

ORDINANCE NO. 2017-019

AN ORDINANCE OF THE CITY OF FRANKLIN, KENTUCKY, AUTHORIZING THE ISSUANCE OF A SERIES OF INDUSTRIAL REVENUE BONDS HAVING AN AGGREGATE PRINCIPAL AMOUNT OF UP TO \$200,000,000 AND DESIGNATED THE CITY OF FRANKLIN, KENTUCKY, INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2017 (FRITZ WINTER PROJECT), FOR THE PURPOSE OF FINANCING AN INDUSTRIAL BUILDING PROJECT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF (A) A LEASE AGREEMENT BETWEEN THE CITY, AS LESSOR, AND FRITZ WINTER NORTH AMERICA LP, AS LESSEE, (B) A BOND PURCHASE AGREEMENT PROVIDING FOR THE ISSUANCE, SALE, AND DELIVERY OF THE SERIES 2017 BONDS, AND (C) OTHER RELATED DOCUMENTS; AND TAKING OTHER RELATED ACTIONS

WHEREAS, the City of Franklin, Kentucky (the "Issuer"), pursuant to the provisions of Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes, as amended (the "Act"), is authorized to issue revenue bonds and to make the proceeds from the sale thereof available to a corporation or limited partnership for the purpose of financing industrial building facilities as defined in the Act, such bonds being payable from rental payments made by such corporation or limited partnership; and, under the Act, the financing of industrial buildings constitutes a valid public purpose; and

WHEREAS, Fritz Winter North America LP, a Delaware limited partnership (the "Company"), proposes that the Issuer, pursuant to the Act, assist the Company to finance the costs of real property, real property improvements, fixtures, and personal property constituting new industrial building facilities to be utilized by the Company and its affiliates in the utilized in the manufacture of iron and iron products, including (i) approximately 102 acres of real property located in the Wilkey North Industrial Park within the City's boundaries (less acreage necessary for a rail spur), (ii) an approximately 240,000 square foot cast iron foundry facility to house the associated fixtures, equipment, and other related property, and (iii) fixtures, equipment, and other property related to the manufacture of iron and iron products, such properties being hereinafter referred to collectively as the "Project"; and

WHEREAS, the Project constitutes new facilities to be utilized in the assembly and distribution of industrial products by the Company and its affiliates, which Project is more particularly described in the Lease Agreement hereinafter identified and approved; and the Project qualifies for financing as an "industrial building" within the meaning of the Act; and

WHEREAS, the acquisition, construction, installation, and equipping of the Project is expected to promote economic development and to encourage the increase of industry within the environs of the Issuer and the Commonwealth of Kentucky; and

WHEREAS, on November 23, 2015, the Board of Commissioners of the Issuer adopted a Resolution (the "Inducement Resolution") approving the industrial revenue bond financing for the Company's benefit, reaffirming the Issuer's agreement in prior correspondence and discussions to undertake such financing at the appropriate time; and

WHEREAS, at the Company's request the Issuer is prepared, pursuant to the Act, to issue a series of its industrial revenue bonds for the purposes of financing the acquisition, construction, installation, and equipping of the Project and paying costs of issuance of the bonds, upon terms which are to be set forth in the Lease Agreement hereinafter identified and approved; and

WHEREAS, pursuant to the provisions of Section 103.220 of the Act, the Company has made a request in writing, that the sale of the industrial revenue bonds hereinafter identified and authorized, bearing interest as set out in the Bond Purchase Agreement hereinafter identified and approved, shall be made upon a negotiated basis; and

WHEREAS, it is necessary and proper in the interests of the health, safety, convenience, and general welfare of the citizens, residents, and inhabitants of the Issuer and its environs that the Issuer (a) authorize the issuance of the industrial revenue bonds in order to finance, for the Company's benefit, the acquisition, construction, installation, and equipping of the Project and to pay certain costs of issuance of the industrial revenue bonds; (b) authorize the execution of a Lease Agreement between the Issuer, as lessor, and the Company, as lessee; (c) authorize the execution of a Bond Purchase Agreement among the Issuer, the Company, the Purchaser (hereinafter defined), and the Servicing Agent (hereinafter defined), providing for the issuance, sale, and delivery of the industrial revenue bonds by the Issuer to the Purchaser; and (d) authorize the execution of other necessary or related documents and actions.

