

RESOLUTION NO. 16-20

**A RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF
\$995,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION
TEMPORARY NOTES, SERIES 2016-1, OF FRANKLIN COUNTY,
KANSAS.**

WHEREAS, pursuant to K.S.A. 19-101a *et seq.*, and upon completion of the procedures set forth in Charter Resolution No. 2012-01 (the "Charter Resolution"), of Franklin County, Kansas (the "County"), adopted on December 19, 2012, the Board of County Commissioners (the "Board") is authorized to issue general obligation bonds of the County for the purpose of financing the construction, repair or reconstruction of any road, bridge or culvert within the County;

WHEREAS, on March 16, 2016, the Board adopted Resolution No. 16-04 authorizing the issuance of general obligation bonds of the County in an amount not to exceed \$11,000,000 for the purpose of paying the costs of the design, improvement and construction of Kingman Road from US-59 to Montana Road; the intersection of Kingman and Montana Roads; and Montana Road from Kingman Road to the I-35 overpass, with all necessary stormwater enhancements and related appurtenances (the "Road Project");

WHEREAS, Resolution No. 16-04 was published in accordance with the requirements of the Charter Resolution, and no petition in opposition to the issuance of general obligation bonds to pay the cost of the Road Project was received by the County Clerk within 60 days following publication of such Resolution;

WHEREAS, on October 5, 2016, the Board adopted Resolution No. 16-18 authorizing the County's Financial Advisor, George K. Baum & Company, and the County's Bond Counsel, Kutak Rock LLP, to negotiate the sale of \$995,000 principal amount general obligation notes (the "Notes") for the purpose of providing interim financing for a portion of the costs of the Road Project;

WHEREAS, the Board has solicited bids for its general obligation notes in accordance with the law and at a meeting held in the County on this date, has awarded or will award the sale of the notes to the lowest bidder; and

WHEREAS, the Board finds and determines that it is necessary to authorize the issuance and delivery of its general obligation notes in the principal amount of \$995,000 to pay a portion of the costs of the Road Project including the costs of issuance;

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

**ARTICLE I
DEFINITIONS**

Section 101. Definitions of Words and Terms.

“**Act**” means the Constitution and statutes of the State including, but not limited to, K.S.A. 10-123, K.S.A. 19-101a *et seq.*, as amended and supplemented, and Charter Resolution No. 2012-01 of the County.

“**Authorized Costs**” means the amount of expenditures for an improvement, which may include interest during construction, if applicable, which has been authorized to be paid by the County by an ordinance or resolution of the County including expenditures made to redeem outstanding notes issued to pay for such improvement and Costs of Issuance of the Notes, less (1) the amount of any notes or bonds of the County which are currently outstanding and available to pay such Authorized Costs and (2) any Authorized Costs which have been previously paid by the County or by any eligible source of funds unless such amounts are entitled to be reimbursed under State and federal law.

“**Authorized Denominations**” means the denomination of \$5,000 or any integral multiple thereof.

“**Authorized Investments**” means those investments permitted by K.S.A. 10-131, as amended from time to time, or as otherwise permitted under the laws of the State.

“**Bond and Interest Fund**” means the Bond and Interest Fund of the County for its general obligation bonds.

“**Bond Counsel**” means the firm of Kutak Rock LLP, or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Board.

“**Cede & Co.**” shall mean Cede & Co., as nominee of The Depository Trust Company, New York, New York.

“**Chairman**” means the appointed and acting Chairman or, in the Chairman’s absence, the appointed acting Chairman, of the Board of County Commissioners of Franklin County, Kansas.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations proposed or promulgated under the Code of the United States Department of the Treasury.

“**Costs of Issuance**” means all costs of issuing the Notes, including, but not limited to, all publication, preparation, signing and mailing expenses, registration fees, all legal fees and

expenses of Bond Counsel and other legal counsel, all fees and expenses of the financial advisor and all fees of the Attorney General of the State.

“County” means Franklin County, Kansas, a municipal corporation organized and existing under the laws of the state of Kansas, and its successors and assigns.

“County Clerk” means the elected County Clerk or, in the County Clerk’s absence, the appointed acting County Clerk of the County.

“County Treasurer” means the elected County Treasurer, or in the County Treasurer’s absence, the appointed acting County Treasurer of the County.

“Improvement Fund” means the Improvement Fund for the Franklin County, Kansas, General Obligation Temporary Notes, Series 2016-1, created by this Resolution.

“Improvements” means the improvements referred to in the recitals to this Resolution and any Substitute Improvements.

“Interest Payment Dates” means December 1, 2017, or such other time as the Notes are paid or provision for the payment is made.

“Note Registrar” means the Treasurer of the State of Kansas, and its successors and assigns.

“Notes” means the General Obligation Temporary Notes, Series 2016-1, authorized by this Resolution in the aggregate principal amount of \$995,000, and dated November 10, 2016.

“Original Purchaser” means UMB Bank, n.a., Kansas City, Missouri.

