

ORDINANCE NO. 050289

Authorizing the issuance of a Taxable Industrial Revenue Bond (KMBC Project) Series 2005F, in an amount not to exceed \$18,000,000.00; authorizing and approving certain other documents; and authorizing certain other actions in connection with the issuance of such bond.

WHEREAS, the City of Kansas City, Missouri, a constitutional charter city and municipal corporation of the State of Missouri (the "City") is authorized pursuant to the provisions of Article VI, Section 27 of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended, and the City of Kansas City Charter (collectively, the "Act"), to issue its revenue bonds for the carrying out of a project under the Act, such revenue bonds to be paid solely from revenue received from such project, and to enter into a lease of the facilities financed with the proceeds of such revenue bonds with any person, firm or corporation; and

WHEREAS, the City has heretofore prepared and approved plans for the industrial development of the City including a plan for a project for industrial development for the benefit of Hearst-Argyle Stations, Inc., a Nevada corporation (the "Company"); and

WHEREAS, notice of the hereinafter defined Project, a copy of which is attached hereto, was given to the taxing jurisdictions in accordance with Section 100.059.1 of the Revised Statutes of Missouri; and

WHEREAS, the City has heretofore and does hereby find and determine that it is desirable for the economic development of the City and within the public purposes of the Act that the City issue its Taxable Industrial Revenue Bond (KMBC Project) Series 2005F, in the aggregate principal amount not to exceed \$18,000,000.00 (the "Bond"), for the purpose of acquiring, constructing, improving, furnishing and equipping a two-story, 53,000 square foot office building and television broadcast facility on approximately 8.4 acres. (the "Project"), as more fully described in the Indenture and in the Lease Agreement hereinafter authorized, which Project shall be leased by the City to the Company for a term of 12 years, with an option to purchase; and

WHEREAS, the cost of the Project is estimated not to exceed \$18,000,000.00 and will be paid for with the proceeds of the Bond, which will be purchased by the Company; and

WHEREAS, the City further finds and determines that it is necessary and desirable in connection with the issuance of the Bond that the City enter into certain documents, 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 KANSAS CITY:

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Section 1. Authorization for the Project. The City is hereby authorized to provide for the purchase, construction, extension and improvement of the Project, all in the manner and as more particularly described in the Indenture and the Lease Agreement hereinafter authorized.

Section 2. Authorization of the Bond. The City is hereby authorized to issue and sell its Taxable Industrial Revenue Bond (KMBC Project) Series 2005F, in an aggregate principal amount not to exceed \$18,000,000.00, for the purpose of providing funds to pay the costs of the Project. The Bond 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 Indenture.

Section 3. Limitation on Liability. The Bond and the interest thereon shall be limited obligations of the City payable solely out of certain payments, revenues and receipts derived by the City from the Lease Agreement described below, and such payments, revenues and receipts shall be pledged and assigned to the Trustee named below as security for the payment of the Bond as provided in the Indenture. The Bond and the interest thereon shall not constitute general obligations of the City or the State of Missouri, and neither the City nor said State shall be liable thereon. The Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and are not payable in any manner by taxation.

Section 4. Authorization of Documents. The City is hereby authorized to enter into the following documents (the "City Documents"), in substantially the forms presented to and reviewed by the City at this meeting (copies of which documents shall be filed in the official records of the City), with such changes therein as shall be approved by the officials of the City executing such documents, such officials' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture (the "Indenture"), between the City and the trustee named therein (the "Trustee"), pursuant to which the Bond shall be issued and the City shall pledge the Project and assign certain of the payments, revenues and receipts received pursuant to the Lease Agreement to the Trustee for the benefit and security of the owners of the Bond upon the terms and conditions as set forth in said form of Indenture.

(b) Lease Agreement (the "Lease Agreement"), between the City and the Company, under which the City will acquire the Project and lease the Project to the Company pursuant to the terms and conditions in said Lease Agreement, in consideration of rental payments by the Company which will be sufficient to pay the principal of, premium, if any, and interest on the Bond.

(c) Bond Purchase Agreement, between the City and the Purchaser.

Section 5. Creation of Bond Fund. The City is hereby authorized to establish with the Trustee pursuant to the Indenture, a special trust fund in the name of the City to be designated the "City of Kansas City, Missouri, Taxable Industrial Revenue Bond Fund

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– KMBC Project,” and the City shall cause all sums required by the Indenture to be deposited therein and shall create all accounts therein required by the Indenture.

Section 6. Execution of Documents. The Mayor of the City is hereby authorized and directed to execute the Bond and to deliver the Bond 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 Director of Finance 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 of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bond and 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.

Section 7. Acceptance of Conveyances. The City is hereby authorized to accept a deed for the real property and a bill of sale for personal property financed with the bond proceeds, and directs the City Clerk file or cause to be filed appropriate documents with the appropriate government offices to evidence such ownership.

Section 8. Further Authority. The Mayor, Director of Finance and other officials, agents and employees of the City as required are hereby authorized and directed to, take such further action, 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 Bond and the City Documents.

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

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Approved as to form and legality:

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Heather A. Brown  
Assistant City Attorney