

RESOLUTION NO. 2021-1485

A RESOLUTION AUTHORIZING ATCHISON COUNTY, KANSAS, TO ISSUE ITS EDUCATIONAL FACILITIES REVENUE BONDS (BENEDICTINE COLLEGE PROJECT), SERIES 2021 FOR THE PURPOSE OF FINANCING A PROJECT OF BENEDICTINE COLLEGE; AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

WHEREAS, Atchison County, Kansas (the "County"), is authorized by K.S.A 19-101 *et. seq.*, as from time to time amended (the "Act"), to exercise the powers of home rule to determine its local affairs and government including transacting all county business and performing all powers of local legislation and administration it deems appropriate, and pursuant to and in furtherance of the purposes of the Act, the County proposes to issue educational facilities revenue bonds for the purpose of providing funds to make a loan to Benedictine College (the "Borrower"), (a) to finance, refinance and reimburse the costs of certain educational facilities of the Borrower, including the acquisition, construction, improvement, renovation, furnishing and equipping of a 130-bed student housing facility (the "Project"), and (b) pay certain costs of issuance associated with the issuance of the Bonds; and

WHEREAS, the governing body of the County hereby finds and determines that the County's financing of the Project in the manner provided in the Act and pursuant to the provisions of the Loan Agreement hereinafter described, will serve one or more of the public purposes set forth in the Act; and

WHEREAS, the County will issue its Educational Facilities Revenue Bonds (Benedictine College Project), Series 2021 (the "Bonds"), pursuant to a Bond Trust Indenture between the County and UMB Bank, N.A., as the trustee the ("Trustee"), dated as of September 1, 2021 (the "Indenture"), in an aggregate principal amount of Bonds not to exceed \$7,200,000; and

WHEREAS, the County will make a loan (the "Loan") of the proceeds of the Bonds to the Borrower, which loan will be made pursuant to a Loan Agreement dated as of September 1, 2021, between the County and the Borrower (the "Loan Agreement"), to finance, refinance and reimburse the Project as described in the Loan Agreement, which loan will be evidenced by a promissory note of the Borrower in the principal amount of the Bonds (the "Note"); and

WHEREAS, the Loan is secured by a Mortgage and Security Agreement, dated as of October 1, 2000 (as originally executed the "Original Mortgage"), executed by the Borrower, as Mortgagor, as amended and supplemented by the Supplemental Mortgage and Security Agreement No. 1 dated as of March 1, 2003, Supplemental Mortgage and Security Agreement No. 2 dated as of January 3, 2005, Supplemental Mortgage and Security Agreement No. 3, dated as of December 1, 2007, Supplemental Mortgage and Security Agreement No. 4, dated as of May 1, 2010, Supplemental Mortgage and Security Agreement No. 5, dated as of September 1, 2010, Supplemental Mortgage and Security Agreement No. 6, dated as of July 1, 2011, Supplemental Mortgage and Security Agreement No. 7 dated as of November 1, 2011, Supplemental Mortgage and Security Agreement No. 8 dated as of April 1, 2012, Supplemental Mortgage and Security Agreement No. 9 dated as of March 1, 2013, Supplemental Mortgage and Security Agreement No. 10 dated as of September 1, 2013, Supplemental Mortgage and Security Agreement No.

11 dated as of July 1, 2016, Supplemental Mortgage and Security Agreement No. 12 dated as of July 1, 2016, Supplemental Mortgage and Security Agreement No. 13 dated as of July 1, 2016, Supplemental Mortgage and Security Agreement No. 14 dated as of February 1, 2018, Supplemental Mortgage and Security Agreement No. 15 dated as of May 1, 2018, Supplemental Mortgage and Security Agreement No. 16 dated as of July 1, 2018, Supplemental Mortgage and Security Agreement No. 17 dated as of March 1, 2020, Supplemental Mortgage and Security Agreement No. 18 dated as of June 1, 2020, and Supplemental Mortgage and Security Agreement No. 19 dated as of September 1, 2021 (said Original Mortgage, as amended and supplemented from time to time in accordance with the provisions thereof, herein collectively called the "Mortgage"), under which the Institution grants a first mortgage lien and security interest in the Mortgaged Property described therein to UMB Bank, N.A. (successor to Commerce Bank), as the bond trustee for the Series 2016A Bonds and the Series 2018A Bonds, to the United States Department of Agriculture Rural Development (the "USDA"), as lender under the USDA loan and to the Trustee for the Series 2018B Bonds, the Series 2020A Bonds, the Series 2020B Bonds, the Series 2020C Bonds, the Series 2020D Bonds and the Series 2021 Bonds.