“Outstanding” means all Notes issued, authenticated and delivered prior to a particular date under the provisions of this Resolution, except:

- A. Notes canceled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to this Resolution;
- B. Notes for the payment or redemption of which monies or investments have been deposited in accordance with this Resolution; and
- C. Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Resolution.

“Owner” when used with respect to any Note means the person in whose name the Note is registered on the registration books of the County as maintained by the Note Registrar.

“Participants” shall mean those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means the Treasurer of the State of Kansas.

“Principal and Interest Account” means the Principal and Interest Account for the Franklin County, Kansas, General Obligation Temporary Notes, Series 2016-1, created within the County’s Bond and Interest Fund.

“Principal Payment Date” means December 1, 2017, or until such time as the aggregate principal amount of the Notes has been paid or provision is made for payment.

“Purchase Price” means the par value of the Notes, less a discount of \$3,958.11, plus accrued interest, if any, to the date of delivery.

“Record Dates” means the fifteenth day of each month preceding the Interest Payment Dates of each year the Notes are Outstanding.

“Replacement Notes” shall means Notes issued to the beneficial owners of the Notes in accordance with Section 204 of this Resolution.

“Resolution” means this Resolution authorizing the issuance of the Notes.

“SEC Rule” means the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR § 240. 15c2-12).

“Securities Depository” means, initially, The Depository Trust Company, New York, New York, and its successor and assigns.

“State” means the state of Kansas.

“Substitute Improvement” means any improvement or addition in the County which has been authorized by a resolution or ordinance of the County in accordance with Section 504 of this Resolution to be in place of or in addition to the Improvements set forth in the recitals to this Resolution.

ARTICLE II AUTHORIZATION OF THE NOTES

Section 201. Authorization of and Security for the Notes. The Notes are authorized and directed to be issued pursuant to this Resolution for the purpose of providing funds to pay the Authorized Costs of the Improvements.

The Notes shall be general obligations of the County payable as to both principal and interest from general obligation bonds of the County and from current revenues of the County authorized for such purpose. If not so paid, the principal of and interest on the Notes shall be payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the County. The full faith, credit and resources of the County are irrevocably pledged for the prompt payment of the principal of and interest on the Notes as the same become due.

Section 202. Description of the Notes. The Notes shall consist of fully registered notes in Authorized Denominations, and shall be numbered in such manner as the Note Registrar determines. All of the Notes will be dated November 10, 2016, bear interest at the rate of 1.00% per annum from that date and become due on the Principal Payment Date.

Interest on the Notes at the rates stated above (computed on the basis of a 360-day year of twelve 30-day months) shall be payable on the Interest Payment Dates to the Owners of the Notes whose names appear on the books maintained by the Note Registrar at the close of business on the Record Dates.

Section 203. Designation of Paying Agent and Note Registrar. The Treasurer of the State, Topeka, Kansas, is designated as the Paying Agent and Note Registrar for the Notes. The Chairman and County Clerk are authorized and empowered to execute on behalf of the County an agreement with the Note Registrar and Paying Agent for the Notes. The County reserves the right to appoint a successor Paying Agent or Note Registrar. No resignation or removal of the Paying Agent or Note Registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or bond registrar. Every Paying Agent or Note Registrar appointed by the County shall at all times meet the requirements of State law and the County will at all times maintain a Paying Agent and Note Registrar meeting the requirements of State law.

Section 204. Initial Registration with Securities Depository, Method and Place of Payment of the Notes. The Notes shall be registered on note registration books maintained by the Note Registrar to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the Notes, except in the event the County issues Replacement Notes as provided in this section. It is anticipated that during the term of the Notes, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, and interest on, the Notes until and unless the County authenticates and delivers Replacement Notes to the beneficial owners in the manner described in this section.

If the County determines: (i) that the Securities Depository is unable to properly discharge its responsibilities, or (ii) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (iii) that the continuation of a book-entry only system to the exclusion of any Notes being issued to any Owner other than Cede & Co., is no longer in the best interest of the beneficial owners of the Notes, or if the County receives written notice from Participants having interests in not less than 50% of the Notes, as shown on the records of the Securities Depository, that the continuation of a book-entry only system to the exclusion of Notes being issued to any Owner other than Cede & Co., is no longer in the best interest of the beneficial owners of the Notes, or if the Securities Depository determines to discontinue providing book-entry services, then the County shall notify the owners of the Notes of such determination or such notice and of the availability of certificates to Owners who request certificates, and the County shall authenticate and deliver Replacement Notes to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption. In such event, all references to the Securities Depository in this Resolution shall relate to the period of time when the Securities Depository has possession of at least one certificate. Upon the

issuance of Replacement Notes, all references in this Resolution to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the County, to the extent such provisions are consistent with and applicable to Replacement Notes. If the Securities Depository resigns and the County or Note Owners are unable to locate a qualified successor of the Securities Depository, then the County shall authenticate and deliver Replacement Notes to the Participants for the benefit of the Note Owners.

