

ORDINANCE NO. 1011

AN ORDINANCE AUTHORIZING THE CITY OF EDWARDSVILLE, KANSAS, TO ISSUE ITS TAXABLE COMMUNITY IMPROVEMENT DISTRICT REVENUE BONDS, SERIES 2018A (VILLAGE SOUTH CID 2 PROJECT), IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,500,000, AND ITS COMMUNITY IMPROVEMENT DISTRICT REVENUE BONDS, SERIES 2018B (VILLAGE SOUTH CID 2 PROJECT), IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,000,000, FOR THE PURPOSE OF PAYING CERTAIN PROJECT COSTS FOR A COMMUNITY IMPROVEMENT DISTRICT WITHIN THE CITY; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2018A AND SERIES 2018B BONDS (CID II – VILLAGE SOUTH AT EDWARDSVILLE).

WHEREAS, the City of Edwardsville, Kansas (the “City”) is authorized pursuant to K.S.A. 12-6a26 *et seq.*, as amended (the “Act”), to create community improvement districts for economic development purposes and any other purpose for which public money may be expended;

WHEREAS, pursuant to the Act and Ordinance No. 1005, passed by the Governing Body of the City on August 27, 2018, the City established a community improvement district known as the “Village South at Edwardsville Community Improvement District II,” generally located southeast of Interstate 70 and 110th Street within the City as more fully described on **Exhibit A** to this Ordinance (the “Village South CID II”);

WHEREAS, the City has entered into that certain Amended and Restated Development Agreement for Project Areas One, Two, and Three Village South at Edwardsville TIF District and CID dated on or after the date hereof (the “Development Agreement”), with Compass Commodity Group III, LLC, a Texas limited liability company (“Developer”), relating to the development and financing of certain improvements, including a community improvement district project within the Village South CID II (the “CID Improvements”);

WHEREAS, Developer is assigning a portion of its rights and obligations under the Development Agreement with respect to the CID Improvements to One10 Hotel Holdings LLC, a Kansas limited liability company (the “Owner”), pursuant to that certain Partial Assignment and Assumption of Development Agreement dated on or after the date hereof;

WHEREAS, the Governing Body of the City hereby finds and determines that it is necessary and desirable to issue its community improvement district revenue bonds in two series (collectively, the “Bonds,” as further described herein) pursuant to the Act and this Ordinance to finance certain costs of the CID Improvements;

WHEREAS, pursuant to Resolution No. 2018-22 adopted by the Governing Body of the City on August 27, 2018, the City identified Dougherty & Company LLC, as underwriter of the Bonds (the “Underwriter”), to offer the Bonds for sale; and

WHEREAS, in connection with the issuance of the Bonds, the Governing Body of the City further finds and determines that it is necessary and desirable to execute and deliver certain documents as described herein;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF EDWARDSVILLE, KANSAS AS FOLLOWS:

Section 1. Approval of Preliminary Official Statement. The City hereby approves the Preliminary Official Statement for the Bonds, in substantially the form now on file in the office of the Assistant City Manager/City Clerk. The Mayor is hereby authorized to approve, execute and deliver a Final Official Statement with respect to the Bonds.

Section 2. Authorization of the Bonds. Subject to the conditions to issuance of the Bonds set forth in the Development Agreement, the City is hereby authorized and directed to issue the Bonds in the principal amounts set forth in this section, the proceeds of which Bonds shall be used to: (a) pay a portion of the costs of CID Improvements which are identified in the Development Agreement; (b) pay certain costs of issuance related to the Bonds; (c) fund capitalized interest on the Bonds; and (d) fund a debt service reserve for the Bonds. The Bonds shall consist of two series, shall be identified as the “City of Edwardsville, Kansas, Taxable Community Improvement District Revenue Bonds, Series 2018A (Village South CID 2 Project)” in the principal amount of not to exceed \$1,500,000 and the “City of Edwardsville, Kansas, Community Improvement District Revenue Bonds, Series 2018B (Village South CID 2 Project)” in the principal amount of not to exceed \$1,000,000 (the “Series 2018B Bonds”), shall bear interest at the rates and shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Trust Indenture dated on or after December 1, 2018 (the “Indenture”), between the City and Commerce Bank, Kansas City, Missouri, as trustee (the “Trustee”).