WHEREAS, a public hearing was held in Atchison, Kansas, on the date hereof concerning the request by the Borrower that the County issue its educational facilities revenue bonds to finance the costs of the Project, after publication of notice of the public hearing not less than 7 days prior to the scheduled public hearing date, in accordance with the requirements of Section 147(f) of the Internal Revenue Code; and

WHEREAS, the governing body of the County further finds and determines that it is necessary and desirable in connection with the issuance of these bonds that the County enter into certain agreements, and that the County take certain other actions and approve the execution of certain other documents as herein provided;

NOW, THEREFORE, BE IT RESOLVED BY ATCHISON COUNTY, KANSAS, AS FOLLOWS:

Section 1. Authorization of Sale of Bonds. The Board hereby authorizes proceeding with the offering for sale of the Bonds in accordance with the presentation made by the Borrower. The confirmation of the sale of the Bonds shall be subject to the execution of a bond purchase agreement between the Underwriter, the Borrower and the County and the execution of various documents necessary to deliver the Bonds. The Chairman and Vice Chair is each hereby authorized to execute a bond purchase agreement (the "Bond Purchase Agreement") in a form approved by Bond Counsel and the County Counselor, provided that the sale of the Bonds is subject to the following parameters: (a) principal amount not to exceed **\$7,200,000**; (b) a final maturity not later than the calendar year **2036**; (c) stated fixed interest rates not exceeding **4.00%** per annum; and an underwriter's discount of not to exceed **1.00%**.

Section 2. Authorization of Issuance of the Bonds. The County is hereby authorized to issue and sell its Bonds in the original principal amount of not to exceed **\$7,200,000**, the proceeds of which will be used to finance, refinance and reimburse the Project and pay certain costs related to the issuance of the Bonds. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall bear such date, shall be in such denomination, shall be in such form, shall mature on the dates and in the principal amounts with a final maturity, shall bear interest at rates and shall be subject to redemption on the dates and in the principal amounts as provided in the below authorized Bond Purchase Agreement, and shall have such other terms and provisions, shall be issued, executed, authenticated and delivered in such manner and shall be subject to such provisions, covenants and agreements, as are set forth in the Indenture.

The Bonds, together with interest and premium, if any, thereon are not general obligations of the County but are limited obligations payable solely from the trust estate pledged to the payment thereof under the Indenture and shall be a valid claim of the respective holders thereof only against the trust estate and other moneys held by the Trustee and the revenues so pledged as aforesaid. In no event shall the Bonds be payable out of any funds or properties other than those acquired for the purpose of the Act, and the Bonds shall not be deemed to constitute a debt or liability of the State of Kansas or of any political subdivision thereof and the issuance of the Bonds shall not, directly, indirectly or contingently, obligate the County, the State of Kansas or any political subdivision thereof to levy any form of taxation therefor or to budget or make any appropriation for their payment. Nothing in the Bonds, the Indenture, the proceedings of the County authorizing the Bonds or the Act shall be construed to be a debt or loan of credit of the County, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 3. Bank Qualification of the Bonds. The County expects to designate the Bonds as “qualified tax-exempt obligations” described in Section 265(b)(3) of the Code. The County acknowledges that it may not issue more than \$10 million of obligations designated as “qualified tax-exempt obligations” during the calendar year ending December 31, 2021. Therefore, in support of the expected designation of the Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code, the County represents that it has not and will not and any subordinate unit of the County has not and will not issue or agree to issue more than \$10 million of obligations designated as “qualified tax-exempt obligations” described in Section 265(b)(3) of the Code, including its Educational Facilities Revenue Bonds (Benedictine College Project), Series 2021, in the calendar year ending December 31, 2021.