The principal of, premium, if any, and interest on the Notes shall be payable in any coin or currency which, on the respective dates of payment, is legal tender for the payment of debts due the United States of America.

The principal of and any premium on the Notes shall be paid to the Owner of each Note upon presentation of the Note at the maturity or redemption date to the Paying Agent for cancellation. The interest payable on the Notes on any Interest Payment Date shall be paid by the Paying Agent to the Owner of each Note at the Owner's address as it appears on the registration books of the County maintained by the Note Registrar at the close of business on the Record Date for such interest:

A. By check or draft mailed by the Paying Agent to the address of such Owner shown on the Note Register;

B. At such other address as is furnished to the Paying Agent in writing by such Owner; or

C. in the case of an interest payment to any Owner that is a Securities Depository, by wire transfer to such Owner upon written notice given to the Note Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), address, ABA routing number and account number to which such Owner wishes to have such wire directed.

The Paying Agent will keep in its offices a record of payment of principal of, premium, if any, and interest on all Notes.

Section 205. Method of Execution and Authentication of the Notes. The Notes shall be executed for and on behalf of the County by the manual or facsimile signature of the Chairman, attested by the manual or facsimile signature of the County Clerk and the seal of the County shall be affixed to or imprinted on the Notes. The Notes will be registered in the office of the County Clerk, evidenced by the manual or facsimile signature of the County Clerk with the seal of the County affixed to or imprinted on the Notes. The Notes shall also be registered in the office of the State Treasurer, evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed to or imprinted on the Notes. The Notes will be countersigned by the manual or facsimile signature of the County Clerk and the seal of the County is to be affixed or imprinted adjacent to the signature following registration of the Notes by the State Treasurer. In the event any of the above-mentioned officers cease to hold their offices before the Notes are issued and delivered, the Notes may be issued and transferred to other Owners as though the officers had not ceased to hold office, and the signatures

appearing on the Notes will be valid and sufficient for all purposes as if they had remained in office until the issuance or transfer.

The Notes are not to be valid obligations under the provisions of this Resolution until authenticated by the Note Registrar or a duly authorized representative of the Note Registrar by execution of the Certificate of Authentication appearing on each Note. It will not be necessary that the same representative of the Note Registrar execute the certificate of authentication on all of the Notes.

Section 206. Registration, Transfer and Exchange of Notes. As long as the Notes remain Outstanding, the County will instruct the Note Registrar to keep the books for the registration and transfer of the Notes as provided in this Resolution.

Upon presentation of the necessary documents as described below, the Note Registrar shall transfer or exchange any Note(s) for new Note(s) in an authorized denomination of the same maturity and for the same aggregate principal amount as the Note(s) which was presented for transfer or exchange.

All Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Note Registrar, executed by the Owner of the Notes or by the Owner's authorized agent. In addition, all Notes presented for transfer or exchange shall be surrendered to the Note Registrar for cancellation.

Prior to delivery of the new Note(s) to the transferee, the Note Registrar shall register the same in the registration books and shall authenticate each Note.

The County shall pay out of the proceeds of the Notes the fees of the Note Registrar for registration and transfer of the Notes and the cost of preparing a reasonable supply of registered note blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Note Registrar, are the responsibility of the Owners. The County and the Securities Depository shall be paid directly by the Note Owner for any tax or other governmental charge required to be paid with respect to a transfer.

The County and the Note Registrar shall not be required to issue, register, transfer or exchange any Notes during a period beginning on the day following the Record Date preceding any Interest Payment Date and ending at the close of business on the Interest Payment Date, or within 30 days of a date on which Notes are redeemed after notice of such redemption has been given in accordance with Article III of this Resolution.

New Notes delivered upon any transfer or exchange shall be valid obligations of the County, evidencing the same debt as the Notes surrendered, shall be secured by this Resolution and shall be entitled to all of the security and benefits to the same extent as the Notes surrendered.

The County, Note Registrar and Paying Agent may deem and treat the person in whose name any Note is registered as the absolute Owner of the Note, whether the Note is overdue or not, for the purpose of receiving payment of, or on account of, the principal of, redemption

premium, if any, and interest on the Note and for all other purposes, and all such payment so made to any such Owner or upon the Owner's order shall be valid and effectual to the extent of the sum or sums so paid, and neither the County, Note Registrar nor Paying Agent shall be affected by any notice to the contrary.

Section 207. Surrender and Cancellation of Notes. Whenever any Outstanding Notes are delivered to the Note Registrar for cancellation pursuant to this Resolution, upon payment of the principal amount of and interest on the Note or replacement pursuant to this Resolution, the Note shall be canceled by the Note Registrar and returned to the County Clerk.

