENTS TO AN EXISTING MANUFACTURING FACILITY; AUTHORIZING EXECUTION OF SUPPLEMENTAL TRUST INDENTURE NO. 1 BETWEEN THE CITY AND UMB BANK, N.A., KANSAS CITY, MISSOURI, AS TRUSTEE; AUTHORIZING THE CITY TO LEASE SUCH FURTHER IMPROVEMENTS TO FIP MASTER FUNDING XIII, LLC AND AUTHORIZING EXECUTION OF SUPPLEMENTAL LEASE NO. 1 BETWEEN THE CITY AND FIP MASTER FUNDING XIII, LLC; AUTHORIZING EXECUTION OF A BOND PURCHASE AGREEMENT FOR THE BONDS BETWEEN THE CITY AND FIP MASTER FUNDING XIII, LLC.**

**WHEREAS**, the City of Rose Hill, Kansas 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, and to enter into leases and lease-purchase agreements with any person, firm or corporation for said facilities, and to issue revenue bonds for the purpose of paying the cost of any such facilities; and

**WHEREAS**, pursuant to Ordinance No. 705 adopted on December 19, 2022 (the "Original Ordinance") and a Trust Indenture dated as of December 28, 2022 between the City and UMB Bank, N.A. (the "Original Indenture") the City has previously issued its Taxable Industrial Revenue Bonds, Series 2022 (Dynamic N/C Project) dated December 28, 2022 (the "Original Bonds"), in the original principal amount of \$12,104,313.73, all of which remain outstanding, for the purposes of acquiring a manufacturing facility (the "Original Project"); and

**WHEREAS**, the Original Project was leased to FIP Master Funding XIII, LLC, a Delaware limited liability company, as successor to FIP Master Funding VIII, LLC, a Delaware limited liability company (the "Tenant"), pursuant to the provisions of a Project Lease dated as of December 28, 2022 between the City and the Tenant (the "Original Lease");

**WHEREAS**, the Tenant has requested the City issue additional industrial revenue bonds to construct, equip and furnish additions to the Original Project (the "Project Additions") by the issuance of the City's Taxable Industrial Revenue Bonds, Series 2023 (Dynamic N/C Project) in the aggregate principal amount not to exceed \$9,800,000 (the "Series 2023 Bonds"), for such purposes as more fully described in the Supplemental Indenture and in the Supplemental Project Lease hereinafter authorized; and

**WHEREAS**, the City further finds and determines that it is necessary and desirable in connection with the issuance of said Series 2023 Bonds to execute and deliver Supplemental Trust Indenture No. 1 dated as of December 19, 2023, (the "Supplemental Indenture"), with UMB Bank, N.A., as Trustee (the "Trustee"), for the purpose of issuing and securing the Series 2023 Bonds as provided in the Original Indenture and in the Supplemental Indenture, to enter into a Supplemental Site Lease No. 1 extending the Site Lease Term (the "Supplemental Site Lease") and to enter into Supplemental Lease No. 1 dated as of December 19, 2023 (the "Supplemental Project Lease"), with the Tenant pursuant to which the City shall

cause the Project Additions to be leased to the Tenant in consideration of payments of Basic Rent, Additional Rent and other charges as provided in the Original Lease and in the Supplemental Project Lease;

**WHEREAS**, the Issuer's governing body has found that under the provisions of K.S.A. 79-201a *Second*, the Project purchased or constructed with the proceeds of the Series 2023 Bonds is eligible for exemption from ad valorem property taxes for up to 10 years, commencing in the calendar year following the calendar year in which the Bonds are issued, if proper application is made. The Issuer's governing body has further found that the Project should be exempt from ad valorem property taxes for a period of 10 years. Prior to making this determination, the governing body of the Issuer has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. Supp. 12-1749d.

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

Section 1. **Definition of Terms.** All terms and phrases not otherwise defined herein shall have the respective meanings set forth in the Original Indenture, the Supplemental Indenture, the Original Lease and the Supplemental Project Lease.

Section 2. **Authority to Cause the Project Additions to be Acquired, Constructed and Equipped.** The City shall cause the Project Additions to be acquired, constructed and equipped in the manner and as more particularly described in the Supplemental Indenture and the Supplemental Project Lease hereinafter authorized.

