

RESOLUTION NO. 20-19

A RESOLUTION APPROVING THE ISSUANCE OF \$2,620,000 LEASE REVENUE REFUNDING BONDS, SERIES 2020-A, BY THE FRANKLIN COUNTY PUBLIC BUILDING COMMISSION AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

WHEREAS, the Franklin County, 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");

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;

WHEREAS, the Commission has previously issued its Lease Revenue Bonds, Series 2011, dated May 15, 2011 in the aggregate principal amount of \$3,600,000 (the "Series 2011 Bonds"), for the purpose of paying the costs of the construction of a juvenile detention center and the costs of issuance related thereto;

WHEREAS, pursuant to K.S.A. 10-116a and the Act, the Commission is authorized to issue its refunding revenue bonds in order to provide funds to refund all or a portion of the Series 2011 Bonds and to pay costs of issuance of such refunding revenue bonds;

WHEREAS, the County and the Commission have determined that in order to achieve interest cost savings it is desirable and beneficial that the Commission refund the Series 2011 Bonds maturing on and after September 1, 2021, and the Commission has approved the issuance of its Lease Revenue Refunding Bonds, Series 2020-A (the "Bonds"), in the principal amount of \$2,620,000 to effect such refunding; and

WHEREAS, the County further finds and determines that it is necessary and desirable in connection with the issuance of said Bonds to execute and deliver: (1) a Second Supplemental Base Lease dated as of September 1, 2020 (together with the Base Lease dated as of May 15, 2011, and the First Supplemental Base Lease dated as of March 1, 2014, the "Base Lease"), by and between the Commission, as lessee, and the County, as lessor, pursuant to which the Commission will continue to lease certain real property, as described therein, from the County; (2) a Second Supplemental Trust Indenture dated as of September 1, 2020 (together with the Trust Indenture dated as of May 15, 2011, and the First Supplemental Trust Indenture dated as of March 1, 2014, 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 Second Supplemental Lease Agreement dated as of September 1, 2020 (together with the Lease Agreement dated as of

May 15, 2011, and the First Supplemental Lease Agreement dated as of March 1, 2014, the "Lease"), by and between the County, as lessee, and the Commission, as lessor, pursuant to which the Commission shall continue to lease certain real property and improvements, including a juvenile detention center and justice center (the "Project") to the County (with an option to purchase) in consideration of certain Rental Payments, and other charges provided for in the Lease; (4) a Bond Purchase Agreement dated as of August 19, 2020, by and between the Issuer and The Kansas State Bank, Ottawa, Kansas, as purchaser ("KSB"), pursuant to which the Issuer will sell and KSB will purchase certain portions of certain maturities of the Bonds in the aggregate principal amount of \$2,020,000; and (5) a Bond Purchase Agreement dated as of August 19, 2020, by and between the Issuer and The First National Bank of Louisburg, Louisburg, Kansas, as purchaser ("FNB"), pursuant to which the Issuer will sell and FNB will purchase certain portions of certain maturities of the Bonds in the aggregate principal amount of \$600,000 (collectively, items (1) through (5) are referred to as the "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 Lease or in the Indenture.

Section 2. Authorization of Bond Documents and Approval of Bonds. The County is authorized to enter into the Bond Documents to which it is a party. The County further approves the issuance of the Bonds by the Commission as more particularly described in the Indenture and the Lease.

Section 3. Execution of Bond Documents and other Documents. The Chairman of the County Commission is authorized and directed to execute the Bond Documents to which the County is a party 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 to which the County is a party 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 Internal Revenue 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 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 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.

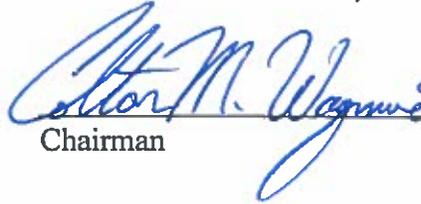
Section 6. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Governing Body of the County.

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ADOPTED by Franklin County, Kansas on August 19, 2020.



FRANKLIN COUNTY, KANSAS


Chairman


County Clerk