Section 208. Mutilated, Lost, Stolen or Destroyed Notes. In the event any Note is mutilated, lost, stolen or destroyed, the County may execute and the Note Registrar may authenticate a new Note of like date, maturity, denomination and interest rate; provided, that in the case of any mutilated Note, the mutilated Note shall first be surrendered to the County or the Note Registrar, and, in the case of any lost, stolen or destroyed Note there will first be furnished to the Note Registrar's and the County's satisfaction evidence of such loss, theft or destruction together with an indemnity. In the event any such Note shall have matured, instead of issuing a duplicate Note, the County and Note Registrar may pay the same without surrender of the Note. The County and Note Registrar may charge to the Owner of such Note their reasonable fees and expenses in connection with replacing any Note or Notes mutilated, stolen, lost or destroyed.

Section 209. Execution and Delivery of the Notes. The Chairman and County Clerk are authorized and directed to prepare and execute the Notes in the manner specified above, and to cause the Notes to be registered in the offices of the County Clerk and the State Treasurer as provided by law, and, when executed and registered, to deliver the Notes to the Original Purchaser, upon receipt by the County of the Purchase Price.

Section 210. Form of the Notes. The Notes shall be printed in accordance with the format required by the Attorney General of the State and shall contain information substantially in the form set forth on *Exhibit A* to this Resolution or as may be required by the Attorney General pursuant to the Notice of Systems of Registration for Kansas Municipal Bonds, 2 Kan. Reg. 921 (1983), in accordance with the Kansas Bond Registration Law, K.S.A. 10-620 to 10-632, inclusive.

ARTICLE III REDEMPTION OF THE NOTES

Section 301. Optional Redemption. At the option of the County, Notes may be called for redemption and payment prior to maturity on or after April 1, 2017, in whole or in part (selection of Notes to be designated by the County in such equitable manner as it may determine), at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Section 302. Selection of Notes to be Redeemed. The Notes are to be redeemed only in Authorized Denominations. When less than all of the Notes are to be redeemed and paid prior to maturity, the Notes will be redeemed in the manner as the County determines.

In the case of a partial redemption of Notes by lot when Notes of denominations greater than an Authorized Denomination are Outstanding, each minimum Authorized Denomination of face value will be treated as if it were a separate Note in such denomination. If it is determined that one or more, but not all, of the face value represented by any Note is selected for redemption, then upon notice of intention to redeem an Authorized Denomination, the Owner or the Owner's authorized agent shall present and surrender the Note to the Note Registrar: (i) for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the Authorized Denomination of face value called for redemption; and (ii) for exchange, without charge to the Owner of the Note(s), for a new Note(s) of the aggregate principal amount of the unredeemed portion of the principal amount of such Note. If the Owner of any Note of a denomination greater than the minimum Authorized Denomination fails to present the Note as described above, the Note will, nevertheless, become due and payable on the redemption date to the extent of the amount called for redemption.

Notwithstanding the provisions of the preceding paragraph, in the event of a partial redemption of the Notes, the Securities Depository may, at its option, in lieu of surrendering such Note, make an appropriate notation on the Note certificate indicating the date and amounts of the reduction in the principal amount of such Note (except in the case of the final maturity of such Note, where the Note certificate shall be presented to the County prior to payment).

Section 303. Notice of Redemption. Unless waived by any Owner of Notes to be redeemed, if the County calls any Notes for redemption and payment prior to the maturity of the Notes, the County shall instruct the Note Registrar to give written notice of its intention to call and pay the Notes on a specified date, the same being described by maturity, the notice to be mailed by United States first class mail addressed to the Owners of the Notes, each of the notices to be mailed not less than 30 days prior to the date fixed for redemption. The County will also give any additional notice as may be required by State law in effect as of the date of the notice.

All official notices of redemption will be dated and state: (1) the redemption date; (2) the redemption price; (3) if less than all of the Outstanding Notes are being redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Notes being redeemed; (4) on the redemption date the redemption price will become due and payable on each Note or portion of the Note called for redemption, and interest on the Note shall cease to accrue from and after the date; and (5) the place where the Notes are to be surrendered for payment of the redemption price, which is the principal office of the Paying Agent.

During the time the Notes are registered in the name of Cede & Co., the notice described in the immediately preceding paragraphs shall be delivered to the Securities Depository. The Securities Depository shall, in turn, notify its Participants. It is expected that the Participants, in turn, will notify or cause to be notified the beneficial owners of the Notes. Any failure on the part of the Securities Depository, or failure on the part of a nominee of a beneficial owner of a Note (having received notice from the County, a Participant or otherwise) to notify the beneficial owner of the Notes so affected, shall not affect the validity of the redemption of such Notes.

On or prior to any redemption date, the County will deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Notes or portions of Notes which are to be redeemed on that date. In accordance with the notice, once the Notes are

surrendered to the Paying Agent, the redemption price will be paid to the Owner. Installments of any interest due on or prior to the redemption date shall be payable as provided in this Resolution. Upon surrender of the partial redemption of any Note, a new Note or Notes of the same maturity in the amount of the unpaid principal will be prepared for the Owner. All Notes which have been redeemed will not be reissued. They will be cancelled and destroyed by the Paying Agent.

