

RESOLUTION NO. 20-1022

RESOLUTION DETERMINING THE INTENT OF THE CITY OF OLATHE, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$25,000,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING MULTIPLE FACILITIES FOR THE BENEFIT OF BCB OLATHE HOLDINGS LLC, AND ITS SUCCESSORS AND ASSIGNS (MASTER RESOLUTION)

WHEREAS, the City of Olathe, Kansas (the “City”), desires to promote, stimulate and develop the general welfare and economic prosperity of the City and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the City is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the “Act”), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, BCB Olathe Holdings LLC, a Kansas limited liability company (the “Company”), has submitted to the City an Application for the Issuance of Industrial Revenue Bonds (the “Application”) requesting that the City finance the cost of acquiring, constructing and equipping one or more commercial facilities, including an approximately 70,000 square foot commercial and warehouse facility, all as more fully described in the Application (individually a “Project” and collectively, the “Projects”) through the issuance of its industrial revenue bonds in one or more series (collectively, the “Bonds”), the aggregate principal amount of all series of the Bonds not to exceed \$25,000,000, and to lease the Projects to the Company, in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of the City and its inhabitants that the City finance the costs of each of the Projects by the issuance of the Bonds in one or more series under the Act, the aggregate principal amount of all series of the Bonds not to exceed \$25,000,000, each series of the Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the applicable Project by the City to the Company.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OLATHE, KANSAS, AS FOLLOWS:

Section 1. Approval of Projects. The City Council (the “Governing Body”) of the City hereby finds and determines that the acquiring, constructing and equipping of the Projects will promote the general welfare and economic prosperity of the City of Olathe, Kansas, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas, and the issuance of the Bonds in one or more series to pay the costs of the Projects will be in furtherance of the public purposes set forth in the Act. The Projects shall be located on approximately 17.3 acres of land located at 11730 Kansas City Road in Olathe, Kansas.

Section 2. Intent to Issue Bonds. The Governing Body of the City hereby determines and declares the intent of the City to acquire, construct and equip the Projects out of the proceeds of the Bonds of the City in one or more series, the aggregate principal amount of all series of the Bonds not to exceed \$25,000,000, to be issued pursuant to the Act.

Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the City expresses its intent to (i) issue its Bonds in one or more series to pay the costs of acquiring, constructing and equipping the Projects, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the City; (ii) provide for the lease (with an option to purchase) of each Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of each series of Bonds by the City and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 4. Conditions to Issuance. The issuance of each series of Bonds and the execution and delivery of any documents related to each series of Bonds are subject to: (i) passage and publication of an ordinance authorizing each series of Bonds and obtaining any other necessary governmental approvals; (ii) agreement by the City, the Company and the purchaser of each series of Bonds upon (a) mutually acceptable terms for each series of Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of each series of Bonds and the Projects; (iii) the Company's compliance with the City's policies relating to the issuance of industrial revenue bonds and ad valorem tax abatement; and (iv) the receipt and approval by the City of appropriate applications for the issuance of each series of Bonds.

Section 5. Sale of the Bonds. The sale of each series of Bonds shall be the responsibility of the Company; provided, however, arrangements for the sale of each series of Bonds shall be acceptable to the City.

Section 6. Ad Valorem Tax Abatement. Subject to the conditions in Section 4 and compliance with K.S.A. 12-1749c and 12-1749d and in consideration of the Company's decision to acquire, construct and equip the Projects, the City hereby agrees to take all appropriate action to request the Kansas Board of Tax Appeals to approve a 100% ad valorem property tax abatement (not including special assessments and taxes that may not be abated by the City under Kansas law) for all property (including real property and building improvements) financed with the proceeds of each series of Bonds.

In consideration of the City's agreement to request 100% ad valorem property tax abatement, the Company will agree to make payments in lieu of tax for each Project to the City as follows:

<u>Year</u> ¹	<u>Approximate Percentage of Payments in Lieu</u>
1	50%
2	50%
3	50%
4	50%
5	50%
6	50%
7	50%
8	50%
9	50%
10	50%

¹Year refers to the first full calendar year following the issuance of the applicable series of Bonds.

provided, however, any agreed upon valuation for determining the amount of such payment in lieu of tax and any property for which the City shall determine the payment in lieu of tax shall be in excess of that shown above, shall be set forth in the performance based tax agreement executed by the City and the Company. Each Project financed with the Bonds shall be entitled to a 10-year tax abatement, with the first year of the abatement being the year beginning on the January 1 following the year the series of Bonds associated with such Project are issued. The foregoing percentages are subject to adjustment in accordance with the performance agreement for each Project.

Section 7. Limited Obligations of the City. Each series of Bonds and the interest thereon shall be special, limited obligations of the City payable solely out of the amounts derived by the City under a Lease Agreement with respect to each series of Bonds and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of each series of Bonds, as provided in the Indenture. Each series of Bonds shall not constitute a general obligation of the City, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the respective Indenture. The issuance of each series of Bonds shall not, directly, indirectly or contingently, obligate the City, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 8. Required Disclosure. Any disclosure document prepared in connection with the placement or offering of any series of Bonds shall contain substantially the following disclaimer:

NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE CITY CONTAINED UNDER THE CAPTIONS "THE CITY" AND "LITIGATION - THE CITY" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE CITY, AND THE CITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Section 9. Authorization to Proceed. The Company is hereby authorized to proceed with the acquiring, constructing and equipping of the Projects, including the necessary planning and engineering for the Projects and entering into of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law, the City will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

Section 10. No Reliance on Resolution. Kansas law provides that the City may only issue each series of the Bonds by passing an Ordinance. The City has not yet passed an Ordinance for any series of the Bonds. This Resolution only evidences the intent of the current Governing Body to issue the Bonds for the Projects. The Company should not construe the adoption of this Resolution as a promise or guarantee that the Ordinance for any series of Bonds will be issued or that any Project will be approved.

Section 11. Termination of Resolution. This Resolution shall terminate ten (10) years after its adoption.

Section 12. Benefit of Resolution. This Resolution will inure to the benefit of the City and the Company. The City may, at the request of the Company, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 13. Further Action. Counsel to the City and Gilmore & Bell, P.C., Bond Counsel for the City, together with the officers and employees of the City, are hereby authorized to work with the purchaser of each series of Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the City all documents necessary to effect the authorization, issuance and sale of each series of Bonds and other actions contemplated hereunder.

Section 14. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Governing Body of the City.

ADOPTED on March 17, 2020.

CITY OF OLATHE, KANSAS

[SEAL]

By: _____
Mayor

ATTEST:

City Clerk