

ORDINANCE NO. [R-2006-00553] 060483

Approving the issuance of Tax-Exempt Revenue Bonds (Kansas City Downtown Arena Project) Series 2006E by The Industrial Development Authority of the City of Kansas City, Missouri, in an aggregate principal amount not to exceed \$30,000,000.00, as variable interest rate demand bonds and/or fixed interest rate bonds in one or more series, to provide funds to finance a portion of the costs of constructing and equipping of a downtown arena; and authorizing and approving certain documents and actions in connection with the issuance of such bonds.

WHEREAS, the Industrial Development Authority of the City of Kansas City, Missouri (the "Issuer") has previously issued at the request of the City its \$184,435,000.00 principal amount of Variable Rate Demand Tax-Exempt Revenue Bonds (Kansas City Downtown Arena Project), Series 2005C (the "Series 2005C Bonds") for the purpose of providing funds to (i) pay a portion of the land costs and site preparation of the downtown arena) and (ii) pay the bond insurance premium and certain costs of issuance of the Series 2005C Bonds; and \$18,765,000.00 principal amount of Variable Rate Demand Taxable Revenue Bonds (Kansas City Downtown Arena Project) Series 2005D (the "Series 2005D Bonds") for the purpose of providing funds to (i) pay a portion of the costs of the acquisition, construction and equipping of the downtown arena and (ii) pay the bond insurance premium and certain costs of issuance of the Series 2005D Bonds; and

WHEREAS, the City has requested the Issuer to issue its Tax-Exempt Revenue Bonds (Kansas City Downtown Arena Project), Series 2006E in the principal amount not to exceed \$30,000,000.00 (the "Series 2006 Bonds") as variable interest rate demand bonds and/or fixed interest rate bonds in one or more series, for the purpose of providing funds to pay the costs of (a) acquisition, construction and equipping of the downtown arena (the "Project"), as defined and more fully described in the Indenture and (b) paying costs related to the issuance of the Series 2006 Bonds, including fees associated with the provision of the bond insurance policy and the liquidity facility; and

WHEREAS, in order to set forth the terms of their respective rights, duties and obligations, the City intends to enter into a First Supplemental Financing Agreement among the City, the Issuer and the Trustee, with respect to the Series 2006E Bonds (the "First Supplemental Financing Agreement") which set forth their roles and responsibilities in connection with the payment of debt service on the Series 2006 Bonds; and

WHEREAS, concurrently with the execution and delivery of the Series 2006 Bonds, (a) Ambac Assurance Corporation (the "Bond Insurer") will issue and deliver to the Trustee its financial guaranty insurance policy (the "Bond Insurance Policy") insuring the payment when due of the principal of and interest on the Series 2006 Bonds, and (b) the Liquidity Facility Provider, as identified in the Indenture, will provide and deliver to the Trustee its liquidity facility (the "Liquidity Facility"), providing for payment of the purchase price of the Series 2006 Bonds tendered for purchase, under a Standby Bond

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Purchase Agreement dated as of the date of the Series 2006 Bonds (the "Standby Bond Purchase Agreement"), among the Issuer, the City and the Liquidity Facility Provider; and

WHEREAS, the City finds and determines that in order to finance a portion of the costs of the acquisition, construction and equipping of the downtown arena it is necessary and desirable to approve the issuance by the Issuer of the Series 2006 Bonds; and

WHEREAS, the City further finds and determines that it is necessary and desirable in connection with the issuance of the Series 2006 Bonds that the City execute and deliver certain documents and that the City take certain other actions as herein provided; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. Approval. The City hereby approves the issuance of the Series 2006 Bonds by the Issuer in order to finance a portion of the costs of the acquisition, construction and equipping of the downtown arena. The City hereby finds and determines that the Series 2006 Bonds are being issued by the Issuer for a valid purpose under and in accordance with provisions of Chapter 349 of the Revised Statutes of Missouri, as amended.

Section 2. Authorization and Approval of Documents. The following documents are hereby approved in substantially the form presented to 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 (the "City Documents") 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 and the City's approval thereof:

(a) First Supplemental Financing Agreement dated as of the date set forth therein (the "Financing Agreement") among the Issuer, the City, and the Trustee, with respect to the Series 2006 Bonds;

(b) Bond Purchase Agreement dated as of the date of pricing of the Series 2006 Bonds, among the Issuer, the City and Oppenheimer & Co., Inc., on behalf of itself and the additional purchasers named therein;

(c) A Tax Compliance Agreement dated as of the date set forth therein (the "Tax Agreement"), by and among the Issuer, the City and the Trustee pursuant to which each party thereto shall covenant to comply with federal tax law as it relates to the Series 2006 Bonds to preserve the tax exempt status of the Series 2006 Bonds;