Section 304. Effect of Call for Redemption. Whenever any Note is called for redemption and payment as provided in this Article, all interest on the Note shall cease from and after the date the call is made, provided funds are available for its payment at the price previously specified.

ARTICLE IV ESTABLISHMENT OF FUNDS AND ACCOUNTS

Section 401. Creation of Funds and Accounts. Simultaneously with the issuance of the Notes, the following funds and accounts will be created within the Treasury of the County:

- A. Improvement Fund for the Franklin County, Kansas, General Obligation Temporary Notes, Series 2016-1; and
- B. Principal and Interest Account for the Franklin County, Kansas, General Obligation Temporary Notes, Series 2016-1.

Section 402. Administration of Funds and Accounts. The funds and accounts established in this Resolution shall be administered in accordance with the provisions of this Resolution as long as the Notes are outstanding.

ARTICLE V APPLICATION OF NOTE PROCEEDS

Section 501. Disposition of Note Proceeds. Upon issuance and delivery of the Notes, the proceeds shall be deposited as follows:

- A. In the Principal and Interest Account, a sum equal to the accrued interest, if any, and any premium paid on the Notes. Moneys in the Principal and Interest Account will be used exclusively for the payment of the principal of, premium, if any, and interest on the Notes and for the payment of Paying Agent fees.
- B. The County will deposit the balance of the proceeds of the Notes immediately upon receipt into the Improvement Fund, which will be used solely for the purpose of paying the Authorized Costs of the Improvements. The County covenants that in the construction of the Improvements, it has or will perform all duties and obligations relative to such Improvements as are now or may be imposed by the Act and the provisions of this Resolution.

Section 502. Withdrawals from the Improvement Fund. The County Treasurer shall make withdrawals from the Improvement Fund solely for the purpose of paying the Authorized Costs of the Improvements.

Section 503. Surplus in the Improvement Fund. All moneys remaining in the Improvement Fund after the completion of the Improvements shall be transferred immediately to the Principal and Interest Account and applied to the principal due on the Notes.

Section 504. Substitution of Improvements. If the County is prevented, hindered or delayed from proceeding with the acquisition or construction of the Improvements described in Section 101 of this Resolution, the County may elect to substitute or add other improvements pursuant to this Section (the "Substitute Improvement") provided the following conditions are met: (1) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the County in accordance with the laws of the State; (2) a resolution or ordinance authorizing the use of the Substitute Improvement has been duly adopted by the governing body of the County; (3) the Attorney General of the State has approved the amendment to the transcript of proceedings for the Notes to include the Substitute Improvements; and (4) the County has received an opinion of Bond Counsel to the effect that the use of the proceeds of the Notes to pay the Authorized Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Notes under State or federal law and the Substitute Improvement has been duly authorized pursuant to this Section and the laws of the State.

ARTICLE VI PAYMENT OF THE NOTES

Section 601. Application of Moneys in the Principal and Interest Account. All amounts paid and credited to the Principal and Interest Account will be expended and used by the County for the sole purpose of paying the principal of, premium, if any, and interest on the Notes as and when the same become due and paying the usual and customary fees and expenses of the Paying Agent.

Section 602. Transfer of Funds to Paying Agent. The County Treasurer is authorized and directed to withdraw from the Principal and Interest Account and forward to the Paying Agent sums sufficient to pay both principal of, premium, if any, and interest on the Notes when they become due, and also to pay the charges made by the Paying Agent for acting in such capacity. Charges over and above the amount of the principal of, premium, if any, and interest on the Notes shall be forwarded to the Paying Agent. If, through the lapse of time, or otherwise, the Owners of Notes are no longer entitled to enforce payment of their obligations, it will be the duty of the Paying Agent to return the funds to the County. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Resolution.

Section 603. Surplus in Principal and Interest Account. Any moneys or investments remaining in the Principal and Interest Account after the retirement of the indebtedness for which the Notes were issued and all other indebtedness of the County shall be transferred and paid into the Bond and Interest Fund of the County.

**ARTICLE VII
DEPOSITS AND INVESTMENT OF FUNDS**

Section 701. Deposits. Cash moneys in each of the funds and accounts created and established by this Resolution will be deposited in a bank or banks or federal or state chartered savings and loan association(s) and shall be secured in accordance with State law.

Section 702. Investments. Moneys held in the funds and accounts created or established by this Resolution in conjunction with the issuance of the Notes may be invested by the County in Authorized Investments, or in other investments allowed by State law in the amounts and maturing at the times as shall reasonably provide for moneys to be available when required in the accounts or funds; provided, however, that no investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose the fund or account was created. All interest on any Authorized Investment held in any fund or account shall accrue to and become a part of the fund or account. In determining the amount held in any fund or account under the provisions of this Resolution, Authorized Investments shall be valued at their principal par value or at their then redemption value, whichever is lower.

