

RESOLUTION NO. 3012

**OF THE
CITY OF EL DORADO, KANSAS**

**AUTHORIZING AMENDMENTS AND APPROVALS RELATING TO
Taxable Industrial Revenue Bonds
Series A, 2016 and Series B, 2016
(Days Inn Hotel and Suites)**

RESOLUTION NO. 3012

A RESOLUTION OF THE CITY OF EL DORADO, KANSAS RELATING TO THE SUBORDINATION OF ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES A, 2016 AND SERIES B, 2016 (DAYS INN HOTEL AND SUITES) ISSUED FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING A HOTEL FACILITY; APPROVING TERMINATION AND RELEASE OF THE GUARANTY AGREEMENT; APPROVING NEW OWNERSHIP OF THE DEVELOPER UNDER THE COMMUNITY IMPROVEMENT DISTRICT; AND AUTHORIZING OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

THE GOVERNING BODY OF THE CITY OF EL DORADO, KANSAS HAS FOUND AND DETERMINED:

A. The City of El Dorado, Kansas (the "Issuer") is authorized by K.S.A. 12-1740 *et seq.*, as amended (the "Act"), to acquire, construct, improve and equip facilities (as defined in the Act) for commercial, industrial and manufacturing purposes, and to enter into leases and lease-purchase agreements with any person, firm or corporation for such facilities.

B. Pursuant to Ordinance No. G-1214 of the Issuer adopted on March 21, 2016 and a Bond Agreement dated as of April 1, 2016, as amended by Supplemental Bond Agreement No. 1 dated as of August 31, 2023 (collectively, the "Bond Agreement") between the Issuer, HRSP, LLC, a Kansas limited liability company (the "Tenant"), and Community National Bank & Trust (the "Original Bank") the Issuer has previously issued (i) its Taxable Industrial Revenue Bonds, Series A, 2016 (Days Inn Hotel and Suites) dated April 1, 2016 (the "Series A, 2016 Bonds") purchased and wholly owned by the Original Bank, and (ii) its Taxable Industrial Revenue Bonds, Series B, 2016 (Days Inn Hotel and Suites) dated April 1, 2016 (the "Series B, 2016 Bonds") purchased and wholly owned by the Tenant, for the acquisition, construction and equipping of a hotel facility (the "Project").

C. The Issuer leased the Project to the Tenant pursuant to the provisions of a Lease dated as of April 1, 2016 between the Issuer and the Tenant (the "Lease") for a term ending on April 15, 2031.

D. Due to a change in ownership of the membership interests in the Tenant, the Tenant has determined that it is desirable to refinance the Project and to pay off the remainder of the Series A, 2016 Bonds owned by the Original Bank, and when the Series A, 2016 Bonds are paid off in full, to request all parties release and terminate the Guaranty Agreement, dated as of April 1, 2016, as previously amended on August 11, 2023 (collectively, the "Guaranty Agreement").

E. The Series B, 2016 Bonds that are wholly owned by the Tenant will remain outstanding.

F. The new lender, Solutions North Bank (the "Bank") has requested the Issuer and Tenant subordinate their interests to the note and mortgage for the refinancing.

G. On February 16, 2015, the Issuer authorized the creation of a Community Improvement District ("CID") for the Project, and approving a Development Agreement between the Issuer and the Tenant for the implementation of the CID. The CID beneficiary will remain the Tenant under the new ownership of the membership interests in the Tenant.

H. The Issuer's governing body has determined that it is desirable to approve an agreement to subordinate the Series B, 2016 Bond pursuant to a Debt Subordination Agreement, terminate and release the

Guaranty Agreement and approve transfer of the ownership of the membership interests in the Tenant and future payments under the CID, as more fully described in this Resolution and the Termination and Release of the Guaranty Agreement hereinafter authorized.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF EL DORADO, KANSAS:

Section 1. Definition of Terms. All terms and phrases not otherwise defined herein shall have the respective meanings set forth in the Bond Agreement and the Lease referred to herein.

Section 2. Redemption of the Series A, 2016 Bonds. The Issuer acknowledges that the Tenant has or will redeem the outstanding Series A, 2016 Bonds in full.

Section 2. Authorization of Debt Subordination Agreement. The Issuer is hereby authorized to enter into the Debt Subordination Agreement with the Bank and the Tenant in the form approved in this Resolution. The Issuer will continue to pledge the Trust Estate described in the Bond Agreement to the Bank for the benefit of the owners of the Series B, 2016 Bonds on the terms and conditions in the Bond Agreement.

