

ORIGINATION FEE AGREEMENT

THIS ORIGINATION FEE AGREEMENT (the “**Fee Agreement**”) is made and entered into as of December 1, 2024, by and between Bayside Development LLC, a Kansas limited liability company (the “**Company**”); and the City of Bel Aire, Kansas, a municipal corporation, (the “**City**”).

WHEREAS, the City is empowered to issue industrial revenue bonds pursuant to K.S.A. 12-1740, *et seq.* and to grant property tax exemptions under K.S.A. 79-201a *Second*, subject to satisfaction of the applicable conditions precedent under State law and City policies; and,

WHEREAS, the Company has built a commercial facility within the City of Bel Aire; and,

WHEREAS, the Company has acquired land (the “**Real Property**”) for the primary purpose of conducting the Company’s business within the City; and,

WHEREAS, the Company has requested the City issue taxable industrial revenue bonds in a principal amount not to exceed \$12,535,000 (the “**Bonds**”) and grant a property tax abatement on the buildings, improvements, equipment, fixtures and personal property financed with the proceeds of the Bonds (the “**Project**”); and,

WHEREAS, in connection with the issuance of the Bonds, the Company has offered to pay the City an origination fee, subject to the conditions in this Fee Agreement; and

WHEREAS, the City desires to issue the Bonds and grant a property tax abatement, subject to the conditions in this Fee Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained in this Fee Agreement, the parties agree as follows:

1. The City agrees to consider, in good faith, the Company’s request for the City to issue its taxable industrial revenue bonds pursuant to K.S.A. 12-1740 *et seq.*, in an amount not to exceed \$12,535,000 (the “**Bonds**”) for the purpose of making the proceeds thereof available for the benefit of the Company to pay the costs of the acquisition of the Real Property and the costs of constructing and equipping the Project. The City further agrees to consider, in good faith, as a part of the issuance of the Bonds, the request of the Company for the exemption of *ad valorem* property taxes on the Project for a period of 10 years commencing with the calendar year following the year in which the Bonds are issued. The Company will qualify for a Sales Tax Exemption Certificate for all Bond-financed personal property acquired for the Project. No exemption shall apply for any Real Property located within a tax increment financing (TIF) district. Any such exemption shall further be subject to both applicable law, the policies of the City, and the provisions of Section 2, hereinafter.

2. In the event the City grants the exemption set forth in Section 1, above, the City agrees to take all actions reasonably necessary, and the Company shall cooperate, to procure the approval by the Kansas Board of Tax Appeals (“**BOTA**”) of such exemptions. The parties acknowledge that said exemptions are subject to the submission of an appropriate application to, and the approval of such application by, BOTA. The Company acknowledges that, although the City will execute such application and pursue with the Company such approval, the City makes no assurance that such

approval will be given. The Company with the City will pursue such application to obtain an order from BOTA approving such application and granting such exemption. If the Company determines that it is necessary to appeal the order of BOTA to secure such exemption, the City shall cooperate with the Company, at the request and expense of the Company, in pursuance of such appeal. The continuation of such tax abatement (the "Abatement"), on an annual basis, shall be subject to the rules and procedures of BOTA and further subject to the Company's compliance with this Fee Agreement and with all applicable rules, regulations, statutes and ordinances.

3. On or before the date of closing on the issuance of the Bonds, the Company will pay an origination fee to the City in an amount equal to the lesser of 1.00% of the aggregate principal amount of the Bonds or \$100,000. The City shall use the origination fee solely for local economic development activities, pursuant to K.S.A. 12-1742.

4. The City agrees that it shall make no requirement in the Bond documents for any additional or other origination fees than that set forth above (the foregoing not including, however, the costs of issuance or other fees, costs or expenses which are customarily the responsibility of the beneficiary of industrial revenue bond financing).

5. This Fee Agreement is contingent upon the successful and satisfactory completion of the negotiations of the terms of the Bond issue. In the event such negotiations are not successfully completed or the Bonds are not issued for any reason, then the parties shall be released from the provisions of this Fee Agreement.

6. All notices or communications herein required or which either party desires to give to the other shall be in writing and shall be sent by: certified or registered, return receipt requested, postage prepaid, mail; personal delivery; recognized commercial courier which maintains evidence of delivery; or confirmed electronic or facsimile transmission, and shall be deemed sufficiently given if mailed, delivered or transmitted to the respective party at the address noted for said party, as set forth hereinafter. Regardless of the actual time of receipt, all notices or communications sufficiently given are deemed given 3 days after the postmarked date if given through the mail, and on the day received if given by personal delivery, commercial courier, electronic transmission or facsimile transmission. The addresses are, as follows:

The Company: Bayside Development LLC
3819 N. Toben Street
Wichita, Kansas 67226
Attn: Michael Le
Email: michael@lapalmproduct.com

The City: City of Bel Aire, Kansas
7651 East Central Park Avenue
Bel Aire, KS 67226
Attn: City Clerk
Email: mkrehbiel@belaireks.gov

7. This Fee Agreement may be modified, amended or supplemented only by a writing of equal dignity. The parties' legal counsel may, on behalf of their respective clients, execute any writing as aforesaid and such writing shall be deemed authorized and of the same force and effect as if executed by the respective party and may be relied upon by the other party.

8. No party shall delegate or assign this Fee Agreement or any rights or duties hereunder (including by the merger or consolidation of a party with any third person) without the prior, written consent of the other. This Fee Agreement shall be binding upon and shall inure to the benefit of the City and the Company and the respective successors and permitted assigns of each upon execution hereof by the City and the Company. This Fee Agreement creates no rights as a third party beneficiary or otherwise in any person not a party.

9. This Fee Agreement may be executed in multiple counterparts, each of which shall be deemed to be and shall constitute one and the same instrument.

10. This Fee Agreement is entered into in the State of Kansas and shall be interpreted under the laws of that state.

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IN WITNESS WHEREOF, the parties have executed this Fee Agreement as of the date set forth above.

CITY OF BEL AIRE, KANSAS

ATTEST:

Jim Benage, Mayor

Melissa Krehbiel, City Clerk

BAYSIDE DEVELOPMENT LLC,
a Kansas limited liability company

By: _____
Name: Michael Le
Title: Member