**ARTICLE VIII
DEFAULT AND REMEDIES**

Section 801. Remedies. The provisions of this Resolution, including the covenants and agreements herein, shall constitute a contract between the County and the Owners of the Notes. The Owner or Owners of any of the Notes at the time Outstanding have the right for the equal benefit and protection of all Owners of Notes similarly situated:

A. By mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the County and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Resolution or by the Constitution and laws of the State;

B. By suit, action or other proceedings in equity or at law to require the County, its officers, agents and employees to account as if they were the trustees of an express trust; and

C. By suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Notes.

Section 802. Limitation on Rights of Owners. The covenants and agreements of the County contained in this Resolution and in the Notes shall be for the equal benefit, protection, and security of the Owners of any or all of the Notes, all of the Notes shall be of equal rank and without preference or priority of one Note over any other Note in the application of the funds pledged by this Resolution to the payment of the principal of and interest on the Notes, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Resolution. No one or more Owners secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in this

Resolution, or to enforce any right described below, except in the manner provided by this Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Notes.

Section 803. Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred in this Resolution. No waiver of any default or breach of duty or contract by the Owner of any Note shall extend to or affect any subsequent default or breach of duty or contract or impair any rights or remedies on the Note. No delay or omission of any Note Owner to exercise any right or power accruing upon any default shall impair any right or power or be construed to be a waiver of any such default or acquiescence. Every substantive right and every remedy conferred upon the Owners of the Notes by this Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Owner on account of any default or to enforce any right or exercise any remedy is discontinued or abandoned for any reason, or is determined adversely to the Owner, then, and in every such case, the County and the Owners of the Notes will be restored to their former positions and rights under this Resolution, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE IX AMENDMENTS

Section 901. Amendments. The County may from time to time, without the consent of or notice to any of the Owners, provide for amendment to the Notes or this Resolution, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Resolution or the Notes or to make any other change not prejudicial to the Owners;
- (b) To grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners;
- (c) To more precisely identify the Improvements;
- (d) To provide for the issuance of bearer notes and the exchange of fully registered Notes for bearer notes upon the terms and conditions as the County determines, provided, however, that no such amendments become effective unless and until the County has received an opinion of Bond Counsel in the form and substance satisfactory to the County to the effect that the issuance of such bearer notes or the exchange of Notes for such bearer notes will not cause the interest on the Notes to be includable in the gross income of the recipients of the Notes under the provisions of applicable federal law; or
- (e) To conform this Resolution or the Notes to the Code or future applicable federal law concerning tax-exempt obligations.

The following modifications or amendments to the Notes or this Resolution shall require the consent of 100% of the Owners of the Notes:

- (a) The extension of the maturity of the principal of any of the Notes, or the extension of the maturity of any interest on any of the Notes;
- (b) A reduction in the principal amount of any of the Notes or the rate of interest on the Notes; or
- (c) A reduction in the aggregate principal amount of the Notes.

Amendments or modifications of the Notes and this Resolution not listed above may be made at any time by the County with the written consent of the Owners of not less than two-thirds (66.66%) in aggregate principal amount of the Notes at the time Outstanding.

Section 902. Written Evidence of Amendments. Every amendment or modification of a provision of the Notes or of this Resolution to which the written consent of the Owners is given as above provided shall be expressed in a resolution of the County amending or supplementing the provisions of this Resolution shall be deemed to be a part of this Resolution. It shall not be necessary to note on any of the Outstanding Notes any reference to such amendment or modification, if any. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Resolution will always be kept on file in the Office of the County Clerk and made available for inspection by the Owners of any Note or prospective purchaser or Owners of any Note authorized by this Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of this Resolution will be sent by the County Clerk to any such Owner or prospective Owner.

ARTICLE X DISCLOSURE

Section 1001. Exemption from SEC Rule. The County represents in connection with paragraph (a) of the Securities and Exchange Commission Rule 15c2-12 that the Notes are not part of an offering of municipal securities with an aggregate principal amount of \$1,000,000 or more.

ARTICLE XI MISCELLANEOUS PROVISIONS

Section 1101. Exception from Rebate Requirements. The County makes the following representations in connection with the exception for small governmental units from the arbitrage rebate requirements under § 148(f)(4)(D) of the Code:

- (a) The County is a governmental unit with general taxing powers;
- (b) None of the Notes is a private activity bond as defined in Section 141 of the Code;

(c) 95% or more of the net proceeds of the Notes are to be used for local government activities of the County (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the County);

(d) The aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the County and all other entities described in § 148(f)(4)(D)(ii) of the Code during the calendar year that the Notes are issued, including the Notes, is not reasonably expected to exceed \$5,000,000;

(e) The County (and all other entities described in § 148(f)(4)(D)(ii) of the Code) will not issue in excess of \$5,000,000 of tax-exempt bonds (including the Notes, but excluding private activity bonds) during the calendar year in which the Notes are issued without first obtaining an opinion of Bond Counsel that the excludability of the interest on the Notes from gross income for federal tax purposes will not be adversely affected;

(f) Any notes or bonds being refunded by the Notes qualified for the small issuer rebate exception described in this Section; and

(g) The aggregate face amount of the Notes (including all principal amounts allocated to refunding prior bonds or notes) does not exceed \$5,000,000.

