

RESOLUTION NO. 04-25-19A

A RESOLUTION DETERMINING THE INTENT OF THE CITY TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN ONE OR MORE SERIES, THE AGGREGATE PRINCIPAL AMOUNT OF ALL SERIES NOT TO EXCEED \$1,000,000,000, TO PAY THE COST OF ACQUIRING, CONSTRUCTING AND EQUIPPING COMMERCIAL FACILITIES WITHIN THE LOGISTICS PARK-KC, PHASE TWO

WHEREAS, the City of Edgerton, Kansas (the "City"), desires to promote, stimulate and develop the general welfare and economic prosperity of the City and its inhabitants and 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 or entities; and

WHEREAS, Edgerton Land Holding Company, LLC, a Kansas limited liability company (the "Company"), has requested the City to issue its industrial revenue bonds in multiple series, the aggregate principal amount of all series not to exceed \$1,000,000,000 (the "Bonds"), for the purpose of financing the cost of acquiring, constructing, improving and equipping facilities within an industrial park, including real estate, buildings, improvements and equipment for industrial warehouses, distribution, manufacturing, flex and storage facilities and other supporting commercial uses (collectively, the "Logistics Park Phase Two Projects"), located on land southeast of the intersection of Interstate 35 and Homestead Lane and includes all of the land within the corporate limits of the City that is located south of Interstate 35, all within the City, and to lease the Logistics Park Phase Two Projects to the Company, all pursuant to the Act; and

WHEREAS, the Logistics Park Phase Two Projects are expected to be constructed in phases with one or more buildings and facilities being constructed and financed at a time (individually, each phase referred to herein as a "Project"); and

WHEREAS, it is found and determined to be advisable and in the interest and for the welfare of the City and its inhabitants that the City issue the Bonds pursuant to the Act, such Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of each Project by the City to the Company, or its successors or assigns, as lessee (in such capacity, the "Lessee"); and

WHEREAS, the Company has also requested that the City consider granting an exemption from ad valorem taxes for each Logistics Park Phase Two Project in accordance with K.S.A. 79-201a *Second* or *Twenty-Fourth* and has indicated its intent to make payments-in-lieu of taxes upon terms to be mutually agreed to by the City and the Company in the amount set forth herein;

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

Section 1. Approval of Logistics Park Phase Two Projects. The Governing Body of the City finds and determines that the acquisition, construction and equipping of the Logistics Park Phase Two Projects will promote, stimulate and develop the general welfare and economic prosperity of the City

through the promotion and advancement of physical and mental health, industrial, commercial, agricultural, natural resources and recreation development of the City, and the issuance of the Bonds to pay such costs will be in furtherance of the public purposes set forth in the Act.

Section 2. Intent to Issue Bonds. The Governing Body of the City determines and declares the intent of the City to assist the Company in completing the Logistics Park Phase Two Projects through the issuance of the Bonds pursuant to the Act. It is anticipated that a separate series of the Bonds will be issued for each Project. The aggregate principal amount of all series of Bonds shall not exceed \$1,000,000,000.

Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the City will (i) issue its Bonds in multiple series to pay the costs of acquiring, constructing, improving and equipping each Project, 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 Lessee; 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 the Bonds by the City and take or cause to be taken such other action as may be required to implement this Resolution.

Section 4. Ad Valorem Tax Exemption. The Company has requested an exemption from ad valorem taxes for the Logistics Park Projects in exchange for making payments-in-lieu of taxes. In consideration of the Company's decision to acquire, construct and equip the Logistics Park Phase Two Projects and subject to the further terms and conditions of this Resolution, on receipt of an application for the issuance of a series of Bonds for a Project, the City intends to take all appropriate action to prepare a cost-benefit analysis and conduct a public hearing on any ad valorem tax exemption for such Project and, following the issuance of a series of the Bonds to finance such Project, to request the Kansas Board of Tax Appeals to approve an ad valorem tax exemption, exclusive of special assessments, for all real property financed with such series of the Bonds; provided, however, that no tax exemption shall be requested for any Project or portion of a Project that is not eligible for property tax exemption pursuant to K.S.A. 79-201a *Second* or *Twenty-Fourth*. Each Project financed with the proceeds of a series of the Bonds will be eligible for a separate 10-year property tax exemption with the first year of the exemption commencing on January 1 of the calendar year following the year in which such series of the Bonds were issued. In consideration for the City's agreement to request a property tax exemption for each Project, the Company agrees to make payments-in-lieu of taxes to the City for each Project for the duration of any approved tax exemption and such payments shall be in an amount equal to \$0.16 a sq. ft. based on the size of the building to be constructed on the Project; provided, however, that the amount of payments-in-lieu of taxes may be subject to adjustment at the discretion of the City or in accordance with a Performance Agreement to be entered into between the City and the Lessee for such Project.