Section 3. Security for the Bonds. The Bonds shall be special limited obligations of the City payable solely from the trust estate established under the Indenture, including (i) all moneys and securities held by the Trustee under the Indenture, (ii) CID Sales Tax Revenues (as defined in the Indenture) attributable to the Village South CID II and (iii) other moneys or securities pledged, assigned or transferred as security under the Indenture. The Bonds shall not be general obligations of the City, the State of Kansas, or any other political subdivision thereof, nor 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 other than from the CID Sales Tax Revenues attributable to the Village South CID II.

Section 4. Execution of Bonds and Bond Documents. The Mayor or acting Mayor of the City is hereby authorized and directed to execute the Bonds and deliver them to the Trustee for authentication on behalf of, and as the act and deed of the City, in the manner provided in the Indenture. The Mayor or acting Mayor is further authorized and directed to execute and deliver the following documents on behalf of, and as the act and deed of the City, in substantially the forms on file in the office of the Assistant City Manager/City Clerk, with such corrections or amendments thereto as the Mayor or acting Mayor may approve, which approval shall be evidenced by his execution thereof, and to execute such other documents, certificates and

instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance and the following documents (the "Bond Documents"):

(a) Indenture, under which the City shall pledge to the Trustee, for the benefit of the owners of the Bonds, the trust estate as described in the Indenture, under the terms and conditions set forth in the Indenture;

(b) Bond Purchase Agreement among the City, the Underwriter and the Owner or its assigns relating to the sale and purchase of the Bonds;

(c) City's Continuing Disclosure Agreement dated on or after December 1, 2018, between the City and Commerce Bank, Kansas City, Missouri, as dissemination agent (the "Dissemination Agent"), whereby the City agrees to disclose or cause the Dissemination Agent to disclose certain information relating to the Bonds and the security for the Bonds; and

(d) Tax Compliance Certificate of the City dated as of delivery of the Bonds and relating to certain requirements of the Internal Revenue Code of 1986, as amended, as they apply to the Series 2018B Bonds.

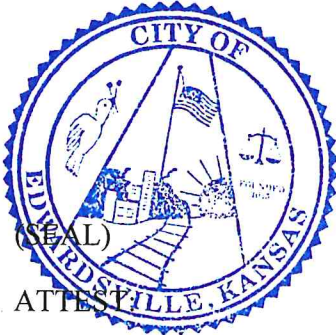
The Assistant City Manager/City Clerk or the acting City Clerk of the City is hereby authorized and directed to attest the execution of the Bonds and the Bond Documents and execute or attest such other documents, certificates and instruments as may be necessary or desirable to carry out the intent of this Ordinance under the City's official seal.


Section 4. Further Authority. The officials, officers, agents and employees of the City, including Kutak Rock LLP, the City's Bond Counsel, and Springsted Incorporated, the City's Municipal Advisor, are hereby authorized and directed to take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out the provisions of this Ordinance and to carry out and perform the duties of the City with respect to the Bonds and the Bond Documents as necessary to give effect to the transactions contemplated in this Ordinance and in the Bond Documents.

Section 5. Effective Date. This Ordinance shall take effect from and after its final passage by the Governing Body of the City, signature by the Mayor, and publication once in the official newspaper of the City.


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PASSED AND APPROVED by the Governing Body of the City of Edwardsville, Kansas this 1st day of November, 2018.