NOW, THEREFORE, THE CITY OF FRANKLIN, KENTUCKY, ACTING BY AND THROUGH ITS BOARD OF COMMISSIONERS, HEREBY ORDAINS AS FOLLOWS:

Section 1. For the purposes set forth in the preamble, which is incorporated as a part hereof, the Issuer, acting by and through its Board of Commissioners, hereby:

(a) Confirms and ratifies the Inducement Resolution and the prior discussions, correspondence, and agreements between the Issuer and the Company, whereby the Issuer agreed to authorize and issue bonds for the Company in order to finance the Project.

(b) Accepts from the Company the conveyance of the Project and the site thereof, subject to the terms and conditions contained in the instruments of conveyance and in the Lease Agreement hereinafter identified and approved.

(c) Authorizes the sale, issuance, execution, and delivery of the City of Franklin, Kentucky, Industrial Building Revenue Bonds, Series 2017 (Fritz Winter Project) (the "Series 2017 Bonds"), which shall be issued in the form and subject to the terms and specifications set forth in the Bond Purchase Agreement governing the issuance and delivery of the Series 2017 Bonds.

(d) Authorizes the issuance of the Series 2017 Bonds in an aggregate principal amount up to \$200,000,000.

(e) Authorizes the use of the proceeds of the Series 2017 Bonds, as provided in the Bond Purchase Agreement and the Lease Agreement, to pay a portion of the costs of acquisition, construction, installation, and equipping of the Project and to pay certain costs of issuance of the Series 2017 Bonds.

Section 2. The Issuer's Mayor is hereby authorized, empowered, and directed to execute, acknowledge, and deliver on behalf of the Issuer a Lease Agreement between the Issuer, as lessor of the Project and the site thereof, and the Company, as lessee (the "Lease Agreement"), which Lease Agreement is hereby approved, authorized, and adopted in substantially the form submitted herewith, with such changes therein as the official executing the same may require or approve on behalf of the Issuer, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. To provide for the authorization of the Series 2017 Bonds and to prescribe the terms and conditions upon which the Series 2017 Bonds are to be issued, outstanding, secured, executed, accepted, and held, the Mayor is hereby authorized, empowered, and directed to execute and acknowledge on behalf of the Issuer a certain Bond Purchase Agreement (the "Bond Purchase Agreement") among the Issuer, the Company, Fritz Winter North America Management Corp., a Delaware corporation, as Servicing Agent (the "Servicing Agent"), and Fritz Winter North America Management Corp., a Delaware corporation, as the Purchaser of the Series 2017 Bonds (the "Purchaser"), and the Mayor is hereby authorized, empowered, and directed to cause the Bond Purchase Agreement to be accepted and executed by the Servicing Agent, hereby so appointed. The Bond Purchase Agreement is hereby approved, authorized, and adopted in substantially the form submitted herewith, with such changes as the officer executing the same may require or approve on behalf of the Issuer, such approval to be conclusively evidenced by the execution and delivery thereof. So that the statutory mortgage lien provided by Section 103.250 of the Act shall not attach to the Project, the Issuer hereby declares its intention and elects to follow the provisions of Section 103.251 of the Act with respect to the imposition of a foreclosable lien on the Project in connection with the security of the Series 2017 Bonds, although by agreement of all parties no such foreclosable lien shall be imposed. The Series 2017 Bonds will mature as to principal no later than thirty years after their date of issuance, will be subject to optional redemption, and will bear interest payable periodically at a fixed rate, all as provided in the Bond Purchase Agreement, reference to which is hereby made. The interest rate on the Series 2017 Bonds shall in no event exceed 7.0% per annum. The sale of the Series 2017 Bonds pursuant to the terms of the Bond Purchase Agreement is hereby authorized, approved, and directed.

