

RESOLUTION NO. 107-2022

RESOLUTION DETERMINING THE INTENT OF THE CITY OF WESTWOOD, KANSAS TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AMOUNT NOT TO EXCEED \$9,500,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING A COMMERCIAL PROJECT FOR THE BENEFIT OF TANNER CONSOLIDATED HOLDINGS, INC. AND ITS SUCCESSORS AND ASSIGNS (SALES TAX EXEMPTION ONLY)

WHEREAS, the City of Westwood, Kansas (the “Issuer”), desires to promote, stimulate and develop the general welfare and economic prosperity of the Issuer 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 Issuer 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, Tanner Consolidated Holdings, Inc. (and its permitted successors and assigns, the “Company”) has submitted to the Issuer a letter dated July 12, 2022 requesting the issuance of the Issuer’s industrial revenue bonds (the “Application”) to finance the cost of acquiring, constructing, reconstructing, and equipping portions of the existing commercial facility known as “Woodside,” all more fully described in the Application (the “Project”) through the issuance of its industrial revenue bonds in the principal amount not to exceed \$9,500,000 (the “Bonds”), and to lease the Project 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 Issuer and its inhabitants that the Issuer finance the costs of the Project by the issuance of the Bonds under the Act, the principal amount of the Bonds not to exceed \$9,500,000, such Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Issuer to the Company.

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

Section 1. Approval of Project. The governing body of the Issuer hereby finds and determines that the acquiring, constructing and equipping of the Project will promote the general welfare and economic prosperity of the Issuer and the issuance of the Bonds to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act. The Project shall be located at 2000 and 2001 W. 47th Plaza in the City of Westwood, Kansas, as further described in the Application.

Section 2. Intent to Issue Bonds. The governing body of the Issuer hereby determines and declares the intent of the Issuer to acquire, construct and equip the Project out of the proceeds of the Bonds of the Issuer in the principal amount not to exceed \$9,500,000, to be issued pursuant to the Act.

Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the Issuer expresses its intent to (i) issue the Bonds to pay the costs of acquiring, constructing and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the Issuer; (ii) provide for the lease (with an option to purchase) of the 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 the Bonds by the Issuer 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 the Bonds and the execution and delivery of any documents related to the Bonds are subject to: (i) obtaining any necessary governmental approvals; (ii) agreement by the Issuer, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the passage and publication of an Ordinance authorizing the issuance of the Bonds; (iv) Company's payment of all of the costs of issuance related to the issuance of the Bonds; and (v) conditions set forth in the Application relating to the Company's investment in public pool facilities or community improvement as agreed between the Company and Issuer.

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

Section 6. Limited Obligations of the Issuer. The Bonds and the interest thereon shall be special, limited obligations of the Issuer payable solely out of the amounts derived by the Issuer under a Lease Agreement with respect to the 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 bond trustee for the Bonds and in favor of the owners of the Bonds, all as provided in the Bond Indenture. The Bonds shall not constitute a general obligation of the Issuer, 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 Issuer, 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 Bond Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Issuer, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 7. Authorization to Proceed. The Company is hereby authorized to proceed with the acquiring, constructing and equipping of the Project, including the necessary planning and engineering for the Project 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 and upon compliance with the other requirements of this Resolution, the Company may be reimbursed for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

Section 8. No Reliance on Resolution. Kansas law provides that the Issuer may only issue the Bonds by passage of an Ordinance and compliance with other state law requirements. The Issuer has not yet passed an Ordinance for the Bonds. This Resolution only evidences the intent of the current governing body to issue the Bonds for the Project. The Company should not construe the adoption of this Resolution as a promise or guarantee that the Ordinance for the Bonds will be passed or that the Project will be approved.

Section 9. Termination of Resolution. This Resolution shall terminate two years from the date of the adoption of this Resolution unless (i) the Bonds have been issued for the Project or (ii) a building permit has been issued by the Issuer for the Project. The Issuer, upon the request of the Company, may extend this time period.

Section 10. Benefit of Resolution. This Resolution will inure to the benefit of the Issuer and the Company. The Company may, with the prior written consent of the Issuer, assign all or a portion of its 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 11. Further Action. Counsel to the Issuer and Gilmore & Bell, P.C., Bond Counsel for the Issuer, together with the officers and employees of the Issuer, are hereby authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Issuer all documents necessary to effect the authorization, issuance and sale of the bonds and other actions contemplated hereunder.

Section 12. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the governing body of the Issuer.

[Balance of page intentionally left blank]

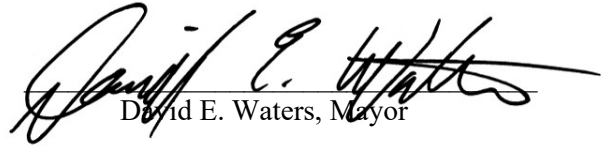
ADOPTED by the governing body on July 14, 2022.

SIGNED by the Mayor on July 14, 2022.



(SEAL)

CITY OF WESTWOOD, KANSAS



David E. Waters, Mayor



Leslie Herring, City Clerk

Resolution of Intent
Tanner Consolidated Holdings, Inc.