Section 4. Authorization and Approval of Documents. The following documents are hereby approved in substantially the forms presented to and reviewed by the County at this meeting to this Resolution (copies of which documents shall be filed in the records of the County), and the County is hereby authorized to execute and deliver each of such documents to which the County is a party (the “County Documents”) with such changes therein as shall be approved by the officer or officers of the County executing such documents, such officers’ signatures thereon being conclusive evidence of their approval and the County’s approval thereof:

- (a) Bond Trust Indenture between the County and the Trustee pursuant to which the Bonds shall be issued and the County shall pledge and assign the payments, revenues and receipts received pursuant to the Loan Agreement to the Trustee for the benefit of and security of the owners of the Bonds upon the terms and conditions as set forth in said form of Indenture;
- (b) Loan Agreement under which the County will loan the proceeds of the Bonds to the Borrower to provide funds to finance, refinance and reimburse the Project upon the terms and conditions as set forth in said Loan Agreement in consideration of payments which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds;
- (c) Promissory Note (Benedictine College), Series 2021, which Note will be issued as provided in the Loan Agreement in an aggregate principal amount equal to the aggregate principal amount of the Bonds to be issued, made by Benedictine College, and payable to the County and to be endorsed and assigned by the County to the Trustee under the Indenture for the benefit and security of the owners of the Bonds, securing the Borrower’s obligations to make loan payments under the Loan Agreement;

- (d) Bond Purchase Agreement dated as of the date of delivery thereof among the County, the Borrower and UMB Bank, N.A., as the underwriter of the Bonds (the "Underwriter") under which the County agrees to sell the Bonds to the Underwriter upon the terms and conditions as set forth in said form of Bond Purchase Agreement;
- (e) Tax Compliance Agreement dated as of September 1, 2021, among the County, the Borrower and the Trustee entered in order to set forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Bonds, to establish and maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f);

Section 5. Approval of Use of Official Statement. The County hereby approves the use of the Preliminary Official Statement in connection with the Bonds, from which a final Official Statement for the Bonds shall be drafted (the "Official Statement"), in connection with the sale of the Bonds, in substantially the form presented to the County (a copy of which Official Statement shall be filed in the official records of the County) with such changes therein as shall be necessary to provide for the execution of such document by the Borrower.

The Official Statement and the distribution thereof by the Underwriter are hereby approved for use in connection with the sale of the Bonds. The County has not participated in the preparation of the Official Statement and has not verified the accuracy of the information therein, other than information respecting the County. Accordingly, the approval of the Official Statement does not constitute approval by the County of all information contained therein or a representation by the County as to the completeness or accuracy of the information contained therein. For the purpose of enabling the Official Statement to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the County hereby deems the information regarding the County contained in the Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officials of the County are hereby authorized, if requested, to provide the Underwriter a letter or certification to such effect and to take such other actions or execute such other documents as such officials in their reasonable judgment deem necessary to enable the Underwriter to comply with the requirements of such Rule.

Section 6. Execution of Bonds and Documents. The Chairman and Vice Chair of the County Commission are each hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the County in the manner provided in the Indenture. The Chairman and Vice Chair of the County Commission are each hereby authorized and directed to execute the Indenture, the Loan Agreement, the Tax Compliance Agreement, the Bond Purchase Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, for and on behalf of and as the act and deed of the County. The County Clerk and the Deputy County Clerk of the County are each hereby authorized and directed to attest to and affix the seal of the County to the Bonds, the Indenture, the Loan Agreement, the Tax Compliance Agreement, the Bond Purchase Agreement and such other documents, certificates and instruments as may be necessary.

Section 7. Further Authority. The County shall, and the officers, employees and agents of the County are hereby authorized and directed to, take such action, 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

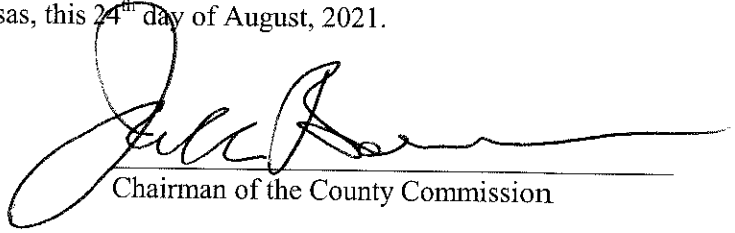
County with respect to the Bonds, the Indenture, the Loan Agreement, the Tax Compliance Agreement and the Bond Purchase Agreement.

Section 8. Effective Date. This Resolution shall take effect and be in full force after its adoption by the County and publication once in the official newspaper of the County.

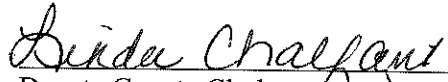
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ADOPTED by Atchison County, Kansas, this 24th day of August, 2021.

(SEAL)


Chairman of the County Commission

ATTEST:


Deputy County Clerk *Deputy Co Clerk*