Section 4. With respect to the sale of the Series 2017 Bonds, and upon the recommendation of the Company, the Issuer further approves, and the Mayor is authorized and directed to execute and deliver on behalf of the Issuer, a certain Assignment of Lease Agreement between the Issuer and the Purchaser (the "Assignment"), being in substantially the form submitted herewith, with such changes as the officer executing the same may require or

approve on the Issuer's behalf, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Mayor, the City Clerk, the City Attorney, and other appropriate officials of the Issuer, and each of them, for and on behalf of the Issuer, are hereby authorized, empowered, and directed to do and perform any and all things necessary to effect the execution and delivery of the Bond Purchase Agreement, the Lease Agreement, the Assignment, and all related documents, the performance of all obligations and the preservation of all rights of the Issuer thereunder, the execution and delivery of the Series 2017 Bonds and the performance from time to time of all other actions of whatever nature necessary to carry out the authority conferred or contemplated by and the purposes of this Ordinance, the Bond Purchase Agreement, the Lease Agreement, the Assignment, and all related documents, and further to approve and to execute all papers, documents, certificates, or other instruments that may be required for the carrying out and effectuation from time to time of the authority conferred by and the purpose of this Ordinance, the Bond Purchase Agreement, the Lease Agreement, the Assignment, the Series 2017 Bonds, and all related documents, or to evidence said authority and purposes.

Section 6. The Issuer shall never be required to pay from its own funds any obligations deriving from the issuance of the Series 2017 Bonds, and the Series 2017 Bonds are declared to be special and limited obligations payable solely and only from the receipts derived under the Lease Agreement and the "Pledged Receipts" pledged under and defined by the Bond Purchase Agreement, as provided in the documents herein approved.

Section 7. The provisions of this Ordinance may be supplemented from time to time by resolution of the Board of Commissioners.

Section 8. The provisions of this Ordinance are hereby declared to be severable and, if any section or provision shall, for any reason, be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Ordinance.

Section 9. Upon any conflict between the provisions of this Ordinance and of any prior ordinance, resolution, or parts thereof, the provisions of this Ordinance shall prevail.

Section 10. This Ordinance shall be in full force and effect from and after its adoption as provided by law. The summary of this Ordinance read at the meetings of the Board of Commissioners described below is approved for such purposes and for the purpose of publication as provided by law, and the accuracy of such summary is hereby certified

November 13, 2017

FIRST READING

December 11, 2017

SECOND READING

At a meeting of the Board of Commissioners of the City of Franklin, Kentucky, held on December 11, 2017, on motion made by Commissioner Dixon and seconded by Commissioner Powell, the foregoing ordinance was adopted, after full discussion, by the following vote:

Aye

JAMIE POWELL

Aye

MASON BARNES

Aye

LARRY DIXON

Aye

WENDELL STEWART

Aye

MAYOR RONNIE CLARK

APPROVED BY:



Ronnie Clark, Mayor
City of Franklin, Kentucky

ATTEST:

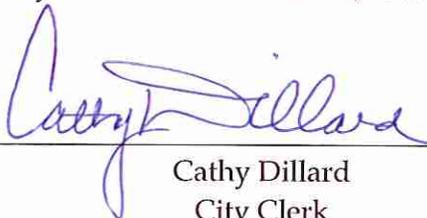


Cathy Dillard, City Clerk
City of Franklin, Kentucky

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Franklin, Kentucky (the "Issuer"), and as such I further certify that the foregoing is a true, correct, and complete copy of an Ordinance duly adopted by the Board of Commissioners of the Issuer upon second reading at a duly convened meeting held on December 11, 2017, signed by the Mayor and now in full force and effect, all as appears from the official records of said Issuer in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand this December 11, 2017.

A handwritten signature in blue ink, appearing to read "Cathy Dillard", is written over a horizontal line.

Cathy Dillard
City Clerk
City of Franklin, Kentucky

**NOTICE OF PASSAGE AND
SUMMARY OF BOND ORDINANCE NO. 2017-019**

AN ORDINANCE OF THE CITY OF FRANKLIN, KENTUCKY, AUTHORIZING THE ISSUANCE OF A SERIES OF INDUSTRIAL REVENUE BONDS HAVING AN AGGREGATE PRINCIPAL AMOUNT OF UP TO \$200,000,000 AND DESIGNATED THE CITY OF FRANKLIN, KENTUCKY INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2017 (FRITZ WINTER PROJECT), FOR THE PURPOSE OF FINANCING AN INDUSTRIAL BUILDING PROJECT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF (A) A LEASE AGREEMENT BETWEEN THE CITY, AS LESSOR, AND FRITZ WINTER NORTH AMERICA LP, AS LESSEE, (B) A BOND PURCHASE AGREEMENT PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2017 BONDS, AND (C) OTHER RELATED DOCUMENTS; AND TAKING OTHER RELATED ACTIONS