Section 3. Termination and Release of the Guaranty Agreement. The form of the Termination and Release of the Guaranty Agreement dated as of August 11, 2023 between the Tenant, the individual guarantors named therein and the Bank, for the benefit of the owners of the Series A, 2016 and Series B, 2016 Bonds is approved.

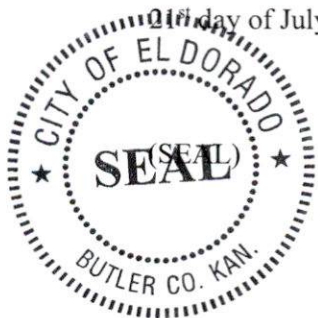
Section 4. Execution of Documents. The Mayor or member of the Issuer's governing body authorized by law to exercise the powers and duties of the Mayor in the Mayor's absence is authorized and directed to execute the Debt Subordination Agreement and the Termination and Release of the Guaranty Agreement on behalf of the Issuer in substantially the form presented for review prior to passage of this Resolution, with such corrections or amendments as the Mayor or other person lawfully acting in the absence of the Mayor may approve, which approval shall be evidenced by his or her signature. The City Clerk or the Deputy City Clerk of the Issuer is hereby authorized and directed to attest the execution of the Debt Subordination Agreement and the Termination and Release of the Guaranty Agreement, and such other documents, certificates and instruments as may be necessary or desirable to carry out the intent of this Resolution under the Issuer's corporate seal. The Clerk is directed to deliver the fully executed documents to the Tenant.

Section 5. Authority To Correct Errors, Etc. The Mayor or member of the Issuer's governing body authorized to exercise the powers and duties of the Mayor in the Mayor's absence, the City Clerk and any Deputy City Clerk are hereby authorized and directed to make any alterations, changes or additions in the instruments herein approved, authorized and confirmed which may be necessary to correct errors or omissions therein or to conform the same to the other provisions of the instruments or to the provisions of this Resolution.

Section 6. Further Authority. The officials, officers, agents and employees of the Issuer are authorized and directed to take whatever action and execute whatever other documents or certificates as may be necessary or desirable to carry out the provisions of this Resolution and to carry out and perform the duties of the Issuer with respect to the Debt Subordination Agreement and the Termination and Release of the Guaranty Agreement.

Section 7. Effective Date. This Resolution shall take effect after its passage by the governing body of the Issuer and signature by the Mayor.


ADOPTED by the governing body of the Issuer on Mayor and **SIGNED** by the Mayor on the 21st day of July, 2025.





Vice Mayor

ATTEST:



City Clerk

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CERTIFICATE

I hereby certify that the attached copy is a true and correct copy of Resolution No. 3012 of the City of El Dorado, Kansas duly adopted by the governing body, signed by the Mayor, published in the official City newspaper, and that the signed original of such Resolution is on file in my office.



Emmanuel B. White

City Clerk

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF EL DORADO, KANSAS
HELD ON JULY 21, 2025**

The governing body of the City of El Dorado, Kansas met in regular session at the usual meeting place in the City, at 5:30 p.m., the following members being present and participating, to-wit: Vice-Mayor Syndee Scribner, Commissioner Kelly Tetrick, Commissioner Leon Leachman, and Commissioner Kendra Wilkinson.

Absent: Mayor Bill Young

The Mayor declared that a quorum was present and called the meeting to order.

(Other Proceedings)

Thereupon, there was presented a Resolution entitled:

A RESOLUTION OF THE CITY OF EL DORADO, KANSAS RELATING TO THE SUBORDINATION OF ITS TAXABLE INDUSTRIAL REVENUE BONDS, SERIES A, 2016 AND SERIES B, 2016 (DAYS INN HOTEL AND SUITES) ISSUED FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING A HOTEL FACILITY; APPROVING TERMINATION AND RELEASE OF THE GUARANTY AGREEMENT; APPROVING NEW OWNERSHIP OF THE DEVELOPER UNDER THE COMMUNITY IMPROVEMENT DISTRICT; AND AUTHORIZING OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

Thereupon, Commissioner Kelly Tetrick moved that the Resolution be adopted. The motion was seconded by Commissioner Kendra Wilkinson. The Resolution was duly read and considered, and upon being put, the motion for the passage of the Resolution was carried by the vote of the governing body, the vote being as follows:

Aye: Vice-Mayor Syndee Scribner, Commissioner Kelly Tetrick, Commissioner Leon Leachman, and Commissioner Kendra Wilkinson.

Nay:

Thereupon, the Mayor declared the Resolution duly adopted and the Resolution was then duly numbered Resolution No 3012 and was signed by the Mayor and the signature attested by the City Clerk.

(Other Proceedings)

CERTIFICATE

I certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of El Dorado, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.



Emerald Ashlock

City Clerk