Section 1102. Designation of Notes as Qualified Tax-Exempt Obligations. The County designates the Notes as “qualified tax-exempt obligations” as the term is defined in Section 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 will be issued by the County during the calendar year that the Notes are issued does not exceed \$10,000,000; and

B. the aggregate principal amount of obligations designated by the County as “qualified tax-exempt obligations” during the calendar year that the Notes are issued, including the Notes, does not exceed \$10,000,000.

Section 1103. Succession of a Securities Depository. In the event the Securities Depository resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the County may appoint a successor Securities Depository provided the County receives written evidence, satisfactory to the County, with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation. The County, upon receipt of a book-entry Note for cancellation shall cause the authorization and delivery of a book-entry Note to the successor Securities Depository in appropriate denominations and form as provided in this Resolution. If the County makes the determinations or receives the notice described in Section 204 of this Resolution, the County shall cause the notices described in Section 204 to be delivered and issue Notes as described in that section.

Section 1104. Tax Covenants. The County covenants and agrees that it will not take any 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 Notes under Section 103 of the Code. The County covenants and agrees that it will use the proceeds of the Notes as soon as practicable and with all reasonable dispatch for the purpose for which the Notes are issued as set forth above, and that it will not directly or indirectly use or permit the use of any proceeds of the Notes or any other funds of the County, or take or omit to take any action that would cause the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Code. To that end, the County will comply with all requirements of Section 148 of the Code to the extent applicable to the Notes. In the event that at any time the County is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held by the County under this Resolution, the County shall take such action as may be necessary.

Section 1105. Severability. In case any one or more of the provisions of this Resolution or of the Notes issued under this Resolution is for any reason found to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, or of the Notes relating to this Resolution, but this Resolution and the Notes will be construed and enforced as if the illegal or invalid provision had not been contained in this Resolution. In case any covenant, stipulation, obligation or agreement contained in the Notes or in this Resolution is for any reason found to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the County to the full extent permitted by law.

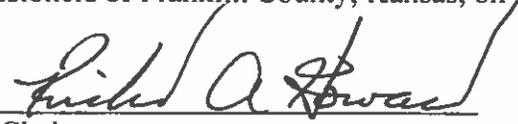
Section 1106. Further Authority. The Chairman, County Clerk and other officials are further authorized and directed to execute any and all documents, take actions they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution. They may make and approve alterations, changes or additions in the above-mentioned agreements, statements, instruments and other documents approved, authorized and confirmed by this Resolution, and the execution or taking such action shall be conclusive evidence of the necessity or advisability thereof.

Section 1107. Governing Law. This Resolution and the Notes will be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1108. Effective Date. This Resolution is to take effect and be in full force from and after its adoption by the governing body of the County.

[Remainder of Page Intentionally Left Blank]

ADOPTED by the Board of County Commissioners of Franklin County, Kansas, on
October 26, 2016.


Chairman



ATTEST:


County Clerk

**EXHIBIT A
FORM OF NOTE**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation, ("DTC"), to County or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED
NUMBER R-1

REGISTERED
\$995,000.00

UNITED STATES OF AMERICA
STATE OF KANSAS
FRANKLIN COUNTY
GENERAL OBLIGATION TEMPORARY NOTE
SERIES 2016-1

Interest	Maturity	Dated	CUSIP No.
Rate: 1.00%	Date: December 1, 2017	Date: November 10, 2016	352776 KA5

REGISTERED OWNER: _____ Tax Identification No. _____

PRINCIPAL AMOUNT: NINE HUNDRED NINETY-FIVE THOUSAND DOLLARS
and 00/100

KNOW ALL PERSONS BY THESE PRESENTS: That the county of Franklin County, Kansas, (the "County"), for value received, acknowledges itself to be indebted and promises to pay to the Registered Owner identified above, or registered assigns (collectively, the "Owner"), as of the Record Dates as provided on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on such Principal Amount from this date at the rate of interest per annum set forth above (computed on the basis of a 360-day year of twelve 30-day months), on December 1, 2017 (the "Interest Payment Date"), until the Principal Amount is paid, unless this Note shall have been previously called for redemption and payment as hereinafter set forth.

The principal or redemption price of this Note shall be paid at maturity or upon earlier redemption to the person in whose name this Note is registered at the maturity or redemption date, upon presentation and surrender of this Note at the principal office of the Treasurer of the state of Kansas, Topeka, Kansas (the "Paying Agent" and "Note Registrar"). The interest payable on this Note on any Interest Payment Date shall be paid to the person in whose name this Note is registered on the registration books maintained by the Note Registrar at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the Interest Payment Date (the "Record

Dates”). Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of the Owner shown on the Note Register or (b) at such other address as is furnished to the Paying Agent in writing by the Owner or, (c) in the case of an interest payment to any Owner that is a securities depository, by electronic transfer to such Owner upon written notice given to the Paying Agent by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instruction including the bank (which shall be in the continental United States), address, ABA routing number and account number to which such Owner wishes to have such wire directed. The principal, premium, if any, and interest on the Notes shall be payable in any coin or currency which, on the respective dates of payment, is legal tender for the payment of debts due the United States of America. The Notes constitute general obligations of the County payable as to both principal and interest from general obligation bonds of the County or from current revenues of the County authorized for such purpose. If not so paid, the principal of and interest on the Notes shall be payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the County. The full faith, credit and resources of the County are pledged for the payment of the principal of and interest on this Note and the issue of which it is a part as the same respectively become due.