Pursuant to KRS 67.077, notice is hereby given that an Ordinance (the "Ordinance") of the City of Franklin, Kentucky (the "City"), the title of which is set out above, was given second reading adopted by the Board of Commissioners of the City at a meeting in the meeting room of the Board of Commissioners located at 117 West Cedar Street, Franklin, Kentucky 42134, on December 11, 2017 at 12:00 p.m. (local time).

A summary of the Ordinance, which includes the above title, follows:

1. The Ordinance authorizes the sale and issuance by the City of up to \$200,000,000 principal amount of its Industrial Building Revenue Bonds, Series 2017 (Fritz Winter Project) (the "Series 2017 Bonds"), for the purpose of financing (a) the costs of real property, real property improvements, fixtures, and personal property constituting new industrial building facilities to be utilized by the Company and its affiliates in the utilized in the manufacture of iron and iron products, including (i) approximately 102 acres of real property located in the Wilkey North Industrial Park within the City's boundaries (less acreage necessary for a rail spur), (ii) an approximately 240,000 square foot cast iron foundry facility to house the associated fixtures, equipment, and other related property, and (iii) fixtures, equipment, and other property related to the manufacture of iron and iron products, such properties being hereinafter referred to collectively as the "Project"; and (b) the costs of issuance of the Series 2017 Bonds. The financing will be carried out pursuant to a Lease Agreement (the "Lease Agreement") between the City, as lessor, and Fritz Winter North America LP (the "Company"), as lessee, and a Bond Purchase Agreement (the "Bond Purchase Agreement") between the City, the Company, and Fritz Winter North America Management Corp., as purchaser and as servicing agent thereunder.

2. The Ordinance authorizes and approves the execution of (a) the Lease Agreement, pursuant to which rental payments will be received from the Company to pay the Series 2017 Bonds as authorized by KRS 103.200 through 103.285, as amended (the "Act"), (b) the Bond Purchase Agreement, which sets for the terms and conditions upon which the Series 2017 Bonds are to be secured, issued, and outstanding and provides for the sale of the Series 2017 Bonds, and (c) related documents.

3. The Ordinance provides that pursuant to the Act the Series 2017 Bonds will constitute special and limited obligations of the City payable solely from receipts derived under the Lease Agreement and the security created under the Bond Purchase Agreement.

4. The Ordinance authorizes the Mayor and other City officials to take any other necessary actions and to execute on behalf of the City any necessary or appropriate documents in order to effect the

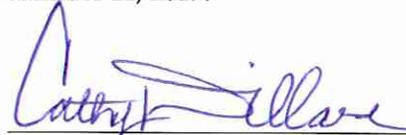
issuance and delivery of the Series 2017 Bonds and to carry out the purposes and terms of the above-described documents.

The foregoing provisions are intended to be a Summary of the Ordinance, and reference is hereby made to the full text of the Ordinance for a full and complete statement of its contents. The full text of this Ordinance is available for public inspection during normal business hours in the office of the City Clerk, 117 West Cedar Street, Franklin, Kentucky 42134.

CERTIFICATION

I, the undersigned City Clerk of the City of Franklin, Kentucky, hereby certify that the foregoing Notice of Passage and Summary of Bond Ordinance of the City of Franklin, Kentucky, received first reading by the City's Board of Commissioners on November 13, 2017, and received second reading and was adopted by the City's Board of Commissioners on December 11, 2017.

WITNESS my hand this December 11, 2017.



Cathy Dillard, City Clerk

PREPARATION CERTIFICATE

The undersigned Attorney at Law, licensed to practice in Kentucky, hereby certifies that the foregoing Notice of Passage and Summary of Bond Ordinance of the City of Franklin, Kentucky was prepared by the undersigned and constitutes a general summary of certain essential provisions of the described Ordinance, reference to the full text of which Ordinance is hereby made for a complete statement of its provisions and terms.



W. Scott Crabtree, Attorney at Law
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