

RESOLUTION NO. 2016-11

A RESOLUTION REQUESTING THE LINCOLN COUNTY, KANSAS PUBLIC BUILDING COMMISSION TO PROCEED WITH THE SALE OF REFUNDING REVENUE BONDS FOR THE PURPOSE OF REFUNDING THE PBC'S OUTSTANDING REVENUE BONDS, SERIES 2008; DECLARING AN INTENT TO ENTER INTO SUPPLEMENTAL LEASES WITH THE PBC RELATING TO SAID REFUNDING REVENUE BONDS; AND MAKING CERTAIN FINDINGS REGARDING OFFERING DOCUMENTS RELATED THERETO.

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; 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 2008 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 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, for purposes of providing sufficient revenues to make debt service payments on the refunding revenue bonds of the PBC, the County hereby declares an intent to enter into a supplement to the Base Lease, if necessary (the “2016 Supplemental Base Lease,” and collectively with the 2008 Base Lease, the “Base Lease”), to the 2008 Lease (the “2016 Supplemental Lease,” and collectively with the 2008 Lease, the “Lease”), and to the 2008 Pledge Agreement, if necessary (the “2016 Supplemental Pledge Agreement,” and collectively with the 2008 Pledge Agreement, the “Pledge Agreement”), all subject to the provisions hereinafter set forth; and

WHEREAS, the County hereby selects the firm of Piper Jaffray & Co. (the “Purchaser”), as underwriter for one or more series of refunding revenue bonds be issued by the PBC pursuant to the Act in order to provide funds to refund the Refunded Bonds; and

WHEREAS, the County desires to authorize the Purchaser to coordinate with the PBC regarding the offering for sale of the refunding revenue bonds and related activities.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LINCOLN COUNTY, KANSAS, AS FOLLOWS:

Section 1. The County hereby finds and determines, pursuant to the Act, that: (a) the issuance by the PBC of its Refunding Revenue Bonds, Series 2016 (the “Bonds”); and (b) continuing to lease the Project from the PBC under the terms and provisions set forth in the Base Lease and the Lease, are necessary, convenient and in furtherance of the governmental purposes of the County.

Section 2. The Board hereby requests that the PBC proceed with the offering and sale of the Bonds and declares its intent to enter into the 2016 Supplemental Base Lease, the 2016 Supplemental Lease, and the 2016 Supplemental Pledge Agreement to provide sufficient rental payments to meet the debt service requirements on the Bonds, provided that: (a) the principal amount of the Bonds not exceed \$5,750,000; and (b) the present value savings associated with refunding the Refunded Bonds shall be not less than 5% of the principal of the Refunded Bonds. In the event such parameters are met, the Board authorizes the Chairman and the County Clerk to affix their signatures and the seal of the County to the 2016 Supplemental Base Lease, the 2016 Supplemental Lease, and the 2016 Supplemental Pledge Agreement, for and on behalf of the County, with such changes therein as the County Attorney may deem necessary or appropriate.

Section 3. In the event the parameters set forth in *Section 2* are met, the Chairman is further authorized and directed to approve and affix his signature to the bond purchase agreement (the “Bond Purchase Agreement”) between the PBC and the Purchaser, in a form approved by the County Attorney and Bond Counsel, for and on behalf of the County, with such changes therein as the County Attorney may deem necessary or appropriate. The County Clerk, County Attorney and Bond Counsel are hereby authorized and directed to provide support to the PBC in connection with the issuance of the PBC Bonds.

Section 4. The Board hereby consents to the PBC's preparation, use, and distribution of the preliminary official statement (the "Preliminary Official Statement") in connection with the offering and sale of the Bonds. For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the Chairman and County Clerk, or other appropriate representatives of the County, are each hereby authorized: (a) to execute the "Certificate Deeming Preliminary Official Statement Final" in substantially the form attached hereto as *Exhibit A*, as approval of the information relating to the County contained in the Preliminary Official Statement, such official's signature thereon being conclusive evidence of such official's and the Board's approval thereof; (b) covenant that the County will provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to the Municipal Securities Rulemaking Board; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of the Rule.

Section 5. The Chairman, County Clerk, and the other officers and representatives of the County 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 6. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the County or the officials of the County, directed toward the Bonds or the leasing of the Project from the PBC, are hereby ratified, approved and confirmed.

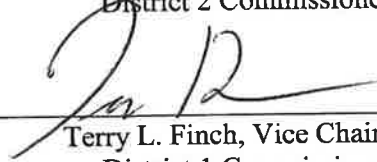
Section 7. This resolution shall be effective from and after its adoption by the Board.

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ADOPTED by the Board of County Commissioners of Lincoln County, Kansas, on August 29, 2016.



Al Joe Wallace, Chairman
District 2 Commissioner



Terry L. Finch, Vice Chairman
District 1 Commissioner



Gerald D. Huehl, Commissioner
District 3 Commissioner



ATTEST:



Dawn M. Harlow, County Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2016-11 of Lincoln County, Kansas adopted by the Board of County Commissioners on August 29, 2016 as the same appears of record in my office.

DATED: August 29, 2016.



Dawn M. Harlow, County Clerk

EXHIBIT A

**CERTIFICATE DEEMING
PRELIMINARY OFFICIAL STATEMENT FINAL**

August 29, 2016


Re: Lincoln County, Kansas Public Building Commission Refunding Revenue Bonds,
Series 2016

The undersigned are the duly acting Chairman and County Clerk of Lincoln County, Kansas (the "County"), and are authorized to deliver this Certificate to the addressee (the "Purchaser") on behalf of the County.

For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "Rule"), the County hereby deems the information regarding the County contained in the Preliminary Official Statement relating to the above-referenced bonds (the "Bonds") to be final as of its date, except for the omission of such information as is permitted by the Rule, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal per maturity, delivery dates, ratings, identity of the underwriters and other terms of the Bonds depending on such matters.

LINCOLN COUNTY, KANSAS

By: 
Title: Chairman

By: 
Title: County Clerk

