

## RESOLUTION NO. 11-01

A RESOLUTION AUTHORIZING THE FRANKLIN COUNTY PUBLIC BUILDING COMMISSION TO ISSUE ITS LEASE REVENUE BONDS, SERIES 2011, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000 FOR THE PURPOSE OF PAYING THE COST OF A JUVENILE DETENTION CENTER AND RELATED IMPROVEMENTS AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS

WHEREAS, the county of Franklin, Kansas (the "County"), has pursuant to Resolution No. 06-020 of the County adopted on March 20, 2006 (the "Resolution"), and K.S.A. 12-1757 *et seq.*, as amended (collectively, the "Act"), created the Franklin County Public Building Commission (the "Commission"); and

WHEREAS, the Commission is authorized by the Resolution and the Act to acquire, construct, furnish and equip public buildings within the County, to lease such buildings to the County or other qualified governmental entities and to issue revenue bonds to pay the costs of such buildings; and

WHEREAS, the Commission adopted Resolution No. 10-1 September 9, 2010 (the "Resolution"), declaring its intent to issue lease revenue bonds in a principal amount not to exceed \$3,600,000 to pay all or a portion of the cost of constructing, renovating, expanding, equipping and furnishing a juvenile detention center in the County, including construction of a new detention center and renovation of a portion of an existing building for use in connection with such center (the "Project") and to pay the costs of issuance of such revenue bonds and to lease the Project to the County; and

WHEREAS, the Resolution was published in the official County newspaper once each week for two consecutive weeks, and a legally sufficient petition in opposition of the Resolution was not filed with the County Clerk within 30 days after the last publication of the Resolution; and

WHEREAS, the Commission does hereby find and determine that it is desirable that the Commission issue its Lease Revenue Bonds, Series 2011, dated May 15, 2011, in the aggregate principal amount of \$3,600,000 (the "Bonds"), for the purpose of paying the costs of the Project; and

WHEREAS, the Commission further finds and determines that it is necessary and desirable in connection with the issuance of said Bonds to execute and deliver: (1) a Base Lease dated as of May 15, 2011 (the "Base Lease"), by and between the Commission, as lessee, and the County, as lessor, pursuant to which the Commission will lease certain real property, as described therein, from the County; (2) a Trust Indenture dated as of May 15, 2011 (the "Indenture"), between the Commission and Security Bank of Kansas City, Kansas City, Kansas, as Trustee (the "Trustee"), for the purpose of issuing and securing the Bonds as provided therein; and (3) a Lease Agreement dated as of May 15, 2011 (the "Lease"), by and between the County, as lessee, and the Commission, as lessor, pursuant to which the Commission shall cause the Project to be acquired, constructed, furnished and equipped and leased to the County in consideration of certain Rental Payments, and other charges provided for in the Lease (collectively, the "Bond Documents").

NOW, THEREFORE, BE IT RESOLVED BY THE FRANKLIN COUNTY PUBLIC BUILDING COMMISSION, AS FOLLOWS:

**Section 1. Definition of Terms.** All terms and phrases not otherwise defined herein shall have the respective meanings set forth in the Indenture and Lease.

**Section 2. Authorization of Lease and Project.** The Commission is hereby authorized to enter into the Lease and to complete the Project all in the manner and as more particularly described in the Indenture and the Lease, at a cost to be paid by the Commission from the proceeds of the Bonds.

**Section 3. Authorization of and Security for the Bonds.** There is authorized and the Trustee is directed to issue on behalf of the Commission, a series of revenue bonds of the Commission to be designated the "Franklin County Public Building Commission Lease Revenue Bonds, Series 2011" in the aggregate principal amount of \$3,600,000 (the "Bonds") for the purpose of

providing funds to pay the cost of the Project. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such form, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued in the manner prescribed in and subject to redemption and payment prior to the maturity thereof, and shall be issued in the manner prescribed in and subject to the provisions, covenants and agreements set forth in the Indenture. The Bonds shall be special limited obligations of the Commission payable solely from the revenues and rents derived by the Commission from the Project, including, Rental Payments to be made by the County pursuant to the Lease. The Bonds shall not be general obligations of or constitute a pledge of the full faith and credit of the Commission, the County, or the state of Kansas within the meaning of any constitutional or statutory provision.

**Section 4. Authorization of Bond Documents.** The Chairman and Secretary are hereby authorized to execute the Bond Documents on behalf of the Commission in the forms presented to the Commission this date with such modifications as are approved by the Chairman and Secretary, and to execute such ancillary certificates and documents necessary to accomplish the purposes set forth herein and in such documents.

**Section 5. Official Statement and Continuing Disclosure.** The Commission ratifies and confirms its prior approval of the form and content of the Official Statement and deems it final except for the omission of certain information as provided in Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "SEC Rule"). The Commission further approves the form and content of any addenda, supplement, or amendment thereto utilized to prepare the final Official Statement and deems such Official Statement "final" in accordance with the provisions of the SEC Rule. The Chairman and Secretary are authorized to execute and deliver a certificate pertaining to the accuracy and adequacy of the information in the Official Statement. The Commission covenants and agrees to provide continuing disclosure as required by the SEC Rule and as set forth in the Continuing Disclosure Letter attached to the Official Statement and made a part hereof.

**Section 6. Tax Covenant.** The Commission covenants and agrees that (1) it will comply with all applicable provisions of the Code of 1986, as amended (the "Code"), including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; (2) it will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds; (3) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued; (4) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Commission in any manner, or take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; and (5) it will not use or permit the use of any proceeds of Bonds or any other funds of the Commission nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds. The Commission will, in addition, adopt such other resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Commission.

**Section 7. Designation of Bonds as Qualified Tax - Exempt Obligations.** The Commission ratifies the designation by the County of the Bonds as "qualified tax - exempt obligations" as such term is defined in § 265(b)(3) of the Code.

**Section 8. Execution of Bonds.** The Chairman is authorized and directed to execute the Bonds and deliver the same to the Trustee for authentication on behalf of and as the act and deed of the Commission in the manner provided in the Indenture.

**Section 9. Pledge of the Rental Payments.** The Commission hereby pledges the Rental Payments received from the use of the Project to the payment of the Bonds in accordance with the Act. The lien created by such pledge shall be discharged when all of the Bonds shall be deemed to have been paid within the meaning of the Indenture.

**Section 10. Further Authority.** The Commission shall, and the officers, agents and employees of the Commission are authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the provisions of this Resolution and to carry out, comply with and perform the duties of the Commission with respect to the Bonds and the Bond Documents, all as necessary to carry out and give effect to the transaction contemplated by this Resolution, and the Bond Documents.

**Section 11. Effective Date.** This Resolution shall take effect and be in full force from and after its adoption by the Commission.

ADOPTED by the Franklin County Public Building Commission on April 21, 2011.

FRANKLIN COUNTY PUBLIC  
BUILDING COMMISSION

/s/ John E Taylor  
Chairman

/s/ Shari Perry  
Secretary