Section 5. Conditions to Issuance. The issuance of each series of the Bonds and the execution and delivery of any documents related to a series of the Bonds are subject to:

(i) receipt by the City of a completed application by the Lessee for each Project and adoption of a resolution assigning a portion of this resolution of intent by the Governing Body of the City for each Project;

(ii) obtaining any necessary governmental approvals;

(iii) agreement by the City, the Company and the purchaser of such series of the Bonds upon (a) mutually acceptable terms for such 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 such series of Bonds and the related Project, including, but not limited to, provisions relating to the security for the payment of such

series of the Bonds and provisions relating to the maintenance of the related Project;

(iv) agreement by the City and the Company on mutually acceptable terms and conditions of a Performance Agreement;

(v) payment of all costs of issuance of such series of the Bonds and all other costs and fees of the City, including the City's origination fee; and

(vi) compliance with the Act, including, but not limited to, (a) preparation of a cost-benefit analysis for each Project, and (b) completion of a public hearing on the tax exemption following notice as required by the Act, for each Project.

Section 6. Sale of the Bonds/Authority to Proceed. The sale of each series of the Bonds shall be the responsibility of the Lessee, but arrangements for the sale of each series of the Bonds shall be subject to the City's approval. The Company is authorized to proceed with the acquisition and completion of the Logistics Park Phase Two Projects (provided all other City approvals and permits have been obtained) and to advance such funds as may be necessary to accomplish such purposes, and to the extent permitted by law, the City shall reimburse each Lessee for such expenditures out of the proceeds of each series of the Bonds, when and if issued. Notwithstanding such authorization, the Company and each Lessee proceeds at its own risk and if for any reason, all or any series of the Bonds are not issued, the City shall have no liability to the Company or any Lessee for any reason. The Act provides that the City may only issue each series of the Bonds by adoption of an ordinance authorizing such series of Bonds and providing for the terms and details of such series of Bonds and may only approve a tax exemption following completion of a cost-benefit analysis, a public hearing and the issuance of a series of Bonds to pay the cost of the property that is the subject of the tax exemption. The City has not yet adopted an ordinance, issued any series of Bonds for the Logistics Park Phase Two Projects or completed the procedures to approve a tax exemption. This Resolution only evidences the intent of the current Governing Body to issue Bonds for the Logistics Park Phase Two Projects and to approve a tax exemption for each Project. Nothing herein shall be construed as a guaranty by the City that any series of Bonds will be issued or tax exemption approved for a Project.

Section 7. Assignment. The Company may assign all or a portion of its interest in this Resolution to any party only with the consent of the City.

Section 8. 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 rents, revenues and receipts of the City derived from the lease of the related Project to the Lessee. The Bonds shall not constitute a general obligation of the City, the State of Kansas or any other political subdivision thereof, shall not constitute a pledge of the full faith and credit of the City, the State of Kansas or any other political subdivision thereof and shall not be payable in any manner by taxation.

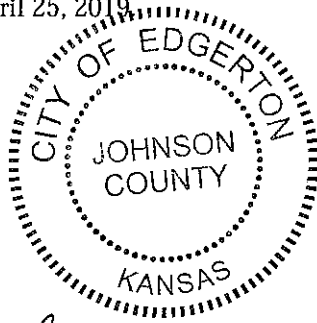
Section 9. Termination. This Resolution shall terminate in the event the Logistics Park Phase Two Development Agreement dated January 25, 2018, between the City and the Company, is terminated.

Section 10. Further Action. SA Legal Advisors LC, Bond Counsel for the City, and officers and employees of the City, are authorized to work with the purchaser of each series of the 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 the Bonds and other actions contemplated hereunder.

Section 11. Effective Date. This Resolution shall take effect and be in full force immediately after

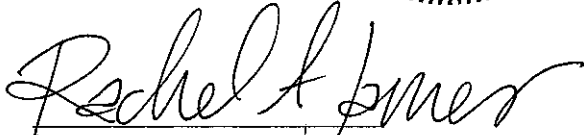
its adoption by the City Council of the City.

ADOPTED April 25, 2019.



(Seal)

ATTEST:


Rachel A. James, City Clerk

CITY OF EDGERTON, KANSAS


Donald Roberts, Mayor

Logistics Park, Phase 2
Master Resolution of Intent