

RESOLUTION NO. 566

A RESOLUTION AUTHORIZING THE GOVERNING BODY OF THE CITY OF ROSE HILL, KANSAS TO CONSENT TO A SUBORDINATION AGREEMENT RELATED TO THE CITY'S TAXABLE INDUSTRIAL REVENUE BONDS, SERIES 2016 (DYNAMIC N/C PROJECT) AND A LOAN BY EQUITY BANK TO DYNAMIC N/C, LLC.

WHEREAS, the governing body of the City of Rose Hill, Kansas (the "City") has previously issued its Taxable Industrial Revenue Bonds, Series 2016 (Dynamic N/C Project) (the "Bonds") and has entered into a Site Lease and Lease both dated as of the Issue Date of the Bonds with the City and Dynamic N/C, LLC (the "Tenant"), in connection with the issuance of the Bonds and to provide funds for the acquisition, construction and equipping of a manufacturing facility located in the City of Rose Hill, Kansas (the "Project"); and

WHEREAS, the Tenant owns all of the outstanding Bonds; and

WHEREAS, Equity Bank (the "Lender") intends to fund a loan in the maximum principal amount of \$3,000,000.00 (the "Loan") to Tenant, which shall be used to acquire additions to the existing facility, together with improvements thereon (the "Property"), and which shall be secured by a mortgage or other security instrument (the "Mortgage") thereon;

WHEREAS, as a condition to funding the Loan, Lender requires that Tenant and City subordinate the covenants, agreements and other obligations of Tenant owed to City under the Site Lease and the Lease and all other provisions thereof, for the full term thereof, to the covenants, agreements and other obligations of Tenant owed to Lender under and secured by of the Mortgage and all other provisions thereof, in every manner whatsoever; and

WHEREAS, the City desires to consent to the execution of a Subordination Agreement in substantially the form presented with this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ROSE HILL, KANSAS:

Section 1. The City hereby approves the form and consents to the execution of a Subordination Agreement between the Lender, the Tenant and the City.

Section 2. The Mayor and the City Clerk are hereby authorized and directed to execute for and on behalf of, and as the act and deed of the City, the Subordination Agreement and any other documents necessary to effect the actions authorized in this Resolution, all substantially as described herein in forms prepared and approved by the City's bond counsel, Gilmore & Bell, P.C.

Section 3. This resolution shall take effect and be in full force immediately after its adoption by the governing body of the City and signature by the Mayor.

SIGNED by the governing body of the City of Rose Hill, Kansas this 6th day of
February, 2017.



[SEAL]

ATTEST:

Beth Pempke
Mayor

Kelli Mundy
City Clerk