Section 3. **Authorization of and Security for the Bonds.** The Series 2023 Bonds are hereby authorized and directed to be issued. They shall be designated "City of Rose Hill, Kansas Taxable Industrial Revenue Bonds, Series 2023 (Dynamic N/C Project)" and shall be issued in the principal amount not to exceed \$9,800,000 for the purpose of providing funds to pay the costs of the Project Additions. The Series 2023 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 Supplemental Indenture. The Series 2023 Bonds shall be special limited obligations of the City payable solely from the Trust Estate under the Original Indenture, as augmented and supplemented under the Supplemental Indenture. The Series 2023 Bonds shall not be general obligations of or constitute a pledge of the faith and credit of the City within the meaning of any constitutional or statutory provision and shall not be payable in any manner from tax revenues.

Section 4. **Authorization of Supplemental Indenture.** The City is hereby authorized to enter into the Supplemental Indenture dated as of December 19, 2023, between the City and UMB Bank, N.A., Kansas City, Missouri, as Trustee, under which the City shall pledge and assign to the Trustee, for the benefit of the owners of the Original Bonds, the Series 2023 Bonds, and any other Bonds issued and secured as provided in the Original Indenture, the Trust Estate as augmented by the Project Additions, all upon the terms and conditions set forth in the Original Indenture and in the Supplemental Indenture.

Section 5. **Authorization of Supplemental Site Lease.** The City is authorized to enter into the Supplemental Site Lease with the Tenant.

Section 6. **Authorization of Supplemental Project Lease.** The City is authorized to enter into the Supplemental Project Lease with the Tenant. The City shall cause the Project Additions to be acquired and leased by the City to the Tenant pursuant to and in accordance with the provisions of the Original Lease, as amended and supplemented by the Supplemental Project Lease.

Section 7. **Authorization of Bond Purchase Agreement.** The Series 2023 Bonds shall be sold and delivered to the Tenant, upon the terms and subject to the provisions of a Bond Purchase Agreement to be entered into among the City and the Tenant, as original purchaser.

Section 8. **Pledge of the Project Additions.** The City hereby pledges the Project Additions to the payment of the Original Bonds and the Series 2023 Bonds in accordance with K.S.A. 12-1744. The lien created by such pledge shall be discharged when all of the bonds secured by the Original Indenture (including the Series 2023 Bonds) shall be deemed to have been paid within the meaning of the Original Indenture.

Section 9. **Execution of Bonds and Agreements.** The Mayor of the City or person authorized by the City to act for the Mayor in the Mayor's absence is hereby authorized and directed to execute the Series 2023 Bonds and deliver same 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 Original Indenture and the Supplemental Indenture. The Mayor or other authorized signatory is hereby further authorized and directed to execute and deliver the Supplemental Indenture, the Supplemental Site Lease, the Supplemental Project Lease and the Bond Purchase Agreement for and on behalf of and as the act and deed of the City in substantially the forms presented today, with such minor corrections or amendments thereto as the Mayor or other authorized signatory shall approve, which approval shall be evidenced by his or her 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. The City Clerk or the Deputy City Clerk of the City is hereby authorized and directed to attest the execution of the Series 2023 Bonds, the Supplemental Indenture, the Supplemental Site Lease, the Supplemental Project Lease and the Bond Purchase 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.

Section 10. **Further Authority.** The City shall, and the officers, agents and employees 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 provisions of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Series 2023 Bonds, the Original Indenture, Original Site Lease, Original Lease, the Supplemental Indenture, the Supplemental Site Lease and the Supplemental Project Lease as necessary to carry out and effect the issuance of the Series 2023 Bonds.


Section 11. **Effective Date.** This Ordinance shall take effect and be in full force from and after its passage by the governing body, signature by the Mayor and publication once in the official City newspaper.

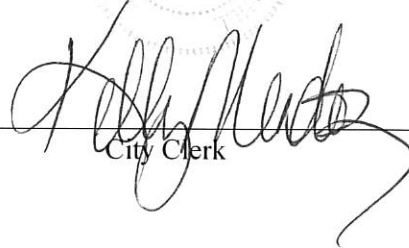
**PASSED** by the governing body of the City of Rose Hill, Kansas this 4th day of December, 2023,  
and **SIGNED** by the Mayor.

(Seal)

Attest:



  
Mayor

  
City Clerk

## CERTIFICATE

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

(Seal)



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