This Note is one of an authorized series of Notes of the County designated “General Obligation Temporary Notes, Series 2016-1,” in an aggregate principal amount of \$995,000 (the “Notes”) issued for the purposes set forth in the resolution of the County authorizing the Notes (the “Resolution”). The Notes are issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the state of Kansas, including, but not limited to, K.S.A. 10-123, K.S.A. 19-101a *et seq.* and Charter Resolution No. 2012-01 of the County, all as amended, and all other applicable provisions of the laws of the state of Kansas applicable thereto.

At the option of the County, this Note may be called for redemption and payment prior to maturity on or after April 1, 2017, in whole or in part (selection of Notes to be designated by the County in such equitable manner as it may determine), at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

If any Notes are called for redemption and payment prior to maturity, the County shall instruct the Note Registrar to give written notice of its intention to call and pay such Notes on a specified date, the same being described by maturity, said notice to be mailed by United States first class mail addressed to the Paying Agent, to the State Treasurer of Kansas and to the owners of said Notes, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. All Notes so called for redemption and payment shall cease to bear interest from and after the date for which such call is made, provided funds are available for the payment of such Notes at the price specified.

The Notes are issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. This Note may be exchanged at the office of the Note Registrar for a like aggregate principal amount of Notes of the same maturity of other authorized denominations upon the terms provided in the Resolution.

The County and the Note Registrar may deem and treat the registered owner as the absolute owner for purposes of receiving payment of or on account of principal and interest due and for all other purposes and neither the County nor the Note Registrar shall be affected by any notice to the contrary.

This Note is transferable by the registered owner in person or by the registered owner's agent duly authorized in writing, at the office of the Note Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution and upon surrender and cancellation of this Note. The County shall pay out of the proceeds of the Notes all costs incurred in connection with the issuance, payment and initial registration of the Notes and the cost of a reasonable supply of note blanks. Neither the County nor the Note Registrar shall be required to transfer or exchange any Notes during a period beginning on the day following the Record Date preceding any Interest Payment Date and ending on the Interest Payment Date or to transfer or exchange any Notes called for redemption.

IT IS DECLARED AND CERTIFIED that all acts, conditions, and things required to be done and to exist precedent to and in the issuance of this Note have been properly done and performed and do exist in due and regular form and manner as required by the Constitution and laws of the state of Kansas, and that the total indebtedness of the County, including this series of Notes, does not exceed any constitutional or statutory limitation.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration shall have been lawfully executed by the Note Registrar.

IN WITNESS WHEREOF, the County has caused this Note to be executed by the manual or facsimile signature of its Chairman and attested by the manual or facsimile signature of its County Clerk, and its corporate seal to be affixed to or imprinted on, and this Note to be dated the Dated Date shown herein.

BOARD OF COMMISSIONERS OF THE
COUNTY OF FRANKLIN COUNTY, KANSAS

Chairman

(Seal)

ATTEST:

By _____
County Clerk

This Note shall not be negotiable unless and until countersigned below by the County Clerk following registration by the Treasurer of the state of Kansas.

(Seal)

County Clerk

=====

CERTIFICATE OF COUNTY CLERK

STATE OF KANSAS)
) SS.
COUNTY OF FRANKLIN)

I, the County Clerk of Franklin County, Kansas, certify that the within Note has been registered in my office according to law as of October 26, 2016.

WITNESS my hand and official seal.

(Seal)

County Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of a series of General Obligation Temporary Notes, Series 2016-1, of the county of Franklin County, Kansas, described in the within-mentioned Resolution.

Registration Date _____

Office of the State Treasurer
Topeka, Kansas,
as Note Registrar and Paying Agent

By _____

Registration Number _____

CERTIFICATE OF STATE TREASURER

I, RON ESTES, Treasurer of the state of Kansas, do certify that a transcript of the proceedings leading up to the issuance of this Note has been filed in my office, and that this Note was registered in my office according to law on _____.

WITNESS my hand and official seal.

(Seal)

RON ESTES
Treasurer of the State of Kansas

NOTE ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Note to which this assignment is affixed in the outstanding principal amount of \$_____ standing in the name of the undersigned on the books of the Note Registrar. The undersigned do(es) irrevocably constitute and appoint _____ as agent to transfer said Note on the books of said Note Registrar with full power of substitution in the premises.

Dated _____.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Temporary Note in every particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By _____
Title: _____
