

RESOLUTION NO. 05-112

A RESOLUTION DETERMINING THE INTENT OF FRANKLIN COUNTY, KANSAS, TO ISSUE CERTIFICATES OF PARTICIPATION IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,600,000 TO PAY THE COST OF CONSTRUCTING AN ADDITION TO A MENTAL HEALTH CARE FACILITY (FRANKLIN COUNTY MENTAL HEALTH CLINIC, INC.).

WHEREAS, pursuant to K.S.A. 12-1740 *et seq.*, as amended, and Resolution No. 05-100 adopted on September 26, 2005, the Board of County Commissioners of Franklin County, Kansas (the "County"), indicated its intent to issue industrial revenue bonds in an amount not to exceed \$1,600,000 to pay a portion of the cost of acquiring, equipping and furnishing a health care facility located at 2537 Eisenhower Road within the County and constructing an addition to such facility (the "Facility") to be used by Franklin County Mental Health Clinic, Inc. ("FCMHC"); and

WHEREAS, pursuant to Resolution No. 05-96 adopted by the Board of County Commissioners of the County on September 14, 2005, the County assured the Kansas Department of Commerce that sufficient funds will be provided by the County for the continued operation and maintenance and debt retirement of the debt issued to finance the addition to the Facility (the "Facility Addition") and that such costs will be reviewed annually; and

WHEREAS, pursuant to K.S.A. 19-101 *et seq.*, the County is authorized to enter into annual appropriation lease financing through lease purchase or certificate of participation issues; and

WHEREAS, FCMHC has advised the County that it anticipates having sufficient revenue to provide for the retirement of debt to finance the Facility Addition; and

WHEREAS, Kirkpatrick Pettis, the placement agent or underwriter for the issuance of debt to finance the Facility Addition (the "Underwriter"), has advised the County and FCMHC that there may be interest cost savings by financing the Facility Addition through certificates of participation (the "COPs") which are secured by available revenues of FCMHC and a pledge of the Facility and further secured by annual appropriation backing of the County as described in Resolution No. 05-96;

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

Section 1. Subject to the further terms of this Resolution, the Board of County Commissioners of the County declares the intent of the County to issue COPs, in lieu of industrial revenue bonds, to finance the cost of the Facility Addition.

Section 2. The issuance of the COPs and the execution and delivery of any documents related to the COPs 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 COPs, and (iii) agreement by the County, the FCMHC and the Underwriter, upon (a) mutually acceptable terms for the COPs and for the sale and delivery thereof and (b) mutually acceptable terms and conditions of any documents related to the issuance of the COPs and the Facility Addition, including, but not limited to, provisions relating to the security for the payment of the COPs. If such conditions cannot be met or, in the judgment of the Underwriter, the structure of the COP issue does not result in anticipated interest cost savings to FCMHC over the interest cost if the Facility Addition was financed with industrial revenue bonds, then the County and FCMHC will proceed with the issuance

of industrial revenue bonds as described in Resolution No. 05-100.

Section 3. Subject to the conditions of this Resolution, the County will (i) issue its COPs to pay the costs of constructing the Facility Addition, with such maturities, interest rates, redemption terms and other provisions as may be determined by resolution of the County; and 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 COPs by the County and take or cause to be taken such other action as may be required to implement this Resolution.

Section 4. The Chairman and County Clerk are authorized to approve and execute a preliminary official statement in connection with the issuance of the COPs and to approve and execute a final official statement by amending, supplementing and completing the preliminary official statement, with such changes and additions as such official shall deem necessary or appropriate, such official's signature being conclusive evidence of such official's and the County's approval.

Section 5. For the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the appropriate officers of the County are authorized (a) to provide the Underwriter a letter or certification to the effect that the County deems the information contained in the preliminary official statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1); (b) to covenant to provide secondary market disclosure in accordance with Rule 15c2-12, and (c) to take such other action or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriter to comply with the requirements of such Rule.

Section 6. The County agrees to provide to the Underwriter within seven business days of the date of the purchase contract for the COPs or within sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, whichever is earlier, sufficient copies of the final official statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board. The obligation of the County to provide the final official statement is specifically conditioned on the cooperation of the Underwriter in completing the final official statement.

Section 7. Kutak Rock LLP, Bond Counsel for the County; the Underwriter of the COPs; and officers and employees of the County, are authorized to work with FCMHC 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 COPs and other actions contemplated hereunder.

Section 8. 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 NOVEMBER 23, 2005.

/s/ Donald R. Stottlemire, Chairman
/s/ Roy C. Dunn, Commissioner
/s/ Donald E. Waymire, Commissioner
/s/ Donald C. Hay, Commissioner
/s/ John E. Taylor, Commissioner

(Seal)

ATTEST:

/s/ Shari Perry, County Clerk