

RESOLUTION NO. [2008-20]

A RESOLUTION AUTHORIZING LINCOLN COUNTY, KANSAS TO ENTER INTO A BASE LEASE AND LEASE WITH THE LINCOLN COUNTY PUBLIC BUILDING COMMISSION; AUTHORIZING LINCOLN COUNTY, KANSAS TO ENTER INTO A 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 LINCOLN COUNTY, KANSAS PUBLIC BUILDING COMMISSION OF ITS REVENUE BONDS, SERIES 2008.

WHEREAS, the Board of County Commissioners (the "Board") of Lincoln County, Kansas (the "County") has heretofore deemed it advisable to construct, furnish and equip improvements (the "Improvements") to the existing Lincoln County Hospital (the "Hospital"); and

WHEREAS, under the authority of K.S.A. 12-1757 *et seq.*, as amended by Charter Resolution No. 2008-CO1 of the County (collectively, the "Act"), the County has heretofore created the Lincoln County, Kansas Public Building Commission, a municipal corporation of the State of Kansas (the "PBC"); and

WHEREAS, the PBC has the power and authority under the Act to issue revenue bonds to provide funds for the purpose of paying all or a portion of the costs of the Improvements; and

WHEREAS, pursuant to Resolution No. 2008-15, the Board has deemed it advisable to request that the PBC provide for the financing of the Improvements in an amount not to exceed \$6,300,000 through the issuance of revenue bonds; and

WHEREAS, pursuant to Resolution No. PBC-2008-02, the PBC has deemed it advisable to provide for the financing of the Project by the issuance of revenue bonds in an amount of not to exceed \$6,300,000 (the "Bonds"), notice of such intent having been properly published as prescribed by the Act; and

WHEREAS, for purposes of financing the costs of developing, constructing and equipping the Improvements, the County hereby determines that it is in the best interest of the County that the County and the PBC enter into a Base Lease (the "Base Lease") whereby the County leases certain real property (the "Land") to the PBC and a Lease (the "Lease") to provide for the construction of the Improvements and the leasing of the Land and the Improvements (collectively, the "Project") by the PBC to the County; and

WHEREAS, the Lease shall have a term of approximately twenty-five years and shall provide for Basic Rent in an amount sufficient to pay the principal of and interest on the Bonds as it becomes due; and

WHEREAS, the Hospital is operated by the Board of Trustees of Lincoln County Hospital (the "Trustees") as provided in K.S.A. 19-4601 *et seq.*, and the Trustees have responsibility for collection and application of the revenues generated from operation of the Hospital; and

WHEREAS, it is the intention of the Board and the Trustees to provide for payment of Basic Rent under the Lease out of such revenues, to the extent that there are available moneys after making provision for payment of the ordinary and necessary operating expenses of the Hospital, for the benefit of the owners from time to time of the Bonds;

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

SECTION 1. The Board hereby finds and determines, pursuant to the Act, that (i) developing, constructing and equipping the Improvements; (ii) leasing certain real property to the PBC pursuant to the provisions of a Base Lease; (iii) leasing the Project from the PBC under the terms and provisions set forth in the Lease; and (iv) the issuance of the Bonds by the PBC to finance the costs of the Project, are necessary, convenient and in furtherance of the governmental purposes of the County.

SECTION 2. The Base Lease and Lease, in substantially the form presented to this meeting of the Board, are in all material respects approved, authorized and confirmed. The Chairman and the County Clerk are hereby authorized and directed to affix their signatures and the seal of the County to the Base Lease and Lease, for and on behalf of the County, with such changes therein as the County Attorney may deem necessary or appropriate.

SECTION 3. Pledge of Revenues and Operation Agreement between the Trustees and the County with respect to the operation and maintenance of the Hospital and the pledge of moneys derived from time to time from operation of the Hospital, in substantially the form presented to this meeting of the Board, are in all material respects approved, authorized and confirmed. The Chairman and the County Clerk are hereby authorized and directed to affix their signatures and the seal of the County to the Pledge of Revenues and Operation Agreement, for and on behalf of the County, with such changes therein as the County Attorney may deem necessary or appropriate.

SECTION 4. 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 5. 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.

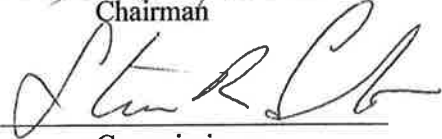
SECTION 6. This resolution shall be effective from and after its adoption by the Board.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the Board of County Commissioners of Lincoln County, Kansas, on December 1, 2008.




Chairman

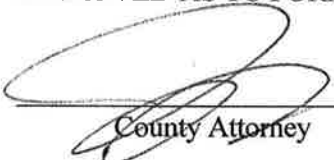

Commissioner


Commissioner

ATTEST:


Clerk

APPROVED AS TO FORM ONLY.


County Attorney

CERTIFICATE

I, hereby certify that the above and foregoing is a true and correct copy of Resolution No. [2008-20] of Lincoln County, Kansas adopted by the Board of County Commissioners on December 1, 2008, as the same appears of record in my office.

DATED: December 1, 2008.




Clerk