

RESOLUTION NO. 2015- 7

A RESOLUTION AUTHORIZING CHEROKEE COUNTY, KANSAS, TO ENTER INTO A LEASE TRANSACTION, THE PROCEEDS OF WHICH WILL BE USED TO PREPAY THE COUNTY'S REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2005 AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, under the constitution and statutes of the State of Kansas, particularly Article 12, §5 of the Kansas Constitution and K.S.A. 19-101, Cherokee County, Kansas (the "County") is empowered to enter into certain leases, lease purchase agreements and installment purchase agreements for the lease and/or acquisition of property; and

WHEREAS, K.S.A. 10-1116b provides in pertinent part that nothing in the provisions of K.S.A. 10-1101 *et seq.* (Kansas Cash Basis Law) shall prohibit a municipality from entering into a lease agreement, with or without an option to buy, or an installment-purchase agreement, if any of such agreements specifically state that the municipality is obligated only to pay periodic payments or monthly installments under the agreement as may lawfully be made from (a) funds budgeted and appropriated for that purpose during such municipality's current budget year or (b) funds made available from any lawfully operated revenue producing source; and

WHEREAS, the County has issued its Refunding Certificates of Participation, Series 2005 (the Series 2005 Certificates"), the proceeds of which were used to prepay the County's Certificates of Participation, Series 2003, the proceeds of which were used to finance the County's law enforcement and detention center (the "Improvements"); and

WHEREAS, the Board of County Commissioners (the "Board") hereby finds and determines that it is advisable to enter into a financing arrangement involving a Lease Agreement and the issuance and delivery of \$3,351,700 principal amount of Lease Agreement Taxable Refunding Certificates of Participation, Series 2015 (the "Certificates"); and

WHEREAS, in order to facilitate the foregoing and to pay the cost thereof, it is necessary and desirable for the County to take the following actions:

1. Enter into a Site Lease (the "Site Lease") between the County, as lessor, and Security Bank of Kansas City, Kansas City, Kansas (the "Trustee"), as lessee, pursuant to which the County will lease certain real property (as defined therein, the "Real Property") to the Trustee on the terms and conditions set forth therein, a form of which has been submitted to the Board and its legal counsel for review;

2. Enter into a Lease Agreement (the "Lease") with the Trustee, pursuant to which the County will lease the Real Property and the Improvements (collectively, the "Project") from the Trustee, a form of which has been submitted to the Board and its legal counsel for review;

3. Enter into a Certificate Purchase Agreement (the "Certificate Purchase Agreement") among the County and the Trustee providing for the sale of the Certificates to Security Bank of Kansas City, as Purchaser, a form of which has been submitted to the Board and its legal counsel for review;

4. Approve a Declaration of Trust (the "Declaration of Trust"), by the Trustee, pursuant to which Certificates will be executed and delivered, a form of which has been submitted to the Board and its legal counsel for review;

5. Enter into an Escrow Trust Agreement (the "Escrow Agreement") with the Commerce Trust Company, Kansas City, Missouri, as Escrow Agent, pursuant to which a portion of the proceeds of the Certificates will be deposited to provide for prepayment and redemption of the Series 2005 Certificates, a form of which has been submitted to the Board and its legal counsel for review;

The Site Lease, the Lease, the Certificate Purchase Agreement and the Escrow Agreement are referred to together herein as the "County Documents."

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

Section 1. Authorization and Approval of County Documents and Declaration of Trust.

(a) The County Documents and the Declaration of Trust are hereby approved in substantially the forms submitted to and reviewed by the Board on the date hereof, with such changes therein as shall be approved by the Chairman, the Chairman's execution of the County Documents to be conclusive evidence of such approval.

(b) The obligation of the County to pay Basic Rent Payments (as defined in the Lease) under the Lease is subject to annual appropriation and shall constitute a current expense of the County and shall not in any way be construed to be an indebtedness or liability of the County in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness or liability by the County, nor shall anything contained in the Lease constitute a pledge of the general tax revenues, funds or moneys of the County, and all provisions of the Lease shall be construed so as to give effect to such intent.

(c) The Chairman is hereby authorized and directed to execute and deliver the County Documents and to approve changes to the Declaration of Trust on behalf of and as the act and deed of the County. The County Clerk is hereby authorized to affix the County's seal to the County Documents and attest said seal.


Section 2. Further Authority. The County shall, and the officials and agents of the County are hereby authorized and directed to, take such actions, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the County with respect to the County Documents, the other documents authorized or approved hereby and the Project.

Section 3. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Board.

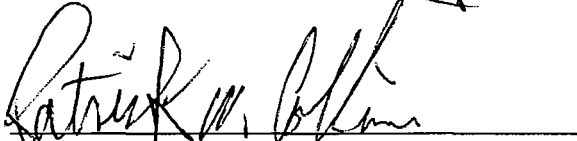
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ADOPTED by the Board of County Commissioners of Cherokee County, Kansas, on March 9, 2015.

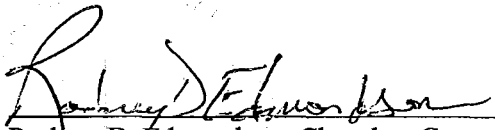
(SEAL)


Richard Hilderbrand, Chairman, County
Commissioner

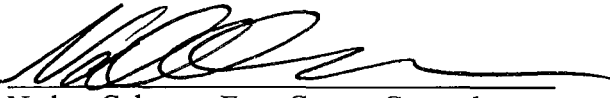

Charles Napier, County Commissioner


Pat Collins, County Commissioner

ATTEST:


Rodney D. Edmondson, Cherokee County Clerk

Approved as to Form:


Nathan Coleman, Esq., County Counselor