

RESOLUTION NO. 14-05

A RESOLUTION APPROVING THE ISSUANCE OF LEASE REVENUE BONDS BY THE FRANKLIN COUNTY PUBLIC BUILDING COMMISSION AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

WHEREAS, the county of Franklin, Kansas (the "County") has pursuant to Resolution No. 06-020 of the County adopted on March 20, 2006, 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 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 (1) Resolution No. 13-01 on March 20, 2013 ("Resolution No. 13-01"), indicating its intent to issue not to exceed \$2,000,000 principal amount of lease purchase revenue bonds (the "Series 2014-A Bonds") to pay the cost of constructing improvements to the Franklin County, Kansas (the "County") courthouse consisting of replacing the HVAC system and all related appurtenances (the "2014-A Improvements"), and to pay the cost of issuing the Series 2014-A Bonds, and (2) Resolution No. 13-2 on November 14, 2013 ("Resolution No. 13-2"), indicating its intent to issue not to exceed \$2,400,000 principal amount of lease purchase revenue bonds (the "Series 2014-B Bonds") to pay the cost of renovating, equipping and furnishing a building for use as a justice center and/or other County business (the "2014-B Improvements"), and to pay the cost of issuing the Series 2014-B Bonds; and

WHEREAS, Resolution Nos. 13-01 and 13-2 were published in accordance with the requirements of K.S.A. 12-1757 *et seq.*, and no petition in opposition to the 2014-A Improvements, the 2014-B Improvements, the 2014-A Bonds or the 2014-B Bonds was received by the County Clerk within 30 days following publication of either resolution; and

WHEREAS, in connection with the issuance of the 2014-A Bonds, the County finds and determines that it is necessary to enter into: (1) a Base Lease (the "2014-A Base Lease"), by and between the Commission, as lessee, and the County, as lessor, pursuant to which the County will lease certain real property, as defined therein, to the Commission; (2) a Lease Agreement (the "2014-A Lease"), by and between the County, as lessee, and the Commission, as lessor, pursuant to which the Commission will lease back the real property to the County (with an option to purchase) in consideration of certain rental payments, and other charges provided for in the 2014-A Lease (collectively, the "2014-A Bond Documents"); and

WHEREAS, in connection with the issuance of the 2014-B Bonds, the County finds and determines that it is necessary to enter into: (1) a First Supplemental Base Lease by and between the Commission, as lessee, and the County, as lessor (the "First Supplemental Base Lease"), which amends a Base Lease dated as of May 15, 2011, pursuant to which the County will continue leasing certain real property, as defined therein, to the Commission; and (2) a First

Supplemental Lease Agreement, by and between the County, as lessee, and the Commission, as lessor (the “First Supplemental Lease”), which amends a Lease Agreement dated as of May 15, 2011 (the Lease Agreement, as amended, referred to herein as the “2014-B Lease”), pursuant to which the Commission will continue leasing the real property back to the County (with an option to purchase) in consideration of certain rental payments, and other charges provided for in the 2014-B Lease (the First Supplemental Lease and the First Supplemental Indenture are referred to collectively as the “2014-B Bond Documents”);

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF FRANKLIN COUNTY, KANSAS, AS FOLLOWS:

Section 1. Definition of Terms. All terms and phrases not otherwise defined herein shall have the respective meanings set forth in the 2014-A Lease and the 2014-B Lease authorized by this Resolution, the Trust Indenture between the Commission and Security Bank of Kansas City, Kansas City, Kansas (the “Trustee”), providing for the issuance of the 2014-A Bonds (the “2014-A Indenture”), or in the Trust Indenture between the Commission and the Trustee dated as of May 15, 2011, as amended by the First Supplemental Trust Indenture providing for the issuance of the 2014-B Bonds (the “2014-B Indenture”).

Section 2. Authorization of Bond Documents and Approval of Bonds. The County is authorized to enter into the 2014-A Bonds Documents and the 2014-B Bond Documents (collectively, the “Bond Documents”) and to supervise the completion of the 2014-A Improvements and the 2014-B Improvements all in the manner and as more particularly described in the Bond Documents, at a cost to be paid by the Commission from the proceeds of the Bonds. The County further approves the issuance of the Bonds by the Commission as more particularly described in the Bond Documents.

Section 3. Execution of Bond Documents and other Documents. The Chairman of the County Commission is authorized and directed to execute the Bond Documents for and on behalf of and as the act and deed of the County in substantially the form presented to the County, with such corrections or amendments as the Chairman shall approve, which approval shall be evidenced by the execution of such documents, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution. The County Clerk is authorized and directed to attest the execution of the Bond Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 4. Tax Covenants. The County 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 County 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 County 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 County 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 County.

Section 5. Designation of Bonds as Qualified Tax-Exempt Obligations. The County designates the Bonds as “qualified tax-exempt obligations” as the term is defined in § 265(b)(3) of the Code. In addition, the County represents that:

- a. the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds which are not “qualified 501 (c)(3) bonds”) which will be issued by the County (and all subordinate entities) during the calendar year that the Bonds are issued is not reasonably expected to exceed \$10,000,000; and
- b. the County (including all subordinate entities) will not issue an aggregate principal amount of obligations designated by the County as “qualified tax-exempt obligations” during the calendar year that the Bonds are issued, including the Bonds, in excess of \$10,000,000, without first obtaining an opinion of Bond Counsel that the designation of the Bonds as “qualified tax-exempt obligations” will not be adversely affected.

The Chairman is authorized to take such other action as may be necessary to make effective the designation contained in this subsection.

Section 6. Official Statement and Continuing Disclosure. The County approves the form and content of the Preliminary Official Statement used in connection with the sale of the Bonds 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 County 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 the County Clerk are authorized to execute and deliver a certificate pertaining to the accuracy and adequacy of the information in the Official Statement. The County 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 7. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Governing Body of the County.

ADOPTED by Franklin County, Kansas on February 12, 2014.

(SEAL)

FRANKLIN COUNTY, KANSAS

Chairman

County Clerk