

RESOLUTION NO. 1170

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF COLBY, KANSAS AUTHORIZING THE SALE AND CONVEYANCE OF CERTAIN PROPERTY TO TRUCK TOWN, LLC, FORMERLY KNOWN AS K. YOUNG, INC.

WHEREAS, pursuant to Ordinance No. 1377 and a Bond Agreement dated as of the Issue Date of the Bonds, the City of Colby, Kansas (the “Issuer”) has previously issued its Taxable Industrial Revenue Bonds, Series 2005 (Truck Town Project) in the original aggregate principal amount of not exceeding \$1,023,753.26 (the “Bonds”) to finance the cost of acquiring, constructing and equipping a certain commercial facility (the “Project”), such Project having been leased to Truck Town, LLC, a Kansas limited liability company, formerly known as K. Young, Inc., (the “Tenant”) pursuant to a Lease dated as of the Issue Date of the Bonds between the City and the Tenant (the “Lease”); and

WHEREAS, the Tenant desires to exercise its option to purchase the Project under Section 17.1 of the Lease and is not in default under the Lease; and

WHEREAS, the Tenant had made all the payments of Basic Rent and Additional Rent pursuant to the Lease and all principal and interest on the Bonds has been paid or payment has been provided for; and

WHEREAS, Peoples State Bank, Colby, Kansas, as Bondholder for the Bonds, has certified that no Bonds remain outstanding; and

WHEREAS, the Tenant has provided the City written notice of its intent to exercise its option to purchase the Project;

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

Section 1. The Mayor and Clerk are authorized and directed to execute a special warranty deed, a bill of sale and a release of lease, in substantially the forms submitted to the Governing Body concurrently with the adoption of this Resolution. The Clerk is directed to deliver the executed special warranty deed, a bill of sale and a release of lease to the Tenant.

Section 2. The Mayor and Clerk are hereby further authorized and directed to sign such other instruments and certificates as shall be necessary and desirable in connection with this Resolution and are hereby further authorized to take such further actions as may be necessary to accomplish the purposes of this Resolution.

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ADOPTED by the governing body of the City of Colby, Kansas on September 7, 2021.

CITY OF COLBY, KANSAS

Mayor

[SEAL]

Attest:

Clerk

THIS CONVEYANCE IS FOR THE PURPOSE OF RELEASING SECURITY FOR A DEBT OR OTHER OBLIGATION AND IS EXEMPT FROM THE REQUIREMENTS OF A SALES VALIDATION QUESTIONNAIRE PURSUANT TO K.S.A. 79-1437e(2).

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, made September 7, 2021 between the City of Colby, Kansas, a municipal corporation, as Grantor, and Truck Town, LLC, a Kansas limited liability company, as Grantee;

WITNESSETH, that said Grantor, in furtherance of the terms of a certain Lease dated as of the Issue Date of the Bonds between Grantor and Grantee, and as authorized by a Resolution duly adopted by the governing body of the Grantor, and by these presents does hereby convey to Grantee, its successors and assigns, all the following described real estate in Thomas County, Kansas:

All of Lot Three (3), Block One (I), Rodenbeck Industrial Park, City of Colby, Thomas County, Kansas, as shown by the recorded plat thereof.

for the sum of \$100.00 and other valuable consideration;

TO HAVE AND TO HOLD, the premises described, with all and singular the rights, privileges, appurtenances and immunities thereto belonging or in any way appertaining, to Grantee and to its successors and assigns forever; and Grantor hereby covenants that the premises are free and clear of all encumbrances whatsoever, except (a) those to which the title was subject on the date of conveyance to Grantor, or to which title became subject with Grantee's written consent, or which resulted from any failure of Grantee to perform any of its covenants or obligations under the Lease from Grantor referred to above, (b) taxes and assessments, general and special, if any, and (c) the rights, titles and interests of any party having condemned or attempting to condemn title to, or the use for a limited period of, all or any part of the premises conveyed; and that it will warrant and defend the title to the premises to Grantee and Grantee's successors and assigns forever against the lawful claims and demands of anyone claiming by, through or under it.

IN WITNESS WHEREOF, Grantor has executed this deed and affixed its corporate seal on the day and year first above written.

[SEAL]

ATTEST:

CITY OF COLBY, KANSAS
a municipal corporation

Joni Ketchum, Clerk

Gary Adrian, Mayor

STATE OF KANSAS)
) SS:
COUNTY OF THOMAS)

The foregoing instrument was acknowledged before me this 7th day of September, 2021 by Gary Adrian, Mayor, and Joni Ketchum, Clerk, respectively, of the City of Colby, Kansas, on behalf of said City.

[SEAL]

Notary Public

My appointment expires:

12/21/22

BILL OF SALE

In furtherance of the terms of a certain Lease dated as of the Issue Date of the Bonds between the City of Colby, Kansas, as Assignor, and Truck Town, LLC, a Kansas limited liability company, formerly known as K. Young, Inc., as Assignee, and for valuable consideration, Assignor hereby transfers, assigns and conveys to Assignee, all personal property purchased with the proceeds of the City of Colby, Kansas, Taxable Industrial Revenue Bonds, Series 2005 (Truck Town Project).

