

RESOLUTION NO. 2016-13

A RESOLUTION AUTHORIZING LINCOLN COUNTY, KANSAS TO ENTER INTO A SUPPLEMENTAL LEASE WITH THE LINCOLN COUNTY PUBLIC BUILDING COMMISSION; RATIFYING AND CONFIRMING THE EXISTING BASE LEASE WITH THE PUBLIC BUILDING COMMISSION AND THE PLEDGE OF REVENUES AND OPERATION AGREEMENT WITH THE BOARD OF TRUSTEES OF LINCOLN COUNTY HOSPITAL; AND AUTHORIZING THE EXECUTION THEREOF AND CERTAIN RELATED DOCUMENTS IN CONNECTION WITH THE ISSUANCE BY THE PUBLIC BUILDING COMMISSION OF ITS REFUNDING REVENUE BONDS, SERIES 2016.

WHEREAS, Lincoln County, Kansas (the “County”) has heretofore created the Lincoln County, Kansas Public Building Commission, a municipal corporation of the State of Kansas (the “PBC”) under the authority of K.S.A. 12-1757 *et seq.*, as amended by Charter Resolution No. 2008-C01 (collectively the “PBC Act”); and

WHEREAS, pursuant to the Act, the PBC is authorized and empowered to lease certain real property on which the existing Lincoln County Hospital is located (the “Land”) from the County, to issue its revenue bonds to provide funds for the purpose of constructing, furnishing and equipping certain additions and modifications to the existing Lincoln County Hospital, consisting of improvements to patient rooms, emergency rooms, patient service areas and mechanical and electrical systems (the “Improvements,” and together with the Land, the “Project”) and certain costs of issuance of the revenue bonds, and to lease said Project to the County; and

WHEREAS, the PBC has heretofore issued its Public Building Commission Revenue Bonds, Series 2008, in the original principal amount of \$6,300,000 (the “Series 2008 Bonds”) to provide financing for the Project pursuant to the PBC’s Resolution No. PBC-2008-04, as may be amended and supplemented (the “Bond Resolution”); and

WHEREAS, in conjunction with the issuance of the Series 2008 Bonds, the PBC entered into a Base Lease, dated December 15, 2008 (the “2008 Base Lease”), whereby the County leased the Land to the PBC, and entered into a Lease, dated December 15, 2008 (the “2008 Lease”), between the PBC and the County, under which: (a) the proceeds of the Series 2008 Bonds were used to pay a portion of the costs necessary to construct, furnish and equip the Improvements, and (b) the PBC leased the Project to the County, in consideration of rentals, which are intended to be sufficient to provide for the payment of the principal of, premium, if any, and interest of the Series 2008 Bonds and any additional bonds as the same become due; and

WHEREAS, the Board of Trustees (the “Trustees”) of Lincoln County Hospital (the “Hospital”) have responsibility for collection and application of the revenues generated from operation of the Hospital, and it is the intention of the County and the Trustees to make rental payments under the 2008 Lease out of such revenues; and

WHEREAS, in conjunction with the issuance of the Series 2008 Bonds, the County and the Trustees entered into a Pledge of Revenues and Operation Agreement, dated December 15, 2008 (the

“2008 Pledge Agreement”), whereby the Trustees pledged revenues generated from operation of the Hospital, to the extent that there are available moneys after making provision for payment of the ordinary and necessary operating expenses of the Hospital (other than interest and depreciation expense), to the County to provide for the rental payments under the Lease; and

WHEREAS, the PBC is authorized under K.S.A. 10-116a (together with the PBC Act, the “Act”) to issue refunding revenue bonds of the PBC for the purpose of refunding any previously issued revenue bonds; and

WHEREAS, the PBC has the opportunity to issue its refunding revenue bonds (the “Series 2016 Bonds”) to refund all or a portion of the outstanding Series 2008 Bonds (the “Refunded Bonds”) in order to reduce debt service requirements of the Issuer for certain years, to restructure the debt payments on the Refunded Bonds, and to provide an orderly plan of finance for the Issuer, which will directly benefit the County with respect to rental payments made to the PBC pursuant to the 2008 Lease, as amended and supplemented; and

WHEREAS, the governing body of the County (the “Board”) has adopted Resolution No. 2016-11: (a) requesting the PBC issue its refunding revenue bonds in order to refund the Refunded Bonds, and (b) finding that continuing to lease the Project from the PBC under the terms and provisions set forth in the 2008 Lease, as amended and supplemented, are necessary, convenient and in furtherance of the governmental purposes of the County; provided that: (1) the principal amount of the refunding revenue bonds not exceed \$5,750,000; and (2) the present value savings associated with refunding the Refunded Bonds shall be not less than 5% of the principal of the Refunded Bonds; and

WHEREAS, the Resolution No. 2016-11 also indicated that if such parameters are met, the Board declared an intent to enter into supplements to the 2008 Base Lease, the 2008 Lease, and the 2008 Pledge Agreement, if necessary, to provide sufficient rental payments to meet the debt service requirements on the refunding revenue bonds; and

WHEREAS, the PBC has offered for sale the Series 2016 Bonds and the sale thereof conforms to the parameters previously established by the Board, and the Board desires to ratify and confirm the provisions of the 2008 Base Lease and the 2008 Pledge Agreement, authorize the execution of the supplement to the 2008 Lease, and request that the PBC proceed with the issuance of the Series 2016 Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LINCOLN COUNTY, KANSAS:

SECTION 1. The Board hereby finds that the parameters set forth in the Resolution No. 2016-11 have been met and requests that the PBC proceed with the issuance of the Series 2016 Bonds in accordance with the bond purchase agreement entered into by the PBC and the purchaser of the Series 2016 Bonds, heretofore approved by the County.

SECTION 2. In order to provide for payment by the County of sufficient rental payments to meet the debt service requirements on the Bonds (as said term is defined in the Bond Resolution), the Board hereby ratifies and confirms the 2008 Base Lease and 2008 Pledge Agreement for the term of the Bonds, and approves, authorizes and confirms the 2008 Lease, as supplemented in connection with the issuance of the Series 2016 Bonds (the “2016 Supplemental Lease”). The Chairman and the County Clerk are hereby authorized and directed to affix their signatures and the seal of the County to the 2016 Supplemental Lease, for and on behalf of the County, with such changes therein as the County Attorney may deem necessary or appropriate.

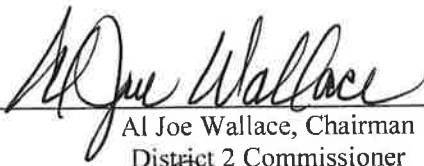
SECTION 3. The Chairman and County Clerk are hereby authorized to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the intent of this Resolution.

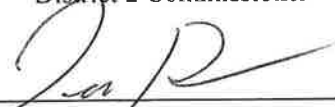
SECTION 4. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the County or the officials of the County, directed toward the acquisition, construction and equipping of the Project, the leasing of the Project from the PBC, or the issuance of the Bonds by the PBC, are hereby ratified, approved and confirmed.

SECTION 5. This resolution shall be effective from and after its adoption by the Board.

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ADOPTED by the Board of County Commissioners of Lincoln County, Kansas, on September 19, 2016.


Al Joe Wallace, Chairman
District 2 Commissioner


Terry L. Finch, Vice Chairman
District 1 Commissioner


Gerald D. Huehl, Commissioner
District 3 Commissioner




Dawn M. Harlow, County Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2016-13 of Lincoln County, Kansas adopted by the Board of County Commissioners on September 19, 2016, as the same appears of record in my office.

DATED: September 19, 2016.




Dawn M. Harlow, County Clerk