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(d) A Standby Bond Purchase Agreement dated as of the date set forth therein, among the Issuer, the City and the Liquidity Facility Provider, as defined in the Indenture pursuant to which the certain tendered bonds shall be purchased by the Liquidity Facility Provider subject to the terms set forth therein;

(e) A Remarketing Agreement dated the date set forth therein (the "Remarketing Agreement") among the Issuer, the City and Oppenheimer & Co. Inc. (the "Remarketing Agent"), pursuant to which the Series 2006 Bonds shall be remarketed by the Remarketing Agent subject to the terms set forth therein and in this Resolution;

Section 3. Annual Appropriation. The City's Director of Finance or other officer of the City at any time charged with the responsibility of formulating budget proposal shall include in the budget proposals submitted to the City Council, in each Fiscal Year in which the Series 2006 Bonds shall be in effect, an appropriation for all payments required under the Series 2006 Bonds for the ensuing Fiscal Year; it being the intention of the City that the decisions to appropriate or not to appropriate to pay the Series 2006 Bonds shall be made solely by the City Council and not by any other official of the City. The City intends to appropriate funds to make debt service payments on the Series 2006 Bonds in accordance with the Indenture from all legally available revenue sources, including, but not limited to, the User Fee Revenues, but solely for the benefit of the holders of the Series 2005B Bonds. The City reasonably believes that legally available funds in an amount sufficient to make all debt service payments during each Fiscal Year can be obtained. The City further intends to do all things lawfully within its power to obtain and maintain funds from all legally available revenue sources from which the debt service payments may be made, including making provision for such debt service payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of the City. The City's Director of Finance is directed to do all things lawfully within his/her power to obtain and maintain funds from all legally available revenue sources from which the debt service payments may be paid, including making provision for such debt service payments to the extent necessary in each proposed annual budget submitted for approval or by supplemental appropriation in accordance with applicable procedures of the City. Notwithstanding the foregoing, the decision to budget and appropriate funds is to be made in accordance with the City's normal procedures for such decisions.

Section 4. Execution of City Documents. The Mayor, the City Manager, Director of City Development or Director of Finance is hereby authorized and directed to execute and deliver the City Documents for and on behalf of and as the act and deed of the City. The City Clerk or Deputy City Clerk is hereby authorized and directed to attest to the Series 2006 Bonds by manual or facsimile signature, to the City Documents and to such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance. The Mayor, the City Manager, the Director of City Development or Director of Finance is hereby authorized to "deem final" the information concerning the City contained in any Preliminary Official

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Statement to be prepared with respect to the Series 2006 Bonds for purposes of SEC Rule 15c2-12, as amended.

Section 5. Bond Insurance and Liquidity Facility. The Mayor, the City Manager, the Director of City Development or Director of Finance is hereby authorized to negotiate and approve the terms of any agreement for bond insurance with the Bond Insurer and any agreement with the Liquidity Provider (including, but not limited to the Standby Bond Purchase Agreement) to provide liquidity with respect to the Series 2006 Bonds while the Series 2006 Bonds are Floating Rate Bonds (as defined in the Indenture), and with the advice of the Assistant City Attorney as to the form thereof, is hereby authorized and directed to execute such agreements.

Section 6. Reimbursement of Expenditures. The City has made certain expenditures in connection with the purchase, construction and equipping of the Project, and expects to make additional similar expenditures after the date of this Ordinance and before the issuance of the Bonds, and the City desires and intends to reimburse itself from proceeds of the Bonds for such expenditures made not earlier than 60 days before the date of this Ordinance in the maximum principal amount of \$30,000,000.00.

Section 7. Further Authority. The City shall, and the officers, agents and employees of the City are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments, including, without limitation, any credit enhancement or security documents, or closing certificates, 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 Series 2006 Bonds and the City Documents.

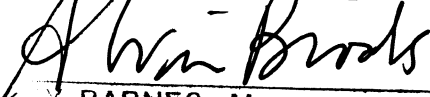
Section 8. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

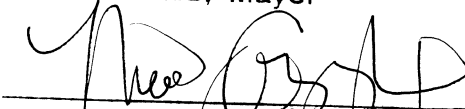
Section 9. Effective Date. This Ordinance shall take effect and be in full force and effect ten days after its passage.

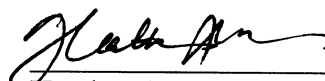
Approved as to form and legality:



Authenticated as Passed

  
BARNES, Mayor

  
City Clerk



Heather A. Brown  
Assistant City Attorney

DATE PASSED MAY 04 2006