John McTaggart
Mayor



Zachary Daniel
Assistant City Manager/City Clerk

EXHIBIT A

Village South CID II Legal Description

All of Lot 3 and Tract A, Village South at Edwardsville, First Plat and part of the Public Right of Way of Village South Parkway as dedicated by the Final Plat of Village South at Edwardsville, First Plat AND part of Lot 2, Lustgraaf Acres, being a replat of part of Tract 4 and Tract 5, the Norman Farms Subdivision, all in the Southwest Quarter of Section 11, Township 11 South, Range 23 East, City of Edwardsville, Wyandotte County, Kansas and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 11; thence North $87^{\circ}31'44''$ East, along the South line of said Southwest Quarter, a distance of 1330.00 feet to the Southwest corner of the Southeast Quarter of the Southwest Quarter of said Section 11, thence North $02^{\circ}06'16''$ West, along the West line of said Quarter-Quarter, a distance of 471.80 feet to the Southeast corner of Lot 2, said Lustgraaf Acres; thence South $87^{\circ}31'44''$ West (Measured – South $89^{\circ}37'49''$ West, Platted) along the South line of said Lot 2, a distance of 903.41 feet; thence North $02^{\circ}30'30''$ West, a distance of 234.63 feet to a point on the South line of Village South Parkway as now exists, said point being the POINT OF BEGINNING; thence South $87^{\circ}29'30''$ West, continuing along said South line, a distance of 4.78 feet to the intersection of said South line with the West line of Lot 3 (extended), of Village South at Edwardsville, First Plat; thence North $02^{\circ}51'38''$ West along said West line, a distance of 647.68 feet to the Northwest Corner of said Lot 3, said point being on the Southerly line of Right of Way conveyed to the City of Kansas City, Kansas by Document No. 1197804, recorded in Book 3744 at Page 543 in the Office of the Register of Deeds, Wyandotte County; thence North $66^{\circ}44'54''$ East, along said Southerly Right of Way and along the North line of said Lot 3, a distance of 301.64 feet to the Southerly right of way of the Kansas Turnpike, thence North $85^{\circ}25'56''$ East along the North line of Lot 3 and Tract A, of said Village South at Edwardsville, First Plat and Lot 2, Lustgraaf Acres, and South line of said Turnpike, a distance of 637.64 feet to the Northeast Corner of said Lot 2, Lustgraaf Acres; thence South $02^{\circ}06'16''$ East, along the East line thereof, also being the West line of the Southeast Quarter of the Southwest Quarter of Section 11, Township 11, Range 23, a distance of 777.44 feet to the intersection of said West line with the South line of Village South Parkway as now exists; thence South $87^{\circ}29'30''$ West, along said South line, a distance of 905.07 feet to the POINT OF BEGINNING;

LESS AND EXCEPT (Billboard Tract)

All that part of Lot 2, Lustgraaf Acres, a Replat of part of Tract 4 and Tract 5, the Norman Farms Subdivision in Edwardsville, Wyandotte County, Kansas described as follows:

Commencing at the Northeast corner of said Lot 2; thence South $85^{\circ}25'56''$ West (Measured - South $87^{\circ} 34' 00''$ West, Deeded), along the North line of said Lot 2, 76.29 feet; thence South $04^{\circ}34'04''$ E (Measured - South $02^{\circ} 26' 00''$ East, Deeded) a distance of 9.17 feet to the POINT OF BEGINNING of the tract to be herein described; thence South $26^{\circ}06'59''$ East (Measured - South $23^{\circ} 58' 55''$ East, Deeded) a distance of 52.13 feet; thence South $76^{\circ}41'41''$ West, (Measured - South $78^{\circ} 49' 45''$ West, Deeded) a distance of 23.03 feet; thence North $00^{\circ}35'20''$

West (Measured - North 01° 34' 54" West, Deeded), a distance of 52.11 feet (Measured - 52.03 feet, Deeded) POINT OF BEGINNING.

The Net Tract Area containing 681,849.78 square feet or 15.65 acres, more or less.