[SEAL]

ATTEST:

CITY OF COLBY, KANSAS
a municipal corporation

Joni Ketchum, Clerk

Gary Adrian, Mayor

STATE OF KANSAS)
) SS:
COUNTY OF THOMAS)

The foregoing instrument was acknowledged before me this 7th day of September, 2021 by Gary Adrian, Mayor, and Joni Ketchum, Clerk, respectively, of the City of Colby, Kansas, on behalf of said City.

[SEAL]

Notary Public

My appointment expires:

12/21/22

RELEASE OF LEASE

WHEREAS, the City of Colby, Kansas (the “Issuer”) has heretofore entered into a Lease dated as of the Issue Date of the Bonds (the “Lease”) between the Issuer and Truck Town, LLC, a Kansas limited liability company, formerly known as K. Young, Inc. (the “Tenant”), notice of which is recorded in Book 176 at page 598 in the office of the Thomas County Register of Deeds; and

WHEREAS, the Issuer assigned its interest in the Lease to Peoples State Bank, acting as the fiscal and paying agent for the Issuer (the “Fiscal and Paying Agent”) and others for purpose of enforcement of the Tenant's covenants under the Lease; and

WHEREAS, the Tenant has exercised its option to purchase the facility described in the Lease (the “Project”) from the Issuer; and

WHEREAS, all of the Tenant's obligations to the Issuer under the Lease have been satisfied;

THEREFORE, the property described in the attached Schedule I is hereby released from any claim of the Issuer and the Fiscal and Paying Agent under the Lease as of September 7, 2021.

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CITY OF COLBY, KANSAS

Gary Adrian, Mayor

[SEAL]

ATTEST:

Joni Ketchum, Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS:
COUNTY OF THOMAS)

The foregoing instrument was acknowledged before me this 7th day of September, 2021 by Gary Adrian, Mayor, and Joni Ketchum, Clerk, respectively, of the City of Colby, Kansas, on behalf of said City.

[SEAL]

Notary Public

My appointment expires:_____

PEOPLES STATE BANK,
Colby, Kansas

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENT

STATE OF KANSAS)
) SS:
COUNTY OF THOMAS)

This instrument was acknowledged before me this ____ day of _____, 2021 by _____ as _____ of Peoples State Bank, a Kansas banking association or corporation.

[SEAL]

Notary Public

My appointment expires: _____

SCHEDULE I

PROPERTY SUBJECT TO LEASE

The following property acquired by the City of Colby, Kansas (the “Issuer”) in connection with the issuance by the City of its Taxable Industrial Revenue Bonds, Series 2005 (Truck Town Project) (the “Series 2005 Bonds”):

- (a) The following described real estate in Thomas County, Kansas:

All of Lot Three (3), Block One (1), Rodenbeck Industrial Park, City of Colby, Thomas County, Kansas, as shown by the recorded plat thereof.

said real property constituting the “Land” as referred to in the Lease entered into by the Issuer concurrently with the issuance of the Series 2005 Bonds (the “Lease”), subject to the following (“Permitted Encumbrances”):

Mortgage from Tenant to the Bank, mortgaging the Land in the principal amount of \$1,000,000, filed in the office of the Register of Deeds of Thomas County, Kansas, at Book 175, pages 394 - 399.

Second-Subordinate Mortgage from Tenant to Pioneer Country Development, Inc. - Small Business Administration, mortgaging the Land in the principal amount of \$496,000, filed in the office of the Register of Deeds of Thomas County, Kansas, at Book 175, pages 400 - 405.

- (b) All buildings, building additions and improvements now constructed and located on the Land, and all buildings, building additions, improvements, machinery and equipment constructed, located or installed on the Land, all or any portion of the costs of which were paid from the proceeds of the Issuer's Series 2005 Bonds, and which constitute “Improvements” referred to in the Lease, together with any substitutions or replacements therefor, the property described in paragraphs (a) and (b) of this *Schedule I* together constituting the “Project” as referred to in the Lease.

BANK'S RECEIPT AND CERTIFICATION

Re: City of Colby, Kansas
Taxable Industrial Revenue Bonds, Series 2005
(Truck Town Project) (the "Bonds")

The undersigned, on behalf of Peoples State Bank, as Fiscal and Paying Agent with respect to the referenced Bonds, hereby certifies that as of the date hereof, no Bonds remain outstanding under the Bond Agreement dated as of the Issue Date of the Bonds authorizing and securing the Bonds, and all fees and expenses of the Fiscal and Paying Agent in connection with such Bonds have been paid in full.

Dated: _____, 2021

PEOPLES STATE BANK
Colby, Kansas

By _____
Name: _____
Title: _____