

RESOLUTION NO. 05-100

A RESOLUTION DETERMINING THE INTENT OF FRANKLIN COUNTY, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,600,000 TO PAY A PORTION OF THE COST OF ACQUIRING, EQUIPPING AND FURNISHING A HEALTH CARE FACILITY AND CONSTRUCTING AN ADDITION TO SUCH FACILITY AND REPEALING RESOLUTION NO. 04-80 (FRANKLIN COUNTY MENTAL HEALTH CENTER, INC.).

WHEREAS, Franklin County, Kansas (the "County"), desires to promote, stimulate and develop the general welfare and economic prosperity of the County and its inhabitants and to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the County 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, Franklin County Mental Health Center, Inc., a Kansas not-for-profit corporation (the "Mental Health Center"), has requested the County to issue its industrial revenue bonds, in one or more series, in the aggregate principal amount of not to exceed \$1,600,000 (the "Bonds"), for the purpose of financing a portion of the cost of acquiring, equipping and furnishing a mental health care facility located at 2537 Eisenhower Road within the County and constructing an addition to such facility (the "Project"); and

WHEREAS, a portion of the costs of the Project are anticipated to be paid from a Community Development Block Grant from the State to be received by the Mental Health Center; and

WHEREAS, it is found and determined to be advisable and in the interest and for the welfare of the County and its inhabitants that the County issue its Bonds under the Act in an aggregate principal amount of not to exceed \$1,600,000, such Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the County to the Mental Health Center; and

WHEREAS, the Board of County Commissioners adopted Resolution No. 04-80 on September 13, 2004, wherein the Board expressed its intent to issue bonds to finance the Project and other facilities and due to changes in the proposed bond issue, it is desirable to repeal such resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF FRANKLIN COUNTY, KANSAS, AS FOLLOWS:

**Section 1. Approval of Project.** The Board of County Commissioners of the County finds and determines that the acquisition and construction of the Project will promote, stimulate and develop the general welfare and economic prosperity of the County through the promotion and advancement of physical or mental health, industrial, commercial, agricultural, natural resources or recreation development of the County and the issuance of the County's Bonds to pay such costs will be in furtherance of the public purposes set forth in the Act.

**Section 2. Intent to Issue Bonds.** The Board of County Commissioners of the County determines and declares the intent of the County to acquire, equip, furnish and construct the Project using the proceeds of the Bonds all in accordance with the Act.

**Section 3. Provision for the Bonds.** Subject to the conditions of this Resolution, the County will (i) issue its Bonds to pay the costs of acquiring, equipping, furnishing and constructing the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by resolution of the County; (ii) provide for the lease (with an option to purchase) of the Project to the Mental Health Center; and (iii) to effect the foregoing, adopt such resolutions, provide notice of and conduct such public hearings 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 County and take or cause to be taken such other action as may be required to implement this Resolution.

**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) the issuance of an approving opinion by the County's Bond Counsel, Kutak Rock LLP, as to the validity of the Bonds, and (iii) agreement by the County, the Mental Health Center 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, including, but not limited to, provisions relating to the security for the payment of the Bonds and the repayment to the County for expenses incurred in connection with the Bonds.

**Section 5. Sale of the Bonds/Authority to Proceed.** The sale of the Bonds shall be the responsibility of the Mental Health Center. The Mental Health Center is authorized to proceed with the acquisition and completion of the Project and to advance such funds as may be necessary to accomplish such purposes, and to the extent permitted by law, the County shall reimburse the Mental Health Center for such expenditures out of the proceeds of the Bonds, when and if issued. Notwithstanding such authorization, the Mental Health Center proceeds at its own risk and if for any reason, the Bonds are not issued, the County shall have no liability to the Mental Health Center for any reason.

**Section 6. Required Disclosure.** The Chairman is authorized to approve the form of an official statement or other disclosure document to be used in conjunction with the sale of the Bonds and to take such other actions as may be required to sell the Bonds and conform with the rules and regulations of the Securities and Exchange Commission applicable to the sale of the Bonds; provided that any official statement or other disclosure document prepared in connection with the offering of the Bonds shall contain, in substantially the following form, the following disclaimer:

NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN THE INFORMATION CONCERNING THE COUNTY CONTAINED UNDER THE CAPTIONS "THE BOND ISSUER" AND "ABSENCE OF LITIGATION - THE BOND ISSUER" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE COUNTY, AND THE COUNTY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

**Section 7. Further Action.** Kutak Rock LLP, Bond Counsel for the County; Kirkpatrick Pettis, Placement Agent or Underwriter of the Bonds; and officers and employees of the County, are authorized to work with the purchaser of the Bonds, the Mental Health Center and others, to prepare for submission to and final action by the County all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder.

**Section 8.** Resolution No. 04-80 adopted by the County on September 13, 2004, is hereby repealed.

**Section 9.** This Resolution shall be in full force and effect from and after its adoption by the Board of Commissioners.

ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF FRANKLIN COUNTY, KANSAS,  
ON SEPTEMBER 28, 2005.

(Seal)/s/ Donald R. Stottlemire, Chairman

/s/ Donald C. Hay, Commissioner

/s/ John E. Taylor, Commissioner

/s/ Roy C. Dunn, Commissioner

/s/ Donald E. Waymire, Commissioner

ATTEST:

/s/ Shari Perry

Shari Perry, County Clerk